

MIXED INCOME AFFORDABLE ASSISTED LIVING  
(A proposal to fund an MIAALF<sup>1</sup>)

Old age can be a blessing as long as a senior is able to manage his/her activities of daily living (ADL's), but as one ages frailty eventually catches up, sooner for some than others. Without needed personal assistance with ADL's life can be difficult and miserable. Assisted living care can be expensive and Medicare does not cover it. The MIAALF model has proven to be a successful and financially sound way to provide care for low- to middle-income seniors. The Commission on Aging hereby appeals to Alexandria City to partner with a nonprofit developer Alexandria Housing Development Corporation (AHDC) and provide strong support and financial assistance to develop an MIAALF in Alexandria.

### THE NEED

By virtue of its actions City Council has known of the need for assisted living care for many years. The past 33 years has produced talk and committees, but no results.

1. 1987 – City Council approved and funded the ARCH for 10 frail elderly & closed it in 2003.<sup>2</sup>
2. 2003 – City Council received and approved the Assisted Living Study Group report, endorsed by the COA which called for an MIAALF of 100 units, or more.<sup>3</sup>
3. 2003 – City Council appointed the Assisted Living Work Group (ALWG) with instructions to bring to the City an MIAALF project.<sup>4</sup>
4. 2004 – A Market Study by the Stuart Patz firm confirmed the need for an MIAALF.<sup>5</sup>
5. 2012 – City Council approved the COA's 5-year plan, "Strategic Plan on Aging," to make affordable housing available including assisted living facilities for moderate- and middle-income seniors, (an MIAALF).<sup>6</sup>
6. 2014 – City Council approved the Housing Master Plan with Housing Goal #2 adopting the COA's MIAALF goal.<sup>7</sup>
7. 2018 – City Council collaborated with the COA on its Age Friendly Plan For A Liveable Community which calls for an MIAALF.
8. For several years the Division of Aging and Adult Services and the Office of Housing have considered an MIAALF as a priority.
9. There are only three "affordable" ALF's in all of Northern Virginia.
  - a. Culpepper Garden<sup>8</sup> with 73 units in Arlington gives priority admission to its 267 independent living units and Arlington residents.
  - b. Willow Oaks in Manassas, one fifth of which is owned by the City, has 14 assigned units assigned to the City. When all 14 units are occupied City social service staff has little choice but to send frail elderly citizens down state where costs are less, away from family, friends, and support.<sup>9</sup>
  - c. Chesterbrook Residences with 97 units in McLean, the only true MIAALF, maintains a full occupancy. It opened in 2007 and provides for a mix of incomes, from nothing to a little under market-rate. It now has 12 years of financial success without any outside operating subsidy.<sup>10</sup>
10. The need for assisted living facilities (ALF's) in Alexandria is amply demonstrated by the large number of new facilities that have recently been built, and the several currently in the pipeline. But, *all* are "market-rate" for people who can afford the \$7,000 to \$12,000 monthly charges.

## WHAT THE CITY HAS ACHIEVED

Only *four* affordable units so far, and nine promised.

Over the past 25 years for profit developers have dedicated four affordable units, with nine in the pipeline, in exchange for increased height and density. This nickle and dime approach has failed to even begin to meet the need. Over one third of a century the City has proclaimed the need but failed to take reasonable or serious action. Time has come for the City to support words with actions.

## ISSUES/OBSTACLES

1. “Affordable” when describing housing simply describes finding donated money/value to reduce development costs, and thus rents, so low-income people can afford to live there.
  - a. Tax exemptions
  - b. Free land
  - c. Grants
  - d. Low interest loans.
  - e. Project Based Rent Assistance
2. Free land was a significant factor in making all three affordable assisted living facilities “affordable,” and until now, “free” land was considered to be essential.
3. Following the demise of the ALWG the COA Housing Committee continued to look for “free” land but has been unsuccessful. It shas reached the decision other subsidies much be found to make an MIAALF “affordable.” If an MIAALF is to be build, the City must find money as a substitute for free land.

