

Office of the Governor  
Ronnie Musgrove, Governor



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# **There's No Place Like Home**

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A proposal for energy efficient housing for  
Mississippi's senior population

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# **There's No Place Like Home**

## **The Need for Housing for our Seniors**

Over the next twenty-five years, Mississippi's senior population (65+) is projected to increase by 84%, accounting for one-fifth of Mississippi's total population. Among the 50 states and District of Columbia, the Mississippi is projected to have the 29th highest proportion of elderly in 2025.

According to the U.S. Department of Housing and Urban Development, millions of elderly households continue to live in housing that costs too much, is in substandard condition, or fails to accommodate their physical capabilities or assistance needs.

According to the U.S. Census Bureau, 29% of Mississippi's senior population live below the federal poverty level.

For many seniors, the day-to-day economics and month-by-month housing situations of their working years have left their declining years insecure. Many more face the prospect of their hard-won housing security slipping away at some point in their lives, a casualty of declining health, dwindling wealth, a deteriorating home, or the death of a spouse or caretaker.

## **Senior Housing Needs**

Housing needs for our senior population are different from our other populations. Housing should adequately meet the needs of the homeowner, be affordable for purchase and continuing maintenance, accessible for special needs, and appropriately designed for the growing population and needs.

### **Adequacy**

Nationally, six percent of seniors (1.45 million households) live in housing that needs repair or rehabilitation. One-half million of these households live in severely substandard dwellings that pose a threat to their safety and welfare.

According to the U.S. Department of Housing and Urban Development, the worst housing conditions affect homeowners and renters alike. More than three-fourths of severely inadequate units (380,000) are owner occupied, but 40 percent of these homeowners have annual incomes or financial assets (or both) in excess of \$25,000. On the other hand, 55 percent of severely affected renters have annual incomes of less than \$10,000 and no assets—and thus little capacity to find better housing at market rents.

### **Affordability**

High housing costs are the most widespread housing problem among older Americans. More than 7.4 million households—30 percent of all elderly households—pay more than they can afford for housing. Approximately 1.7 million elders with low incomes are in urgent need of affordable housing. These seniors currently spend more than half their

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income on shelter. These households, who total 7 percent of all U.S. seniors, are almost equally divided between homeowners and renters. However, their circumstances are quite different.

America's 807,000 severely cost-burdened elderly homeowners are evenly divided between two groups: those who are still paying off a mortgage and those who own their homes free and clear but report problems in meeting the other costs of ownership. Cost burdens are more common among the former group, but this group also has higher incomes with which to address them. Not surprisingly, affordability woes among the latter group are highly concentrated at the bottom of the income/asset scale: 60 percent of mortgage-free homeowners with severe affordability problems have incomes of less than \$10,000 per year.

The majority of elderly renters must pay too much for housing. The most desperate affordability gaps are concentrated among some 892,000 low-income/low-asset seniors whose rent consumes more than 50 percent of their incomes.

## **Accessibility**

Approximately 1.1 million elderly households report unmet needs for home modifications. However, this number is only a small share of the 20 percent of seniors who have physical limitations. The incidence of physical limitations—and of the need for modifications to address them—increases sharply with age. One in eight households headed by a person age 85 or older needs functional modifications to their home. The demand for such changes is likely to increase in future years as older, frailer persons become a larger share of the elderly population.

There is a shortage of fully accessible housing in both the owner-occupied and, particularly, the rental stock. HUD's Annual Housing Survey data indicate that grab bars and handrails are the only universal design elements that have penetrated the housing market to any significant extent.

## **Appropriateness**

The concept of appropriateness recognizes the incredible diversity of seniors' housing and assistance needs. As an administration, we are committed to ensuring that our senior are able to age in a setting that gives them maximum independence and dignity, while safeguarding their safety and welfare.

In recent years, both the private and public sectors have begun to respond to the need for alternatives between no assistance and nursing home care. However, elderly housing opportunities remain too often fixed on these two poles of the eldercare continuum. In-home personal assistance and healthcare services are increasingly available options for many households. And there has been explosive growth in the development of assisted living communities that provide a service-enriched residential environment where seniors can receive congregate and personal assistance services while retaining their essential independence.

## **Mississippi's "There's No Place Like Home"**

Under executive authority, the Governor may direct the Mississippi Prison Industries Corporation to conduct a feasibility study in accordance with state law. This feasibility

study will review the financial appropriateness of the proposal and conclude the impact of the activity on the private sector.

Under the Mississippi Prison Industries Act of 1990, the Mississippi Prison Industries Corporation's mission is:

- 1)** To reduce the cost of state government by operating prison industries primarily with inmate labor, which industries do not seek to unreasonably compete with private enterprise;
- 2)** To serve the rehabilitative goals of the state by duplicating as nearly as possible, the operating activities of a free-enterprise type of profit-making enterprise; and
- 3)** To serve the security goals of the state by reducing the idleness of inmates and by providing an incentive for good behavior while in prison.

Under the authority granted to Prison Industries, the board may implement this program upon the conclusion of a feasibility study as outlined in Miss. Code Ann. §47-5-545 (1972):

Except as otherwise specifically provided by law, after the commissioning and implementation of a marketing feasibility study for any proposed new prison industry, the corporation may establish such prison industry. Before any new industry is established, the corporation shall hold a hearing to determine the impact such industry may have on the private sector market. The corporation shall provide adequate and advance notice regarding the nature, time, date and place of such hearing. After the hearing which is required under this section, the corporation may commence negotiations with the State Department of Corrections, with the Secretary of State, or his designee, serving as a mediator, regarding the leasing of land and other chattels for the purpose of establishing any new industry.

## “There’s No Place Like Home”

### **Governor Musgrove’s Proposal for Assisting Senior Housing Needs**

Under this proposal, qualified seniors can apply for energy efficient, affordable housing options delivered to their property. The mortgage costs should remain less than \$200 per month. This assumes a total cost of \$30,000 at 7% interest rate on a 30-year fixed mortgage. Homes built would be less than 1,000 square feet thereby providing less space to maintain.

### **What are the advantages?**

The “Governor’s Home” provides reasonably sized affordable homes that may be placed near relatives or caretakers residences. These homes may be placed individually or in groupings to provide a community environment.

### **Who is qualified?**

The Purchaser must:

- Be 65 years of age or older;
- Have a household income less than \$25,000;
- Use the home as his primary residence;
- Have a net worth less than \$100,000; and,
- Be placed anywhere in Mississippi.

### **What are the Homebuyer’s responsibilities?**

- Purchase a lot,
- Acquiring a building permit,
- Set-up costs including foundation,
- Utility hook-ups & fees,
- Landscaping,
- Floor coverings and appliances.

Mississippi Prison Industries Corporation will provide technical assistance for set-up of home.