

Older Adults Face Affordable Housing Challenges

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This paper presents information from a regional housing study in progress that aims to define affordable housing and help decision makers better understand the existing housing stock and development trends and to identify gaps and potential policies to support a variety of housing options that meet the needs of the full range of household types in our community. Additionally, it brings forth data that shows the need for increased housing units for older adults and explores the many factors that impact the need for increased affordable housing for older adults, especially those with low income.

What is Affordable Housing?



The following is taken from the Housing Market Study Overview as part of the City of Tucson, Pima County, and University of Arizona's Economic and Business Research Center **through the MAP Dashboard** partnership that is conducting a regional housing market study. The study aims to help decision makers better understand the existing housing stock and development trends and to identify gaps and potential policies to support a variety of housing options that meet the needs of the full range of household types in our community. The Housing Market Study is made up of three phases. The following is taken from a portion of the Study.

The federal government defines affordable housing as, "Housing in which the occupant(s) is/are paying no more than 30% of their income for gross housing costs, including utilities." Affordable housing means a place is affordable so that when the rent or mortgage is paid, one can still afford other basic necessities such as food, healthcare, and transportation.

Housing subsidies help to provide decent and safe housing for low-income families. Subsidies come in many forms, but the main goal is to supplement or offset monthly housing costs for individuals or families to obtain and remain in housing. Subsidies can include public housing, direct housing subsidies, and rent supplements such as deposit and down payment assistance.

The City of Tucson and Pima County administer several programs to assist both homeowners and renters in need of affordable housing. It is important to note that this is not an exhaustive summary of affordable housing units as the maps focus on housing that is owned and/or supported by the City of Tucson and Pima County or have received Low Income Housing Tax Credits administered by the State of Arizona.

Public Housing Around the Tucson MSA

Public Housing includes properties that are owned and operated by the City of Tucson, serving low-income families, the elderly, and persons with disabilities. To qualify for Tucson's public housing units the family income can be no higher than 50% of the Area Median Income at entrance into the program. The AMI for the Tucson MSA defined by the U.S. Department of Housing and Urban Development (HUD) for a four-person household is \$68,400. Therefore, the 50% income limit for a family of four is \$34,200. There is currently a closed waitlist for

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Tucson’s Public Housing Units

Public Housing Unit Summary

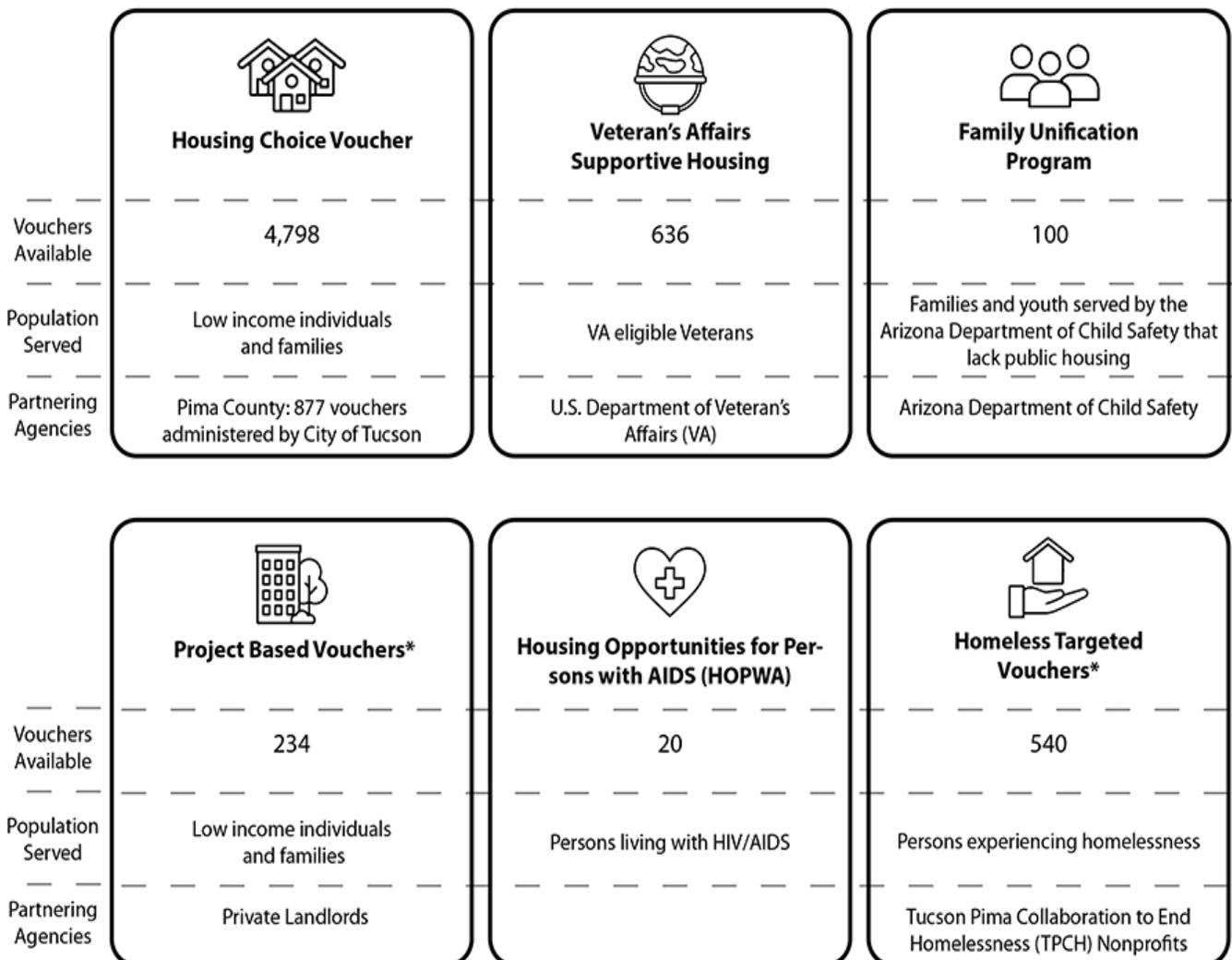
Multifamily units for Seniors or Persons with Disabilities	550
Multifamily units for Families	452
Single Family Properties	<u>503</u>
Total Public Housing Units	1,505

