

Keeping A Community Sustainable: Development of Affordable Housing for the Elderly in Nonmetropolitan Areas

Hyunjeong Lee

Department of Housing and Interior Design at Kyung Hee University, Seoul, Korea

Abstract

Affordable housing has been a critical issue in the face of global economy and notably formulated a crucial agenda of the housing policy. While each local government seriously considers many approaches to providing affordable housing, a unique and innovative way to address it at a community level is fully uncovered, particularly nonmetropolitan areas where resources for economic development are limited and vulnerable. The purpose of this study is to examine the mechanism of the provision of affordable housing for the elderly in nonmetropolitan areas. In doing so, this research investigates the housing development and delineates it as one viable solution that stimulates local communities. The affordable housing development, as a viable option to spur local development and vibrate community, is closely reviewed, and the factors to make it feasible are drawn. The findings indicate that it is widely recognized that keeping the elderly in the community positively contributes to maintaining a sustainable community. In fact, the idea of affordable housing development for middle-class elderly people is brought by one inspired long-time resident, and it is expedited by the consensus and cohesion of local community. The development stimulates local businesses in relation to housing, and all homes sold by the elderly moving in the new housing are available for young families. Also, the presence of affordable housing for the elderly who are able to independently live is extended to a picture of aging-in-place at a broader level.

Keywords : Affordable Housing, The Elderly, Nonmetropolitan Areas, Community Sustainability, Housing Development

1. INTRODUCTION

The last century has redefined the agenda of housing policy, and the change was driven by the global economy. In fact, the surge of global market facilitated political restructuring and economic change. As the sustainability of every community has been threatened, local governments were forced to react to the changes radically. As a matter of fact, the context of horizontal restructuring that reorganizes the boundaries between public and private sectors awakened the roles of local governments in response to the market. According to Goetz (1993b), the four roles local governments take are specified – participatory, facilitative, regulatory, and adjustive roles. His viewpoint lies in the fact that variations resulting from different roles local governments play are meaningful to ameliorate the uneven social distribution of public services or government resources in the midst of the market system that promotes and engages in economic activities and outcomes of which all critically lead to the sustainability of a community.

With many dramatic changes, global economy has entailed from the nineteen seventies, the reconstitution of local government roles as the aftermath of the political adjustment reshapes the agenda of housing policy - affordable housing crisis which intimidates community sustainability and is considered as the most distinguished feature almost all local governments have faced with. Especially, the federal government in the U.S. curtailed the budgets for housing programs, and the budgetary retrenchment in housing policy characterized as vertical and horizontal realignment of authorization has brought about social and economic polarization. Behind this context, the most severe impact of the federal fiscal slash was on the supply of affordable housing that serves as an impor-

tant tool to sustain community. Some local governments deal with the challenging issue in an aggressive way, and the communities recognize that the provision of affordable housing is one feasible way to hold population in their own area. Meanwhile, other communities that experience tightened housing market and decline the number of decent and affordable housing witness nonmarket actors in the market. Co-op housing among them emerges as a viable and innovative solution for affordable housing for people with modest income sources. The drastic increasing supply in the last few decades has occurred in Minnesota and Midwest at large. As a competitive yardstick in housing market, co-op housing in the region is evidently an alternative serving not just low- and moderate-income families but the elderly.

The primary purposes of this study are to examine the mechanism of the provision of affordable housing for the elderly in nonmetropolitan areas. To achieve the research purpose, the development of co-op housing was closely reviewed as a viable housing solution in association with the sustainability of local communities. The specific goals are 1) to draw the key components in making the housing development successful at a community level, and 2) to explore the unique elements facilitating the provision of co-op housing in each nonmetropolitan community.

2. LITERATURE REVIEW

(1) Unawareness and Emergence of Co-op Housing

The concept of cooperative ownership is not familiar to everyone, and the lack of awareness is rooted into the U.S. housing history. The intervention of the federal government in housing market was to cure ills of typical home mortgages, and the emphasis was heavily on single-family

home (Goetz, 1993a). The direct intervention of the federal government in housing market in 1930s included the Federal Housing Administration (FHA)'s mortgage insurance programs that were obviously in favor of single-family home, and the introduction of secondary market. Besides, the co-op housing in the U.S. at early years was used to respond to severe housing shortage, and was never adopted permanently. The reason is attributed to the conservative attitude of the FHA and real estate industries toward the non-traditional homeownership form. Bankers, mortgage lenders, and real estate developers perceived co-op housing as threatening, and assumed that it would encroach upon the existing homeownership (Bailey, 1988). Thus, the traditional housing structure norm in the U.S. becomes a separate free-standing dwelling with a certain amount of exterior space and visible, clear-cut boundaries.

