



UNITED STATES
DEPARTMENT
OF AGRICULTURE

RURAL
DEVELOPMENT

RURAL HOUSING
SERVICE

Rural Housing Options for Elderly People

Each person experiences the aging process differently. Some people are able to maintain lifelong health and independence, while others find that they face increasingly more difficult challenges to their abilities to take care of themselves. The difficulties that aging can bring are felt not only by elderly people but also by their children and grandchildren, making the question of how to address these issues one of intergenerational importance. Adding urgency to this question is the fact that America's elderly population is growing rapidly: the U.S. Census Bureau forecasts that the proportion of people age 65 and older will grow from 12.5 percent in 1990 to 17.7 percent in 2020, a 41.6 percent increase.

The Rural Housing Service (RHS) of USDA Rural Development recognizes the importance of providing rural seniors with a wide range of living options. We invest heavily in programs that help elderly people live with as much independence and dignity as possible. These include the Section 504 loan and grant programs, which make vital home repairs for very-low-income seniors; the Section 515 Rural Rental Housing program, which provides affordable rental housing to seniors and people with disabilities (as well as families); the Section 521 Rental Assistance program, which makes rents in the Section 515 program affordable to tenants with very low incomes; and the Community Facilities program, which among other things finances a variety of elder care facilities. Following are descriptions of how each of these programs serves elderly people.



Section 504 Loan and Grant Programs

The Section 504 Loan and Grant programs allow elderly people with very low incomes to maintain their independence by remaining in their own homes. The loan program is available to any rural person with a very-low income, but most program beneficiaries are elderly. The average age of borrowers between 1991 and 1996 was 58, and the median age was 61. The grant program is available exclusively to very-low-income rural seniors. Both programs provide funds to make such major repairs or renovations as removing electrical and fire hazards, replacing roofing, installing or improving water and waste-water disposal systems, and installing insulation and heating and cooling systems. In 1999, the Section 504 loan program lent a total of \$11 million to more than 2,400 very-low-income borrowers while the Section 504 grant

program provided \$8 million to very-low-income elderly people. The average income of Section 504 borrowers between 1991 and 1996 was \$11,652; the median income was \$8,055. Average and median

Quick Facts

- Median annual income of Section 504 borrowers: \$8,055;
- Average annual adjusted income of RHS multi-family tenants: \$7,627;
- 42 percent of RHS multi-family tenants are elderly;
- 47 percent of Section 515 funds in 1999 were invested in housing for the elderly;
- Total Community Facilities program investments in facilities that directly benefit seniors: \$657 million;
- 14 percent of Community Facilities funds in 1999 were invested in facilities for seniors.

“Before moving [to Section 515 Rural Rental Housing] I lived alone in a two-room cabin [with] no foundation, no plumbing and [which was] heated by a small wood-burning stove. I had a long walk to the rural mailbox over a rough dirt lane. If this [Section 515] complex did not exist, I would still be living there. Many other low-income elderly people in Maine are living under those conditions, or worse.”—letter from Betty C. McAfee of Belfast, Maine

incomes for Section 504 grant recipients were even lower.

Section 515 Rural Rental Housing Program and Section 521 Rental Assistance Program

Many relatively independent rural seniors find that they cannot keep up with the yard work and structural maintenance that homeownership requires. Others find that they need to live closer to vital services, such as doctors, pharmacies, and grocery stores. For these elderly people, the Section 515 Rural Rental Housing program is an attractive option. In addition to being virtually maintenance-free, these apartments for elderly and disabled people are equipped with special amenities, such as strategically placed handrails and emergency call buttons or lights with which to signal for help. Many of them are wheelchair accessible. Managers of these complexes often arrange for services such as transportation, grocery and pharmaceutical delivery, Meals on Wheels, health screenings, and entertainment, and they make sure that the community rooms stay in constant use. In addition, a small percentage of Section 515 complexes offer congregate care facilities in which seniors receive two cooked meals per day.

In fiscal year 1999, RHS invested \$32.5 million (43 percent of the total funds lent) to build 49 complexes and approximately 1,900 units for elderly people and people with disabilities. In addition, RHS loaned \$4.1 million to make repairs to 19 existing complexes. Of approximately 18,000 complexes, 6,800 (38 percent) serve elderly or disabled people. Another 375 (2 percent) serve “mixed” tenant populations consisting of both families and elderly people. In 1999, 42 percent of tenants were

elderly people, and a majority of these were women. The average adjusted tenant income was \$7,627.

To make Section 515 housing available to tenants who cannot afford market rents, RHS provides assistance through the separately appropriated Section 521 Rental Assistance program, which brings tenants’ rent down to 30 percent of their adjusted incomes and makes up the difference to the landlords. In 1999, RHS provided more than \$196 million worth of rental assistance to 16,000 elderly households.

Community Facilities Loan and Grant Program

Through the Community Facilities Loan and Grant program, RHS finances a range of service centers for elderly people, including nursing homes, boarding care facilities, assisted care, adult day care, and a few intergenerational care facilities which serve both elderly people and children at the same time.

From its inception in 1974 to 1999, the Community Facilities program has made 653 loans, guarantees, and grants worth \$657 million for facilities that directly benefit seniors. In addition, the program invested heavily in hospitals, clinics, and emergency services, which benefit people of all generations.

For more information on USDA Rural Development housing programs, see the Rural Housing Service website at www.rurdev.usda.gov

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