

Access to Subsidized Rental Housing in Vermont by Age



Mia Watson
Vermont Housing Finance Agency
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Scope

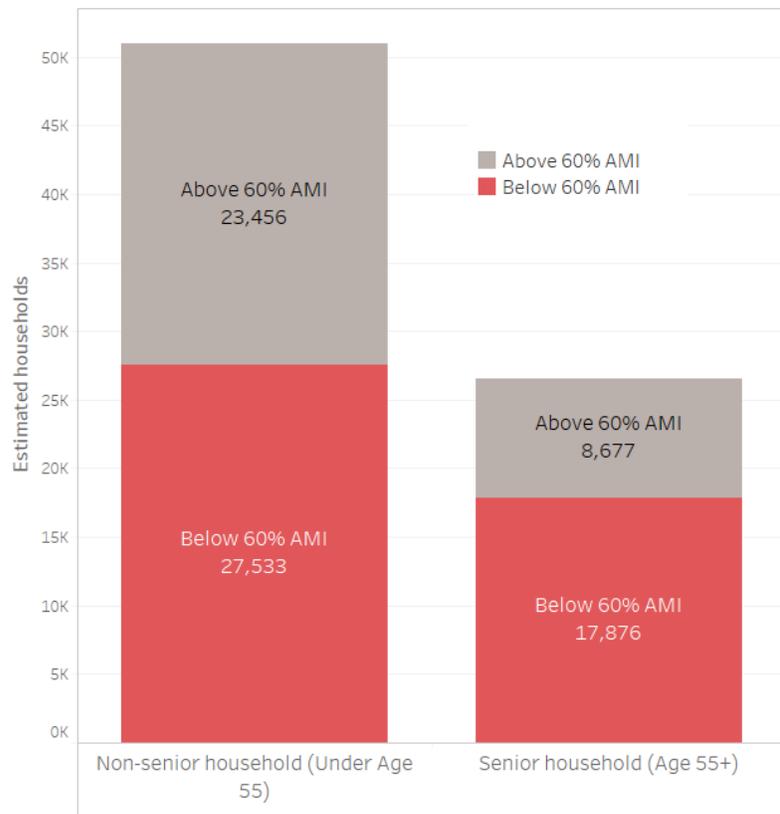
As the allocating agency for scarce federal and state funds for the development of affordable rental housing, Vermont Housing Finance Agency (VHFA) seeks to encourage informed policy decisions to ensure their highest and best uses. Over multiple Qualified Allocation Plan (QAP) update cycles, staff have received public comments related to a cap on Tax Credit allocations for age-restricted housing. To ensure best practices and policy, VHFA seeks to understand how the current portfolio of affordable housing in Vermont is serving our state’s senior population, and if there appears to be disparate unmet need in particular population segments throughout the state.

Populations currently served by subsidized housing

Eligible populations

A review of Census Bureau estimates¹ was conducted to determine the number of senior and younger households in Vermont potentially eligible for rental housing assistance based on income. For this analysis, senior households were considered to be age 55 and older. While some federal programs, including those managed by the U.S. Department of Housing and Urban Development (HUD), limits age-restricted housing to households with a member age 62 or older, much of the age-restricted housing funded through VHFA allows households with a member age 55 or older. Therefore, to create the largest possible picture of the eligible population, the analysis labels all Vermont households with any member age 55 or older as a senior household.

Figure 1: Estimated households eligible for subsidized housing



Source: U.S. Census Bureau: American Community Survey 5-year estimates, 2013-2017. Public Use Microdata Sample (PUMS).

¹ This analysis was conducted using the American Community Survey 5-year estimates for 2013-2017, Public Use Microdata Sample (PUMS). PUMS estimates make it possible to simultaneously compare tenure, income, household size and age of household members, enabling the most detailed and specific analysis of these Vermont subpopulations. These estimates are subject to small margins of error.

VHFA's analysis included any households that currently rent their homes², and that earn less than 60% of the median income for that area (AMI). Although eligibility for housing assistance varies depending on a number of factors, including the program funding source, households earning less than 60% of AMI are likely to be eligible for the majority of rental assistance programs.

This analysis finds that an estimated 17,876 senior households in Vermont and 27,533 younger households are theoretically eligible for assistance based on their income.

Median household income in the U.S. peaks at age of 45-54³. Consequently, senior households are more likely to fall in the "low-income" category than younger households. However, the absolute number of senior low-income households in Vermont is smaller than the number of younger low-income households.

Distribution of households in VHFA-financed housing

VHFA has detailed data on the residents of the properties financed by housing tax credits or by VHFA loans⁴. These properties can be divided into age-restricted apartments, limited to households above an age threshold⁵, and general occupancy apartments, which do not have any age restrictions. Some age-restricted apartments also accept younger applicants with disabilities, but these properties were still classified as age-restricted for the purpose of the analysis. Since seniors can also live in general occupancy apartments, it is necessary to look at the actual residents of the apartments to determine how access to subsidized housing is distributed among these age groups⁶.

40% of VHFA-financed general occupancy apartments are occupied by seniors. Based on Census Bureau estimates, seniors make up 39% of the low-income renter population in Vermont. **This means that VHFA's general occupancy apartments *alone* proportionally serve senior households in need, even before the 2,403 age-restricted apartments are taken into account.**

The 251 non-senior households in age-restricted housing shown in Figure 2 (below) are those living in apartments open to disabled households. VHFA's portfolio includes 1,871 apartments that could serve either disabled or age-restricted households, indicating that only a small percentage of these types of multi-use apartments are actually occupied by non-senior disabled households.

Overall, senior households occupy 57% of all VHFA-financed subsidized apartments (while comprising 39% of the Vermont low-income renter eligible population).

² Although some households that own their home (both senior and non-senior) may have housing problems that would require them to move to subsidized rental housing, it is not possible to identify these households using Census Bureau data. Therefore, only renter households were included.

