

**2006 Progress Report on  
Senior Programs and Services**

**Submitted Pursuant to HB 110**

**Virginia Housing Development Authority**

**September 22, 2006**



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**MEMORANDUM**

**To:** The Honorable Timothy M. Kaine, Governor of Virginia  
Members of the General Assembly

**From:** Susan F. Dewey, Executive Director

**Subject:** **Report on Addressing the Impact of the Aging of the Population Pursuant to House Bill 110 of the 2006 General Assembly**

Pursuant to House Bill 110, passed by the Virginia General Assembly in the 2006 Session, the Virginia Housing Development Authority (VHDA) submits this report of its progress in addressing the impact of the aging of the population.

Attachment

## **Annual Progress Report of the Virginia Housing Development Authority on the Effect of the Aging Population on State Agencies**

Chapter 54 of the 2006 Acts of the General Assembly amended § 2.2-5510 of the Code of Virginia to require that each state agency include in its strategic plan “*an analysis of the impact that the aging of the population will have on its ability to deliver services and a description of how the agency is responding to these changes.*” The bill provides further that “*(b)ased on guidance from the Secretary of Health and Human Resources, each agency shall report by October 1 of each year to the Governor and to the General Assembly its progress for addressing the impact of the aging of the population in at least five specific actions.*”

In accordance with this requirement and the guidance provided to agencies of state government by the Secretary of Health and Human Resources, the Virginia Housing Development Authority is submitting the following information for consideration by the Governor and General Assembly.

## 1. Seniors served by VHDA programs

### Senior Apartment Units Funded by VHDA through June 30, 2006

Planning District	Senior Apts. Funded with LIHTCs*	Other Senior Apts. Financed by VHDA	Total Senior Apts. Funded by VHDA	
			Thru FY 06	FY 06
1 LENOWISCO	223	0	223	0
2 Cumberland Plateau	132	0	132	0
3 Mount Rogers	370	150	520	0
4 New River Valley	160	140	300	0
5 Fifth	150	297	447	0
6 Central Shenandoah	360	236	596	71
7 Lord Fairfax	292	213	505	0
8 Northern Virginia	2,705	2,196	4,901	91
9 Rappahannock-Rapidan	400	92	492	98
10 Thomas Jefferson	366	118	484	0
11 Central Virginia	245	472	717	101
12 Southwest Piedmont	217	339	556	0
13 Southside	225	0	225	0
14 Piedmont	206	64	270	0
15 Richmond Regional	3,441	112	3,553	642
16 RADCO	898	0	898	150
17 Northern Neck	114	0	114	0
18 Middle Peninsula	72	0	72	0
19 Crater	288	329	617	0
22 Eastern Shore	223	0	223	90
23 Hampton Roads	3,453	1,275	4,728	136
<b>Statewide Total</b>	<b>14,540</b>	<b>6,033</b>	<b>20,573</b>	<b>1,379</b>

\*Senior apartment units receiving federal Low-Income Housing Tax Credits (LIHTCs) administered by VHDA may or may not have been financed by VHDA.  
[VHDA has financed approximately 60 percent of the senior LIHTC apartment units.]

See funding program descriptions in part 2 below.

### **Tenant profile of VHDA-funded senior apartment developments**

The age profile of the tenants occupying VHDA-funded senior apartment developments is consistent across the state. While VHDA does not have tenant information on all senior units it has funded, the share of apartment units for which data is available is sufficiently large to give an accurate profile of the population served.

Most households residing in senior developments are single females, with a much smaller group of single men and married couples. Following is the age profile of tenants.

Age 65 to 74: 39%                      Age 75 to 84: 44%                      Age 85 or older: 17%

### **Other senior renters served by VHDA-funded rental housing**

While most seniors residing in VHDA-funded rental housing live in developments designed specifically for senior occupancy, there are also senior residents of VHDA-funded rental developments designed for general occupancy without age restrictions. As of June 30, 2006, VHDA had data showing there were over 700 seniors residing in such properties. VHDA's tenant data is only for developments receiving project-based federal Section 8 rental subsidies administered by VHDA (see below). Therefore, the number of senior residents of non-senior developments is estimated to be far higher.

### **Senior tenants of VHDA-financed rental developments receiving project-based federal rental subsidies**

VHDA administers HUD Section 8 rent subsidy payments to 5,152 very low-income senior residents of senior housing developments financed by VHDA. Their age profile is reflected in the previous discussion of occupants of VHDA-financed senior housing.

As of June 30, 2006, there were over 700 additional very low-income seniors residing in VHDA-financed non-senior rental properties with project-based Section 8 rental subsidies. The age profile of these seniors is consistent across rental developments. They are generally younger than the seniors living in senior-only developments. In most cases, they likely moved into their apartment prior to reaching age 65. Following is their age profile.