In addition to the favor of single-family homeownership mortgage, the conventionally constructed dwelling fits into American Dream – an icon of hard-working and a sense of autonomy. In other words, the adequacy of the residential type centers upon the lifestyle of traditional households, so that the demand for the particular residential type always remains strong. Unlike single-family homeownership that is a fee simple that gives a bundle of the maximum rights to use, co-op housing is based on mutual ownership, and individuals have a right to occupy in a unit in exchange for purchasing a share from the cooperative. As a consequence, the complexity of cooperative ownership is behind the strong popularity of and preference for single-family dwelling.

Moreover, unavailability of learning opportunities for co-op housing is one of the most important reasons why people are unfamiliar with the idea. Even though co-op housing can be an alternative solution for eligible homebuyers who cannot afford enough to buy a single-family home, there are few homeownership programs wherein first-time homebuyers can learn about co-op housing. For example, U.S. Department of Housing and Urban Development (HUD)'s housing counseling program does not recognize the presence of cooperative housing (Lord, 2000).

Generally, the private sector in housing market is unable to provide affordable housing for lower-income households, and thus the public sector is involved in production and management of lower-income housing. In most cases, it turns out to be unsuccessful. As a result, the federal government seeks for a third approach, and the idea of cooperative ownership is involuntarily adopted. As local governments have taken over the responsibility for affordable housing since mid-eighties, cooperative housing is often perceived as a viable, emerging solution since it is community-oriented and residents-controlled.

(2) Co-op Housing as Affordable Housing for Community Sustainability

Affordable housing¹ has become a great concern and serious theme in most local governments since the mobility of capital and labor at a faster pace was driven by global economic change from the mid-eighties. Not only did the global economic change render a localism, but also the ideology pushed restructuring local governments in two dimensions – political and economic restructuring (Clarke, 1993; Goetz, 1999a). Backed by the governmental restructuring at the horizontal and vertical levels, the responsibility to produce affordable housing became assigned to the realm of local housing policy. In other words, local communities in response to the political and economic pressures were inclined to utilize innovative strategies for the provision of affordable housing. The most striking approach to filling the void of affordable housing supply was community-based housing, and co-op housing rapidly gained the attention while large variations emerged.

As a community-based approach, co-op housing has been known to be a tool meeting the needs of local residents for housing, addressing community interests, and further aiming at community sustainability. The community-based approach to the production of affordable housing in line with community sustainability centers on sustainable development at the local level, primarily economic development. According to Khan (1995), sustainable development includes three dimensions – social, economic and environmental sustainability, and he specified the elements of social sustainability – empowerment, equity, and accessibility and participation. In addition, Chiu (2004) mentioned that social sustainability reflected the three inter-connections of development-oriented, environment-oriented, and people-oriented contexts. From the viewpoints, affordable housing is an important medium to decrease social inequity resulting from economic growth. By extension, co-op housing can be seen as a device to promote local development, to support local environment, and to empower local people. Indeed, co-op housing as a community-based approach to affordable housing is meant to make a community sustainable and also to achieve social equity by encouraging the participation of local residents in community issues, and by retaining local control over community assets through democratic process.

(3) Governing Structure of Co-op Housing

A housing cooperative is described as a jointly owned, not-for-profit organization that cooperatively owns a building, and co-op housing has a wide array of residential structures such as single-family homes, townhouses, garden or high-rise apartments, and mobile home parks. In fact, a form of physical structures with many vertically stacked units is common.

¹ The definition of affordable housing varies, but affordability in housing is described as the relationship between a household's housing costs and its available resources (typically, income). As a rule of thumb, the proportion of housing cost in income ranges from 25% to 30%, depending on the size of a household (Stone, 1993).

Today's co-op housing basically adopts the Rochdale principles: i) voluntary and open membership; ii) democratic control by members (one-person, one-vote basis); iii) all surplus distributed to the members; iv) limited return on equity investment; v) member education; and vi) cooperation among cooperatives (Barton, 1989; Nadeau & Thompson, 1996; Cooperative Development Foundation, 2000).

