

Chapter 4

Housing Options

Overview

In this chapter you will look at your options when it comes time to think about your housing accommodations in retirement and will learn information about special housing programs.

HOUSING

Most people don't pick up their roots and move to other places after retirement. Only about 5 to 10 percent of today's retirees move from their home states. For many, the ideal retirement location is their hometown. Also, older Americans spend an average of 80 percent of their time at home.

A decision on retirement housing can be challenging. Deciding whether to relocate or whether to move to a smaller, easier-to-keep home can take a lot of thinking on your part. In making the decision give yourself enough time, get plenty of information, and think about your needs and those of people close to you. No matter where you choose to live, from the Adirondacks to the Appalachians, your retirement will be best where you feel content and comfortable. You'll want to consider the following before making a change:

- **Cost of Living** - Can you afford to stay where you are on your retirement income?
- **Taxes** - Taxes can take a big bite out of your retirement budget. Check the income, sales, and property taxes where you live and compare them to areas you're interested in. Several states have no personal income tax, but they may not offer as many services as New York. Individual communities may have user fees or taxes for services you are now getting free. There is no New York State income tax on your pension check if you maintain your New York State residency. Some states do not tax public sector retirement income. If you move to another state, find out what the laws of that state are. A helpful guide to do so, available from the AARP, is called *Your Retirement State Tax Guide*. Most states offer some tax relief for retirees, and this guide lists them.

A chart from RPEA (Retired Public Employees Association) which outlines all states and taxes applicable to them is at the end of this chapter.

- **Climate** - It's easy to generalize about the advantages of year-round sunshine compared to harsh winters. Some people think the best plan is to have both a winter and summer place, to get away from the cold weather for part of the year. But financially that may be a tall order. Not everyone minds the cold and some look forward to the change of seasons. For those considering a move to a warmer climate it's important to try it out in advance during all seasons. That perfect vacation spot may not be so enjoyable at other times of the year. You'll want to weigh a few months of snow shoveling and high heating bills for six to nine months of lawn mowing, and high air conditioning bills. Has your doctor suggested a change in climate as a way to help correct a health problem?

Investigate air pollution levels, toxic waste sites, and clean water supply. You may have personal health conditions that force you to stay away from high-altitude locations or places with high levels of air pollution.

- **Family & Friends** – It's important to stay connected to people you care about. Is it better for you to be able to do this in person? You may think about moving to be closer to loved ones, but by moving after retiring you are also leaving behind others who have been very close and important to you. Are you able to spend some extra money on visiting family and friends if you move far away? Knowing someone in the area you move to or finding people with the same backgrounds and interests are important in your adjustment to a new location.
- **Services** - Before you make a move, even within your own area, think about what consumer services are available. How about shopping, banking, restaurants, specialty stores, hair care, and repair services? Having a church or synagogue nearby may be important. Don't forget quality medical care. How easy would it be for you to change doctors? The more rural and rustic your retirement dream home may be, the more likely you are to face problems finding quality medical facilities.
- **Transportation** - If you live in the suburbs or in a rural area, you may be used to getting around by driving. Perhaps you depend a lot on a spouse, neighbor, or family member to drive you around. If something happens to this person, or to you, do you have other ways of getting around? Are you comfortable securing a ride with Uber or Lyft, for example? As you get older, would it be advisable to live near public transportation? Cities often offer good public transportation if you are comfortable living in the city.
- **Activities** - In retirement it's important to have things that will keep you usefully busy. Starting with recreation and leisure, will it be easy for you to get to the kinds of things you enjoy? Moving to a retirement spot may give you many recreational choices, but are they the kind that you want? How often would you use the tennis court or golf course? If you are more interested in art, reading, or card playing, find out if there's a local museum, a good library, or a card club.

Volunteer and educational opportunities often give retirees a sense of doing something meaningful. Look at the place you are thinking about for community groups, colleges, and other continuing education possibilities.

- **Safety** - Needless to say, you want to live in a safe and secure place. Worrying about crime can be worse than fear of poor health or poverty. A structured retirement community or apartment complex with very good security can be appealing, or a small rural town may seem safer. Checking out the crime rate, the amount of fire and police protection, and the response time of a local emergency squad in a community may be helpful before you move.
- **Regionalism** - Do you live in an area where certain cultures, customs, or even regional or ethnic foods are important to you? If so, then you should also think about that before you move.
- **Adaptation** - As you consider finding the best place to live in retirement, it's important to think about how well you adapt to change. Are you the kind of person who looks for challenges and would find it exciting to live someplace else and meet new people and do new things? Or are you someone who likes to keep things the same, and feels better with things you know? Knowing yourself and what you like is an important part of deciding to move.

