



**Alaska Senior Housing Summit Executive Summary**  
***Challenges, Opportunities & Strategies for Developing Appropriate Senior Housing***  
***Across the Continuum of Care***

**Introduction**

Housing is one of the top priorities for Alaska seniors. How will Alaska provide appropriate and affordable housing for its growing number of seniors who live independently, supportive services to maintain their quality of life, and help for them to transition to assisted living and nursing home care if needed? These topics provided the focus for the Alaska Senior Housing Summit, the first conference devoted to a discussion of senior housing issues in the state.

The Alaska Commission on Aging (ACoA), Department of Health and Social Services (DHSS), Alaska Housing Finance Corporation (AHFC) and the Alaska Mental Health Trust Authority (AMHTA) hosted the Alaska Senior Housing Summit on December 12, 2012 at the Wilda Marston Theater, Loussac Library in Anchorage. The purpose of the Summit was to bring together policy makers, real estate developers, providers, seniors and community stakeholders to discuss the pressing needs for more affordable, appropriate and sustainable senior housing along the continuum of care that includes independent senior housing, senior housing with support services and long-term care housing such as assisted living facilities and nursing homes. Speakers included representatives from the U.S. Department of Housing and Urban Development, Alaska Housing Finance Corporation, architects, developers, assisted living and nursing homes, Alaska Mental Health Trust Authority, agencies serving seniors, and the Department of Health and Social Services.

Alaska continues to lead all states in having the fastest-growing senior population of persons age 65 and older. The senior population is the fastest growing age segment in our state. In 2012, the estimated Alaska senior population (age 60 years+) numbered 104,807 with 63,832 being persons age 65 and older. The number of seniors, representing 13.6% of the state's population, has grown 85% from 2000 to 2011. Alaska's senior population, growing at a rate of approximately 6% per year, will continue to increase as the baby boomers reach retirement age. Growing almost as fast are people age 85 and older – many of whom have special housing needs. All of the Department of Health and Social Services' nine service regions have experienced at least a 38% increase in their senior populations from 2000 to 2011. The senior population growth has been most rapid in the Railbelt (Anchorage, Kenai, Mat-Su, Fairbanks and Southeast Fairbanks census areas) as compared to the rest of the state. No area of the state has lost senior population. Providing appropriate and affordable housing for Alaska's growing older adult population with limited funding will pose significant challenges in the years ahead.

Seniors are a valued resource for Alaska. Annually, seniors contribute an estimated \$1.9 billion to the state's economy from their retirement incomes, health care expenditures and other revenue sources in addition to thousands of hours of unpaid volunteering and caregiving. The ACoA believes it is important that we as a state invest in programs that work to keep seniors living, contributing, and thriving in Alaska.

This summary describes the challenges, opportunities and strategies for developing appropriate and affordable housing for Alaska seniors along the continuum of care that were identified by speakers during the Summit's four panel presentations. Moderators included Bill Streur, Commissioner, Department of Health and Social Services; Colleen Bickford, Alaska HUD Director, Department of Housing and Urban Development; and Rachel Greenberg, Deputy Director, Mat-Su Senior Services.

**Panel 1: Affordable and Sustainable Senior Housing Across the Continuum of Care:  
Where We Are and the Challenges Ahead**

This keynote panel provided an overview of the growing need for senior housing, the challenges to provide affordable and appropriate housing, and strategies to maximize revenue streams to meet demand across the continuum of senior housing. Providing affordable and appropriate senior housing is an important strategy for sustaining a healthy community and enables older Alaskans to maintain a high quality of life.

Panel speakers included representatives from the Department of Housing and Urban Development, HUD (Colleen Bickford, Alaska HUD Director), Alaska Housing Finance Corporation, AHFC (Mark Romick, Director of Planning & Program Development), Alaska Mental Health Trust Authority (Paula Easley, Trustee), Alaska State Hospital Nursing Home Association (Karen Perdue, CEO), Livingston Slone Architects (Tom Livingston, Principal Architect) and Bristol Bay Housing Authority (Vivian Shade, Housing Manager). DHSS Commissioner Bill Streur served as panel moderator.