Individual households who want to be a member in co-op housing purchase a stock known as a share, and then members who are also users and residents in co-op housing have an exclusive right to occupy a dwelling unit through an occupancy agreement called Proprietary Lease. Proprietary Lease designates the right of owner-occupancy, the voluntary participation in governance of the cooperative (e.g., electing a board of directors and standing committees, giving voices in the operations of the organization, and obeying rules made by the cooperative), and the equity increase specified in bylaws (Kennedy, et al., 1995a; Kennedy, et al., 1995b). Usually co-op residents pay monthly fees, which is called carrying charges that include mortgage, insurance, property taxes, operating expenses, and all other expenses, set by the cooperator, and in return for the fees, they enjoy carefree living, extensive social and recreational facilities, and other amenities.

Besides, co-op residents are able to deduct their portion of mortgage interest and property tax payments from their personal income taxes. Members are not responsible for the mortgage without losing control over the property, and instead the cooperative is entitled to a blanket mortgage on the entire property. Indeed, the cooperative run by a board of directors elected by co-op members takes over the responsibility for liability of the property, and at the same time it is responsible for all sorts of decisions including all major property maintenance and repairs, budgeting, and amendments to policies. Therefore, any profit resulting from the operations is returned to residents living in the co-op housing or the cooperative for reinvestment.

In spite of all these strengths, just like other forms of cooperatives, developing housing cooperatives takes substantial amount of time and efforts due to unfamiliarity with the concept and the complex procedures of the development. Typically, almost all co-op housing is developed by various local or nonprofit organizations such as charitable organizations, private foundations, neighborhood-based community development corporations, and professional co-op development organizations (e.g., Mutual Housing Association, Consumer Services, Inc.)

(4) Market-Rate vs. Limited-Equity Co-op Housing

The types of cooperative housing vary with legal and economic structures, and co-op housing according to restriction on equity is largely categorized into two groups: limited-equity and market-rate co-op housing. The classification of co-op housing is closely associated with restriction on membership equity and entry income level.

In a market-rate cooperative, share can be transferred at market price, which is similar to condominium in that both of them are transferred at fair market value. As homeowners, residents in both of the two housing can have tax deductions such as mortgage interest and property tax payments. However, a condominium gives a title to a designated unit whereas a cooperative does a title to shares indicating a right to occupy in a unit of the co-op. Also the cooperative restricts some regulations on transfer of shares and sublease. In fact, market-rate co-op housing is similar to condominiums in terms of the way it works, and compared to condominiums, the co-op housing has few advantages. Since the real estate boom in the eighties poured construction of condominiums, much attention to market-rate co-op housing has not been gained.

On the contrary to market-rate cooperatives, limited-equity cooperatives (LECs) have the restriction on the equity in order to keep the cost of membership shares affordable over time. Not only do shares in LECs remain at a below-market value keep the demand for affordable housing high but also it assures the long-term affordability of housing units (Lee, 2004). Shareholders who want to move out can have limited return on their initial investment plus the cost of improvements approved by the cooperative and some limited appreciation in the original agreement (Cooper-Levy, 1986; Rohe & Stegman, 1995). Like market-rate cooperatives, the residents in LECs can have the same tax benefits as homeowners in single-family home; they are able to enjoy the deductibility of the mortgage interest payments and property tax from income tax.

LECs are more likely to lie in the philosophical foundations of cooperatives than market-rate cooperatives, and the principles are closely associated with the cooperative business. LECs have usually limited return on equity capital and housing service at cost. Due to the nature of LECs, LECs gain popularity and growing attention, and are commonly found in many communities.

(5) Cooperative Housing for the Elderly

Housing cooperatives can be various according to membership, and they can be broadly classified into some groups: student co-op housing, low-income family co-op housing, artist co-op housing, and senior co-op housing. Senior co-op housing is designed to exclusively serve the elderly, and the provision of features and services depends on the needs of members in a democratic decision-making process. Many senior housing cooperatives include common spaces (e.g, library, community room, exercise room, workshop, laundry room, and guest room) and several services such as meal service, housekeeping, and transportation if necessary. Many senior co-op housing is planned for the elderly who maintain independent living, so it can be described as congregate housing (Golant, 1992).

① Relations between Co-op Housing and Cultural Heritage: Although the total number of co-op housing in Min-

nesota has not been exactly identified, it has known that more than 120 housing cooperatives are scattered in the Twin Cities area (Zeitler, 2000). A couple of factors are attributed to such proliferation of housing cooperatives in the state. Minnesota is recognized as a haven for strong Scandinavian heritage since the vast majority of Minnesotans have a strong background of immigration from Scandinavian countries and German where the model of co-op housing is pretty common. In fact, Scandinavian and Germanic immigrant population make up a large share of Minnesotans. According to the U.S. Bureau of the Census (1992a, 1992b, 2002a, & 2002b), Minnesotans of Scandinavian origin was 24.3% of total population in 1990 and 23.1% in 2000. Together with German ancestry, the number increased to 57.5% in 1990 and 52.3% in 2000. German- and Scandinavian-origin population is dominant in Minnesota, and the idea of cooperative ownership is commonly found and widely accepted in those countries.