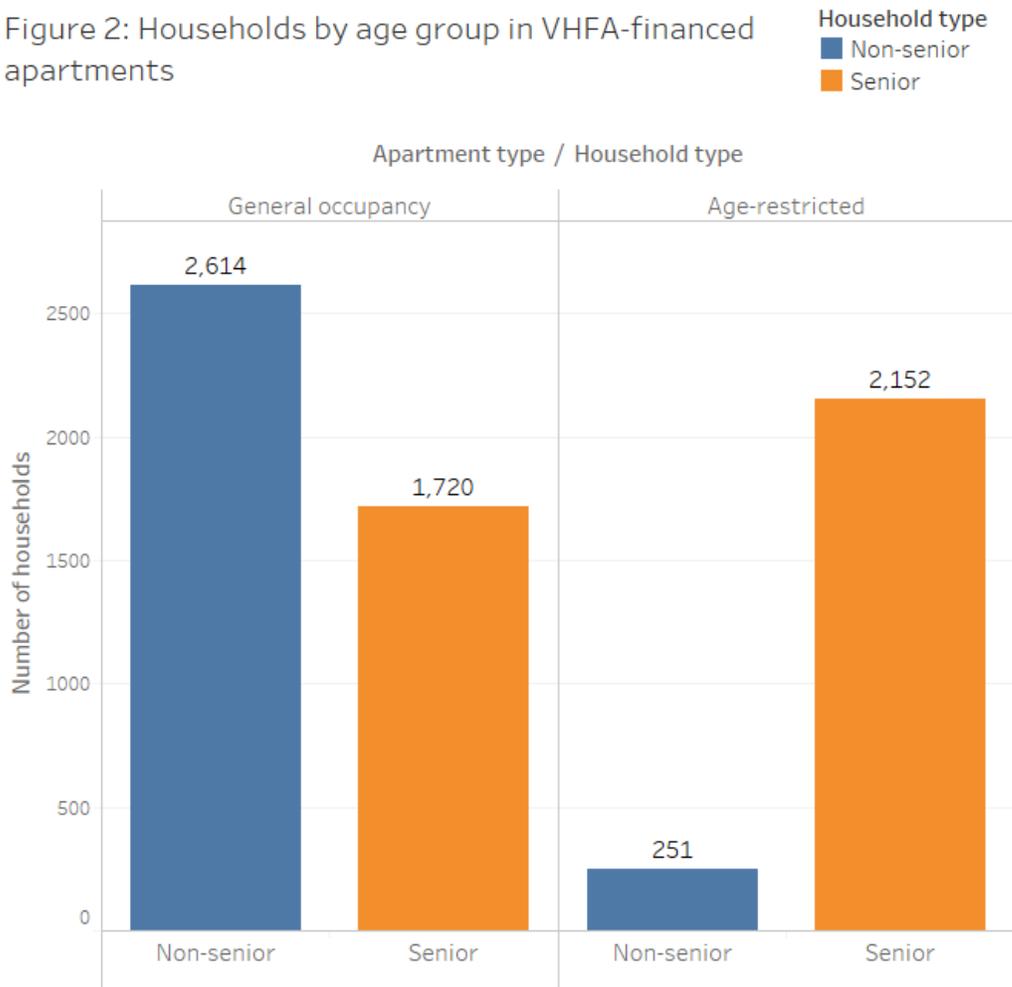
³ Source: Census Bureau estimates from Bankrate, 2018. Retrieved from <https://www.bankrate.com/personal-finance/median-salary-by-age/>

⁴ Market-rate apartments in these properties are excluded from this analysis.

⁵ Some VHFA-financed properties set the threshold at age 55 and others at age 62.

⁶ In this analysis, VHFA labeled households as senior households when any member was over the age of 55.

Figure 2: Households by age group in VHFA-financed apartments



Source: VHFA housing portfolio as of May, 2019. Includes units financed by the Low Income Housing Tax Credit Program (LIHTC) and VHFA loans.

Distribution of households in all subsidized housing

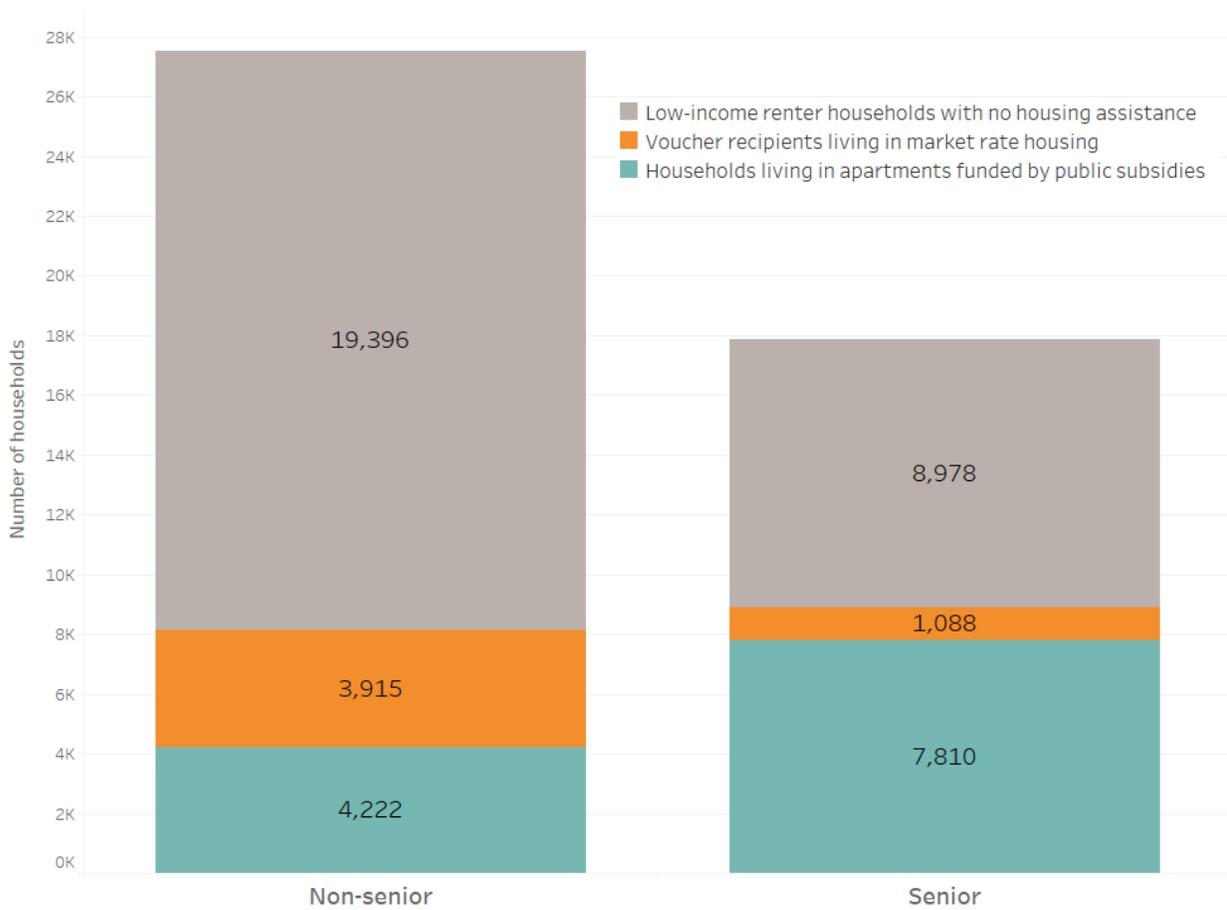
VHFA-financed apartments make up a little more than half of the 12,032 subsidized apartments in Vermont, with the rest of the apartments financed by other state and federal programs, including Public Housing and other HUD programs, and USDA Rural Development programs. In addition there are 5,470 tenant-based vouchers⁷, some of which are used to rent privately-owned market rate homes, and some of which are used in apartments that are subsidized but do not have the project-based rental assistance that would make the apartment affordable to very low-income households.

