



THE NEW AGE OF HOMELESSNESS

*Communities are seeing a growing
number of struggling seniors*

BY DONNA KIMURA

Carlos Gonzales keeps his one-bedroom apartment sharp. The bed is neatly made. The small coffee table is tidy, free of dust. The kitchen counter is wiped down. There is no mistaking that he is proud of his home.

“When I walk in the building, I say, ‘I live here. This building belongs to me,’” he says, his voice soft as he tries to adequately express what he feels inside. “It’s special to live in this place.”

His protective gaze extends over the entire apartment development as he makes sure everything is in order at the corner of West 11th Street and South Burlington Avenue in Los Angeles.

Gonzales is among the first residents of the new 25-unit Casa Carmen Apartments, which provides affordable housing and services to seniors 62 and older who were once homeless.

A former auto painter, he fell on hard times when his wife became sick and eventually died. He says he also struggled with his own health problems, had heart surgery, and was homeless for several years. The 66-year-old slept in an old Toyota Corolla and then stayed at a sober-living home before moving into Casa Carmen this year.

Built by nonprofit 1010 Development Corp. and its partner Valued Housing, Casa Carmen comes at a critical time. Los Angeles and other communities are seeing an alarming rise in the number of seniors living on the streets.

A recent count found 5,231 seniors who were homeless in the greater Los Angeles area, a more than 8% increase from 2018, with the numbers expected to continue to rise. LA may be the epicenter for the nation’s homelessness crisis, but it’s not alone.

In Minnesota, the number of people 55 and older

who are homeless jumped 25% in the past four years from 843 in 2015 to 1,054 in 2018 (the most recent data available). While seniors make up the smallest percentage of those experiencing homelessness, their age group did experience the biggest increase in the state.

In Phoenix, about one-third of those who stay in Central Arizona Shelter Services’ (CASS) emergency shelter are 55 and older, says CEO Lisa Glow, who calls seniors “the new face of homelessness.”

Many are in their 70s and some are in their 80s, including two 89-year-old women last year. Many have chronic medical conditions, use wheelchairs or walkers, and are homeless for the first time.

“It’s really disturbing to have an elderly woman with dementia come into your shelter and not even know where she is,” Glow says.

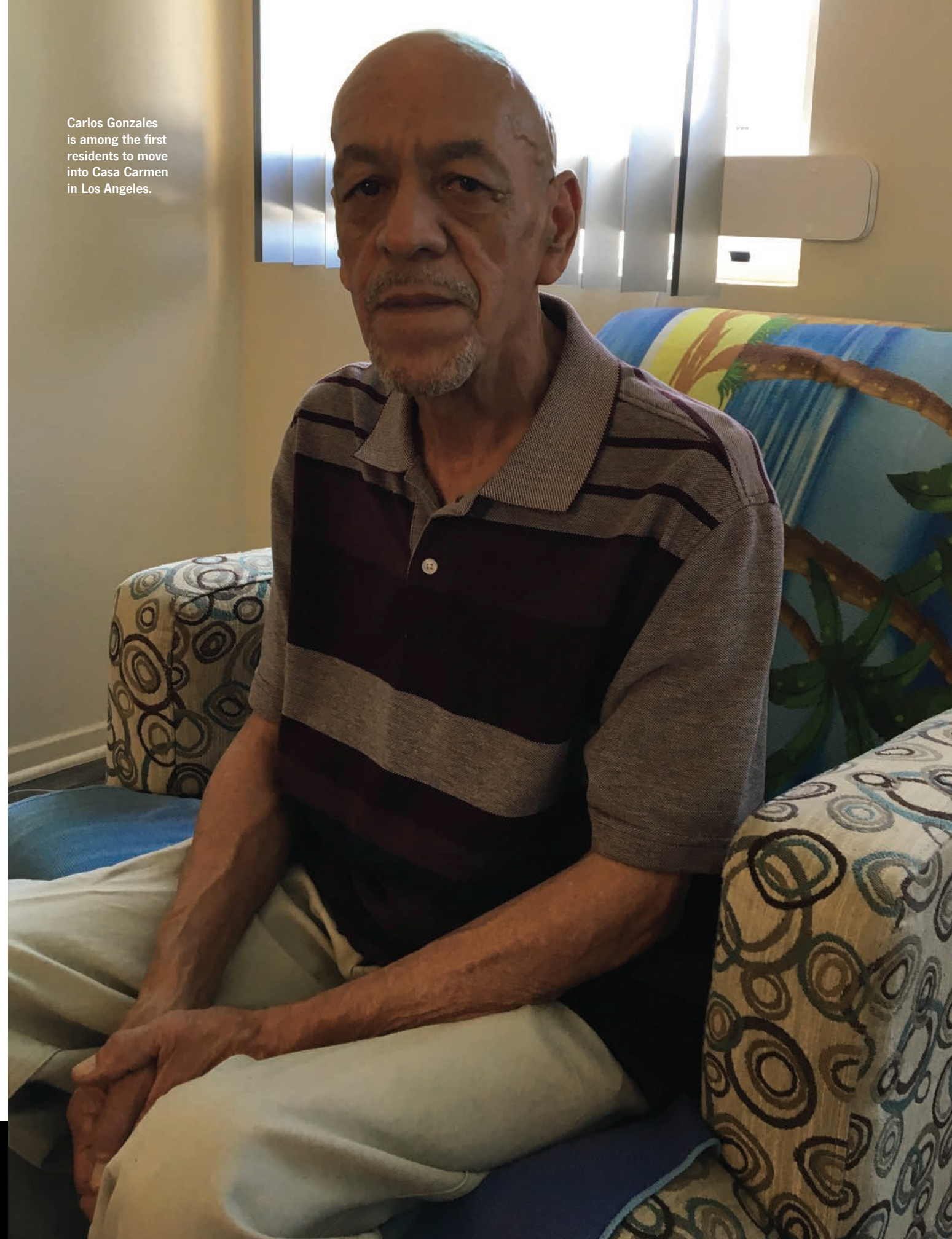
Rising housing costs are one reason behind the alarming trend, she says, noting that rents increased 8% last year. If the rent goes up \$50 or \$100 a month, some seniors on a fixed income can no longer pay their bills and will get evicted. For others, a medical crisis may have forced them into homelessness.

