



# Rivertown Neighborhood

## Detroit's National Model for a Senior Living Campus

Low-income housing tax credits have been used to help finance one component of an innovative campus being developed in Detroit that is designed to meet the diverse housing and health care needs of low-income seniors, including frail individuals.

Called Rivertown Neighborhood for its location by the Detroit River, the development is being hailed as a national model for the integrated delivery of affordable housing and health care for low-income seniors.

The primary sponsors are two nonprofit organizations: Presbyterian Villages of Michigan, based in Southfield, Mich. and United Methodist Retirement Communities, Inc., based in Chelsea, Mich. But numerous other organizations are involved as well in some fashion, including the Henry Ford Health System, Detroit Housing Commission, Detroit Area Agency on Aging, three foundations, other nonprofits, the National Affordable Housing Trust, Huntington National Bank, and governmental bodies/agencies at the city, county, state, and federal levels.

"There's a lot of different collaborations involved in this," says Roger Myers, President & CEO of Presbyterian

Villages of Michigan, who describes Rivertown Neighborhood as "the integration of different pieces: affordable assisted living, PACE, independent senior housing, and Green Houses® – an alternative to nursing homes."

Being developed in two phases on a site purchased from a nonprofit co-sponsored by the UAW and General Motors, the components of Rivertown Neighborhood include:

- Eighty assisted living apartments (75 affordable, 5 market-rate) together with home health services co-located on the second, third, and fourth floors of the main four-story building, a renovated and repurposed former research and manufacturing factory once owned by the pharmaceutical company Parke-Davis;
- A PACE program (Program for the All-Inclusive Care of the Elderly) on the first floor of the main building serving seniors living at Rivertown Neighborhood



Roger Myers

Photo by Karl Ford

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and in the surrounding community;

- A basement-level pharmacy owned and operated by the Henry Ford Health System, the largest health care system in Michigan;
- A basement-level commercial kitchen that prepares meals for assisted living apartment residents, participants in PACE programs at Rivertown and elsewhere, and for the future Green Houses® at the site;
- Fifty affordable independent living apartments for very low-income seniors, now under construction, located in a separate new building financed partly by a \$6.9 million Section 202 capital advance grant from the U.S. Department of Housing and Urban Development.
- Green Houses® at Rivertown Neighborhood. Each of these two “mini” nursing homes will provide 24/7 skilled nursing care to 10 to 12 low-income seniors in a home-like setting;
- A community café and Rivergarden, a large outdoor enrichment and recreational area.

The Green Houses®, café, and garden – all part of the second phase – have yet to be built. The components in the main building, including the assisted living apartments, PACE center, and pharmacy, opened in the spring of 2013.

**Pilot Project Award**

Rivertown Neighborhood is a new but logical move for Presbyterian Villages of Michigan, which serves more than 3,500 seniors – generally 55 and older – at 25 locations throughout Michigan, including affordable and market-rate independent apartments, assisted living, transitional and nursing care facilities, and continuing care retirement communities. PVM serves seniors of all faiths and income levels, though the majority of the seniors it serves are of low- to moderate-income.

According to Myers, the organization’s vision “is to be the leader in senior housing and to enhance the

communities it serves.”

A catalyst for Rivertown Neighborhood Village was an award received by United Methodist Retirement Communities (UMRC) under a state pilot program designed to help fund different test projects providing affordable housing and health care in an integrated manner to frail low-income seniors. PVM subsequently joined with UMCR as joint venture partners to develop the assisted living apartments at Rivertown Neighborhood using this award – only one of five projects selected.

The need for a project like Rivertown Neighborhood is great in the community where it is located. More than 10,000 primarily low-income African-American seniors make up 16% of the population, and Detroit’s senior population (65+) is projected to increase by 18% by 2035. Moreover, a 2008 study confirmed that Detroit’s elderly population, including seniors in the Rivertown area, have a substantially higher mortality rate than seniors living elsewhere in Michigan, in large part due to lack of access to quality affordable health care.