VHFA used the detailed information available on the apartments in its portfolio, as well as counts of seniors and non-seniors in Public Housing and receiving tenant-based vouchers from HUD to estimate the total numbers seniors and non-seniors receiving some form of housing assistance. These groups

⁷ According to the Department of Housing and Urban Development (HUD)'s Resident Characteristics Report for the Section 8 Housing Choice Voucher Program, January 01, 2018 through April 30, 2019.

were subtracted from the total number of low-income renter households estimate households with no assistance as shown in Figure 3 below⁸.

Figure 3: Current distribution of rental housing subsidies by age group



This analysis reveals that more senior households receive housing assistance than non-seniors. Since the total population of eligible senior households is half as big as younger households, this means that seniors are more likely to get housing assistance than their younger counterparts. **Nearly 50% of eligible senior households in Vermont receive housing assistance, while only 30% of younger households do.**

Seniors occupy an even greater proportion, of the apartments developed with public subsidies (shown in teal on Figure 3). 44% of total eligible senior households in Vermont live in a subsidized apartment, while 15% of non-senior households do. In contrast, tenant-based vouchers administered through the Section 8 Housing Choice Voucher Program are awarded more frequently to non-seniors than to seniors relative to the eligible population⁹.

⁸ The data underlying this analysis can be seen in Appendix [Table 10](#).

⁹ Counts of all voucher holders, both those in market rate and subsidized apartments, can be found in Appendix [Table 7](#).

Additional factors impacting access to subsidized housing

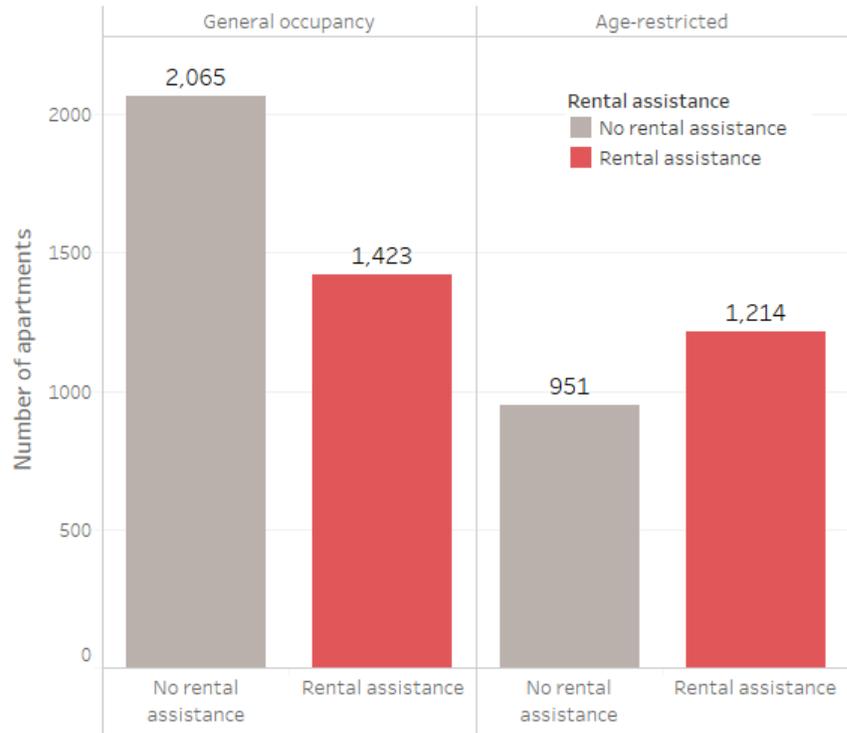
Rental assistance

Access to affordable housing depends not only on whether a household is receiving any assistance, but also on whether the rent is affordable for that household¹⁰. Housing development projects that receive public funding are required to set aside a certain proportion of apartments for low-income households, and must ensure the apartments are affordable relative to the median area income. However, for very low-income households earning far less than the area median, these rents may still be too expensive. To address this gap, many subsidized apartments receive additional project-based rental assistance through programs like USDA Rural Development Rental Assistance, and HUD Section 8 Project-Based Assistance¹¹.

