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AFFORDABLE HOUSING FINANCE

Senior Housing: A Place to Call Home

Developers are working to ensure residents can age in place.

By [Donna Kimura](#)



Duane Miller (left) of Flaherty & Collins Properties and Mark Lindenlaub of Thrive Alliance turned four buildings in downtown Greensburg, Ind., into housing for seniors. (Jennifer Cecil)

The Historic Greensburg Square Apartments is a sign of the future.

Located in the city of Greensburg, Ind., the new property provides 40 affordable apartments for seniors at a time when the elderly population is booming nationwide.

The estimates are staggering as the mighty baby boom generation ages. By 2030, more than 70 million Americans will

be 65 or older, twice the number in 2000, according to the Census Bureau. The coming “gray wave” will surely increase the need for affordable seniors housing.

To develop Historic Greensburg Square Apartments, developers Flaherty & Collins Properties and Thrive Alliance renewed four derelict buildings in the city’s courthouse square. The move is adding vitality to the heart of downtown and providing valuable housing.

“Having a community of seniors living in their historic downtown provides a perfect environment and support system for this population to age in place together,” says Duane Miller. “As one of the veterans told a group of us at the open house, ‘Now I can call this place home.’”

“Aging in place” is the ability of people to live in their long-term homes and communities safely, comfortably, and independently for as long as possible, regardless of age, income level, or physical ability. The Indiana Housing and Community Development Authority (IHCDA) is among the state housing finance agencies thinking hard about supporting seniors housing in a way that helps it meet these criteria. As part of this effort, IHCDA recently completed an aging-in-place study by interviewing senior residents and property managers.

Aging in place usually focuses on adapting a house or apartment to meet residents’ needs, but the IHCDA study found that a property’s location plays a

SENIORS HOUSING: A GLOSSARY OF TERMS

ADULT-DAY SERVICES—Medical, social, and recreational services provided to people for several hours daily, usually during work hours and in a community setting. Provided most often as assistance to working caregivers, but people who need services can participate on their own, too.

AGING IN PLACE—The concept that older people can live in their long-term homes and communities safely, comfortably, and independently for as long as possible, regardless of age, income level, or physical ability.

ASSISTED LIVING—A wide range of residential settings for people who need support with independent living. Care varies from help with meals, laundry, and housekeeping to personal care, such as help with bathing, dressing, and taking medications. Typically, residents in an assisted-living arrangement have individual service plans tailored to their care needs. Staff members are on site 24 hours. In some states, residences are licensed and required by law to provide specific types of help.

Continuing Care Retirement Community (CCRC) —Housing planned and operated to provide a continuum of accommodations and services for seniors, including, but not limited to, independent living, congregate housing, assisted living, and skilled nursing care. A CCRC resident contract often involves either an entry fee or buy-in fee in addition to monthly service charges, which may change according to the services required.



ABOUT THE AUTHOR



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big role in creating a feeling of being at home, says Jacob Sipe, IHCD's executive director.

"The location meant they had access to services, access to retail, access to where they can do their banking, and access to the doctor's office," he says.

The study urges IHCD to embrace the importance of place by adopting a more comprehensive view of "aging in community" and incentivizing desirable locations.

The findings led to several changes in the agency's 2016–2017 qualified allocation plan (QAP) for reserving low-income housing tax credits (LIHTCs). IHCD sets aside 10% of its housing credits for elderly housing.

In the new QAP, the highest-scoring category is "desirable sites." This includes being close to retail, services, and civic and community facilities.

In addition, IHCD has made universal design features a threshold requirement instead of a scoring category. "We recognized that one of the comments we consistently saw was the importance of having accessible units and universal design features," Sipe says. "We decided to raise the bar."

The agency is reviewing 16 applications and expects to make its LIHTC reservations in February.

The aging-in-place study helped shape the latest QAP but is important for another reason, as well. "I think it also helps developers, giving them more information as to what makes their properties attractive," says Sipe. "I hope this isn't just a tool for public policy. I hope this is also a tool for communities and developers to meet the needs of our aging population."

An answer for Greensburg

The Historic Greensburg Square Apartments is one of the more recent seniors housing developments to open in Indiana. The project involved the rehabilitation of several prominent buildings in the city, including the old Seitz Hotel, a YMCA, and two other nearby buildings.



A former YMCA has been converted into 14 affordable apartments for seniors by Flaherty & Collins Properties and Thrive Alliance in Greensburg, Ind. The building is part of a larger \$9.5 million Historic Greensburg Square Apartments development, which includes the conversion of an old hotel and two other buildings. S3 Architects designed the project. (Daniel Showalter Photography)

one \$9.5 million project that serves residents earning between 30% and 60% of the area median income (AMI).

The hotel and Y buildings each have 14 units, and the two others each have six. One building by itself would have likely been too small to earn LIHTCs or to finance efficiently, so that led the development to acquire all the buildings.

Thrive Alliance, the region's Area Agency on Aging, is charged with helping vulnerable older adults in their homes and

Continuum of Care—The full spectrum of care available at CCRCs, which may include independent living, assisted living, nursing care, home health, home care, and home- and community-based services.

