



August 25, 2015

**Senior Housing Feasibility Study for Portuguese/
Cabo Verdean Creole Speakers
Part II: Options & Recommendations**



Prepared For:

Massachusetts Alliance of Portuguese Speakers (“MAPS”)

Prepared By:

Lynne D. Sweet, Managing Member
LDS Consulting Group, LLC
233 Needham Street
Newton, MA 02464
617-454-1144

**This work was partially funded by a generous donation from the
Theodore Edson Parker Foundation.**

Table of Contents

Overview and Conclusions.....	1
Type of Senior Housing Products.....	2
Independent Senior Housing	2
Subsidized senior housing.....	2
Age-restricted Senior Rental Housing.....	3
Adult Day Health	4
Residential Care Homes/Rest Homes	4
Assisted Living Facilities	5
Affordable Assisted Living Programs/Subsidies.....	6
Other affordable assisted living	7
Skilled Nursing Facilities.....	7
Continuing Care Retirement Communities or CCRC's	8
Life Care Communities/Extensive Care Contract:.....	8
Modified Contract:.....	9
Fee-For-Service Contract/A la Carte CCRC's:	9
Senior Housing Providers in the Study Area	10
Senior Housing Providers Outside the Study Area.....	13
Jewish Community Housing for the Elderly ("JCHE").....	13
The Brighton Campus.....	13
Coleman House	13
Golda Meir House I and II	13
Whalers Cove Assisted Living, New Bedford, MA.....	14
Christopher Heights, Attleboro, MA	14
Sitkowski School, Webster, MA	15
Heywood Wakefield Commons, Gardner, MA.....	16
Senior Housing Recommendations and Budget Review.....	18
The Development Process	18
Utilizing a Portion of an Existing Assisted Living Facility.....	20
Recommendations for New Position	20

Overview and Conclusions

The Massachusetts Alliance of Portuguese Speakers (MAPS) engaged LDS Consulting Group, LLC (“LDS”) to work with them on a planning study to explore the needs for a senior housing facility with the linguistic and cultural capacity to serve Portuguese speakers. This document is a companion document to the work prepared by LDS in June 12, 2015 entitled “Senior Housing Needs Report”. As identified in the report, MAPS asked LDS following its summer Senior Living Advisory Committee Meeting to take the following next steps:

- 1) Survey additional facilities including Somerville VNA, Youville Place and Jewish Community Housing for the Elderly
- 2) Create a list of senior housing providers/potential partners for MAPS in main service areas
- 3) Create a budget including costs and benefits for:
 - a. Education and outreach for senior housing professionals
 - b. Wing of existing AL facility
 - c. Affordable senior housing with supportive service

In order to provide the advisory committee with a good foundation to understand senior housing choices, we have first outlined different types of senior housing with examples of projects and costs. We have then provided a resource list of Senior Housing providers in MAPS service area. We also provided additional case studies from senior housing facilities with affordable components and/or cultural programs. Last, we provided our recommendation for a Senior Housing Liaison Position. This is followed with development overview for senior housing as well as detail on the proposed Senior Housing Liaison Position.

We also want to thank again the MAPS Senior Living Advisory Committee members for their time, thoughts and dedication to this matter with a special thanks to Lois Josimovich for her time, dedication and calming demeanor during a process that was new to her but one that she has handled with grace and acumen.

Type of Senior Housing Products

In order to help our readers understand the senior housing products that exist in the marketplace today, we have provided below the various definitions of senior housing products that most pertain to the work herein. In addition, we have added information on pricing. It is important to understand that the MAPS population identified in the surveys is most in need of not only housing but also services, and most likely fits into the assisted living category. Therefore, we have listed them in order of housing for the lowest acuity level to housing for the highest acuity levels. We have given examples of facilities located in the MAPS service area. This section is followed with a list of senior housing resources in MAPS service area.

Independent Senior Housing

Generally, independent or retirement living is housing or apartments set-aside specifically for individuals over the age of 55 and is not licensed by the Commonwealth of Massachusetts. Residents are permitted to occupy living units by entering into rental contracts for fixed periods of time. Living units are usually apartments that can vary in size. While these communities are not required to be licensed, they must comply with local building ordinances and safety codes in terms of the design, construction and safety features of the building. Although residents are typically independent, some of them may use supportive services to help maintain their independence.

Subsidized senior housing

Project-based subsidized senior housing is typically age-restricted housing to households with head of householder age 62 and over, or for younger disabled persons. In Massachusetts, many subsidized senior housing developments are owned by housing authorities, and either State Public Senior Housing or Federal Public Senior Housing. In addition, subsidized housing can also be provided by not-for-profit or for-profit entities. Income limits are typically at 50% of Area Median Income (“AMI”), however, some programs allow for up to 80% of AMI. In most instances, households living in subsidized housing earn much less, typically at the 30% of AMI level. In subsidized housing, households typically pay 30% of their annual adjusted income towards housing costs, which include utilities, and the government pays the remainder of what are often referred to as fair market rents. In other words, the contract rent is typically priced at or close to market. Typically these buildings only provide a rental unit and common laundry. Some provide a service provider in the form of a case manager, and a community room. Some provide meals on wheels in their community room. But overall, residents are not provided with services such as help with getting dressed or housekeeping.

It is very difficult to build any new subsidized senior housing because HUD eliminated the HUD 202 program five years ago. This program provided both capital funds and operating subsidies for age-restricted housing.

If a resident has income of \$12,000 a year, he/she can expect to pay approximately \$300 a month in rent. D'Youville in Lowell has 63 units in two buildings that are fully subsidized.