Tenant Based Assistance (Section 8/Voucher Assistance)

Otherwise known as "Section 8", housing choice voucher program administered by the U.S. Department of Housing and Urban Development helps very low-income families, the elderly, and the disabled afford housing on the private market. Any landlord whose property meets the requirements may participate in the program, while voucher holders are free to choose any property that is eligible. Voucher holders pay between 30-40% of their income towards rent while the balance is paid by the City of Tucson Housing Authority (using HUD funding). In Tucson, Section 8 rental units are more common in Wards 3, 5, and 6, with fewer units under contract in Wards 1, 2, and 4.

Tucson Voucher Programs Summary

Data Source: City of Tucson Housing and Community Development Department, July 2020



*Included in total count of city HCVs.

City of Tucson Affordable Housing Units (outside of Public Housing)

The City of Tucson Housing and Community Development Department (HCD) owns multi-family and single-family properties that provide affordable housing to City residents. Families are charged an affordable rent which is set below market rents by HCD. Through these complexes the city operates over 400 affordable housing units.

Affordable Housing Summary

The table above summarizes the number of affordable housing units across the region. In total there are over 12,000 units available to low-income households. The demand for affordable units is far greater than the supply and more information on the affordable housing needs will be available in Phase 3 of the Housing Market Study: the Gap Analysis, hopefully available by 1/25/21

Low Income Housing Tax Credit Program

The Low-Income Housing Tax Credit Program (LIHTC) encourages private development of rental housing by providing a credit to offset an investor's federal income tax liability. In a LIHTC project at least 20% of the units must be both rent restricted and occupied by households with income 50% or less of the area median gross income, or at least 40% of the units must be both rent restricted and occupied by households with income 60% or less of the AMGI. As of spring 2019, there were 73 LIHTC projects in Pima County containing 5,008 rental units affordable to very-low and low-income renters. Forty-seven (47) of the projects are family projects, 16 are elderly projects, and 10 are projects for special populations, including people experiencing homelessness.

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The Need



In 2019, the *Report on the State of Housing for Older Adults in Greater Tucson, Arizona* prepared by Pima Council on Aging for the Tucson Housing Foundation was completed. One of the conclusions of the report **survey results** was that seventy-four percent of facilities surveyed who offered rent subsidizes had **waiting lists totaling 3,138 older adults**. Though not all facilities surveyed are exclusive to older adults, all have been identified as targeting older adults. The list to survey was compiled through a subsidized housing resource list for clients, the 55+ housing list from the Pima County Housing Search, and a list of HUD facilities and HUD Section 8 Vouchers.