Age 65 to 74: 58%                      Age 75 to 84: 36%                      Age 85 or older: 6%

### **Senior recipients of federal Housing Choice Vouchers administered by VHDA**

VHDA administers federal Housing Choice Voucher rental assistance in certain rural, small urban and suburban communities. VHDA administers approximately one in five HCVs funded by HUD in Virginia. The remainder are administered through local housing agencies.

Data is available on whether recipients of Housing Choice Vouchers through VHDA are elderly and disabled. However, data is not readily available on recipients' current age to enable reporting by specific age ranges. The following chart shows the number of households headed by a senior that are currently receiving HCV assistance through VHDA.

**Senior Housing Choice Voucher Recipients  
as of September 15, 2006**

Planning District	Senior HCV Recipients*			Change Since June 9, 2003
	Non-Disabled	Disabled	Total	
1 LENOWISCO	3	4	7	5
2 Cumberland Plateau	3	140	143	15
3 Mount Rogers	12	93	105	-24**
4 New River Valley	82	105	187	56
5 Fifth	2	6	8	0
6 Central Shenandoah	16	35	51	5
7 Lord Fairfax	82	65	147	47
8 Northern Virginia	25	28	53	17
9 Rappahannock-Rapidan***	30	77	107	21
10 Thomas Jefferson	15	28	43	7
11 Central Virginia	20	47	67	0
12 Southwest Piedmont	14	40	54	18
13 Southside	0	0	0	0
14 Piedmont	0	0	0	0
15 Richmond Regional	28	141	169	36
16 RADCO****	50	79	129	13
17 Northern Neck	3	4	7	0
18 Middle Peninsula	5	14	19	-7
19 Crater	4	30	34	4
22 Eastern Shore	0	0	0	0
23 Hampton Roads	10	54	64	24
<b>Statewide Total</b>	<b>404</b>	<b>990</b>	<b>1,394</b>	<b>261</b>

\* Data represents senior heads of household

\*\* Wythe County now administers HCVs directly with HUD and is not part of VHDA's program

\*\*\*Includes HCV recipients in Greene County / excludes HCV recipients in Fauquier County

\*\*\*\*Includes HCV recipients in Fauquier County

See Housing Choice Voucher program description in part 2 below.

Note: VHDA administers federal Housing Choice Vouchers on behalf of localities where there is no local entity able and/or willing to directly administer the program with HUD (mainly rural and suburban localities)

## 2. Major VHDA services utilized by seniors

### Programs to fund the development of affordable rental housing

**Mortgage loans programs for affordable rental housing:** VHDA provides mortgage loans for the development of rental housing affordable to low- and moderate-income households. Mortgage loans are provided to both for-profit and nonprofit developers, and are funded through the sale of taxable bonds, tax-exempt AMT bonds, and net assets of VHDA. Housing funded with tax-exempt AMT bonds are eligible under federal regulations to receive 4% Low-Income Housing Tax Credits, which provide a development subsidy that enable rents to be affordable to households with income of 60% or less of the area median income.

Several factors impact VHDA's ability to full meet demand for rental housing affordable to low- and moderate-income seniors.

- First, is access to mortgage capital to fund VHDA's mortgage loan programs. Many of the rental housing developments VHDA finances rely on reduced interest rate financing provided with tax-exempt bonds. The issuance of those bonds is regulated by the federal government through the IRS Code, which governs the annual amount of bonds that each state can issue, the terms and conditions of those bonds, and the permitted uses of bond proceeds. Presently, VHDA has adequate annual tax-exempt bond issuance authority to fully meet demand for mortgage loans. However, changes in federal tax law could alter this situation at any time including: 1) any curtailment in state volume caps on bond issuance; 2) federal tax reform; and 3) failure to act on Alternative Minimum Tax (AMT) provisions of current tax law, which are incrementally limiting the market for tax-exempt AMT bonds as more and more households become subject to AMT tax provisions.
- Second, is local land use and zoning restrictions, which impact whether developers of affordable rental developments are able to secure building sites and necessary local government approval. While VHDA has sufficient loan capital to meet current demand for mortgage loans by developers, future increases in loan demand resulting from an increased ability of developers to bring multifamily projects forward to the financing stage, will require greater access to capital.
- Finally, although, VHDA mortgage loans may be used to finance congregate and assisted living facilities serving low- and moderate-income seniors, the cost of providing supportive services and the lack of adequate subsidy programs in Virginia to write down the cost of those services, make it extremely difficult to structure economically viable affordable congregate or assisted living facilities. Facilities serving low-income seniors are mainly dependent on capital grants rather than debt financing provided by either by VHDA or through other government loan programs. [See 2000 House Document No. 44: "Study of Financing for Affordable Assisted Living Options Pursuant to HJR 749."]