Age-restricted Senior Rental Housing

Age-restricted rental housing is typically rental units reserved for households with head of householder age 55 and older or 62 and older. Units can be either at market, or they may be at a reduced (affordable rent) due to the type of funding utilized to build the development. Affordable self-pay rent can be at the 80% level, the 60% or the 50% level. In all cases, the rents are priced so that the resident will not pay more than 30% of their income towards rent. In most instances, these types of developments are financed in part with Low Income Housing Tax Credits (“LIHTC”) and in some instances, historic credits and/or soft debt like HOME and CDBG and other funds. LIHTC bring equity into a project when they are sold to investors, and they reduce the investment by the owner as well as the debt on the property, allowing for lower operating costs and therefore lower rents. We have provided below an example of affordable income limits and rents, as well as market rate incomes requirements and rents. Please keep in mind that people may choose to pay more than 30% of their income towards rent.

Area Median Income*	1 Person Income Limit	1 Bedroom Rent	2 Person Income Limit	2 Bedroom Rent
30% AMI	\$20,700	\$554	\$23,650	\$665
50% AMI	\$34,500	\$923	\$39,400	\$1,108
60% AMI	\$41,400	\$1,108	\$47,280	\$1,330
80% AMI	\$48,800	\$1,307	\$55,800	\$1,568
Market	\$70,000+	\$1,800	\$83,000	\$2,200

*Based on HUD Boston/Quincy PMSA

Sacred Heart Apartments in Lawrence is age-restricted rental housing financed with LIHTC’s and therefore all units are affordable to households earning at or below 60% of AM. However, rents are not subsidized, they are just lower than market rents. *For example, the 60% rent in Lawrence for a one-bedroom unit including utilities can be no more than \$984, and two-bedroom rents can be no more than \$1,182.*

Age-restricted senior housing may only provide a unit to live in and some common space, or it may be what is often referred to as “**Independent Living**”. Independent living facilities tend to offer one or more meals per day, weekly housing keeping, transportation and social activities. Their monthly fees are significantly higher than just paying for rent. *The independent living that we identified at Cambridge Homes was \$5,500-\$7,100 and includes among other things, three meals a day but no personal care services.*

Adult Day Health

Adult day health centers are planned programs that offer a variety of services to elderly persons and others with functional and/or cognitive impairments who are unable to remain at home unattended during the course of the work day. The services are designed to keep elderly individuals in the community for as long as possible, thereby postponing or preventing institutionalization. Services can include some or all of the following: supervision, health monitoring, meals, transportation, recreational activities and therapy. Medicare does not pay for adult day services, however, MassHealth (Medicaid) covers adult day health services and dementia day programs. Individuals may also be eligible for subsidies through their local Aging Services Access Point (ASAP). The Executive Office of Elder Affairs (EOEA) has set standards for dementia and social day programs. Typically persons who attend adult day health programs are good candidates for assisted living that caters to residents with memory deficits and/or dementia.

Residents pay for adult day health on a sliding scale based on their income if they are eligible for MassHealth. There are some private pay adult health facilities located within assisted living facilities but they tend to cost \$50 or more a day or \$250 a week/\$1,000 a month.

D'Youville has a small adult day health program on its Lowell campus that sees 29 clients Monday-Friday. They charge \$59 a day for private pay customers and also accept persons with MassHealth.

At this point and time, it is difficult to build new adult day health centers/programs because the MassHealth reimbursement is not high enough to pay for the cost to own and operate facilities.

Residential Care Homes/Rest Homes

Residential Care Homes (RCHs), formerly known as "homes for the aged", in Massachusetts are licensed by the Department of Health and Human Services. Residents of RCHs may have some health, social, and personal care needs, but they do not require the extensive care a nursing home provides. Most residents, however, require some assistance with Activities of Daily Living (ADLs), supervision of medications and/or protective oversight. Although they may use assistive devices, residents must be ambulatory and have some degree of independence, but they are not able to live on their own. Residents must be able to evacuate the home unassisted in case of an emergency.

Physically, they differ from assisted living facilities since they provide a room rather than an apartment, and bathrooms may be private or shared. The monthly rate depends on the home and type of accommodation chosen. Some residents use government assistance to help pay for their care. They provide residents with a communal environment. In fact, the majority of rest homes were formerly single-family homes that have been renovated.

They are required to provide three meals per day, housekeeping and laundry services, personal care, recreational activities, 24-hour supervision, and emergency call systems. Menus for meals must meet requirements set by the Department of Public Health. Staff is not required to provide nursing services; however, some homes have nurses on staff. Staff members can supervise medications that residents self-administer and may help residents schedule their physician appointments.

Somerville Home is a residential care home which charges \$100-\$130 or \$3,000-3,900 a month. They have two GAFC slots which share room (see GAFC definition below).

Assisted Living Facilities

Since 1995 assisted living residences in Massachusetts have been regulated by Massachusetts General Laws Chapter 19D. Each facility is certified by the Executive Office of Elder Affairs prior to opening, and recertified every other year. Assisted living is a special combination of housing, personalized supportive services and care designed to respond to the individual needs of those requiring help in activities of daily living, but not requiring the skilled medical care provided in a hospital or skilled nursing facility. Residences combine apartment-like living with a variety of supportive services, including three meals a day in a common dining room, housekeeping services, transportation, 24-hour security, on-site staff to respond to emergencies, emergency call systems, medication management, personal laundry services, social and recreational programs and **assistance with ADLs such as eating, bathing, dressing, toileting and mobilizing, and instrumental activities of daily living (IADLs) such as shopping and laundry.**