In a follow up **survey of facilities in November and December 2020**, unfortunately only 53% of the facilities reported with **waiting lists of 2,763**. Extrapolating to 74% reporting as before, it is estimated that it would add over a 1000 more on **waiting lists, for a total of 3,763**. Many, including the City of Tucson owned facilities, have stopped taking applications due to the large numbers on waiting lists and prospect of taking years to accommodate the current applicants. Some indicated 1 to 3 years to exhaust the current waiting list.

This is stark contrast to the number of individuals who were homeless in this year's The Tucson Pima Collaboration to End Homelessness (TCPH) annual "one-night snapshot" of persons experiencing homelessness in Pima County. The Point-in-Time (PIT) count took place in January 2019. On that night, the total number of people experiencing homelessness according to the U.S. Department of Housing and Urban Development (HUD) definition **was 1,372**. However, only 361 were identified as living on the streets, or were unsheltered. It should be noted that some portion of the 1372 experiencing homelessness and of the 361 who were unsheltered, were older adults.

As far back as 2016, the University of Arizona was commissioned by Family Housing Resources, Inc. to conduct a "gap analysis" of affordable low income housing in Pima County. A couple of Key Findings were: 1. there are about 156,000 lower income households in Pima County, which is about 40% of all households. They mostly reside in Tucson. 2. about 33% of the lower income households include at least one senior (65+); about 24% are families with children; and the most common lower income household type (29%) is single female living alone. "That said, our market study is still very clearly showing a huge need for housing units for low-income seniors. We are hoping to really quantify the need but just to give a sense, we know that 26.0% of senior households in the Tucson MSA, almost 31,000 households, are at or below 50% area median income for 2 people. We also know that through HUD supported Housing and LIHTC units only 4,585 senior households are currently housed."

The most compelling evidence of the need for increased housing options was the personal testimony at a Community Forum on Affordable Housing for Seniors, December 5, 2018, at the Armory Park Center:

- "I put in for housing two years ago and hear nothing."
- A representative from Strauss Manor shared letters written by two residents, one from a man who lived in a van for five years before securing a place at Strauss Manor: "I am warm. I am safe. I have my own restroom and don't have to walk a mile to find one."
- A woman shared her experience of losing her home in the foreclosure crisis that began in 2008. She now has a room in a home of a man with Parkinson's disease and provides a range of care services in exchange for room and board. "We need a system that matches people who need housing and can provide care with homeowners who need care and have extra room." She shared that the region needs a central community access point, such as neighborhood associations with list serves for better shared information on ways to match needs and availability of resources.
- Another audience member shared, "When housing is insecure, depression accompanies and it is hard to deal with bureaucracies."

- A retired city of Tucson employee is working voluntarily with a woman who needs Section 8 assistance. “She has no Internet, she is not computer-literate, she is in a wheel chair. I have been trying to help her but I feel she will wind up on the streets. It has been an eye-opening experience.”
- Another male audience member: “I got message in November I was being kicked out of the home I have been babysitting. I was in World War II. I am hoping to find a place in my income level but am having trouble finding a place. I have until February.”
- A 76-year old female shared that her two sisters had died over the last two years and she was forced to live in her van, which was hit by a car, stealing her home and her mobility. “The attitudes toward the homeless are so unkind. It is like we are lesser beings, the whole attitude is very difficult to deal with. My life is in storage in Sierra Vista...homelessness is a constant stress. It is a terrible way to live and greatly impacts mental health.”

The situation in Pima County today has not changed, except for the worst.

What is Impacting this Need

There are many factors that impact the need for increased affordable housing for older adults, especially those with low income. Chief among them are:

- Aging of the Population,
- Aging Housing Stock,
- Out-Living Available Income,
- Health Deficiencies,
- Diminished Federal, State, Local Resources Targeted for Housing,
- Housing Affordability,
- Housing Cost Burden,
- Renter Cost Burden,

These factors impinge on older adults ability to secure affordable housing which in turn leads to homelessness, isolation, increased healthcare costs and living in substandard housing, to name a few. As housing supply and quality decrease for low-income older adults, it correspondingly negatively impacts on their availability of food, transportation, in-home assistance, and medical care.