CASS, which operates the largest and longest-serving emergency shelter in Arizona with 470 beds at its adult shelter, works to get seniors into housing. However, that’s an enormous challenge because there’s a two-year waiting list for senior subsidized housing in the area, according to Glow. That’s why she’s beating the drum for additional resources for seniors, including the possibility of building a seniors-only shelter with services aimed at their specific needs.

Nationally, the population of people 65 and older experiencing homelessness is estimated to swell from 40,000 in 2017 to 106,000 by 2030, according to a recent study by researchers at the University of Pennsylvania; Boston University; University of Delaware; University of California, Los Angeles; New York University; and the New York City Center for Innovation Through Data Intelligence.

The annual cost of caring for this population could reach \$5 billion on average in shelter, hospital, and nursing home expenses alone over the next decade, says Dennis Culhane, the study’s principal investigator and an expert on homelessness. “A lot of the costs

Carlos Gonzales is among the first residents to move into Casa Carmen in Los Angeles.



Casa Carmen provides housing and services to seniors 62 and older who were experiencing homelessness in Los Angeles. In August, 1010 Development Corp., which has partnered with service provider PATH, held a ceremony to celebrate the project's opening.

are ones that could be better spent directly addressing the housing needs of these folks,” says Culhane, a professor at the School of Social Policy & Practice at the University of Pennsylvania.

The challenge becomes how to move money that’s tied up in health care and direct it into housing, he says, noting that health care organizations could realize major savings by helping homeless individuals to avoid expensive hospital visits and nursing home stays. Several studies have shown that providing affordable housing saves the public money because it’s cheaper than leaving people on the street where they become frequent users of emergency shelters, hospitals, and criminal justice resources.

The participation of Medicaid and its managed-care organizations looks like it could be one part of the equation. The researchers think the support services to help people move into and become stable in housing can be paid for by Medicaid through a variety of options. It’s one way that some of that health care money can contribute, Culhane says.

Still, housing costs remain a challenge because Medicaid doesn’t pay for it except in the cases of nursing homes. So another part of the solution may need to come from federal subsidy increases in housing programs, such as Section 202 and Section 811, that target seniors and people with disabilities, supplemented by new rental allowances from state and local governments, Culhane says.

There needs to be an extensive conversation about the role that state Medicaid agencies, private Medicaid managed-care organizations, government agencies, and others can play in shifting resources or providing incentives toward housing solutions, he says.

A 10-Year Journey

Casa Carmen is located in the Pico-Union neighborhood, not far from the Staples Center, home to the Lakers and Taylor Swift concerts. Mayor Eric Garcetti calls the area “the beating heart of Los Angeles.” He was one of several city officials to attend the development’s grand opening at the end of August. “Your life has led you to this point of where you deserve this,” Garcetti told the residents at that event. “You deserve to be here. I’m so proud to see this is truly a city of angels.”

For the elderly residents, this should be the best part of their lives, he said: “One in which you have the safety and security of a beautiful place to live and not to be on the streets, not to be in a car, and not to be some

SUSAN PICKERING
PHOTOGRAPHY

place you can't enjoy the golden years that you deserve."

Casa Carmen is the tip of the spear, with more permanent affordable housing developments on the way, vowed the mayor, noting that thousands of more units are in the pipeline.

Each one of these developments will have a story to tell. Look at Casa Carmen, a 10-year journey that began even before the recent push for permanent supportive housing that's come in the wake of a growing affordability and homelessness crisis.

The project had to overcome obstacles in financing and construction. Casa Carmen sits in a historic preservation overlay zone, which meant developers were required to maintain the façade of the property's original commercial structure. The brick-and-lime walls—essentially held together by layers of paint that had been applied to cover up graffiti over the years—had to be secured with steel features. After saving the original façade, the developers then constructed the new building behind it.