## SOLUTION

**The COA recommends the City set aside 20% of the usual proffered developer contributions and dedicate them to an MIAALF fund to enable a nonprofit developer (AHDC) to build an MIAALF in Alexandria.**

## Endnotes:

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1. The MIAALF concept, based on the Chesterbrook Residences model, was presented to the City On January 9, 2003 the Commission on Aging accepted the recommendations of the AL Study Group and the MIAALF concept from its Housing Committee and presented them to City Manager Phil Sunderland who in turn submitted them to City Council. On April 22, 2001 (Docket Item 19) City Council approved the Manager’s recommendations to close the ARCH and appoint the Assisted Living Work Group with the mission to bring an MIAALF to the City.
2. In 1987 the City opened the Alexandria Retirement Care Home (ARCH), two adjacent townhouses (716 and 718 North North Columbus Street) for use a home for ten low-income elderly residents. The buildings had no elevator which limited residency to those able to climb stairs. The City provided transportation for them to attend the City’s Adult Day Care Program at the Lee Center during weekdays where they received activities meals, and some care. In 1996 ARCH staff realized the problems (excessive cost, no elevator, limited care services, etc.) and recommended to City Council the ARCH be closed. The Commission on Aging successfully advocated to keep operating it. The ARCH facility was funded with a line item in the City’s budget that in 2003 was \$342,259 annually. The cost to transport and provide day care at the Lee Center was not allocated to the ARCH, but was buried in the Adults Day Care budget and not accounted for separately. In 2002 the full *cost* of caring for each of the 10 residents just at the ARCH was \$3,244 per month, or nearly \$500,000 a year, plus the

unallocated costs at the Adult Day Care Program.

3. The City appointed the Assisted Living Study Group, a committee of stakeholders, some time prior to April 2, 2003 when it gave it final report, to consider whether the ARCH should be closed, or not. The committee recommend closing the ARCH for two reasons: 1) Operating costs are too high, and 2) The physical facility is not suitable to house frail elderly people.
4. On January 9, 2003 the Commission on Aging accepted the recommendations of the AL Study Group and the MIAALF concept from its Housing Committee and presented them to City Manager Phil Sunderland, who in turn submitted them to City Council. On April 22, 2003 (Docket Item 19) approved the Manager's recommendations to close the ARCH and appoint the Assisted Living Work Group with instructions to bring a MIAALF project to the City. The ARCH was closed, The ALWG met off and on for several years but was unable to find free land, and thus was unable to bring an MIAALF project to the City.
5. The ALWG requested, and Volunteers of America paid, the Stuart Patz firm to prepare a market study dated November 1, 2004. That study showed the need then, and that need has only increased in the last 15 years.
6. See "The Alexandria of Our Future: A Livable Community for All Ages – Strategic Plan on Aging 2013-2017", page 31, Housing Goal 1 "Through public/private collaboration, a mixed-income affordable assisted living facility, with at least 100 units, is available to Alexandrians of low and moderate income." This plan was approved by City Council on April 10, 2012.
7. On December 14, 2016 City Council approved The City of Alexandria HOUSING MASTER PLAN, which was adopted by Ordinance #4125 on January 25, 2014. On page 162 of that report GOAL #2 quotes the Strategic Plan on Aging goal HOUS 1. "Through public/private collaboration, a mixed-income affordable assisted living facility, with at least 100 units, is available to Alexandrians of low and moderate income."
8. Culpepper Garden opened the assisted living wing of 73 one-bedroom apartments in 2000. It was built on free land owned by the Arlington Retirement Housing Corporation and construction was funded by a HUD 202/PRAC grant. The PRAC provided project based rental assistance for all apartments. Because HUD required all residents to be low-income they did not have enough income after paying rent to pay the costs of food and care. Arlington County provides an annual subsidy of some \$600,000 or more.
9. The Willow Oaks assisted living facility is a part of the larger Birmingham Green community in Manassas that provides independent living and nursing care. Some 90 years ago the site was purchased and developed by four counties and Alexandria as an "old folks" home for low-income elderly. Alexandria owns 1/5th and is allocated 14 assisted living units and 19 nursing care beds. It is located some 45 miles from Alexandria – an hour by car and two and a half hours by public transportation (if possible at all). The distance and inaccessibility make it difficult for family and friends to visit and support residents.
10. Chesterbrook Residences is a model MIAALF. The nonprofit owner/developer corporation is sponsored by two Presbyterian Churches and a Jewish Temple. This ALF has 97 apartments (85 one-bedroom, and 12 two-bedrooms). It is built on land donated by the National Capital Presbytery. Basic construction financing was by a \$1.5M loan from Fairfax County, \$1M+ raised by the nonprofit corporation, and a low-interest loan through VHDA. Operations are subsidized by 49 Housing Choice Vouchers and a mixed income clientele – roughly 25% very low income, 50% paying the full cost of operations based on vouchers, free land, and subsidized mortgage, 25% paying costs plus, but less than market rate. It opened in November 2007 and operations are financially sound with over \$5M in reserves for residents who may need some assistance, and for building maintenance reserves.