Aging of the Population

Within the City of Tucson between 2010 and 2015, the overall growth rate of the population was **1.59%**, but the change for those **60 or older adults** far exceeded that rate of growth, by a rate of **12.43%**. Pima County’s growth as well was similar in that the County’s overall population growth was **3%** and the rate of population growth for **older adults (60+)** was **5%**. A further update from the US Census Bureau Quick Facts showed that while the population of **Pima County** grew from 2010 to 2019 at a rate of **6.8%**, the **65+ population** increased **20.3%**.

Aging Housing Stock

As far back as 2006, the City of Tucson recognized the issues of the aging of housing stock. The following excerpt is from the *City of Tucson's Affordable Housing Strategies for FY2006-2010*: The City's large stock of existing housing, when kept in good repair, remains vital to meeting housing affordability needs. As the housing stock ages, the importance of rehabilitation increases. Just 25 years ago, the city had a relatively modest 10,000 residences over 50 years old. By 2010, the city will have over 53,666 homes in this category, comparable in size to Lake Havasu City. Lower-income families, who are often unable to prioritize home repair in their budgets, occupy many of these older residences. The current conditions and future trends discussed above, guide us in developing strategies to address the critical housing issues facing our community. It is a large challenge, with limited funds and a growing need.

Out-Living Available Income

The Self-Sufficiency Standard cited in the City of Tucson's Poverty Report in 2012 states that for the average person in Pima County to be self-sufficient, they need an annual income \$19,878. This does not include age stratification. Older adults are prone to higher costs and liabilities for a number of reasons including health coverage and care. According to the United States Social Security Administration, the average Social Security income for an older adult receiving social security benefits is \$18,802.

The American Community Survey indicates that 60% of people 60 or older who rent spend more than 30% of their income on housing. In the City of Tucson, the median gross rent in Tucson is \$772/mo. According to the HUD Consolidated Plan done by Tucson Housing and Community Development (HCD), households that include at least one person under age 6 or over age 75 are most likely to be low to moderate income and 29% of single person households belong to people who are 65 or over. Twenty-six percent of the City of Tucson's public housing residents are considered "elderly" with 19% receiving Section 8. Though the City of Tucson has 5,756 Section 8 Housing Choice Vouchers, only 50 are specifically ear marked for older adults

If the current housing situation for our older population is not bad enough, 10,000 baby boomers — those born between 1946 and 1964 — turn age 65 daily through 2030. Our housing for poor seniors nationwide will get worse unless more affordable housing is created. According to a 2019 Insured Retirement Institute report on baby boomers:

- Only 55 percent of boomers have retirement savings.
- Sixty percent of boomers expect Social Security to be the major source of income.

Deficiencies as We Age

America is aging. By 2050, the number of adults aged 65 years and older will nearly double; the number of elders of color will more than triple. The notion of advancing public health for older Americans may seem contradictory in our youth-oriented culture, yet people aged 65 years have an average of almost 20 years or more remaining in their lives, an increase of more than 50% during the past century. Lower income adults become economically insecure older adults who do not have the resources to pay for a decent quality of life in those remaining years. A key lever to promote healthy aging in communities is affordable housing, especially for older adults who have limited incomes. As housing supply and quality decrease for low-income older adults, rising housing costs correspondingly impinge on family support, including availability of food, transportation, in-home assistance, and medical care. The problem is not new, but a rapid

transition to an older society, with marginal assets in disadvantaged communities, highlights a problem requiring comprehensive public policy for affordable housing.

Diminished Federal, State, Local Resources Targeted For Housing

There are multiple factors involved with the shortage of subsidized and affordable housing in the City of Tucson. The largest and most notable factor is the reduction in subsidized housing support, especially for older adults. Over the past nearly two decades, housing funding for low-income individuals through federally funded programs has remained relatively level, despite the growing need. According to a 2015 study done by the Congressional Budget Office (CBO), “only about one-quarter of the eligible low-income population received housing assistance through federal spending programs.” The CBO notes that Congress is able to change policy that would help more people by either changing tax laws or reprioritizing expenses of the federal government. Continued advocacy at the national and state levels to fund social services that help lower-income older adults is critical to achieving more affordable housing options through outreach, education, case management, and individual advocacy.