**Allocation of federal 9% Low Income Housing Tax Credits (LIHTCs):** VHDA administers the allocation of Virginia's annual allotment of federal 9% LIHTCs. Whereas 4% LIHTCs are automatically made available to developments financed with tax-exempt AMT bonds, higher 9% LIHTCs are competitively allocated to developers of affordable rental housing in accordance with an annual Qualified Allocation Plan (QAP) adopted by VHDA and approved by the Governor pursuant to federal regulations.

Most senior housing developments that use sources of financing other than tax-exempt bonds, also depend on 9% federal LIHTC subsidies for feasibility. Demand for 9% LIHTCs by developers exceeds the available supply. Therefore, credits are allocated on a competitive basis. Currently, the most underserved need within the LIHTC program is for affordable rental units serving non-elderly, low-income families due to the greater difficulty in gaining site approvals for low-income family housing. Therefore, VHDA has capped the share of credits that are available for allocation to senior developments to the share of total needy renter households that are seniors. The continuing need for such a cap will be reevaluated each year in the redrafting of the Qualified Allocation Plan.

### **Programs providing tenant rental assistance**

**Administration of federal project-based rent subsidies:** VHDA administers federal rent subsidies for very low-income residents of rental housing financed by VHDA under HUD's Section 8 program. Those subsidies make up the difference between the full market rent for the apartment and the amount the tenant can afford based on 30% of their gross income.

As with the Housing Choice Voucher program, demand for rental assistance among eligible households far exceeds the amount of assistance currently being funded by HUD. Each Section 8 rental housing development maintains a waiting list pursuant to HUD regulations. VHDA is not provided waiting list information, but does review waiting lists and waiting list procedures as part of its annual audit of participating rental housing developments. Currently, waiting lists are longest in Virginia's larger metropolitan housing markets and shortest in slower growing rural regions.

The federal project-based rent subsidy contracts administered by VHDA expire at the end of the term of the mortgage loan. Those expirations will begin occurring in 2010 and run through 2021. While VHDA anticipates that the federal government will provide ongoing rental assistance to tenants beyond that point of time to avoid displacement, there is no guarantee that will happen.

**Administration of federal Housing Choice Vouchers (HCVs):** VHDA administers the HCV rent subsidy program in 42 rural and suburban localities that lack the administrative ability and/or willingness to independently administer the program with HUD. The HCV program serves extremely low-income households (75% of funds must be targeted to households with income of 30% or less of area median income) who are provided with a monthly subsidy that covers the difference between the amount of rent that they can afford and a federally set rent standard. Households are able to use the subsidy in any available rental unit where the rent is within federal guidelines and the landlord is willing



to participate in the HCV program. VHDA administers the HCVs in partnership with local agents (primarily local government offices), which exercise discretion as to whether to provide a waiting list preference for seniors.

Currently, demand for Housing Choice Vouchers greatly exceeds the amount of assistance funded by HUD. Most local administrative agents maintain waiting lists for the localities they serve. Approximately one third provide a preference for seniors on their waiting list. This reduces the share of persons on the waiting list who are seniors. While 16 percent of recipient heads of households are seniors, only 4 percent of persons on local HCV waiting lists are seniors.

**Seniors on Local Housing Choice Voucher Waiting Lists\***  
as of September 15, 2006

Planning District	Elderly Preference on Local HCV Waiting Lists	Households on Local HCV Waiting Lists		
		Total Households	Headed by a Senior	Share of Total
1 LENOWISCO	Elderly Preference	267	12	4%
2 Cumberland Plateau		165	6	4%
3 Mount Rogers		692	32	5%
4 New River Valley		475	33	7%
5 Fifth		28	2	7%
6 Central Shenandoah		136	6	4%
7 Lord Fairfax	Elderly Preference	60	0	0%
8 Northern Virginia		279	22	8%
9 Rappahannock-Rapidan	Elderly Preference (some localities)	318	43	14%
10 Thomas Jefferson	Elderly Preference (some localities)	369	10	3%
11 Central Virginia		530	28	5%
12 Southwest Piedmont	Elderly Preference (some localities)	115	0	0%
13 Southside		0	0	0%
14 Piedmont		0	0	0%
15 Richmond Regional	Elderly Preference (some localities)	448	14	3%
16 RADCO		520	8	2%
17 Northern Neck		118	3	3%
18 Middle Peninsula	Elderly Preference	44	0	0%
19 Crater	Elderly Preference (some localities)	370	3	1%
22 Eastern Shore		0	0	0%
23 Hampton Roads	Elderly Preference (some localities)	1,028	23	2%
<b>Statewide Total**</b>		<b>5,763</b>	<b>245</b>	<b>4%</b>