Assisted living residences monitor the well-being of their residents and can help coordinate health services by licensed outside agencies or providers, however, they do not provide skilled nursing services directly. The physical layout of assisted living residences includes studio, one- and two-bedroom apartments units with entry doors, private bathrooms and kitchenettes. As much as fifty percent of the facility is used for common areas including lobby/reception area, administrative offices, food service, dining room, activity areas, beauty salons/barbershops, cafes/bakeries, resident laundry, central laundry, storage spaces, maintenance area, loading/trash area, mechanical rooms, employee lounge and lockers, areas for linens and cleaning supplies and ancillary uses. Units are typically furnished with residents' belongings and furniture. Residents entering an assisted living residence sign an annual residency contract which is similar to a lease and agree to pay a monthly fee or rent that includes the cost of housing, meals and services and other amenities. Assisted living is considered to be need driven. The typical customer for an assisted living facility is a one-person household that has experienced some type of crisis, either an illness or the loss of a spouse. They are no longer able to live totally independently and may need help with cooking, cleaning and/or bathing or toileting. The average assisted living customer is early to mid-80's, female and stays 24 months.

The cost to live in a typical market rate assisted living facility such as Cambridge Homes is \$5,975-\$7,575 a month. Standish Village in Dorchester starts at \$4,500 a month.

Affordable Assisted Living Programs/Subsidies

It is very hard to provide affordable assisted living due to the cost of creating a building which brings high carrying costs often in the form of a mortgage, as well as ongoing operating costs to pay for personnel and the cost of running a building. Therefore, in order to provide affordable assisted living one will need to have a low cost of entry (i.e. low building cost) and some type of operating subsidy to help residents afford rent. The following are funding mechanisms that can be used to assist low income residents in affording assisted living:

PACE: Seniors who are eligible for MassHealth and with an annual income up to approximately 40% of AMI or \$24,000 a year are eligible for PACE. ***For example, in Standish Village, they accept PACE but also require a family to pay to supplement the difference between what PACE pays and the cost of living in the facility. MI Residential in Lawrence couples subsidized senior housing with PACE to provide assisted living.***

GAFC: GAFC is a Massachusetts program that reimburses a provider for providing personal care services, 24-hour access to assistance, nursing and social work oversight to Medicaid-eligible individuals. The Department of Public Welfare, Division of Medical Assistance, in response to two major trends, created this program in 1991. The first was a change in nursing home admissions clinical criteria. The second was an emerging need for Medicaid to fund assistance with activities of daily living for frail individuals in the community who no longer qualified for nursing home placement. The program was modeled after the Adult Foster Care program in which an individual with at least one medical diagnosis and a need for assistance with daily personal care would move into the home of a care giving family. The GAFC program allows individuals requiring such care to continue to age in a place by offering services in a managed housing environment, while maintaining their independence, dignity and autonomy. GAFC services have evolved into Medicaid's assisted living services package. Providers of GAFC include certified home health agencies, licensed hospitals, home care corporations, assisted living facilities, community agencies, and housing organizations that are able to meet the program requirements. The reimbursement methodology includes two components. There is a daily rate per participant for personal care, and a monthly program administration rate per participant. The average rate is comprised of the caregiver rate and the administrative rate. Residents who are clinically eligible for GAFC may also be eligible for SSI-G. ***The base SSI payment, the supplement added by Section G plus the GAFC rate total approximately \$2,300 a month. It is important to note that in order to qualify for GAFC an individuals' income needs to be at poverty level, approximately \$14,340 a year, and have assets of \$2,000 or less. This typically leaves residents with only \$75 a month in spending money.***

Veterans Pension Aid and Attendance Program – veterans or surviving spouses of veterans may be eligible for this supplemental income which can provide approximately \$1,788 or \$1,149 a month to cover assisted living costs. It is a higher amount for married couples.

Senior Care Organizations – The MassHealth Senior Care Options (SCO) program is a comprehensive health plan that covers all of the services reimbursable under Medicare and MassHealth through a senior care organization and its network of providers. The SCO program offers MassHealth Standard members aged 65 or older quality health care that combines health services with social support services. By coordinating care and specialized geriatric support services, along with respite care for families and caregivers, SCO offers advantages for eligible MassHealth members over traditional fee-for-service care. SCO's are similar to an HMO and persons accessing SCO's must be eligible for MassHealth. Residents receive all health care services through the Senior Care Organizations network. SCO's provide services to residents living in Assisted Living Facilities.

Long-Term Care Insurance – This insurance is not affordable and the industry is still in its infancy and therefore it is very costly. It is best purchased before age 50. Each plan is different but it can often cover one or more years of assisted living costs.

Other affordable assisted living

Some facilities are built by a mission driven organization, whose mission is to provide housing to a particular population at a discounted price. For example, **Cambridge Homes** has a scholarship program for people who lived or worked in Cambridge. About 30% of its residents are on scholarship. *For example, if the resident has \$1,000 a month income from social security, and \$500 a month from a pension, the facility is paid \$1,000 a month the individual keeps \$500. Their foundation makes up the rest of the costs. This is because the organization is over 100 years old and in a prior iteration, residents donated all of their funds and were taken care of for their lifetime, and left over funds have accumulated over time.*

D'Youville in Lowell is building an affordable assisted living facility in Lowell. It will have 15 low income units priced at \$3,000 a month, 15 moderate income units priced at \$3,000-\$5,999 a month and 15 market units' prices at \$6,000 and above. It will also offer 15 memory care units priced at market.