A review of VHFA's portfolio reveals that overall, apartments that are restricted to seniors are more likely to have rental assistance attached to the apartment than apartments that are open to households of all ages.

Overall, senior households living in subsidized apartments (both age-restricted and general occupancy) are more likely to receive some type of additional rental assistance through various programs than non-senior households. Relative to their population, more senior households live in apartments with project-based rental assistance (see Appendix [Table 11](#)), live in Public Housing¹² (see [Table 4](#)), or live in subsidized apartments while also receiving a tenant-based voucher¹³ (see [Table 7](#)).

Figure 4: Rental assistance in VHFA-financed apartments



Source: VHFA housing portfolio as of May, 2019. Includes units financed by the Low Income Housing Tax Credit Program (LIHTC) and VHFA loans. Rental assistance includes rental assistance attached to a unit. The level of assistance is based on a household's adjusted income so that it only has to contribute 30 percent of its income towards rent and utilities.

¹⁰ According to the federal standard of affordability, total housing expenses, including utilities, should cost no more than 30% of household income.

¹¹ A full description of [rental assistance programs](#) is available on HousingData.org.

¹² Apartments in HUD's Public Housing program have rents adjusted to be affordable based on tenant household income.

¹³ Households living in subsidized apartments are eligible for tenant-based vouchers if the rent in these subsidized apartments is not affordable based on that household's income. 1,084 households in VHFA-funded housing receive vouchers.

Waitlists

Waitlists are another important indicator of the relative demand for and access to affordable rental housing. However, managers of affordable apartments in Vermont tend to organize applicants on waitlists for apartments in their portfolios based a number of different criteria, including the location, number of bedrooms needed, the need for rental assistance, and property amenities. Furthermore, applicants may be placed on multiple lists, making it impossible to calculate an overall average length of time on waitlists or the total number of applicants for subsidized rental housing in Vermont.

Anecdotally, most managers reported their properties had waitlists of several hundred applicants, and that most applicants remained on the waitlist at least a year, with one property reporting a waitlist of 540 applicants and an average wait time of four to five years. The four managers contacted during this study who had both age-restricted and general occupancy housing in their portfolios tended to report longer waitlists for general occupancy apartments.

However, it is important to note that several of the managers consulted for this project cautioned against drawing firm conclusions about demand for housing based on waitlists alone. They reported that it is not uncommon to have to contact as many as ten waitlist applicants before they find someone who is ready to move into the apartment, either because the applicant has found other housing since joining the waitlist, or because the available apartment does not suit that applicant's needs or wants.

Characteristics of residents of subsidized housing

The characteristics of households living in subsidized housing are also helpful in assessing the extent to which the housing aligns with household needs.

Financial

Both senior and non-senior households in VHFA-financed housing tend to have very few financial resources. Non-senior households tend to have slightly higher annual incomes, but senior households tend to have slightly more total current assets¹⁴. This suggests that there is not a significant difference in financial resources that would make one group better able to afford housing expenses than the other.

Figure 5

	Non-senior households	Senior households
Median annual income	\$18,162	\$16,069
Median total assets	\$220	\$610

Source: VHFA housing portfolio as of May, 2019. Includes apartments financed by the Low Income Housing Tax Credit Program (LIHTC) and VHFA loans.

¹⁴ Both household incomes and household assets are recorded during a yearly certification process.

Age

As expected, age-restricted housing is made up of older households than general occupancy housing, both when looking at all households, and when considering only senior households.¹⁵

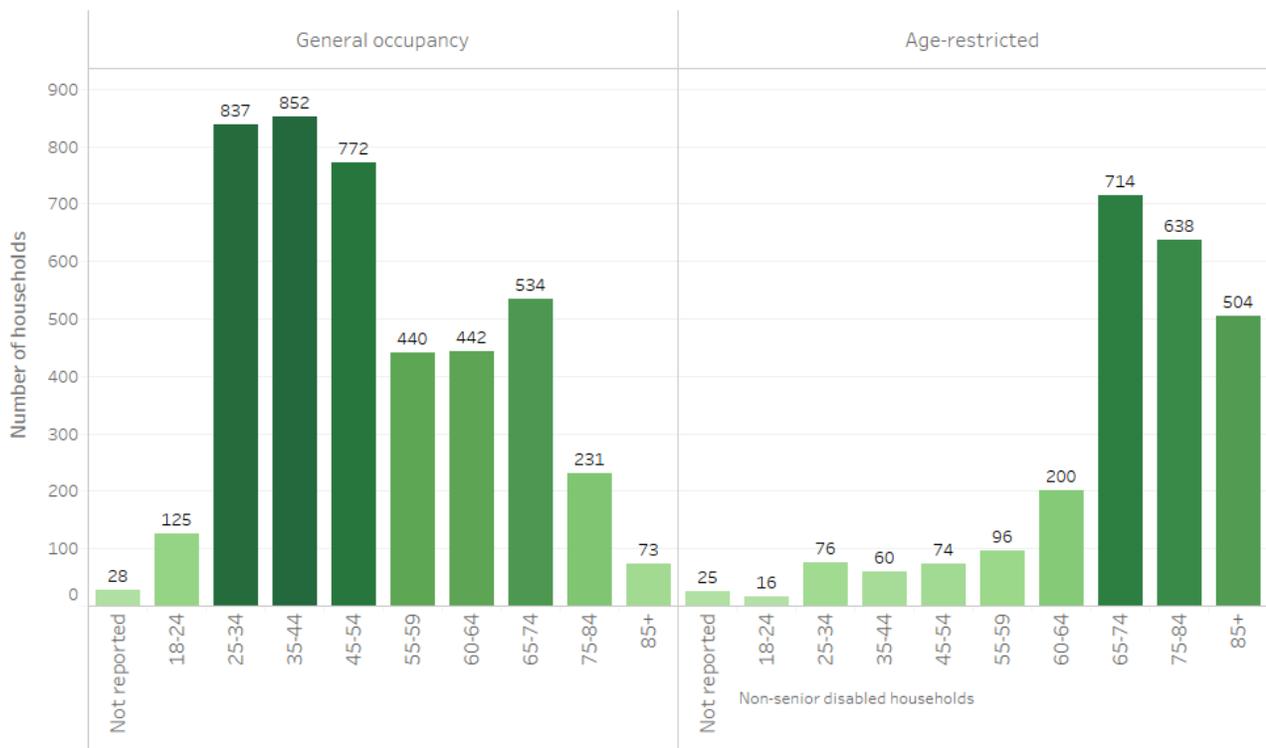
Figure 6

	General occupancy housing	Age-restricted housing
Median age of all households	49	74
Median age of senior households	64	76