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**Assisted Living Component**

Rivertown Assisted Living is not a state-licensed facility but rather apartments occupied by frail seniors supported by a variety of on-site services (medical, personal care, etc.) available 24/7 from staff of Caring Hearts, the designated service provider. Among these are assistance with medication, bathing, and dressing; laundry; nursing care; and meals.

Services are paid for by Michigan Medicaid waiver payments received by the service provider from the Detroit Area Agency on Aging. Residents are eligible for a subsidy for their meals as well.

Seventy-five of the 80 apartments are LIHTC units whose low-income residents pay only 30% of their income toward rent because of project-based vouchers provided by the Detroit Housing Commission (DHC) or the Michigan State Housing Development Authority (MSHDA).

“These vouchers were critical” says Myers, “because the goal is to serve people who are very frail who have

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very low income. Many of the residents, in fact pretty much all, would be eligible to be in a nursing home. In fact, several have moved from a nursing home.”

Each of the apartments (mostly one bedrooms but some studios) has a full kitchen, large bathroom, and washer/dryer. The average size is over 600 square feet. On average, the current assisted living residents are about 77 years old with an annual income of around \$12,000.

MSHDA awarded 9% low-income housing tax credits for the project. They were syndicated by the National Affordable Housing Trust (NAHT) for 73.5 cents per dollar of tax credit, generating \$11 million in equity. Other funding sources for the \$19.9 million Phase I project included soft loans of federal HOME program dollars from the city, Wayne County, and MSHDA; developer equity; a deferred developer fee; brownfield tax credits; and philanthropic donations.

Housing tax credits aren't being used for the Section 202 project, which should be completed in July 2014 and contain 50 one-bedroom apartments of 540 square feet for seniors 62 or older. The development will have a fitness center, library, and computer lab. PVM and UMRC each have a 50% interest in the nonprofit entity created to develop the \$7.3 million project.

### PACE Program

A key element of Rivertown Neighborhood is the PACE program operated by the Center for Senior Independence (CSI), a joint venture of PVM and the Henry Ford Health System.

CSI's PACE program at Rivertown now serves 144 frail seniors with a capacity for 300. Seniors must undergo a health assessment and be eligible for Medicaid and Medicare to be approved to participate. Some participants are residents of the assisted living apartments, but most live elsewhere in the community, such as in homes with families or relatives, and get back and forth to the center during the day by van or bus service with the help of caregivers.

The Rivertown PACE center offers participants: various health care services, such as on-site treatment by physicians and therapies (e.g., physical, occupational, speech); breakfast and lunch; different programs and activities; and a place to socialize. “The PACE program is

kind of the ultimate of managed care,” says Myers, noting a PACE center is not like the typical neighborhood senior center. “These [participants] are very frail people who would otherwise be in a nursing home.” CSI receives payments from Medicaid and Medicare for each participant to defray the costs of the provided services.

(For more details on PACE programs: <http://tinyurl.com/7gsstx6>, <http://www.npaaonline.com>)

### Future Plans

Myers said details of the community café and the programming for it haven't been finalized. He indicated that PVM is looking at the type of community café that Mather LifeWays has built in Chicago and a few other cities. According to Myers, these are open to people of all ages and feature “all kinds of life enrichment programs and services.”

Once fully completed, Rivertown Neighborhood will be that rarest of products – a continuing care retirement community (CCRC) affordable to low-income seniors.

CCRCs provide a variety of housing options for seniors and different levels of health care depending on their needs, enabling residents as they age and have more health problems to move from an independent apartment to assisted living to skilled nursing care. Residents usually pay a large monthly fee and substantial upfront entry fee.

Myers said nearly all CCRCs are “for people who have the means to pay for that...But people of low-income don't have that option for the most part. At Rivertown Neighborhood they will. So somebody could live in an apartment in this new building that we're constructing. Say something happens after five years and they need assisted living. They could move across the parking lot to the affordable assisted living, and if they need the support of PACE it's right there. And if they ultimately needed to be in a nursing home, the Green Houses® would be there. They'd have the benefit of this whole continuum, and it wouldn't be based entirely on their financial status.”

“Here people can still have their own apartment, get the care they need, and it's affordable. And they still have some choices and have privacy and independence. That really responds to what mostly anybody, regardless of income, would really want.” **TCA**