Skilled Nursing Facilities

Nursing homes provide both short-term and long-term care to elders who need medical care. Services typically include 24-hour nursing care, rehabilitative care (i.e. physical, occupational and speech therapy) and personal care. They traditionally provide a room with or without a private bath but no kitchen facility. Coverage for nursing home care is available under both the federal Medicare program and the state and federal Medicaid program, called MassHealth. To

be eligible for MassHealth benefits, an individual must have at least one nursing need and two additional nursing or activity of daily living needs.

Studies have shown that some skilled nursing residents are actually better suited for an assisted living facility. This tends to happen when there are no alternatives (i.e. assisted living facilities) in the area.

D'Youville has two skilled nursing facilities on its Lowell Campus including 208 long-term care beds in one building and 33 short-term rehabilitation beds in its other building.

Continuing Care Retirement Communities or CCRC's

Sometimes referred to as life care communities; provide living accommodations and a wide variety of services, including long-term health and nursing services. Various levels of care, such as independent living, assistance with daily activities, and nursing services are usually provided on the communities' campuses. Residents may move from one level of care to another as their needs change. Each resident is required to be able to live independently upon admission. Every resident is required to pay a substantial, lump-sum entrance fee and monthly fees in exchange for lifetime housing and health-related services. These fees vary depending on the community, the type of living unit chosen, and whether an individual or a couple is to occupy the unit. CCRC's have differing policies regarding the availability and terms of entrance-fee refunds.

Housing units can be apartments in high-rise or low-rise buildings, townhouses, garden apartments, cottages, or freestanding homes. Units can range in size from studios to three-bedrooms. Residents are not generally entitled to have equity in their units, but adhere to certain statutory requirement. The way CCRC's differ is in what they promise to deliver, and what you pay for service. There are three different types of CCRC's.

Life Care Communities/Extensive Care Contract: Under an extensive care contract, sometimes referred to as life care contract, a resident typically pays an upfront fee and an ongoing monthly fee in exchange for the right to lifetime occupancy of an independent living unit and certain services and amenities. Residents who require a higher level of care such as assisted living or skilled nursing may transfer to that level of care and continue to pay the same monthly fee plus the cost for additional meals. Most Extensive Care Contract communities are owned by a not-for-profit corporation and were built in the 1980's and early 1990's. Very few are being built today due to the actuarial nature of this product. Many of the residents in these communities are highly educated and understand that they are making an investment in their future. In most instances, residents receive 90% of their entrance fee back and don't have to worry about high nursing home costs. Some facilities allow long-term care insurance to reduce entry fees.

Modified Contract: A resident typically pays an upfront fee and an ongoing monthly service-fee for the right to stay in an independent apartment and receive certain amenities. When a resident needs to move to a higher level of care, the facility may pay for this higher level of care for a certain period of time, or provide a discount for these services.

Fee-For-Service Contract/A la Carte CCRC's: This requires an entry fee, but does not include any discounted health care or assisted living services, therefore you pay as you go from one level of care to the next. Typically residents receive priority admission to the higher levels of care on the campus. Residents pay one monthly fee to live in an independent apartment, a higher monthly fee to live in assisted living, and an even higher fee to live in the skilled nursing facility. The difference in monthly fees could be from \$2,000-\$6,000. Therefore, although a resident is entitled to a refundable entry fee, facilities can spend your entrance fee in order to pay monthly service fees as you move to a higher level of care.

We did not identify nor study any CCRC's as part of our work, as they will be cost prohibitive for the majority of MAPS clients.

Senior Housing Providers in the Study Area

We identified senior housing providers in the MAPS service area with a specific focus on facilities that offer some type of assisted living services or affordable senior rental housing. This list is not inclusive of subsidized senior housing unless it shares a campus with assisted living. We only noted SNF's when they were on campuses of facilities we identified in the Study Area. We have provided a list with general information for each facility below, and followed with additional narrative. We have a lot more information for most facilities with regard to unit's sizes, services and amenities but have not deemed it relevant to include in this report. The following identifies the type of funding options noted for each facility:

ALP = All-inclusive Pricing, P = Private, MR = Market Rate; CSS = Companion/Shared Suites; TC = Tax Credit, LTCI = Long-term care insurance; VPAAP = Veterans Pension Aid & Attendance; LIHTC = Low Income Housing Tax Credit; CCA = Commonwealth Care Alliance; ESPP = Elder Service Plan Participants, SCO = Senior Care Option

Facility	Address	Location	Programs	Cost	Financing Options
The Saab Residence	981 Varnum Ave	Lowell	Saab Residence assisted living facility will be located on the 73 acre D'Youville Campus in Lowell. The campus has 208 long-term beds, 33 short-term rehab beds, 63 HUD subsidized independent living units, a 39 person adult day health program. The Saab residence will open in October 2015 with 15 low income units, 15 moderate income units, 15 market rate units and 15 memory care units.	\$667-\$3,000 LI, \$3,000-\$5,999 mod, \$6,000 market, \$6,750 memory care	MR, P
MI Residential Community	191, 193 Maple St	Lawrence	Mary Immaculate Residential has two age-restricted, subsidized buildings, one with 106 units and the other with 88 units. Marguerite's Housing assisted living is a separate building that offers affordable assisted living at \$2,000 a month. Units are 550 square feet. Their campus also offers adult day health and transportation. Appear to cater to Latino population.	\$2,000	
Sacred Heart Apartments	23 Hawley St	Lawrence	44 units of age-restricted 55+ Affordable Apartments for households at or below 60% of AMI. A few units at the 30% level. No services.	\$984-one, \$1,182 - two	
Cadbury Commons	66 Sherman St	Cambridge	50 units traditional market rate assisted living, 23 units of memory care assisted living.	\$4,500+ AL, \$5,250	CSS, LTCI, VPAAP, P
Cambridge Homes*	360 Mt. Auburn St	Cambridge	44 Units of market rate assisted living with approx. 30% of residents having scholarships who lived and worked in Cambridge. Sliding scale to allow residents to keep \$500 a month.	\$5,500-\$7,100 IL, additional \$475 for AL.	AIP, Financial Scholarships, VPAAP, P