**Challenges Identified**

- A short building season combined with high project costs related to transportation, energy and utilities that are substantially higher in rural, remote areas of the state.
- Site acquisition (securing the “right” parcel to build the project), acquiring access to utilities and having adequate infrastructure to support the project.
- Lack of community support for the proposed senior housing project.
- Limited funding, the persistence of the “grant mentality,” and resistance to using private investment to leverage additional funding.
- Limited stock of accessible and appropriate housing for residents of all ages and abilities.
- Lack of sustainable funding to pay for the housing project’s ongoing operational costs.
- Critical need for rental assistance to assist seniors on a fixed income. According to AHFC, almost two-thirds of the senior population cannot afford fair market rent.
- Low occupancy issues in rural elder housing. Families may resist moving their elderly family member into senior housing due to the loss of the senior’s income that contributes to the household budget.
- Insufficient training opportunities to inform communities about funding programs, how to leverage resources, and implementing strategies for maximizing their utilization.
- Insufficient number of assisted living and nursing home beds to meet the need of a growing elderly population, particularly in Anchorage. Approximately 2% of the elderly population requires nursing home level of care that accounts for 20% of the state’s Medicaid expenditures. Many elderly are being cared for in hospital settings at a higher cost because of the limited number of nursing home beds.
- Securing adequate revenues to cover operational expenses for long-term care facilities that generally require at least 60% of their costs to be paid by private pay in order to be self-sustaining.
- Lack of capital infusion and vision for the future of the Pioneer Homes.

**Opportunities to Consider**

- Encourage communities to identify the need for senior and accessible housing in their planning efforts and build projects that fall within local capacity to sustain those housing efforts.
- Engage local governments in housing development plans to encourage local buy-in.
- Utilize modification to improve accessibility for existing housing to reduce the need for new construction.
- Provide and appropriately fund home- and community-based services, assistive technology and support for family caregivers to delay the need for higher cost levels of care.
- Develop strategies to promote private investment and support seniors in their need for housing across the continuum of care.

- Explore and implement new innovations in senior housing design. Options include “Practical Assisted Living Structures (PALs)” and MedCottages (“Granny Pods”) that provide lower-cost alternatives to assisted living or nursing home care and allows a family to care for their elderly family member at home. Using “cargo containers” is another low-cost option to construct new independent senior housing. They can be well-insulated, modified with amenities, and connected or stacked to create efficient space for a fraction of conventional material costs.
- Learn from past mistakes and maximize all resources to the fullest extent.

### **Strategies to Implement**

- Promote senior housing development utilizing multiple funding sources that incorporate private sector funding such as AHFC’s Senior Housing Revolving Loan Fund and other financing sources.
- Incorporate universal design features in all new housing to promote accessibility for persons of all ages and abilities and educate the real estate market to assign appropriate market value.
- Educate the real estate market about the benefits of accessible housing and assign appropriate market value for housing with universal design features.
- Promote development of senior housing with smaller units (“cozy by design”) to bring down costs.
- Develop “graduated income” senior housing projects to leverage private investment with public sources to accommodate residents of mixed incomes.
- Encourage more private investment in assisted living and nursing homes by increasing efficiencies in operating costs to make the cost more affordable for private pay.
- Encourage more public and private investment in the Pioneer Homes to increase the number of beds and reduce mounting waitlists.
- Continue efforts to restructure reimbursement rates based on acuity to incentivize care for higher need patients and encourage more private investment.
- Partner and support hospitals that have large amounts of cash and trained staff to provide the full continuum of care for patients – a strategy to increase long-term care efficiencies in rural and remote regions through the use of “swing beds.”
- Implement strategies to sustain the management of senior housing to address high operating costs after the project is built. HUD’s 202 senior housing program provides property management funding through the rental assistance program.
- Provide additional training, technical assistance and outreach to help communities identify and compete successfully for funding of their senior housing projects.
- Develop housing that meets the personal and cultural needs of community residents by involving residents in project planning. Pay attention to details.