A variety of cooperatives and their sustainability are another factor accountable for the substantial production of co-op housing. Minnesota Association of Cooperatives (2001) reported that more than 200 different kinds of cooperatives were identified in Minnesota, and especially agricultural cooperatives ranging from production to service co-ops are prevalent. Minnesota is one of the largest farming states in the U.S., and has evolved agricultural cooperatives such as Land O'Lakes, Cenex, and Harvest States Cooperatives. By extension, housing cooperatives are spawned. In fact, agricultural cooperatives, financing cooperatives, and credit unions generated seed money in order to provide 7 senior co-op housing in rural Minnesota and 9 in rural Iowa.

With all the factors, different types of housing cooperatives are sustained in Minnesota: limited-equity co-ops, market-rate co-ops, leasehold co-ops, senior co-ops, low-income family co-ops, student co-ops, artists' co-ops, and even cohousing.

② Senior Co-op Housing in Minnesota: Minnesota has a unique and strong setting producing a variety of cooperatives, and housing co-op, as a consumer cooperative, is not uncommon. Still, it is unknown exactly how many senior co-op housing in Minnesota, yet a total of 74 senior housing cooperatives statewide have been located so far through interview with senior co-op housing developers and mortgage lenders. All of them are targeted to the elderly for independent living, and as a form of senior housing, most of them fall into a category of congregate housing due to the arrangement and features of the physical environment and social characteristics of residents. Generally the admission requirement is any household whose primary resident is aged 55 through 62 and over.

In spite of the fact that the development of senior co-op housing has been conspicuous in the past three decades, the history of senior co-op housing in Minnesota dates back to the early nineteen seventies. The first senior co-op housing in Minnesota, 7500 York Cooperative in Edina, was built in 1970, and the development was sponsored by

the Lutheran Church's Ebenezer Society. Originally, the idea of 7500 York Cooperative came from the retired elementary school teachers who were concerned about affordable housing in their later life due to their limited economic resources, so housing affordability was a key component embedded in the development. Currently the cooperative ensuring housing affordability over time attracts numerous the elderly and maintains a long waiting list. The limited-equity cooperative with 338 units serves the elderly living independently. After the first success of senior co-op housing, six individual housing cooperatives, so-called Big 6 – Becketwood, Calvary Center, Gideon Pond, Lee, Square, and Nokomis Square, were developed by churches or charitable organizations. Since then, the senior co-op housing in Minnesota has been developed by several professional developers, and thus Realife cooperatives/Summerhill cooperatives, Gramercy Park Cooperatives, and Homestead Cooperatives are well known branded co-op communities.

Of the 74 senior housing cooperatives identified in Minnesota, limited-equity cooperatives (47) account for about two thirds and are dominant in urban areas while market-rate cooperatives (27) for the rest and in rural areas. The Twin Cities area with six metropolitan counties (e.g., Hennepin, Ramsey, Scott, Carver, Dakota, and Washington Counties) has about a half of total senior co-op housing (34) in Minnesota. It is associated with the growing number of the elderly in those counties. In other words, one of the development strategies of co-op housing is to enable the elderly to stay in a familiar community in line with aging in place, so that many of the developments took place in the first ring of suburban areas where the number of the elderly increases relatively quickly. In fact, recent reports indicate that the largest number of older population resided in suburban areas of those counties (Higgins, 1999; McMurry, 1995; McMurry, 1998).

③ Funding Sources of Senior Co-op Housing in Minnesota: For most of the senior co-op housing in Minnesota, blanket mortgages are insured by HUD Section 213 Cooperative Housing program or HUD 221 (d)(3) Below Market Interest Rate (BMIR). While HUD Section 213 is known as the lowest default loan and popular in recent developments of senior co-op housing, the earlier developments were financed with HUD Section 221(d)(3) BMIR that is a 40 years mortgaged loan program (Cooperative Development Foundation, 2000). There is no identified senior co-op housing financed by Rural Housing Service (RHS) Section 515 Rural Cooperative Housing Program in Minnesota. The main reason is that the loan program requires strict limitations. For instance, RHS 515 loans emphasize economic efficiency of housing, so that the housing units funded with the loan are too small to attract potential users. In addition, the loans are for rental housing, and the process to apply for the loan is complicated and accompanied with hassles that are not user-friendly.