Facility	Address	Location	Programs	Cost	Financing Options
JFK Apartments*	55 Essex St	Cambridge	25 LI ALF Units, 44 Subsidized public housing rental units. All units 450 square feet. ALF utilizes PACE to pay for personal care. Units are integrated throughout the building. They serve lunch and dinner at a cost of \$3 a meal. Units rarely turnover.	30% of Income	PACE
Neville Place*	650 Concord Ave	Cambridge	58 AL units including 7 studio units and 12 one-bedroom units. SNF next door. 39 affordable units so rates are lower and some use PACE. Several Portuguese-speaking residents. 5-7 bilingual staff members who speak Portuguese, including upper management.	Market: \$4,150+ , LI: \$3,774-\$4,190, \$300 SAMM, \$475 personal care	MR, CSS, Tax Credit, LTCI, PACE, Section 8, VPAAP, LIHTC
COMPASS Memory Support at Neville Place*	650 Concord Ave	Cambridge	13 AL ALZ units	\$6,245+	MR, CSS, LTCI, VPAAP
Youville	1573 Cambridge St	Cambridge	95 Units, 47 studios, 47 one-bedroom and 1 two-bedroom. Predominantly market rate with 5 residents either low income and/or on GAFC or PACE. Skilled nursing beds on campus.	\$4,700+	AIP, LTCI, PACE, SCO, VPAAP, Private, GAFC
Visiting Nurse Assisted Living Community	259 Lowell St	Somerville	97 AL units, 25% Market, 75% Low Income/GAFC, all one-bedroom units. Residents need to come with some type of service plan to pay for services. Cambridge Health Alliance is their PACE provider.	\$2,650	CCA, MR, ESPP, SSIG, Limited Subsidies, LTCI, PACE, SCO, VPAAP, Moderate Income, P, GAFC
VNA Senior Living Community	405 Alewife Brook Parkway	Somerville	52 AL units, 25% Market, 75% Low Income/GAFC, all one-bedroom units. Residents need to come with some type of service plan to pay for services. Cambridge Health Alliance is their PACE provider.	\$2,650	CCA, MR, ESPP, SSIG, Limited Subsidies, LTCI, SCO, VPAAP, P, GAFC
Standish Village*	1190 Adams St	Dorchester	72 Assisted Living units and 13 memory care units. They accept PACE plus family support. Some Cabo Verdean speaking residents and some bilingual staff at management level.	\$4,500+	MR, CSS, PACE, VPAAP, P
COMPASS Memory Support at Standish Village*	1190 Adams St	Dorchester			MR, CSS, LTCI, PACE, VPAAP, P

*Managed by Senior Living Residences (“SLR”)

All facilities but for Standish Village and Sacred Heart Residences are owned by a not-for-profit entity, a City and/or a housing authority. Many of the facilities are part of a campus with other senior housing uses. All but a few offer some type of low income and/or affordable unit. Many of the not-for-profit organizations are affiliated with religious organizations. Only the facilities noted in the chart reported having Portuguese-speaking residents and/or staff. Several facilities noted that they have trouble filling their tax

credit units because of the narrow income guidelines. Others noted that processing paper work for PACE, GAFC, SCO's takes time and this leads to trouble leasing up affordable units. The turnover in affordable units is very low. Only Somerville VNA reported having trouble leasing its market rate units and this could be because of the stigma that the majority of their units are low income. All other properties were experiencing high occupancy in both their market rate and Alzheimer's units and therefore increasing costs. We also note that monthly costs for assisted living do not necessarily include all costs such as personal care, supervised medication management, incontinence management and/or personal laundry. Therefore, you might have a base rent of \$5,000, but in reality with add-ons, it could be as high at \$6,000 a month.

We spoke at length with several persons at the Saab Residence. The property was financed with a mixture of donations and tax exempt bonds. It is being built on land already owned by the not-for-profit organization. The hope is that residents currently living in their subsidized units who have aged in place and are in need of services, but not ready to live in the nursing home, will move to the low income units. However, at this early stage of leasing, management is having a hard time communicating to residents the value of moving to assisted living. In particular, residents are used to paying 30% of their income towards rent, and they would be giving up approximately 85% of their income to live at an assisted living residence; however, it would include personal care services, meals and social activities. The campus is in a suburban neighborhood by Lowell General Hospital. It is on the opposite side of Lowell from MAPS and its clients who are located in a more urban area. They are very interested in serving the Portuguese community and have recently provided a presentation to a local Portuguese senior center. In addition, they are prepared to provide culturally appropriate meals and activities. However, they have not as of yet had any Portuguese-speaking applicants.

We also spoke at length to the Director of Operations for SLR, Leandre Negrete. As noted, SLR manages four of the properties on our list. Leandre is Portuguese and the former Executive Director of Neville Manor in Cambridge. She noted that SLR has a grab your passport program whereby they celebrate different cultures once month at each of their facilities. In addition, they have the ability on a weekly basis to change their menu to include culturally appropriate meals on an ongoing basis. As an organization overall, they have Portuguese-speaking staff at all staffing levels. What they have not yet done, and she noted they need to do, is to translate their written materials into different languages, including Portuguese. She reinforced much of what we heard at the forums with regard to cultural barriers. She noted that it appears that Portuguese-speaking households see it as a failure if they cannot take care of mom or dad and they have to go live somewhere else. In reality, with today's sandwich generation and Alzheimer's on the rise, it is often impractical to keep an aging parent at home. She advocated for more education to the Portuguese-speaking population so that they can understand the value of assisted living in order to maintain and enhance their independence and avoid nursing home stays.