### **Panel 2: Best Practices, Funding & Strategies for Building Independent Senior Housing**

Primary funding sources for construction of independent senior housing include AHFC’s Senior Housing Grant Development Fund, AHFC Senior Housing Development Loan Fund, HOME funds in addition to Housing and Urban Development’s (HUD’s) 202 Senior Housing Program (provides funding for capital and operating costs), HUD’s Section 184 Revolving Loan Program (for Native tribes), HUD’s Low-Income Tax Credit program and the Native American Housing Self-Determination Act (NAHSDA) program. These funding sources can be combined with private capital to increase funding levels.

This panel examined the challenges for meeting demand for senior housing that includes seniors with special needs, the developer’s role in putting together successful projects, and the types of services that assist seniors to remain in their homes. Housing that allows seniors to age in place must promote access to appropriate senior services through partnerships with senior service providers that provide low-cost assistance for seniors to help keep seniors healthy, provide support for their unpaid family caregivers, and delay or avoid the need for higher and more expensive levels of long-term care.

Panel participants included representatives from Alaska Housing Finance Corporation, AHFC (Mark Romick, Director of Planning & Program Development), Cook Inlet Housing Authority (Jeff Judd, Executive Vice President of Real Estate), Anchorage Neighborworks (Bruce Kovarik, Director of Finance), and Steven Rouse (Executive Director of Kenai Peninsula Housing Initiatives and President/CEO of Rouse & Associates). Colleen Bickford, Alaska HUD Director, moderated this panel discussion.

### **Challenges Identified**

- The cost of housing is prohibitive for seniors on fixed incomes. Rents in urban communities are too high for many seniors to afford.
- Inadequate subsidies for senior housing development that make rents affordable.
- High construction costs (\$284,000/unit in Anchorage) which are substantially higher in rural and remote areas.
- The average “development gap,” or the unfunded amount of the project development budget needed to complete the housing project, is high and prohibits new construction.
- Funding levels for AHFC’s Senior Citizen Housing Development Fund (SCHDF), a gap financing program for senior housing construction, is inadequate to meet the accelerated demand from Alaska’s aging population. Applications from the last SCHDF funding cycle requested \$12.8 million for construction of new senior housing however \$3.5 million of SCHDF funding was available (from the \$4.5 million SCHDF allocated that includes funding for weatherization, renovation and program administration). Funding levels for the SCHDF have remained flat for the past three years and have not kept up with accelerating demand as well as the cost of inflation.
- Fewer funding sources. A separate capital fund allocation for HUD’s Section 202 Supportive Housing for the Elderly Program to Alaska is no longer available. This change occurred in 2011. Alaskan applications now compete nationally for HUD 202 funding.
- Developer capacity to successfully pull together multiple revenue sources is needed for planning and construction.
- Time element is critical. Long delays in planning and building senior housing projects can significantly increase construction costs and reduce the project’s responsiveness to current need.

### **Opportunities to Consider**

- Examine successful models developed in other states and adjust those models to fit local needs and conditions.
- Utilize all potential funding sources incorporating public and private revenue sources.
- New regulation changes for the Senior Housing Revolving Loan Fund (SHRLF) approved by the AHFC Board of Directors are expected by AHFC to substantially increase the utilization of the SHRLF. These changes removed restrictive language and reference to outdated design standards from the ‘90s; allows the fund to be used with existing loan programs serving the elderly; clarified the definition of elderly to match the federal definition; clarified the definition of senior housing to include single family; and allows AHFC to make multi-family loans with the fund which are occupied by the elderly.
- Incentivize new senior housing development by subsidizing the interest rate of the AHFC SHRLF (which is market rate or higher) and other AHFC loan programs when they are used in combination with the SCHDF grant program to maximize SCHDF funds and increase the number of new senior housing units statewide.
- “If they build it, will they come?” Conduct a needs assessment that considers the community’s whole continuum of housing to determine if the proposed project is the “right fit” for the community.
- “If we build it, will they stay?” Engage the community in planning efforts to ensure that the proposed housing will meet resident needs.
- “If we build it, can they stay here?” Incorporate flexibility into the project design that allows services to be modified as needed for aging residents.