Housing Affordability

At a April 16, 2019 Community Forum on Affordable Senior Housing held at the El Pueblo Center Pima County Housing Manager, Marcos Ysmael estimated that in Pima County, the current shortage of affordable homes totals 35,000-50,000. He noted that Pima County is “seeing increases in the number of Elderly seeking assistance in housing. There is a clear upward trend in people 50-64 among homeless population and many do not qualify for Federal or other assistance. In fact, 35% of households receiving housing choice options are Elderly. We have an increasing need. Ysmael noted that the need for assistance “far exceeds the funding we receive of \$1.3 million annually supporting home ownership....We need more solutions to address his problem.”

Housing Cost Burden in the City of Tucson and Pima County.

More than 33% of Tucson households are housing cost burdened. According to the [Making Action Possible \(MAP\) dashboard](#), housing cost burden reflects those households that pay greater than 30% of their income on housing costs. The Dashboard further notes that historically, housing expenditures (including utilities) for both homeowners and renters that exceed 30 percent of a household’s income are considered cost burdened. This designation evolved from the United States National Housing Act of 1937. Households that are cost burdened are more likely to struggle to pay for other basic needs such as healthcare, childcare, transportation, and even food.

When comparing household tenure, renters are more likely than owners to be cost burdened. In the Tucson MSA during 2018, 22.4% of owners and 51.8% of renters were housing cost burdened. This was consistent with the state and the nation.

Housing Cost Burden among [Homeowners](#)

Although housing expenditures for homeowners include property taxes and homeowner's insurance premiums, property taxes for homeowners in Tucson are significantly lower than in other large cities across the country. According to a 2019 study, Tucson homeowners had the 6th lowest combined property tax bills for a median valued home, of the 50 largest U.S. cities in the study. This includes city, county, school district, and special district property taxes, combined.

What kind of cost burden does homeownership have on homeowners with mortgages in the City of Tucson and Pima County? The highest housing cost burden category in the 2018 5-year American Community Survey (ACS) data are those households that pay more than 35% of their income to housing costs. For example, 45.9% homeowners in Census tract 26.04 near Oracle and Prince, pay more than 35% of their income toward housing costs, one of the highest burdened areas in the city.

Housing Cost Burden among Renters

How does renters' housing cost burden compare in the City of Tucson and Pima County? The highest housing cost burden category in the 2018 5-year ACS data are those households that pay more than 35% of their income to housing costs. The map below shows the percentage of renting households in each Census tract that fall within this category. For example, 87.1% of renting households in Census tract 44.23 (east of Picture Rocks) pay more than 35% of their income to housing costs, while only 13.1% of renting households have the same burden in Census tract 44.25 (on the west side of Picture Rocks).

On a national level according to an article from the Harvard Joint Center for Housing Studies, “the number of cost-burdened older adult households reached a high of 9.7 million in 2016, up from 6.5 million in 2001. This new peak includes 4.9 million severely cost-burdened households (those spending over half of their income on housing). Some of the increase was due to the growth of 8.2 million older adult households from 2001 to 2016. However, the share of cost-burdened older households also increased from 30 percent in 2001 to 32 percent in 2016. The share of severely cost-burdened rose from about 14.5 to 16 percent over the same period.

The overall rates mask significant differences between homeowners and renters. About a quarter of all older adult homeowners are cost burdened, including 12 percent with severe burdens. Older adult homeowners who are still paying off their mortgages face higher rates of burden at 43 percent. Meanwhile, a full 54 percent of older adult renters are cost burdened, with 30 percent experiencing severe cost burden.

As a result of both income and rent changes in older age, severe housing cost burdens are more common among those in the oldest age group. While older adults generally have lower incomes than those of working age, incomes also continue to decline with age. According to data in the (ACS), while the median income in 2016 for homeowners aged 65-79 was \$53,400, it was only \$35,000 for those aged 80 and over. However, monthly housing costs for older homeowners also fell with age in 2016, decreasing from \$726 for those 65-79 to \$509 for those 80 and over, likely due to the higher rates of older owners who have paid off their mortgages. In contrast, renters tend to see their cost rise as they age. The median income for renters aged 65-79 was \$23,600 in 2016, falling to \$21,500 for those age 80 and over. Renters age 80 and over had median rents of \$850, paying \$50 more each month than those aged 65-79.”

The Future

It is hoped during the Affordable Housing Summits Scheduled for January 25 – 28th and February 5, 2021 in Tucson that the background and information provided regarding policies and regulations that limit certain housing options or make them more expensive to construct, new financial options and creative and innovative housing approaches, will lead to the development an Affordable Housing Plan for Housing for Older Adults that will increased housing units and housing opportunities in Pima County, Arizona

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