Bob Buente, president and CEO of 1010 Development, and his team also spent several years restructuring the deal and securing new financing after 25% of the project's funding disappeared when the state dissolved all local redevelopment agencies in 2011, which had been a critical source of funding for affordable housing.

"The first thing we had to do was to hang on," Buente says, explaining that the organization worked hard to keep the project afloat until it was able to close on all the financing in June 2017.

He describes the funding behind the \$11.7 million project as a wedding cake because of its multiple layers. Like most affordable housing developments built in the United States, federal low-income housing tax credits (LIHTCs) are the key ingredient, with R4 Capital providing nearly \$4.8 million in LIHTC equity.

The development also works because the Los Angeles County Department of Health Services (DHS) is providing a rent subsidy for the apartments, which is essential for the special population. For 1010 Development, this means the nonprofit is able to serve an extremely low-income population, and for residents this means they only have to pay 30% of whatever income they have for rent. DHS is also paying for extensive case management services for the residents.

The 24 senior residents, some who had been homeless for years, were all referred by DHS. Each apartment comes furnished with a bed, a couch, and other necessities. Gonzales moved in with just his clothes.



Casa Carmen Funding Sources:

- + **\$3.97 million** in 4% low-income housing tax credit equity from R4 Capital.
- + **\$807,000** in state low-income housing tax credit equity from R4 Capital.
- + **\$3.5 million** from the state Department of Housing and Community Development's (HCD) supportive housing multifamily housing program.
- + **\$2.58 million** loan from the city of Los Angeles Housing + Community Investment Department (HCIDLA).
- + **\$234,446** from the Federal Home Loan Bank's Affordable Housing Program through member Century Housing.
- + **\$6.4 million** construction loan from Citi Community Capital, funded through the direct purchase of tax-exempt bonds issued by the city of Los Angeles.

The Veranda Funding Sources:

- + **\$5.5 million** in 9% low-income housing tax credit equity from Wells Fargo.
- + **\$3.7 million** from the city of Cupertino.
- + **\$1 million** loan from the Housing Trust Silicon Valley.
- + **\$1 million** loan in Measure A funds from Santa Clara County.
- + **\$500,000** in HOME funds from Santa Clara County.
- + **\$4.9 million** construction loan from Wells Fargo.
- + **\$120,000** loan from Charities Housing.



Nationally, the population of people 65 and older experiencing homelessness is estimated to swell from 40,000 in 2017 to 106,000 by 2030.

Designed by Studio E Architects and developed by Charities Housing, The Veranda helps serve the needs of at-risk seniors in Silicon Valley.

One additional apartment is a manager's unit.

It's not surprising that the development leased up in 24 hours, considering the huge demand for all types of affordable housing in Los Angeles and other cities.

With an election year approaching, presidential candidates have been passing through the nation's second-largest city and meeting with its mayor. "To win my support and the support of folks who live here, we want to see national leadership on housing and homelessness," Garcetti tells them.

A Start in Silicon Valley

Other developers are also working to bring seniors off the streets. In the heart of Silicon Valley, one of the nation's most expensive apartment markets, Charities Housing recently transformed a long-vacant site in Cupertino, Calif., into The Veranda, a 19-unit community for seniors 62 years and older. Twelve apartments are set aside for very low-income seniors, and six more are designated for elderly individuals who were chronically homeless. One additional unit is home to a resident manager.

The approximately \$12 million community is the first completed development that utilizes funding from Measure A, a \$950 million affordable housing bond that Santa Clara County voters approved in 2016. The primary goal of this new source of funding is to help end homelessness in the county, and the mission of Charities Housing is to serve the area's most vulnerable, so it's no surprise that those two

purposes found common ground at The Veranda.

"Charities Housing is a nonprofit that focuses on the lower end of the affordability range," says Kathy Robinson, director of housing development, noting that the organization's projects generally serve residents earning between 30% and 50% of the area median income, and many of the communities have units for people with special needs.

Situated on a small half-acre parcel, The Veranda's 350-square-foot studio apartments are located in a three-story sliver of a building that features a solar panel system that offsets about 40% of the hot-water demand and reduces operating costs.

And The Veranda is merely a start. Charities Housing is also working to develop a 145-unit community in nearby San Jose, with one-third of the units for seniors who have been homeless.

Farther south, in San Diego, National Community Renaissance is developing the 51-unit San Ysidro Senior Village, which will provide 50 permanent supportive housing units to seniors who were chronically homeless. The approximately \$17.6 million community will open next year.

It will be home to people like Gonzales, who found a fresh start at Casa Carmen.

"It's hard to explain completely what is inside [me]," he says. "I've been here for five months, and I know it's not a dream. It's true that I live right here, but when I'm in my room, sitting down, and see my place, I say, 'I live right here.' ... It's special." **AHF**

JEFF PETERS/MANTAGE POINT PHOTOGRAPHY