Other Senior Housing Providers

Jewish Community Housing for the Elderly (“JCHE”)

JCHE has had a large presence in senior subsidized housing in Brighton and Newton Massachusetts for many years. In Brighton, they have a campus with 705 units, and in Newton, they have two locations, Coleman House and Golda Meir House I and II, as further described below. They also have a newer mixed-income property in Framingham by the name of Shillman House.

The Brighton Campus houses Ulin House, Leventham House and Genesis House. The buildings are connected with a total of 705 apartments, including studios, one-bedroom and two-bedroom units. These apartments are available to those 62 and older with income levels that meet HUD guidelines for subsidized housing. Approximately 60% of residents are Russian, 30% Chinese and 10% Creole, which they noted is a growing population. JCHE meets the needs of its diverse residents by offering programs that bring the community together while honoring its cultural mix. Multilingual staff is available throughout the buildings to help residents access the information and services they need. The resident service coordinator is bilingual, as are many of the home health aides. They have an on-site convenience store that provides Russian grocery products and Chinese vegetables. They have an adult day health program for Russian-speaking residents and Russian Bible study. They offer Chinese home-delivered meals, Tai Chi and Chinese dancing classes. They noted that the Chinese residents tend to be younger.

Coleman House is an age-restricted Section 8 project-based development located at 677 Winchester Street and managed by Jewish Community Housing for the Elderly. Coleman I opened in 1984, and Coleman II opened in 1998. There are a total of 146 one-bedroom units, 143 of which are age-restricted. The remaining three are rented to young residents who are disabled. The units are 530 square feet. At Coleman I, 45 units are affordable to households earning up to 30% of the area medium income, and at Coleman II, 99 units are affordable to households earning up to 80% of the area medium income. There is a site representative living in a unit at each facility. The average yearly household income is approximately \$10,000. The units are fully occupied, and the wait list is 2 ½ years. The annual turnover is 15 to 20 units. Many residents age in place. All utilities are included in the rent, and the complex has a community room, computer room, gym, beauty parlor, convenience store and care-connections program, which connects residents to services like shopping. The average age of residents is 79-80 years old, and most are single. Many have family in the Newton area.

Golda Meir House I and II is an age-restricted community located at 160 Stanton Avenue and managed by Jewish Community Housing for the Elderly. Golda Meir I opened in 1987, and Golda Meir II opened in 1995. There are 199 one-bedroom units. A total of 175 units are affordable and 4 units are market rate. Of the affordable units, 75 are for households earning 30-50% of the area medium income, and 100 are for households earning up to 80% of the area medium income. The development is fully occupied, and they have 500 people on their wait list.

The annual turnover for the affordable units is approximately 10%. All utilities are included in the rent, and the development has a community room, computer room, gym, beauty parlor, convenience store and a food program. The average age of residents is 81 years old, and most residents are single. Many residents have family in Newton, and there is a large Russian (30%) and Chinese population (30%). They celebrate all holidays, they have a Seder in three languages, they provide ethnic meals and documentation is available in all languages. In addition, they estimate that 30%-40% of their residents are nursing home eligible.

Whalers Cove Assisted Living, New Bedford, MA

We spoke with Maureen Costa, the Executive Director of Whalers Cove in New Bedford, MA. The facility opened 11.5 years ago in 2004. It averages 115-128 (units? residents?) and is the adaptive re-use of a historic mill building. The project was financed with state and federal historic tax credits and state and federal low-income housing tax credits, home and other soft debt.

They cater to very low acuity residents, which means residents come in younger, have fewer ADL needs and stay longer, an average of 4.5 years, while a typical assisted living stay is 2.5 years. They typically require only supervision of 45 minutes a day and they have no dementia patients. They always have a wait list. The majority are on GAFC, which has an income limit of \$12,700 for one person and \$18,210 for two persons and an asset limit of \$2,000. The income for each unit is approximately \$2,300 including state funds and resident funds. Sometimes, if they have veterans' status, they are able to access veterans' aide and attendance funds, which adds an additional \$500-\$600 to use towards monthly costs.

Non-English-speaking residents make up approximately 40% of their population. All written materials, signage and computer boards are bilingual. This includes application materials, menus and activities schedules. Kale soup is served daily. Two of the complex's upper managers are bilingual and Ms. Costa tries to have bilingual staff on all shifts. She has a relationship with the local Madeira Club, which provides cultural activities once a month. She looks to local colleges to provide language training and staffing. Her advice is that these are very proud people; they need to be treated with respect and communicated with in their own language. Socializing is very important.

Christopher Heights, Attleboro, MA

We had a brief conversation with Walter Ohanian of the Grantham Group regarding Christopher House in downtown Attleboro. The building is a stand-alone, purpose-built building. It has 57 studios, 8 alcove units and 16 one-bedroom units for a total of 81 units. There are 36 market-rate units, 15 moderate-income units, and 30 SSIG/GAFC units. When the property opened 15 years ago, they had a fair amount of Portuguese-speaking residents and therefore staffed the facility with Portuguese staff. Over time, the number of residents declined

and there are currently no Portuguese-speaking residents, so they have not sought out new Portuguese-speaking staff.