NURSING HOME—A facility that provides skilled health-care and rehabilitation services to people with illnesses, injuries, or disabilities. Residents often need extensive 24-hour care.

SEC. 202—A federal program offering affordable housing for older adults with limited incomes. Sec. 202 also offers rental assistance to people who qualify based on a resident's adjusted gross income. Occupancy is open to very low-income households comprised of at least one person who is at least 62 years old at the time of initial occupancy.

UNIVERSAL DESIGN—A design concept that encourages the construction or rehabilitation of housing and elements of the living environment in a manner that makes them usable by all people, regardless of ability, without the need for adaptation or specialized design.

Sources: AARP; Department of Housing and Urban Development; SeniorHousingNet.com



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communities. It can provide residents with meals and other support to help them stay in their homes as long as possible.

Financing for the project included about \$8.3 million in LIHTC equity from Alliant Capital. In addition to awarding the credits, IHCD provided \$400,000 from its development fund and \$400,000 in HOME funds. First Merchants Bank and MainSource Bank were the lenders.

Cottages for an independent lifestyle

Indianapolis-based Herman & Kittle Properties is a veteran developer that builds seniors, family, and other housing in 15 states. In line with the recent study findings, most of the company's seniors housing communities are located near amenities.

One of the firm's more recent developments is the 68-unit Cottages at Sheek Road in Greenwood, Ind.



Developed by Herman & Kittle Properties, Cottages at Sheek Road provides one- and two-bedroom apartments for seniors earning between 30% and 60% of the area median income in Greenwood, Ind. (Courtesy of Herman & Kittle Properties)

"Our convenient location is minutes from St. Francis Health Center," says Jeff Kittle, president. The property is also close to shopping, dining, and other essential services.

Most of Herman & Kittle's seniors housing communities consist of four-story buildings, but Cottages at Sheek Road is a one-story, drive-up development. The average age of the residents runs a little younger than those who live at the company's multistory buildings, according to Kittle.

Several content residents have described Cottages at Sheek Road as the last move they will have to make.

The IHCD study found that seniors love single-story, private-entrance apartments like the ones this property offers. For many of the seniors, this is

their first apartment, and it helps with the transition from homeownership to renting. Cottage-style apartments also help facilitate independence.

Creating a sense of community through services and programs is one of the ways Herman & Kittle has tried to facilitate aging in place at its various developments.

"Most of the residents—not all of them, but most—are retired and are not working," Kittle says. "They spend more time in the [housing development]. Having a community with other residents is important. We try to have either a full-time or a part-time activities director to promote different activities for the residents, because they are there more than a family household [would be]."

The \$10 million Cottages at Sheek Road was financed largely with LIHTCs. Herman & Kittle's financing partners included Red Stone Equity Partners, Pacific Life Insurance Co., and JPMorgan Chase.

New models

National Church Residences (NCR), one of the nation's largest owners of affordable housing, with approximately 22,600 units for seniors, families, and special-needs residents, is also thinking hard about aging-in-place strategies.

One of its big initiatives is to preserve all of its affordable housing communities. "For us, that means looking at our own real estate and making sure we've done major rehabs every place we can, and when we do them, to make sure we look at the amount of community space and how we use it," says Michelle Norris, president of National Church Residences Development Corp.

"The goal is to fix the bricks and sticks at the same time we implement the vision of bringing in services," says Norris. This could mean increasing the size of the space or redesigning it to be more functional. Norris calls the process "elderly transformative preservation."

The work is starting at the Landings of St. Andrew in New Port Richey, Fla., near Tampa.

The team has received a 9% LIHTC award that will help the organization preserve the 18-year-old building. It was designed with a number of smaller community spaces, so the plan is to redesign the building to have one floor that will focus on health care, including medical exam rooms for visiting doctors. There will also be a more robust fitness center.

A bolder example of NCR's preservation effort is Chimes Terrace in Johnstown, Ohio. The Sec. 202 property needed to be recapitalized and updated, which led NCR to consider a deeper transformation. In 2011, the Department of Housing and Urban Development awarded the firm a \$3.6 million Assisted Living Conversion Program (ALCP) grant to convert 24 of the property's 60 units into affordable, licensed, assisted-living units. As a result, Chimes Terrace now offers both affordable independent living and affordable assisted living in the same building. Seniors in the affordable units can access a meal program and other services found in the assisted-living section.

The financing for the \$12.8 million project also includes nearly \$4 million in LIHTC equity from the National Affordable Housing Trust.

"The independent-living residents have access to a lot of services because they are co-located in the same building," Norris says. "We consider that a true elderly transformative preservation project."

In another move, the firm is exploring a model based on a continuum-of-care structure, where independent living, assisted living, and memory care are on one campus.

Continuums such as these have typically been in market-rate communities with an expensive entry-fee model. NCR is looking to adapt the continuum concept into a pure rental model targeted to residents who have more income than is allowed in LIHTC communities but less income and fewer assets than it takes to move into many of the continuing-care retirement community (CCRC) campuses.

"It's what we call 'Middle America's retirement community,'" Norris says.

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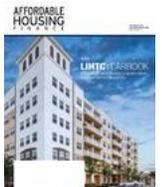
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