## Strategies to Implement

- Assemble a competent project team that has experience in development, service, and management to increase chances for funding and sustainability.
- Engage the community in a “visioning process” to identify who will be served by the project and the project’s design.
- Conduct a comprehensive market assessment of local need and demand.
- Realistically consider the project’s debt capacity and build a project that can support the debt.
- Hire a capable developer to pull together funding sources and deliver the project on-time, on-budget.
- Mandate energy efficiency to reduce operating costs.
- Build a senior housing project with “flexibility” that allows people to age in place and offers services that meet the changing needs of residents.
- Utilize weatherization, loan and refinance programs to improve accessibility for owner-occupied senior housing. Funding sources include DHSS Senior Accessibility Program (in coordination with AMHTA and AHFC), AHFC’s Senior Accessibility Program, and HUD-Native American Housing Assistance Self-Determination Act (NAHASDA).
- Create an informational resource that provides guidance on how to develop a senior housing project.
- Educate the Governor’s Office and Legislature about the significant need for senior housing throughout the state. Advocate for appropriate increases for the Senior Citizen Housing Development Fund (SCHDF) to address the demand for new senior housing. Set-aside a portion of new SCHDF for rural housing construction projects.

## **Panel 3: Enhancing Senior Housing with Supportive Services: A Health-Effective & Cost-Effective Alternative to Long-Term Institutional Care**

According to findings from the 2010 survey conducted by the Alaska Commission on Aging, 95% of Alaska seniors surveyed reported their preference to remain in their current home. Providing accessible housing based on universal-designed principles and a host of supportive services including home- and community-based services, tele-health care, and assistive technology can be instrumental to keeping seniors healthy, independent and living in their own homes – outcomes that are cost-effective and most desired by seniors. This panel examined the array of services and technology available to support seniors living at home. Participants included representatives from the Alaska Mental Health Trust Authority (Nancy Burke, Program Officer), Division of Senior and Disabilities Services (Duane Mayes, Division Director), Raven Landing Senior Community in Fairbanks (Karen Parr, Board Chair), and Access Alaska (Jim Beck, Executive Director). Rachel Greenberg, MatSu Senior Services deputy director, moderated the panel discussion.

## Challenges Identified

- Increasing demand for senior home- and community-based services (such as Personal Care Assistance services, Medicaid waiver and senior grant-funded services) and mounting pressure on public resources that support these services.
- Lack of continuing of care senior housing projects that provides services on-site and allows an elderly person to age-in-place as their health conditions change.
- Need for quality senior housing for persons with moderate income levels whose incomes are too high to qualify for income-restricted senior housing but not enough to afford market rents.
- Few options for seniors who experience a disability or are recovering from hospital stays and require short-term assistance with activities of daily living.
- Seniors with depression and substance abuse whose problems are undetected and untreated.
- Growing financial risk for seniors on a fixed income to afford increasing costs of living and health care expenses.
- Lack of resources and options for elders living in rural communities forcing them to relocate to urban areas for services.
- Lack of supported housing for persons with Alzheimer’s disease and related dementia (ADRD) and for persons with dementia and complex behaviors.

- Mounting workforce demands (recruitment, training and retention) across the continuum of care for senior services.
- Growing need for hospice services, especially in rural communities, that provide end-of-life care allowing an individual to remain close to home.
- Few provider incentives to care for patients with higher needs.