Sitkowski School, Webster, MA

The Sitkowski School Senior Housing, which just opened, is the conversion of a four-story, 85,000-square-foot decommissioned school property into 66 units of rental housing for seniors and a relocated Senior Center to serve a mixed-income senior population in the Town of Webster. The project was financed with federal and state low-income housing tax credits, historic tax credits and other soft debt like HOME funds.

The Sitkowski School, which was originally constructed in 1903-1905, has unique architectural elements which make it eligible for designation as an historic structure on both the State and National Registers of Historic Places. The new senior housing project will include the complete renovation of the school building and changes to the street and sidewalk along Negus Street. The Sitkowski School is located in Census Tract 7543, which is a qualified census tract.

The 66 new apartments in the proposed project include 7 (11%) units of two-bedroom and 59 (89%) one-bedroom units. As currently proposed, eight units will target households age 62 and over earning at or below 30% of AMI and have Section 8 vouchers; five units will be self-pay for households at or below 50% of AMI and 53 units will be self-pay for households earning at or below 60% of AMI in the Worcester HMFA. Self-pay rents for the one-bedroom units are estimated to be \$658-\$798, and for the two-bedroom units \$693-\$843 a month.

The following chart shows a breakdown of unit counts, sizes, and estimated rents:

Unit Type/Income Level	Square Ft.	Base Rent	Utility Allowance*	Gross Rent	# of Units
1 Bed - PB - S8	788	\$697	\$39	\$736	7
2 Bed - PB - S8	893	\$843	\$54	\$897	1
1 Bed - 50% AMI	788	\$658	\$39	\$697	4

In working with the Senior Center Committee, NOAH is proposing additional master plan improvements to the Civic Center parking through the re-creation of an urban street with sidewalk along Church St., landscaping and redesign of parking spaces to encourage pedestrian traffic. There are a total of 100 parking spaces in the Civic Center area under the master plan. The senior housing residents will have 49 parking spaces along Negus Street for their exclusive use, the Senior Center has 40 spaces, and the civic area has 11. There is additional public parking in lots across Negus Street and across Church Street. The access and egress to the residences are primarily from Negus Street. The Senior Center will have its own entrance along the western side of the building off of Church Street. In addition, a portion of the original school library located on the third floor will be restored for use as a small library and meeting spaces. The large windows will be replaced with energy efficient windows to their full height.

The Town of Webster has received CDBG funds to prepare a path and parking area off Church Street for employee parking.

The exterior of the building is brick façade, which will be restored and re-pointed. The Sitkowski School renovation project aims to meet all Energy Star requirements for efficiency and sustainability and attain the LEED for homes-Silver rating.

As of August 2015, the facility had only leased 25 units since its opening in April 2015. There appear to be two issues with regard to lease up, the first is the persons not living in Webster do not want to move to Webster. The second is that the senior center will not open until October of 2015 so it is still a construction zone and is not offering a lot of activities. It is a very large project for this location. Webster is not attracting any new and/or a younger population.

Heywood Wakefield Commons, Gardner, MA

This is an affordable 78-unit affordable assisted living facility. The facility was constructed in a portion of the historic Heywood Wakefield furniture manufacturing facility in Gardner, Massachusetts. Two adjacent sections of this mill complex were successfully converted into 171 units of affordable elderly rental housing and 175 units of mixed-income apartments. The facility includes 8 studio units for persons earning less than 30% of AMI, 68 studios and 2 two-bedroom units for households earning at or below 50% of AMI. Studio units average 429 square feet and two-bedroom units average 471 square feet. Three units are fully handicapped accessible. Rents are approximately \$2,261 for GAFC units, \$2,300 for 60% of AMI units, \$2,261 for 30% of AMI units. Gross residential square footage is estimated at 67,260 and net rental square footage is estimated at 33,746. We have attached as **Exhibit 1** plans to the facility. The building has extensive common areas, including two elevators, a living room, library, dining room, wellness center activities space, beauty salon and a country kitchen. Residents receive assistance with activities of daily living, social activities, scheduled transportation, three meals a day and housekeeping. The building is conveniently located within walking distance to amenities in the town, including the central business district, library, municipal services, and medical/hospital facilities.

The development received a \$9.95 Million Assisted Living Conversion HUD Grant under a pilot program that is no longer available. It took over 10 years to develop. The development does not carry any permanent debt and it is the only truly affordable full service assisted living facility in the Massachusetts. Total development costs were approximately \$22 Million. The funding sources were:

HUD Grant

Historic Tax Credits

Low Income Tax Credits (minimal)

DHCD Affordable Housing Trust Fund Grant (to be repaid out of cash flow)

DHCD Home Grant (to be repaid out of cash flow)

Tax-Exempt MassDevelopment Bond (**Construction Only**)

Income and rental restrictions are mandated by the funding sources; however services do not include restrictions.

The property opened in 2012 and leased up immediately.

Senior Housing Recommendations and Budget Review

Based on our research leading to the Survey Analysis Write- Up, the research for this business analysis report, and our knowledge of senior housing development and funding sources, we believe the most cost-effective option that will have the greatest impact on MAPS clients is to create an in-house Senior Housing Liaison position. This is in part because we found quite a variety of senior housing options in the MAPS catchment area, some catering already to Portuguese-speaking seniors, but many very interested in doing so. In addition, we believe that there may be too many barriers to entry for MAPS to become an actual senior housing developer.