MOVING

Where do you go for information to help you make your personal decisions about housing? Are you comfortable searching web? Try your local library for books, pamphlets, brochures, and newspapers. Subscribe to a local newspaper, hard copy or electronic, of a community you are interested in.

Local chambers of commerce, real estate agents, and state tourism departments are good sources of information. Many state tourism agencies are connected to a 1-800 telephone network that will help you get information on an area in which you are interested. Of course, a trial run in your chosen retirement spot can give you a better idea of what to expect than you can get from books. Visit the community at different times of the year and think about it as if you were living there.

STAYING PUT

If you have already decided to stay where you are, it's important to look at the house or apartment you live in. Picture yourself there for another 20 years.

The best time to make changes to your home is now, before you retire, while you still have a regular paycheck. Keep in mind that you are likely to stay home more in retirement and will want to be comfortable and secure. Now may be the time to do weatherization, add a half bath, or lower the storage cabinets. What you invest in these projects will depend on whether you own or rent your residence, and how long you intend to remain in your current home.

You may even want to consider converting a big house into a two-family home so that you can live on one level and rent the other for income, if local zoning laws allow.

The idea of a "home to grow old in" may help you make changes to your home now that will make life easier for you if your physical abilities change.

MONEY MATTERS FOR HOMEOWNERS

If you want to stay where you are, you may want to think about converting some of the equity, or cash value you have built into your home, into cash. Your home is probably the most valuable thing you own.

The usual way to tap into this equity is to sell your house and relocate. Another alternative is Home Equity Conversion Mortgage (HECM), which allows older homeowners to continue living in their homes while using their home's accumulated equity. HECM payments, together with interest and fees, are charged as loans against the home's value and are not repaid until the homeowner dies, transfers title to the house, or at a specified future due date.

Home Equity Conversion Mortgage plans are not to be confused with home equity loans which require an immediate repayment schedule.

One type of HECM specifically for homeowners aged 62 and over is called a reverse mortgage.

Through a reverse mortgage, a financial lender makes cash loan payments to a homeowner in regularly scheduled payments or in periodic amounts through a line of credit. The older homeowner retains the title to the home and retains responsibility for taxes and upkeep. Reverse mortgages vary in costs, length of term, and program features.

For information about the U.S. Department of Housing and Urban Renewal's HECM Program and reverse mortgage counselors: U.S. Department of Housing and Urban Development, 451 7th Street S.W., Washington, DC 20410 https://www.hud.gov/program_offices/housing/sfh/hecm/hecmabou

Another type of HECM is a property tax deferral program, which is a public program operated by municipalities and which allows municipalities flexibility in program rules and operation. Variations of this program include: (1) an older homeowner's property taxes are not paid until the homeowner dies, sells the home, or moves, with payment of deferred taxes made through the sale of the home; (2) an older homeowner's property tax payments are regularly made by a financial lender and charged as a lien against the home's equity, with repayment of the accumulated lien made when the homeowner dies or transfers title to the home.

A third type of HECM is a deferred payment loan program, which is typically operated by a local government or community agency for low-income homeowners, and which charge little or no interest. A financial lender makes payments to a homeowner for repairing or rehabilitating his home, charging the loans as a lien against the home's equity, with repayment of the accumulated lien made when the homeowner dies or transfers title to the home.

A fourth type of HECM is called a sale leaseback. Under this arrangement, the older homeowner sells the home to an investor (or, more often, to a son or daughter) who rents the home back to the older seller on a long-term or lifetime lease. The older seller receives a down payment plus monthly payments that exceed his rental charges. This allows the seller to have an additional amount of spendable income and allows him to continue living in his home. The buyer has title to the home and is responsible for taxes and upkeep.

RETIREMENT HOUSING ALTERNATIVES

The overwhelming preference of older people is to age in their own homes and communities. However, complete independence during the later years may be compromised as longevity is associated with increasing changes in the physical, social, emotional, mental, and financial status of older persons.