Source: VHFA housing portfolio as of May, 2019. Includes apartments financed by the Low Income Housing Tax Credit Program (LIHTC) and VHFA loans. Includes the median age of the oldest household members.

General occupancy housing does include a small but significant share of households on the upper end of the age spectrum, with 7% of the apartments occupied by households over the age of 75.

Figure 7: Ages of households in VHFA-financed apartments



Source: VHFA housing portfolio as of May, 2019. Includes units financed by the Low Income Housing Tax Credit Program (LIHTC) and VHFA loans. Age of household is based on the age of the oldest member of the household.

The fact that age-restricted housing serves older seniors is attributed in part due to the unique features that are many times available in age-restricted housing that accommodate physical needs such as

¹⁵ The median age of all households in age-restricted housing is lower than senior only households because of the small number of non-senior disabled households that live in those apartments.

elevators, handrails along interior hallways, and available supportive services. Additionally, age-restricted housing is more likely to have market features that cater to older residents such as common rooms, modest exercise rooms and hair salons.

Length of stay

Households in age-restricted housing tend to live in their apartments longer than those in general occupancy housing. However, when we consider only senior households, the difference disappears, with seniors in general occupancy housing staying slightly longer than seniors in age-restricted housing.

Figure 8	General occupancy housing	Age-restricted housing
Median length of stay of all households	29 months	39 months
Median length of stay of senior households	48 months	44 months

Source: VHFA housing portfolio as of May, 2019. Includes apartments financed by the Low Income Housing Tax Credit Program (LIHTC) and VHFA loans.

Although it is only one indicator, the length of stay data suggest that seniors can live successfully for extended periods of time in general occupancy housing.

Future needs for affordable housing in Vermont

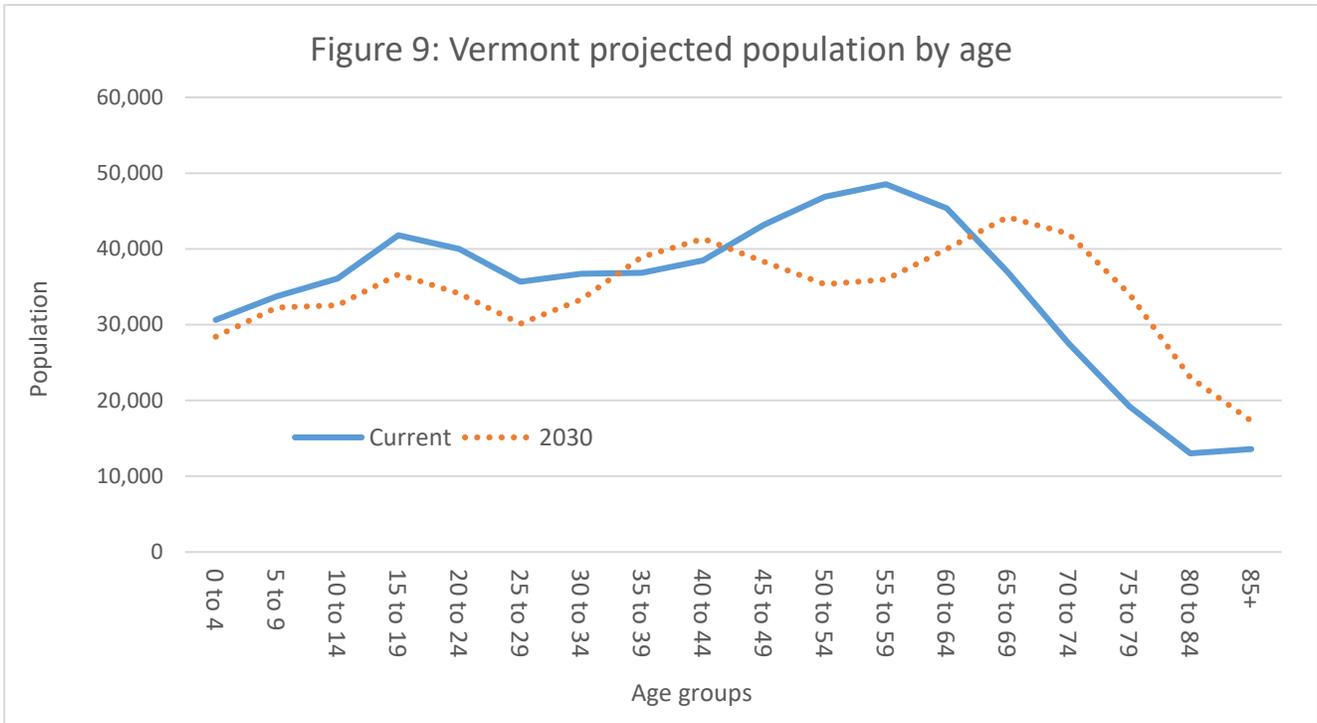
Many policy makers express concern over Vermont’s aging population, and how that may affect affordable housing needs over time. However, it is important to contextualize that trend within the state’s overall annual growth rate of just 0.2%¹⁶. Since Vermont currently only gains a net average of 419 households per year, any change within age group categories is likely to be on a small scale.