### **Opportunities to Consider**

- Encourage and support families and community members to provide assistance to seniors as needed.
- Explore strategies to improve efficiencies and reduce duplication to meet increasing demand for services.
- View the continuum of care as a “circle” where assisted living and nursing homes can be a place to recover that allows the older person to regain health and return home. Identify and fill in the service gaps in a community’s existing service array to promote the “circle of care.”
- Apply a “person-centered approach” to determine local senior housing needs.
- Promote greater use of assistive technology to help seniors maintain their independence. Assistive devices help persons with disabilities navigate their environment, manage medications, and improve safety for seniors with dementia.
- Explore the idea of a “housing trust” as a way to increase the amount of funding available for senior housing projects.
- Build larger assisted living homes to increase the number of people served with greater efficiency in urban locations.
- Promote more public-private partnerships as a way to increase resources for senior housing development and provide age-in-place housing for moderate-income seniors. (For example, Raven Landing Senior Housing project in Fairbanks)

### **Strategies to Implement**

- Increase financial and long-term care planning to help seniors on a fixed income address increases in costs of living and rising medical care costs.
- Utilize technical assistance provided by AHFC, AMHTA and HUD to design housing plans that result in sustainable senior housing projects.
- Implement home modifications to improve accessibility and prevent falls so that seniors can live at home longer. The Centers for Independent Living provide home assessments by using the HomeMap tool to identify fall risks. DHSS, AMHTA and AHFC provide financial assistance for home modification to increase safety and comfort for elderly persons and those with dementia living at home.
- Increase support for programs/services that serve family caregivers to reduce caregiver stress and prolong their ability to provide care for aging family members at home.
- Continue efforts by the Department of Health and Social Services to implement higher reimbursement rates based on acuity to incentivize providers to serve persons with higher health care needs.
- Utilize behavioral health screenings such as IMPACT (Improve Mood Promote Access to Collaborative Treatment) and SBIRT (Substance Brief Intervention Referral Treatment) to ensure that older people are healthy and not suffering from preventable conditions such as depression and substance abuse. Screenings evaluate the need for intervention and connect individuals needing behavior health services to resources.
- Encourage use of Aging and Disability Resource Centers (ADRCs) to provide information and referral to seniors and their families about appropriate long-term support services in the community.
- Implement use of technology to promote health and independence for seniors. Options include assistive technology, patient remote monitoring, environmental controls and social networking. Veterans Affairs (VA), Trust mini-grants, Access Alaska, and Assistive Technology of Alaska (ATLA) provide support (equipment loans and training) for seniors and others.
- Train users in assistive technology to ensure the technology is utilized correctly.

#### **Panel 4: Assisted Living & Long-Term Care Facilities - Current Status & Future Directions**

The need for assisted living and nursing homes will increase as the numbers of elderly people balloon over the next 25 years. Assisted living facilities and nursing homes provide care to seniors who are no longer able to live independently. The rising number of people with dementia will require assisted living that specializes in dementia care. In addition, there is an emerging population of seniors with dementia and challenging behaviors that require specialized services and may fall outside of Alaska's current service array and provider expertise.

While assisted living facilities in other states are often large, the vast majority of assisted living facilities in Alaska are small, 2 to 5 beds, with services provided by a two or three person staff in a single-family home. In Alaska, requests for additional nursing home beds are evaluated through the certificate of need program. Generally, these requests are not approved until there are at least as many assisted living beds in the community. This approach has been effective in limiting the construction of more expensive nursing home beds and allowing people to live in more home-like settings. Alaska has the fewest number of nursing home beds nationwide.

This panel examined the array of services of assisted living and skilled long-term care facilities in providing care as well as the challenges to increase service at sustainable levels to meet the demands of Alaska's growing elderly population who are no longer able to live independently. The panel included representatives from Alaska's Pioneer Homes (Dave Cote, Division Director), Providence Horizon House (James Benard, Director), Providence Extended Care (Dr. Karen Mailer, Medical Director), Primrose Retirement of Wasilla (Mick Thares, Regional Operations Manager for Primrose Retirement Communities), and AVIV (Steven Insoft, President and Chief Operating Officer of a Chicago-based company with expertise in operating skilled nursing and assisted living facilities). DHSS Commissioner Bill Streur served as moderator.