In order for MAPS clients to access the existing senior housing options, there appears to be a need for significant education to its clients and with existing senior housing providers. Cultural barriers will need to be broken down for seniors to be able to understand the benefits of living in a communal, cost-effective and safe senior housing facility. We heard over and over again from providers that it is important to integrate residents of all different backgrounds into a facility, and it is their jobs as providers to help with this process. We heard that there were vacancies in affordable units in some facilities. We also heard that there is a big wave of age qualified Portuguese-speaking clients today, but that there is not a significant increase expected in the future. Average lengths of stay in assisted living facilities is 2.5 years, and they turn over 3-4 residents a month, depending on the size of the unit. Therefore, a provider needs to keep filling the facility over and over again, and it is questionable how long this can be maintained based on current Portuguese-speaking immigration patterns.

Below we have outlined some of the barriers to entry for senior housing development and then provide our recommendations for this new position.

The Development Process

Most of the providers in our report were in the business of providing senior housing and understand the time and costs involved in developing, managing and maintaining senior housing. The one provider that was new to owning and managing senior housing is VNA of Somerville. They built one facility with much success, then a second facility with not so much success with regard to keeping units full. This is because of the high turnover, and because Somerville, if you look at the demographics, only has 1,000 residents over the age of 85. If you assume assisted living captures less than 10% of the age and income qualified population, it does not create a need for two assisted living facilities. In fact, the population that is growing in Somerville is the 20- 30-year-old population.

Taking on the development process is time consuming for a not-for-profit sponsor. They will need to have a dedicated staff person who is willing to spend several days a week working on development related matters, and this assumes that they will be contracting with an outside project manager to do the bulk of the work. Many decisions will need to be made in a short

time period, and that is often very difficult if you have to convene a board meeting to make those decisions.

Not only is the development process time consuming, it takes a long period of time. First you need to find the land, then you need to develop the business model, then you need to hire an architect to design the building and then you need to compete for financing and actually build and lease the property. One extreme example is Heywood Wakefield, which took 10 years to develop. A more typical time line for experienced developers is 2-3 years to getting permitting and funding and another 12-24 months to build and lease up. You have clients who need housing and services today.

In order to provide either senior rental housing or an assisted living facility, MAPS would have to find a location for such a facility. Given the strength of the current real estate economy, most properties in MAPS target area are being sold to for-profit developers. Most of the properties identified in this report were either owned by the entity for many years and an expansion or redevelopment of an existing use, or purchased from a municipality or other entity for very little or no money. Most market rate assisted living providers purchase land at a rate of \$20,000-\$50,000 a unit. An ideal sized assisted living facility that would provide economies of scale from a personnel perspective is 60-80 units, so the cost would be \$2.45M.

Total development costs for assisted living units can run from \$200,000 with free land and more affordable attributes, and \$300,000 for higher end products with land costs. That would translate to \$16M+ for an 80-unit facility. There are large equity requirements, typically 20% or more. Either it needs to be paid in cash or one can compete for tax credits such as historical if an existing building, and/or low income housing tax credits. Regardless, except in certain types of funding, the developer has a tremendous up-front cash requirement of \$500,000 to get to closing, as well as equity obligations and guarantees.

In addition, operating costs on a per-unit basis run \$2,500 a unit plus debt service. Therefore, you typically need income of \$4,000+ unit in order to break even or make a profit. That is why it is so difficult to build affordable assisted living, and why there are no affordable memory care units.

Total development costs for age-restricted senior rental housing are in the \$200,000 per unit range with a land cost of \$0-\$25,000 a unit. In the past, HUD had a program named "202" that would pay for both building the land and providing a rental subsidy for residents. Some of the properties cited in this report used that funding program. HUD stopped the program five years ago. The only other way to build affordable senior housing is to compete for 9% tax credits. The state has only had one competitive round for the past two years. Typically projects have to compete in several rounds, and only a small amount of funds go toward senior housing.

Utilizing a Portion of an Existing Assisted Living Facility

We had discussed the option of MAPS taking over a wing of a building such as in one of the Somerville VNA properties. Somerville VNA has had trouble keeping its Lowell Street facility fully occupied. However, our opinion is that since the VNA is in the business of providing home care, that they would most likely not want MAPS to provide home care. In addition, they already have a full staff in place. One possible arrangement, which would not cost any money, is that Somerville VNA may wish to designate a floor or area where there is a preference for Portuguese-speaking seniors so that the bilingual staff covers that area and the residents that live in that area have an easier time communicating. However, the residents would still part of the overall community for activities and meals. This type of arrangement can be made through the new position I have outlined below.

Recommendations for New Position

The senior housing liaison position would be a full-time position. The ideal candidate would be a bilingual English-/Portuguese-speaking person who is familiar with the senior housing industry including the various type of funding and service levels. Salary would be dependent on the knowledge base of the person applying of the job. The job responsibilities would be as follows:

1. Reach out to all senior housing providers in MAPS services areas to gain a full understanding of their costs and programs. Promote MAPS home care agency as a resource for residents. Promote MAPS ability to create Portuguese marketing and leasing materials, provide input into culturally appropriate menus and activities as a valuable resource to housing providers. Presumably this would generate income to MAPS at both levels.
2. Become a resource for MAPS clientele, with weekly office hours at each location to help consumers navigate the senior housing network. Educate them about the benefits of living in senior housing and work to break down cultural barriers. This would involve holding sessions at MAPS locations as well as arranging tours at senior housing facilities. The liaison will also help clients fill out paperwork and be a liaison with staff at the senior housing facilities. MAPS may be able to charge a nominal fee of \$100 to assist residents, and it may also be able to collect a \$500 referral fee from the senior housing facility for this work.
3. Identify and understand senior housing personnel training program in local universities and colleges. Create, with the help of senior housing facility staff, a list of senior housing jobs and salaries and, if available, a list of job openings. Hold office hours for younger working age MAPS clients to help them with career counseling and promote the value of working in the senior housing field.