Population projections indicate that Vermont’s population will decrease by about 6,300 individuals (1%) by the year 2030¹⁷. This will be marked by a moderate shift of the population from younger to older groups over time as the current non-seniors age. The total population over age 55 is projected to increase by 16%, from 204,258 currently¹⁸ to 236,574 in 2030. Meanwhile, the total population under age 55 will decrease by 9%, from 420,047 to 381,394.

¹⁶ Source: U.S. Census Bureau: American Community Survey 5-year estimates, 2013-2017; 2010 Decennial Census

¹⁷ See Appendix [Table 12](#) for full projections.

¹⁸ In this case, the current population is based on the average between the 2010 Decennial Census and the 2020 population projections.



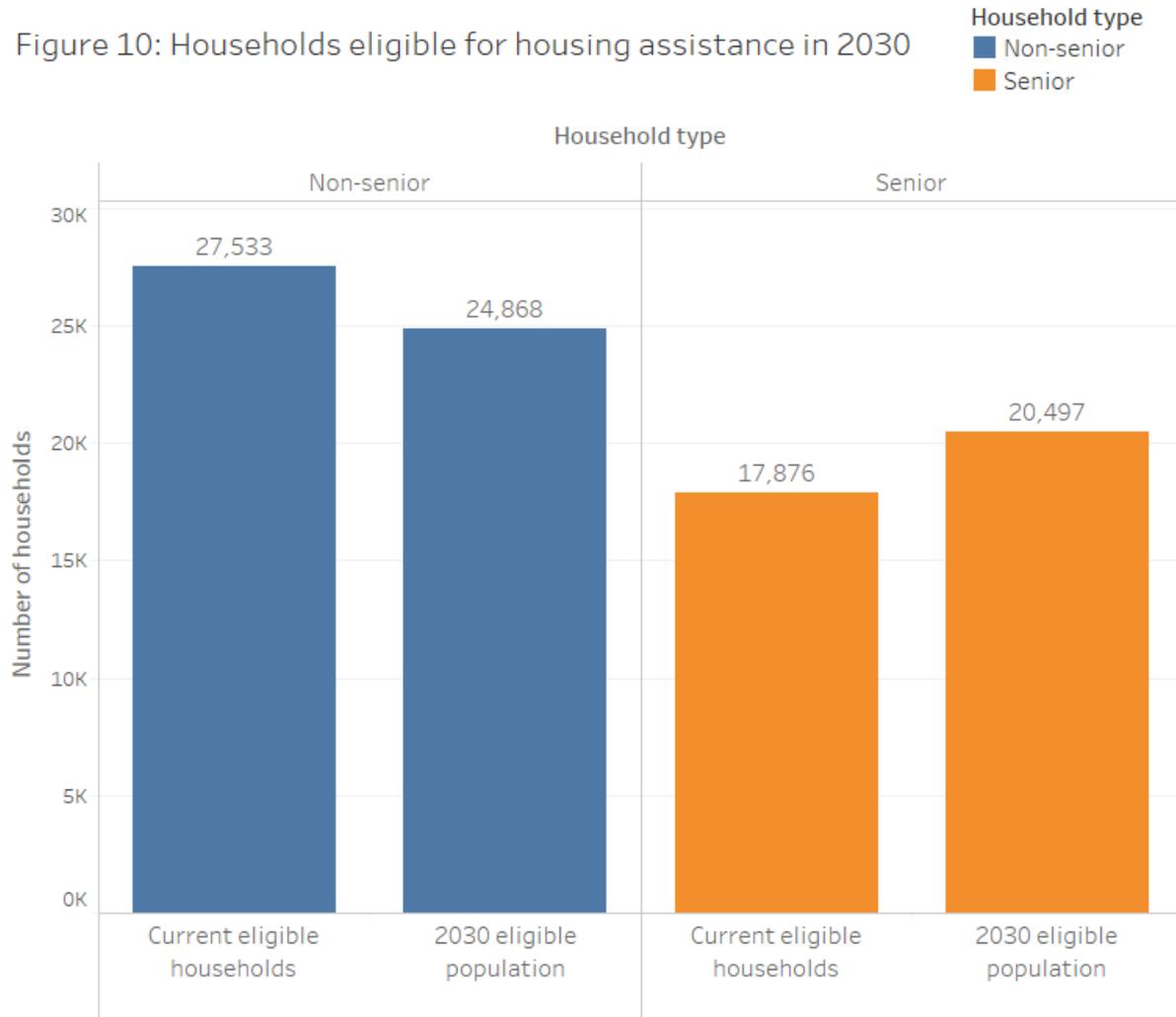
Source: University of Virginia Weldon Cooper Center, Demographics Research Group. (2018). National Population Projections. Retrieved from <https://demographics.coopercenter.org/national-population-projections>

VHFA used these population projections to estimate the number of households that will be potentially eligible for housing assistance in 2030¹⁹. These estimates are based on the assumption that the proportion of low-income renter households relative to the overall population will not change between now and 2030.

¹⁹ That is, the number of renter households earning less than 60% of area median income.

The estimates indicate that although the senior population in Vermont is growing, the senior households likely to be eligible for rental assistance will only increase by around 13% or 2,600 households by 2030. At the same time, the number of younger low-income renter households will decrease. Overall, the total population of low-income Vermont renters is projected to stay constant from now until 2030.

Figure 10: Households eligible for housing assistance in 2030



Source: U.S. Census Bureau: American Community Survey 5-year estimates, 2013-2017. Public Use Microdata Sample (PUMS). University of Virginia Weldon Cooper Center, Demographics Research Group, National Population Projections, 2018. Eligible population includes renter households earning less than 60% of area median income.

It is more difficult to predict how the composition of the affordable housing stock will change over time, given the fact that funding sources can be subject to change. However, seniors currently occupy 3,588 more subsidized apartments than non-seniors, many of them in general occupancy housing. If Vermont is only expected to add roughly 2,600 eligible senior households, whilst simultaneously decreasing the number of non-senior households, it seems probable that the current allocation of resources between general occupancy and age-restricted apartments will be sufficient to address the shift between age groups.