Aging-related changes may persuade an older person to consider relocating to a more supportive living environment. A variety of retirement housing alternatives are available in New York State to accommodate older people as their needs change during the later years.

Retirement housing alternatives may be developed by public or private organizations. They may be priced at market rates or subsidized by government assistance to be affordable by persons with specified income limits. Housing alternatives might or might not include a variety of activities, supportive assistance, supervision, personal/health care services, and nursing care.

If such features are included, they might be included as part of the monthly charge or rent, and services/assistance might be charged separately. The extent of service provision does not preclude residents from privately purchasing these services and assistance from community service agencies. If a category/alternative is licensed by New York State, its' specific name and definition are stated in law.

Senior Housing Developments

These are multi-unit apartment buildings, condominiums, cooperatives, single family home complexes, and mobile home parks that are restricted to persons over a specified age (defined variously as 55, 60, 62, or 65). Typically, these were not originally planned to include activities, supportive assistance, or personal/health care. Many have incrementally added these features as residents have aged and required help to continue aging in place.

Monthly charges or rents usually do not include the costs of services. Senior housing may be subsidized or non-subsidized.

Naturally Occurring Retirement Communities (NORCs)

These are geographic areas or multi-unit apartment buildings that are NOT restricted to persons over a specified age, but which have evolved over time to include a significant number (typically, over 50 per cent) of residents who are aged 60 or older. As the number of elderly tenants has grown, many NORCs have added activities, supportive assistance, and services to meet resident's needs. Monthly charges or rents typically do not include the costs of these activities/services. NORCs may be subsidized or non-subsidized.

Supportive Housing

These are multi-unit housing buildings (private rooms or full apartments) that are restricted to persons over a specified age and that include supportive assistance (congregate meals, housekeeping, transportation, laundry, emergency response systems, and resident services coordinator). Typically, monthly charges include rent and supportive services.

Supportive housing does not require licensure or certification by a public agency as personal care services (help with eating, bathing, dressing, grooming, toileting, transferring) are not provided or included in the monthly charge. Supportive housing residents may contract privately with community home care agencies to receive personal care and home health care services. Supportive housing may be subsidized or non-subsidized.

Shared Housing Alternatives

Shared housing arrangements can be intergenerational (age-integrated) or restricted to older persons. The benefits of home sharing include: sharing costs and upkeep tasks, mutual support and assistance, companionship, continued aging-in-place, and facilitated caregiving by family members. Local zoning laws may specify the conditions under which shared housing alternatives may be established. Below are listed four shared housing alternatives.

Shared Living Residence

An age-integrated or age-restricted residence that is shared by a small group (3 to 10) of unrelated persons who share the living expenses and tasks of running the household. Residents have private bedrooms, but share the kitchen, dining, and living rooms. A shared living residence may be owned/sponsored by a community organization and rented to residents. Additional supportive and household assistance for residents will vary according to the independence level of the residents. No government licensure or certification is required unless personal care is charged for or provided by the sponsoring organization. Shared living residences may be subsidized or non-subsidized.

Accessory Apartment

A single-family home is modified to include a complete, private apartment for use by an older person (typically, an elderly relative); or, an elderly person may convert part of her own home into an accessory apartment for use by another person in order to have additional income, help with the upkeep of the house, and have the security of having a housemate while maintaining the privacy of a private living unit.

Elder Cottage (or ECHO Housing)

A small (apartment-sized), detached home for use by an older person which is temporarily sited on private property that contains the primary residence of a younger family member.

An Elder Cottage utilizes the water, electric, and sewer systems of the primary home. It provides security for the older person, privacy for both the older person and the younger family and facilitates the caregiving efforts of the younger family.

Match-Up Home Sharing

A homeowner or apartment renter with extra room shares his home with another person in exchange for rent and/or services, or as a mutually supportive arrangement to share companionship, expenses, assistance, and household tasks. Sharing may be intergenerational, or for older persons only. Match-up home sharing may occur informally but is often a formal program operated by a community agency which assumes responsibility for screening participants, matching for compatibility, assisting in drawing up agreements for living together, and helping with conflict resolution.

Enriched Housing Program

This service program is licensed by the New York State Department of Health, and provides congregate meals, housekeeping, homemaking, transportation, social activities, supervision, and personal care for individuals aged 65 and over. The program operates in multi-unit apartment buildings. An entire building may be licensed to provide Enriched Housing services to all residents or the program may be licensed to provide Enriched Housing services to a specified proportion of residents in a senior or family apartment development.