\* Includes only seniors seeking assistance through local programs under VHDA's administration

\*\* Statewide total excludes double counting of households on multiple local waiting lists

### 3. Senior Housing Programs

#### **Programs to fund the development of affordable senior rental housing**

**Mortgage loans programs for senior housing:** Most of the rental housing developments financed by VHDA that are serving significant numbers of senior households have been specifically designed for and restricted to occupancy by low- and moderate-income seniors. The individual living units in these developments are designed to provide accessible and safe accommodations for seniors. In addition, many provide congregate activity spaces to facilitate recreation, socialization and services to meet the needs of their senior residents. VHDA provides financing for independent-living apartments, congregate care facilities, and assisted living facilities. However, most of the senior rental developments financed by VHDA are designed for independent living due to the difficulty in structuring financially feasible congregate and assisted living services that are affordable to low- and moderate-income seniors (see section 2 above).

**Allocation of federal 9% Low Income Housing Tax Credits (LIHTCs):** Rental housing developments designed for occupancy by low-income seniors are eligible to compete for 9% LIHTCs. The overwhelming majority of LIHTC rental developments serving a significant number of senior households have been specifically designed for and restricted to occupancy by low- and moderate-income seniors.

#### **Programs providing tenant rental assistance**

**Federal project-based rent subsidies:** HUD’s project-based Section 8 program provides rental subsidies for either “family developments” or “senior/disability” developments. Therefore, seniors living in Section 8 rental housing mainly reside in developments that have been specifically designed for and restricted to occupancy by very low-income seniors and (in some cases) non-elderly persons with disabilities.

**Federal Housing Choice Vouchers (HCVs):** While the federal HCV program is not designed specifically to serve seniors, approximately a third of VHDA’s local administrative agents have adopted a waiting list preference for seniors (see HCV Waiting List chart).

### 4. “Consumer-oriented” and “senior-friendly” information services

For the most part, VHDA does not directly communicate with the senior consumers who are served by its rental programs and services. Most VHDA’s financial assistance that benefits senior renters is provided to or through private rental housing developers and property owners who have responsibility for communicating with and marketing to seniors. VHDA has taken steps to assist low- and moderate-income renter households in locating affordable rental housing by maintaining listings by locality of VHDA-financed and assisted rental housing developments.

In the case of the Housing Choice Voucher program, local administrative agents provide outreach to eligible seniors, directly work with seniors applying for assistance, and help seniors in locating suitable housing in their community. VHDA assists its local administrative agents in meeting the specific special communication needs of seniors and others with disabilities or special needs by supplying, as needed, large print materials, materials in Braille, funding deaf interpreters, etc.

Recognizing the special difficulties faced by seniors and other people with disabilities in locating affordable housing that provides needed physical accessibility, VHDA partnered with other state agencies and entities to create AccessVA.org. This website is specifically designed for seniors and other persons with disabilities to enable them to gain ready access to information on available affordable and accessible housing units in their community. The website also provides a central source of information about housing accessibility, including information beneficial to seniors in retrofitting their home.

## **5. Other programs and activities serving seniors**

### **Promotion of Universal Design**

Architectural barriers in residential structures pose serious obstacles to many seniors being able to continue to live independently in their homes and also to visit the homes of friends and neighbors. The three essential elements of “Universal Design” are a zero-step entryway to permit ready access by people with mobility impairments, an accessible first-floor bathroom and a first-floor bedroom. VHDA is actively working with a number of state partner agencies including DPOR, DHCD, DRS and VBPD to promote the broader use of Universal Design in new residential construction in order better meet the needs of both seniors and people with disabilities. Activities include:

- Sponsorship of an architectural design competition at Virginia’s three schools of architecture to promote new design innovation among young architects
- Provision of training for design professionals participating in the federal Low-Income Housing Tax Credit program
- Development of a Universal Design interactive CD that provides cost-effective, customized, and interactive education on accessible design to wide array of audiences—developers, consumers, and public leaders
- Consideration of the feasibility of a voluntary Universal Design certification program to promote the marketing of accessible homes similar to “Energy Star” which has effectively promoted greater use of more energy efficient appliances

### **Residential alternatives to nursing home placement**

VHDA continues to work in partnership with the Office of Community Integration, DHCD, DMAS, DSS and senior organizations to develop cost-effective, financially feasible models for developing community residential alternatives to nursing home placement. As part of these efforts, VHDA has recently provided funding for Chesterbrook Residences, a newly constructed 97-unit affordable assisted living facility in Fairfax County.

### **Expanded Outreach to the Senior Community**

VHDA is currently recruiting to hire a staff person to provide full-time outreach to the senior community. This is part of VHDA's effort to increase partnerships with local and state senior service providers and to better understand and respond to the diversity of senior housing needs across the Commonwealth.