Conclusions

A comprehensive analysis of the available data found that senior renters are being well served relative to younger renters by Vermont's affordable rental housing portfolio. At this time, seniors receive more housing assistance than non-seniors. Nearly 50% of eligible senior households in Vermont receive some type of housing assistance, while only 30% of other eligible households do. VHFA's general occupancy housing alone is currently composed of 40% seniors, which represents their proportional share of the low-income renter households before considering the 2,403 age-restricted apartments. In total, seniors are accessing 65% of Vermont's subsidized apartments. Seniors are also much more likely to receive additional rental assistance to ensure that the housing that they live in consumes no more than 30% of their income.

Although Vermont's population will continue to change in the coming decade, the overall number of households eligible for assistance across all age ranges is not expected to increase. Vermont is only expected to add roughly 2,600 low-income senior renter households, whilst simultaneously decreasing the number of eligible non-senior households. Since we know that seniors already reside in a large proportion of the general occupancy housing, there is little indication that the current proportion of age-restricted and general occupancy housing will be inadequate to accommodate the growth in the number of older households.

Although seniors can certainly benefit from housing with services tailored to their specific needs, it does not appear that subsidized general occupancy housing in Vermont is broadly failing to meet their needs. Seniors in general occupancy housing tend to have lived in their apartments for as long as seniors in age restricted housing, and general occupancy housing serves a small but significant population of households on the upper end of the age spectrum.

With tax credits and other funding for affordable housing in short supply, the current evidence does not appear to support the need for a greater proportion of housing that is only available to senior households.

Appendix

Table 1: Estimated Vermont households eligible for housing assistance

Tenure	Income eligibility	Non-senior household (Under Age 55)	Senior household (Age 55+)	Total
Renter	Above 60% AMI	23,456	8,677	32,133
	Below 60% AMI	27,533	17,876	45,409

Source: U.S. Census Bureau: American Community Survey 5-year estimates, 2013-2017. Public Use Microdata Sample (PUMS). Includes renter households only. A household is considered to be a senior household when at least one member is older than age 55. The area median income is based on HUD's 2019 median income estimates. The comparison of household's income to the median income was based on the household size and median income of the Public Use Microdata Area (PUMA) that the household was located in.

Table 2: Subsidized apartments in Vermont

	Apartment type		Total
	General occupancy	Age-restricted	
Market rate (in mixed income complex)	918	642	1,560
Subsidized apartments	6,197	5,835	12,032
Total apartments	7,115	6,477	13,592

Source: Directory of Affordable Rental Housing on HousingData.org, as of June 2019

The [Directory of Affordable Rental Housing](#) is a nearly complete record of all the subsidized housing in Vermont, including housing funded by VHFA awarded tax credits and loans, and housing funded by other entities such as HUD and USDA. It does not include tenant-based voucher holders living in privately owned housing.

The Directory lists 13,592 apartments in subsidized developments, 1,560 of which are market rate. VHFA used the Directory as a starting point to determine the age composition of its 12,032 subsidized apartments.

Table 3: VHFA financed apartments

Apartment type	Household type		Total apartments
	Non-senior	Senior	
General occupancy	2,614	1,720	4,334
Age-restricted	251	2,152	2,403
Total households	2,865	3,872	6,737

Source: VHFA housing portfolio as of May, 2019. Includes apartments financed by the Low Income Housing Tax Credit Program (LIHTC) and VHFA loans. Non-seniors in age-restricted apartments include younger households with a disabled member living in housing restricted to senior or disabled households.

Table 4: Public Housing apartments

Program	Household type		Total apartments
	Non-senior	Senior	
Public Housing	599	591	1,190

Source: HUD Resident Characteristics Report, January 01, 2018 through April 30, 2019. Note that for HUD's purposes a senior household includes any household with a member age 62 or older.

Table 5: Other subsidized apartments

Apartment type	
General occupancy	1,264
Age-restricted	2,841
Total apartments	4,105

Source: The Directory of Affordable Rental Housing as of June, 2019. "Other subsidized apartments" includes all subsidized non-market rate apartments in the Directory that were not financed by the Low Income Housing Tax Credit Program (LIHTC), VHFA loans or HUD's Public Housing Program.

VHFA had detailed data on the composition of households in VHFA-financed apartments (Table 3), and through the HUD Resident Characteristics report, VHFA also had access to counts of senior and non-senior households living in HUD's Public Housing developments (Figure 4). This left 4,105 subsidized apartments funded by other programs. The Directory of Affordable Rental Housing records which apartments are age-restricted and which are open to all ages (Table 5 above), but it does not have data on how many senior households are currently living in general occupancy housing.

However, assuming that the remaining general occupancy apartments have the same distribution of roughly 40% senior and 60% non-senior households as the VHFA apartments, we estimate that there are **3347 total seniors and 758 non-seniors** living in these apartments.

Table 6: Estimated households in other subsidized apartments

Household type	
Non-senior	758
Senior	3,347
Total households	4,105

Table 7: Tenant-based vouchers

Program	Household type		Total Households
	Non-senior	Senior	
Section 8 Housing Choice Voucher Program	4,075	1,395	5,479

Source: HUD Resident Characteristics Report, January 01, 2018 through April 30, 2019. Note that for HUD's purposes a senior household includes any household with a member age 62 or older.

Table 8: Tenant-based voucher holders in VHFA apartments

Subsidy source	Apartment type	Household type		Total apartments
		Non-senior	Senior	
Section 8 Housing Choice Voucher Program	General occupancy	105	83	188
	Age-restricted	21	80	101
Total households		126	163	289

Source: VHFA housing portfolio as of May, 2019. Includes apartments financed by the Low Income Housing Tax Credit Program (LIHTC) and VHFA loans.

Table 9: Estimated tenant-based voucher holders in other subsidized apartments

Program	Household type		Total households
	Non-senior	Senior	
Section 8 Housing Choice Voucher Program	34	144	178

Source: The Directory of Affordable Rental Housing as of June, 2019; HUD Resident Characteristics Report, January 01, 2018 through April 30, 2019.