Both the rent and the cost of services/care are included in one monthly charge. Residents can use private resources to pay for monthly charges; those below a specified income level are eligible for subsidization through the federal and state Supplemental Security Income (SSI) Programs.

Adult Homes

Adult Homes, for adults of all ages, are licensed by the State Department of Health to provide room, meals, supportive services, personal care, and 24-hour supervision to five or more adults. Room and services are included in one monthly charge, which may be paid with private resources or subsidized through federal and state SSI Programs for those below a specified income level.

Family Type Homes

Family Type Homes, for adults of all ages, are certified by County Departments of Social Services. These are typically a single-family home in which the homeowner provides supportive services, meals, supervision, and personal care to four or fewer adults who are unrelated to the homeowner/operator. Rent and care are included in one monthly charge. Charges may be paid with private resources, or those below a specified income level are eligible for subsidization through the federal and state Supplemental Security Income (SSI) Programs.

Assisted Living Program

Adult Home operators and Enriched Housing operators are eligible to be approved by the State Department of Health to provide personal and health-related services (in addition to routine supportive services) to their residents who are assessed as being nursing-home-eligible. Room/rent and all services may be paid with private resources or, for those below a specified income level, may be subsidized through SSI for residential supportive services and through the Medicaid Program for personal care and health-related services.

Dementia Care Facilities

These multi-unit developments are licensed by the State Department of Health as Enriched Housing Programs or Adult Homes. Their physical layouts, programmatic aims, staffing, and care plans are designed to address the needs of people with Alzheimer's disease or other dementia conditions.

Continuing Care Retirement Communities (CCRCs)

These multi-level communities are restricted to persons over a specified age and include independent living units (apartments and/or cottages), social activities, congregational meals, supportive assistance, and personal care all on one campus. Nursing home care is also included but may be provided on or off campus. Residents pay for housing, activities, meals, services, and nursing care, with a one-time entry fee and regular monthly charges. They may also use long-term care insurance. A community's independent living units may be structured as a cooperative, condominium, or rental arrangement.

WILL YOUR NYS PENSION BE TAXED IF YOU MOVE TO ANOTHER STATE?

If you are considering moving to another state, you should be mindful that states often enact, amend, and repeal their tax laws; please contact their Revenue Agency yourself to verify that the information on the tax chart is accurate. We also strongly recommend that you do some further preparation, such as discussing the matter with your tax advisor, before making important decisions that may affect the taxability of your pension and other retirement income.

Find the latest tax information here: <https://rpea.org/retirement-planning/pension-tax-by-state/>

RETIREMENT CHECKLIST

Housing Options

As you approach retirement it is useful to determine what you know, what you've done, and what you still need to find out or do.

Read each of the questions below and circle your answer, "YES" or "NO." Next, for each "NO" answer you gave, write down a few words in the space provided that will help you find the answers. You may want to use the same space to record other personal questions about this topic.

1. Have I examined the various housing options? **YES** **NO**

2. If I do move, do I know where I'd like to go and why? **YES** **NO**

3. Can I afford to live where I want? **YES** **NO**

4. Have I explored with others the options of moving or staying where I am when I retire? **YES** **NO**

5. Would my house pass a "safety test" allowing for the needs of a physically limited resident? **YES** **NO**

6. Would a person 20 years older than me be able and willing to keep up with my normal household chores and maintenance? **YES** **NO**

RESOURCES

Housing Options

WEBSITES:

Housing Resources

Options for older adults in New York.

<https://aging.ny.gov/programs/housing>

A non-profit agency in the Capital District area helping seniors and persons with disabilities to keep their homes and their independence.

www.theumbrella.org/

A national directory of retirement homes, assisted & independent living facilities, senior citizen apartments, nursing homes and more.

<https://www.seniorhousingnet.com/>

These sites offer nationwide resources for senior living.

www.retirementliving.com

www.aarp.org

ASSOCIATIONS:

Local Chamber of Commerce is particularly useful for those considering a move to a new community; can provide a wide variety of materials about the community.

Cornell Cooperative Extension Program offers a series of "how to books" directly related to retirement housing options, both for the retiree who plans to remain in present housing, and those considering a major move. Cooperative Extension can be contacted through its individual county offices located @ www.cce.cornell.edu

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