Another financing source for the development of senior

co-op housing is share loans, and the method is often used in nonmetropolitan areas. Share loans are loans taken out by prospective co-op residents on their own way to purchase the shares from the cooperator (Cooperative Development Foundation, 2000). The loans are available in only a few lending institutions such as Northcountry Cooperative Development Fund in Minneapolis, and National Cooperative Bank in Washington, DC.

Generally speaking, the senior co-op housing with the government-insured loans or the conventional master mortgage reduces the cost of entry investment while share loans and no-master mortgage bring high value of equity and low monthly carrying charges. This is how limited-equity cooperatives keep housing cost affordable.

3. METHOD

Nonmetropolitan areas are typically counties outside metropolitan statistical areas, and the population is less than 50,000. To satisfy the specified research goals, the scope of this study was limited to the areas outside the Twin Cities Area and its contiguous counties that are metropolitan in character, and the methods of qualitative field research were utilized. The development of affordable housing for the elderly in nonmetropolitan areas where people simply move to a larger city when they age is unusual, so that the leading organization behind this special phenomenon was purposively contacted. Homestead Housing Center had been operated in the designated time to help to implement the housing provision for the elderly in nonmetropolitan areas. Therefore, four professionals in the organization were interviewed at the first stage of this study, and face-to-face interviews were conducted several times in addition to the use of supplementary communication tools such as phone and email. With the assistance of the organization, a list of affordable housing developments for the elderly were drawn and then, seven developments in small- or mid-sized cities of the nonmetropolitan counties were selected, contacted and visited. On-site managers in each housing development were interviewed, and further focus group discussions with interim boards and the members of the planning committee who were directly involved in the housing development were employed. Moreover, unobtrusive observation in each housing development took place so as to achieve insightful interpretation of the development information. Three cases of the housing developments were primarily explored, and they positively and significantly influenced other nonmetropolitan communities. A series of procedures for in-depth interviewing and focus group discussions were based on guidelines by Krueger & Macey (2000), Kvale (1996), Seidman (2006), and Templeton (1996).

4. RESULTS

(1) Description of the Selected Nonmetropolitan Communities

The seven nonmetropolitan communities selected in

this study showed different demographic profile, and the high proportion of the elderly was a prominent feature commonly found across them. In fact, all the studied communities had a higher proportion of elderly people than the state and the nation (Table 1). Although the total population of each community ranged from 1,353 to 11,283, but the aging population was highly concentrated from 17.6% to 31.4%. It is noted that smaller communities among the studied cities had the highest elderly population while larger communities had relatively less number of the elderly; almost one out of three people in the City of Crosslake was an elderly person.

Table 1. Demographics of the Selected Nonmetropolitan Communities

Category	Elderly Population ^a		Total Population
	f	%	f
Nation	34,991,753	12.4	281,421,906
State of Minnesota	594,266	12.1	4,919,479
Chisago County	4,047	9.8	41,101
Chisago City	550	21.0	2,622
Crow Wing County	9,410	17.1	55,099
Crosslake City	594	31.4	1,893
Cook County	887	17.2	5,168
Grand Marais City	356	26.3	1,353
Watonwan County	2,206	18.6	11,876
St. James City	880	18.7	4,695
Brown County	4,720	17.5	26,911
Springfield City	604	27.3	2,215
Redwood County	3,253	19.3	16,815
Redwood Falls City	1,052	19.3	5,459
Nobles County	3,624	17.4	20,832
Worthington City	1,986	17.6	11,283

Note. ^a Elderly defined as a person aged 65 years or older; Data from 2000 Census Block & Tract

All the seven studied housing developments shared the same features such as minimum age for occupancy and funding source (Table 2). The funding source was associated with lack of financing tools available in nonmetropolitan areas and partly with the ownership structure of the development. Only one development was installed with elevator, and the rest of them were one-story building. The initial share value and monthly fees largely depended on the financial support from local communities. All of the developments utilized the prototypes of floor plans and their variations suggested by the HHC, and that way was clearly related to economies of scale. Sitemaps and floor plans across the studied developments carried out similarities with slight differences. For example, Homestead Cooperative of St. James, the first housing development sponsored by Homestead Housing Center (HHC), had only three different types of bedrooms, and the floor plans styles of the rest cooperatives were rather various ranging from 5 to 8 types. In fact, HHC assisted the choices in response to the local needs and wants. All the housing developments utilized local businesses such as roofing, plumbing, and electricity. Consequently, the development stimulated the economy of every local community.