VHFA used the detailed data on the proportion of voucher holders in living VHFA-financed subsidized apartments (Table 8), to estimate the number of voucher holders living in non-VHFA-funded subsidized apartments. Note: Households living in Public Housing are not eligible for vouchers through the Section 8 Housing Choice Voucher program.

Table 10: Summary of subsidized housing and eligible households

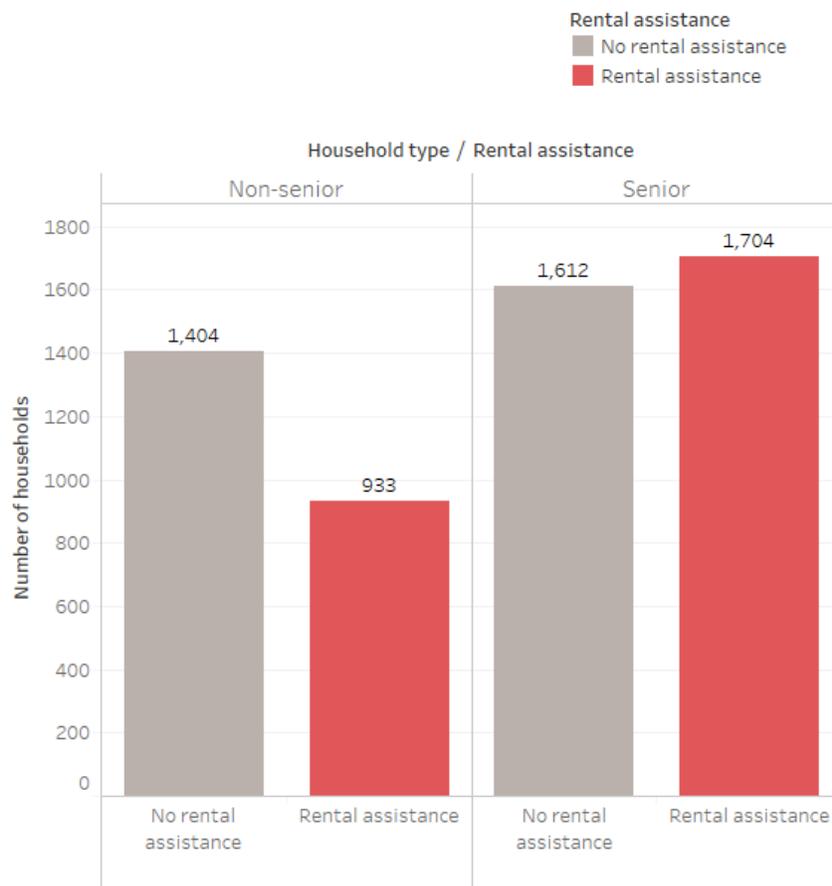
	Household type		Total
	Non-senior	Senior	
Households living in VHFA-funded age-restricted apartments	251	2,152	2,403
Households living in VHFA-funded general occupancy apartments	2,614	1,720	4,334
Public housing apartments	599	591	1,190
Other subsidized apartments	758	3,347	4,105
Voucher recipients living in market rate housing	3,915	1,088	5,004
Low-income renter households with no housing assistance	19,396	8,978	28,373

Source: VHFA housing portfolio as of May, 2019; HUD Resident Characteristics Report, January 01, 2018 through April 30, 2019; The Directory of Affordable Rental Housing as of June, 2019; U.S. Census Bureau: American Community Survey 5-year estimates, 2013-2017. Public Use Microdata Sample (PUMS).

The number of voucher holders living in market rate housing²⁰ was estimated by taking the total number of tenant-based vouchers (shown in Table 7) minus voucher holders in VHFA-funded housing (Table 8) and estimated tenant-based voucher holders in other subsidized apartments (Table 9).

The number of low-income renter households with no housing assistance was estimated based on the total eligible population (shown in Table 1), minus the number of voucher holders living in market rate housing (described above), households living VHFA-funded apartments (Table 3), Public Housing (Table 4), and other subsidized apartments (Table 6).

Table 11: Rental assistance by household type in VHFA-financed apartments



Source: VHFA housing portfolio as of May, 2019. Includes apartment financed by the Low Income Housing Tax Credit Program (LIHTC) and VHFA loans. Rental assistance includes rental assistance attached to an apartment, not the individual tenant household. The level of assistance is based on a household's adjusted income so that it only has to contribute 30 percent of its income towards rent and utilities.

²⁰ This number would include any potential households that live in market-rate apartments that are situated in developments funded in part by public subsidies.

Table 12: Population projections

Year	Total Population	Population by Age																	
		0 - 4	5 - 9	10 -14	15 -19	20 -24	25 -29	30 - 34	35 -39	40 -44	45-49	50- 54	55- 59	60- 64	65-69	70-74	75-79	80-84	85+
2010	625,741	31,952	34,654	37,637	46,012	43,851	35,441	34,181	36,358	42,001	50,110	52,493	48,739	41,234	29,390	20,148	15,960	12,783	12,797
Current	624,305	30,634	33,747	36,078	41,786	39,997	35,668	36,739	36,864	38,484	43,171	46,880	48,540	45,355	36,976	27,583	19,208	13,021	13,576
2020	622,868	29,316	32,839	34,519	37,560	36,144	35,894	39,297	37,369	34,967	36,231	41,267	48,341	49,476	44,561	35,018	22,455	13,259	14,354
2030	617,969	28,420	32,280	32,581	36,615	34,101	30,142	33,320	38,933	41,354	38,308	35,342	35,955	40,012	44,197	42,018	34,047	23,044	17,301
		<55	55+																
2010	625,741	444,690	181,051																
2020	622,868	395,404	227,465																
2030	617,969	381,394	236,574																

Source: University of Virginia Weldon Cooper Center, Demographics Research Group. (2018). National Population Projections. Retrieved from <https://demographics.coopercenter.org/national-population-projections>