#### **Challenges Identified**

- Limited state funding available to develop and operate long-term care facilities.
- Accelerating need for long-term care facilities that specialize in dementia care and care for persons with complex behaviors. The current demand for dementia care services is the largest driving force in unskilled nursing care along with the need for dementia care training.
- Demand for a skilled workforce to provide long-term care, particularly dementia care.
- Limited infrastructure to deliver long-term care services across the continuum of care.
- Long and growing waitlists for the Pioneer Homes. Capital infusion limited to maintenance, not expansion.
- Insufficient numbers of nursing home beds that require hospitals, set up to treat acute conditions, to provide long-term care services at a higher cost. Many nursing homes operate at a significant loss.
- Strict and confusing state regulations that limit development and sustainability of privately-owned assisted living facilities. Noted examples included requirements for resident background checks, separation of residents in assisted living from those in independent living, and low reimbursement rates.
- No provisions in the New Affordable Care Act to address long-term care patient needs.
- New challenges in the provision of health care and long-term care services for aging baby boomers who have higher expectations, fewer resources, and longer life expectancies than the previous senior cohort, with many having chronic health conditions.
- High costs for providing long-term care services. In comparison to other states, Alaska's long-term care costs are at least 20% higher. Physical facility expenses comprise only 30% of the cost to operate an assisted living facility.
- New funding sources are needed to support development of long-term care services. Declining public revenues means that government can no longer be expected to pay 100% of the costs for developing and operating long-term care facilities.

### **Opportunities to Consider**

- Implement private-public partnerships to increase funding and promote growth in the long-term care industry. This business model can take many forms. For example, the private investor can own the facility and lease it to a nonprofit that uses public and other sources of funding to provide services; or the public sector can own the facility and hire a private firm to develop the real estate and deliver services. In both scenarios, the State continues to regulate the industry and provide reimbursement.
- Reduce the tendency to over-regulate homes that make it difficult for facilities to remain in business. Strict licensing requirements for skilled nursing care limit the growth of facilities providing skilled services.
- Continue evaluation of reimbursement rates based on acuity and move forward with implementation of higher rates for providers serving patients with high needs.
- Exercise caution in developing “high-end” long-term care housing.
- Explore implementation of PACE (Program for All-Inclusive Care for Elderly) in Alaska as a cost-effective program that provides wrap-around services for older and disabled persons in one location.

### **Strategies to Implement**

- Support expansion of home- and community-based services and family caregiver supports that promote health and independence for seniors. These services prevent the need for institutional long-term care, increase cost savings, and help seniors remain at home.
- Choose operators of long-term care facilities that truly care about patient quality of care - without patients, there are no profits.
- Choose a local developer with knowledge of local needs to build new long-term care facilities. Cookie cutter approaches that work in other states may fail in Alaska’s conditions.
- Continue investment in workforce development efforts and provide incentives to recruit and retain a skilled workforce. Training is essential to ensuring quality care.
- Expand use of tele-medicine in all health sectors, particularly in rural locations, to reduce patient discomfort caused by travel and high costs related to transportation from a rural community to an urban center.
- Allow nurses to give injections to reduce the cost of assisted living care.
- Increase reimbursement rates to incentivize care for patients with high needs.
- Provide more psychiatric services for patients with complex behaviors.
- Implement a statewide, electronic register for advanced health care directives to enhance protection of an Alaskan’s end of life health care preferences by allowing health care facilities Internet access to their patients’ directives on-demand, in or out of state.
- Increase the availability of palliative and hospice care, especially in rural and remote locations.
- Invite operators/providers to the table when discussing regulations and ways to improve care.