Table 2. Description of the Selected Housing Developments in Nonmetropolitan Areas

Location	County	Minimum age for occupancy	Year built	Building story	No. of Units	Bedroom types available	Floor plan styles available	Funding source	Unit size (sq. ft.)	Initial share value (\$)	Monthly carrying charges (\$)
Chisago Lakes	Chisago	55	1999	2.5	25	One & Two	6	Share loans	700 to 1,135	75,000 to 121,500	260 to 410
Crosslake	Crow Wing	55	1998	1	20	One & Two	6	Share loans	676 to 1,092	70,100 to 113,200	240 to 380
Grand Marais	Cook	55	1997	1	26	One & Two	5	Share loans	760 to 1,092	81,400 to 115,900	285 to 415
St. James	Watonswan	55	1993	1	23	Efficiency, One & Two	6	Share loans	650 to 1,070	49,700 to 86,700	220 to 360
Springfield	Brown	55	1995	1	19	One & Two	8	Share loans	650 to 1,092	54,600 to 92,900	237 to 407
Redwood Falls	Redwood	55	1997	1	30	One & Two	6	Share loans	760 to 1,154	63,500 to 95,200	280 to 420
Worthington	Nobles	55	1996	1	32	One & Two	6	Share loans	676 to 1,092	60,705 to 99,815	260 to 430

Table 3. Summary of Basic Services Included in Monthly Carrying Charges in the Studied Housing Developments

Basic services	Housing Developments						
	Chisago	Crosslake	Grand Marais	St. James	Springfield	Redwood Falls	Worthington
Heating/Air conditioning ^a	●	● ^b	● ^b	●	●	●	●
Electricity ^a	●	●	●	●	●	●	●
Basic cable TV service	●	●	●	●	●	●	●
Water and sewer	●	●	●	●	●	●	●
Softened water	●	●	●	●	●	●	●
Trash removal	●	●	●	●	●	●	●
Laundry facilities	●	●	●	●	●	●	●
Real estate taxes	●	●	●	●	●	●	●
Property insurance	●	●	●	●	●	●	●
Interior and exterior maintenance	●	●	●	●	●	●	●
Maintenance reserve funds/funded contingency reserves	●	●	●	●	●	●	●
Lawn care	●	●	●	●	●	●	●
Snow removal	●	●	●	●	●	●	●
Community administrative services	●	●	●	● ^c	●	●	●
Transportation	●	●	●	●	●	●	●
Emergency response system	●	●	●	●	●	●	●
Assistance in remarketing of individual units	●	●	●	●	●	●	●

Note. ^a only in common areas; ^b only heating; ^c including common dining, medical and housekeeping services at additional charge

The services provided by each development were similar to some degree, and the prospective residents were expected to give a voice on the selection of services. Since kinds of services were reviewed and decided in the design process, the scope was influenced by the local needs, and in turn affected the expense residents pay on a monthly basis (Table 3).

The important features of the entire building among the studied developments have the following features, and they reflect the varying needs of each community (Table 4): controlled access entry, community room with full kitchen, dining room and TV lounge, sun room, craft and exercise room, workshop, guest suites, individual storage spaces, attached garage with door opener, inside mail delivery, free laundry rooms, storm shelter, fire protection system, flower/vegetable gardens, indoor and outdoor patios, social activities, and library/reading area.

On the contrary to the building features that carry a wide range of choices, the design features of individual residential units are relatively similar, and the design fea-

tures are common although they are influenced by the culture of local community (Table 5).

(2) Case Studies of Affordable Housing Developments for the Elderly in the Selected Nonmetropolitan Areas

Out of seven affordable housing development, only four communities participated in the in-depth interviews, so that the four cases were depicted - St. James, Springfield, Worthington, and Grand Marais. All the four studied community made a lot of efforts, went through the long process of the development, and had one thing in common - one ordinary local resident who was a long-time resident in a community brought the idea and resulted in making a big difference to the community sustainability.

Each case was analyzed with emphasis on the process of each housing development, and such elements affecting the development as the general background of each community, the local need for supportive housing, financing solutions, consensus and cooperation of local stakeholders,

Table 4. Summary of Basic Building Features in the Studied Housing Developments

Basic features	Housing Developments						
	Chisago ^a	Crosslake	Grand Marais	St. James ^b	Springfield	Redwood Falls	Worthington
Controlled access entry	●	●	●	●	●	●	● ^c
Community room with full kitchen and dining room	● ^d	●	●			●	●
Sunroom		●	●	●		●	●
Indoor and outdoor patios				●	●		
Library					● ^c		
Reading nook	●		●	●	● ^f		●
Social room				● ^g	● ^h	●	●
Craft and exercise room	●	●	●	●	●	●	●
Workshop	●	●	●	●	●	●	●
Whirlpool room				●			
Guest suite ⁱ	●	●	●	●	●	●	●
Individual storage spaces	●	●	●	●	●	●	●
Outdoor gardening area	●	●	●	●	●	●	●
Attached garage with door opener ^j	●	●	●	●	●	●	●
Inside mail delivery	●	●	●			●	●
Laundry facilities/rooms ^j	●	●	●	●	●	●	●
Storm shelter		●		●	●	●	●
Fire protection system	●	●	●			●	●

Note. ^a elevator installed in the two-story building; ^b public rest rooms available; ^c including TV lounge; ^d including fireplace; ^e including library, reading nook and fireplace; ^f lounge; ^g including kitchen; ^h including full kitchen and large TV; ⁱ at resident's expense; ^j at no charge

Table 5. Summary of Basic Features in Individual Residential Unit of the Studied Housing Developments

Basic features	Housing Developments						
	Chisago	Crosslake	Grand Marais	St. James	Springfield	Redwood Falls ^a	Worthington
Fully equipped kitchens with self-defrosting refrigerator, self-cleaning electric stove, dishwasher, garbage disposal and oak cabinetry	●	●	● ^b	● ^c	● ^d	● ^b	● ^b
Plush carpeting	●	●	●	●		●	●
No-wax vinyl flooring in kitchen and bathroom	●	●	●			●	●
Window treatments	●	●	●	●		●	●
Walk-in closets	●	●	●	●		●	●
Connections for washer & dryer		●					●
Individually controlled central heat and A/C	●	●	● ^c	●	●	●	●
Telephone outlets	●	●	●		●	●	●
Walk-in shower				●		●	●
Sound reduction between units	●	●		●		●	●
Barrier-free design ^f	●	●	●	●	●	●	●

Note. ^a walk-in shower available; ^b including microwave oven; ^c excluding oak cabinetry; ^d excluding garbage disposal; ^e not A/C; ^f including hallway handrails and handicap accessible

hurdles in the development, and inherent traits of the particular housing. The contextual connection of these commonalities enormously contributed to the success of the housing development.

① St. James

The City of St. James was located in the southern part of the state, and the first Homestead cooperative housing was built. Even now, the development was considered as the most successful project in nonmetropolitan areas. A long-time resident who had worked for a local farming cooperative that was associated with one of the sponsors of Homestead Housing Center was about to retire and looked over the housing options available for the elderly in the community. Unlike senior housing alternatives like nursing home and assisted living, he wanted and looked for an independent living arrangement in his own community, and asked the Center to assess whether the

community was suitable for that kind of housing. Just after the survey concluded that the demographic profile of the community rendered the start of the development, he set up a planning committee being comprised of mainly community leaders. Since his influence was very powerful in the community, the development proceeded smoothly. The financing support from both local businesses and banking institutions were huge, and the financial guarantee helped all the expenses at the initial stage of the development and the remaining unsold units. Moreover, the opportunity to allow local people who were interested in the development to see around other types of senior housing in neighboring cities like New Ulm and Mankato ensured their decision of the purchase. This is a vivid case illustrating how influential one local resident was to make the commitment done and how the unity and cohesion of a community could be to fruition.

② Springfield

The second Homestead Cooperative was put forth in the City of Springfield, and was fully affected by the first project due to the proximity to the city of St. James. Unlike St. James, Springfield did not have positive outcome of the pilot study that was administered to find out the feasibility of affordable housing for the elderly. In spite of it, a local resident stood up for the housing development, and drew the local people who shared his vision. A group of local people including community leaders, representatives of senior citizens, city council members and some local business established the planning board, and facilitated the process. Also, local people in the city owned a high pride on the community, and it served a reason for them to live in single family home made of bricks, which led them to place a high value on independence. The atmosphere outweighed practical considerations, so that the development was costly. The high price of a unit made the process slow. As the housing was located next to a nursing home, local people could not distinguish two different types of housing one another. On the other hand, the addition contributed to making a retirement community in the city.

③ Worthington

The City of Worthington was the largest community among the studied towns, and compared to the other cities, the city had vibrant businesses going around. Located in the southeastern corner of the state, the city was aware of what's happening in other communities. The development came from one local resident who was ready to move to the housing for the elderly who were independent. He wanted that kind of housing in his community, and convinced the city council and local business of the housing need. His outspokenness and persistence led the process on his own way, and it hardly invited other interested people over the development. Although the full financial guarantee was achieved, his character appearing in the early stage of the development unintentionally resulted in the selection of people who could get along with him who was going to live in the housing. Consequently, all the units were not sold and occupied, and the case showed one of the weaknesses cooperatively owned housing has - oligarchy. He and only a few people sat on the planning board that supervised the entire procedure of the development, and this fact provided a dispute in the town. Later on, they were on the Board of Directors in the cooperative housing, and dominant in the management and operation of the housing. While the development was significantly contributed by a local person who invested a lot of time and efforts to get the development done, collective action by a small group of people could halt the democratic control over the entire entity, tarnish the strengths, and further jeopardize the community sustainability.

④ Grand Marais

The City of Grand Marais was fairly a small town, but

best known for both a resort community with beautiful natural amenities and a viable place with great cultural heritage of Native Americans. The idea of the development of affordable housing designed for independent living of the elderly was brought up by a local person who toured several Homestead cooperatives in the state. He drew some local people who were the elderly to a planning board, and tried to build the housing for their own interests. Such an intention put the development into a personal venture, and most banks and lending institutions that were only a few in the area and were accustomed to financing single-family homes and condominiums were not willing to lend any money on the somewhat risky business. The unfamiliar feature of cooperative ownership caused the planning board in internal disputes. Besides, the personal approach did not gain any sponsorship from local business, and undoubtedly the financing was not easily solved. Lack of financing source seriously did not meet the presale requirement to break the ground, and thus it forced the members of the planning board who signed in the purchase of units to pledge financial guarantee to the unsold units. With all the odds, the development took much longer than the expected, and the process was very slow.

The Homestead Cooperative of Grand Marais adopted a bottom-up approach to the development that was regarded unique and unusual; the personal commitment of each individual who came together for the development resulted in very a lengthy process and misunderstandings occurring among the group members although their strong commitment and persistence made it happen.

5. CONCLUSIONS

As one of the most significant mediums to make a community sustainable, affordable housing has been scarce since local governments take over the responsibility to address the local housing needs in the midst of global economy. In fact, the issue has been deepening and worse nationwide, but the efforts of local communities to sustain themselves in nonmetropolitan areas shed a light on the innovative strategy to produce the type of housing. With the rising number of the elderly, the nonmetropolitan communities face with the growing pressure to address the accommodation of the special group since they are the asset affecting community sustainability. This study intended to explore the cases of developing affordable housing for the elderly in nonmetropolitan cities. Utilizing the qualitative research method, this study examined seven cities in Minnesota where the housing provision took place in the past decade, and particularly four developments were closely investigated to draw the factors affecting the success of each development that draws the sustainability of each community.

All the studied communities already had senior housing for the elderly who are semi-dependent or dependent, but no alternative housing was available for the independent prior to the housing development. For those communi-

ties, the elderly who spent their entire life in the community became an asset, and keeping them in the community was viewed as important; the meaning of affordable housing designed for their independent living enabled them to continue to get involved in the community. Another common feature across the studied communities was that the development was initiated by the inspiration of one long-time resident whose retirement was approaching or of whom most worked in a co-op business or its affiliation. Then, the idea was easily and fully implemented with the support from city council, local business, and lending institutions. Moreover, the local support was combined with the organization that provided technical supports, and then all the individual factors acted the greater effectiveness of the development. It was stated that local people were allowed to visit in different kinds of senior housing before the final decision on the development was reached. Nevertheless, the case study pointed out a concern weakening the development – oligarchy. The weakness coming from the inherent traits of the housing type served a hurdle in implementing affordable housing in that a small group of people can be dominant and gain the full control over the development. Also, the production of affordable housing that adopts the unique system of cooperative ownership required time-consuming and tedious jobs. Nonetheless, strengths such as cooperation and support from multiple-tiers of mechanism on the provision of affordable housing can overcome the weaknesses. Indeed, the long-term benefits of affordable housing outweigh its short-term efforts; it ensures protecting human resources and financial assets of a community, keeping the cultural heritage of a community, and maintaining the sustainability of a community.

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