

Housing Education and Research Association Annual Conference 2003

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**Marilyn J. Bruin, Ph.D., Sue R. Crull, Ph.D., Christine C. Cook, Ph.D.,
Becky L. Yust, Ph.D., Misty L. Skaff, M.S.**

Title:

Best Practices in Assisted Living: Dining Rooms

Authors:

Julia O. Beamish, * Rosemary Carucci Goss, Mira Ahn, and Glenda G. Andes

Institution:

Virginia Tech

Presenter Information:

Julia O. Beamish, Professor
Rosemary Carucci Goss, Professor
Mira Ahn, Ph.D. student
Glenda G. Andes, Ph.D. student

Correspondence:

Julia O. Beamish
240 Wallace Hall (0410)
Virginia Tech
Blacksburg, VA 24061

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BEST PRACTICES IN ASSISTED LIVING: DINING FACILITIES

Julia O. Beamish, Rosemary Carucci Goss, Mira Ahn, and Glenda G. Andes,
Virginia Tech

Introduction

For many older persons living in assisted living facilities, the dining experience is the highlight of the day because they enjoy the interaction with other residents. On the other hand, managers often find food preparation for older persons especially challenging because of health issues and aging processes that restrict what one eats and how it tastes. However, as one reviews the assisted living literature, very little research has been reported in this area. What is reported consists of recommendations from managers or designers that do not appear to be empirically based (Vailins, 1988, Pearce, 1998). The purpose of this presentation is to report the findings of the study of dining rooms in 11 assisted living facilities with regard to how menu plan and service style impact design and management of these spaces.

Methodology

Four assisted living communities were examined in detail as a part of a case study analysis. Residents participated in focus groups where they were asked about the dining experience. The dining and management staffs were interviewed. The research team ate lunch at each site and observed the dining room during lunch. Seven additional assisted living communities were visited. At each of the 11 sites photographs were taken of the dining room and light levels recorded. Information such as layout, furnishings, finishes and type of service was noted.

Findings

The food service and dining facilities varied across the four case study facilities and the seven site visits. Food was often prepared on site, but if the facility was part of a larger community it was prepared in a central kitchen and brought to the assisted living dining area. Menus were usually planned by a dietician or chef on site, but one facility obtained their menus from an out-of state service. Usually special diets were not provided. If residents have special dietary needs, they were expected to follow the doctor's diet with subtle help from the staff. Meals were usually served at the table, although there were examples of a cafeteria line or a buffet bar for salads or deserts. The dining staff had some of the highest employee turnover rates in the case studies' facilities. To offset this problem some facilities cross-trained nurses and housekeeping to serve meals. One facility hired high school students to serve the evening meal. Residents usually had several meal choices and they could make a selection a day ahead, a meal ahead, or at the table. In some facilities, a hot breakfast was not prepared. Instead, residents prepared breakfast in their rooms or were able to pick up cold food from a buffet line or a kiosk.

The dining area was often the largest space in the facility and often in a central location. It usually remained set up for dining, although in some facilities a speaker or minister would visit in this space or in a few, a piano was placed in the area and was played during a meal. A few facilities had smaller dining spaces and required multiple seatings for each meal. Researchers also noted bistros or drink bars where residents could stop in during the day for a snack in some facilities.

Tables in the dining rooms were usually square and had four corner legs, although larger tables and ones with pedestals were noted. Tight spaces around the tables were sometimes an issue and the number of walkers and wheelchairs often crowded the space. Chairs were substantial, often traditionally styled, and with arms that fit under the table. Facilities varied in their use of assigning seating and even if they did not assign seating residents usually sat in the same seat and left pillows or cushions in their seat.

The dining rooms were often rather formal suggesting a restaurant-type atmosphere. Chandeliers, wallpaper, linens, and table decorations added to this impression. Lighting was an issue in some facilities due to the amount of artificial light and the quality of day lighting, which could create glare or contrast. Flooring was usually carpeted with a commercial grade carpet. Some of the patterns could cause visual confusion, but others used borders to divide spaces and clarify traffic areas.

Residents were usually satisfied with the way food appeared and the friendliness of the staff. Some complaints cited by residents were the nutritional quality and taste of the food. There were also some complaints about the variety of meals. Occasionally residents did not like who they sat with or the quality of a particular meal, but in general there were few complaints about this aspect of their experience in living in assisted living.

Overall the variety of food service and dining experiences indicated that there is no best way to offer this service in assisted living. Researchers observed numerous best practices that should be shared with managers and developers of assisted living facilities.

COMMUNITY DEVELOPMENT: FROM MINING TO TOURISM IN A HISTORICAL MINING TOWN

Kenneth R. Tremblay, Jr., Colorado State University
Lawrence V. Bamford, Bamford International Designs

Purpose

The purpose of this paper is to trace the development of a historical mining town that is now actively pursuing tourism. Leadville is situated near the continental divide in Colorado. Located 10,430 feet above sea level, Leadville is the highest incorporated area in the U.S. With a population of approximately 3,000 persons, Leadville has experienced a series of booms and busts throughout its history characteristic of Western mining communities. With the demise of mining, the town is now focusing on tourism to drive economic development.

Methodology

A case study research approach using field observation was utilized (McTavish & Loether, 2002). The researchers studied the town during 1994-2002, visiting once or twice each summer. Since case studies use data from all sources, town documents, newspapers, and photographs from the Denver Public Library's Western History Department and Lake County Library were obtained to establish historical trends and tourism efforts. Key informants were also identified and informally interviewed for their unique historic and economic perspectives.

Results

Based on case study research, it is clear that mining drove Leadville's economy for over 100 years. First, it was gold that was detected in nearby California Gulch. When silver was discovered in 1877, Leadville experienced an incredible boom. By 1880 nearly

every square foot of ground had been staked. Freight wagons carrying ore rumbled through the streets day and night on their journey to stamp mills and smelters (Blair, 1980).

Buildings in the area were developed in five phases: (a) temporary shelters such as tents and caves carved in banks as emphasis was on locating minerals; (b) semi-permanent shelters such as log cabins, typically consisting of one room, a small porch, and sod for the roof; (c) slab-sided structures after the introduction of sawmills; (d) balloon-framed wood structures with better finish materials constructed by experienced builders; and (e) permanent multistoried structures of masonry designed by architects (Bamford & Tremblay, 1996). Many of the historical buildings, including Victorian houses and commercial buildings designed by architect George King, are still in existence and were the initial attraction for tourists.

At its peak, Leadville was not unlike present-day Las Vegas in that there was a flurry of activity 24 hours a day. Saloons, gambling halls, brothels, stores, and homes sprang up overnight (Abbott, Leonard, & McComb, 1994). Between 1879 and 1889 the town was acknowledged as the world's greatest mining camp (Greever, 1963).

With the silver crash of 1893, almost all of the mines closed and businesses went bankrupt. The mining companies that survived turned to lead and zinc, recouping a small amount of gold and silver as a byproduct. The discovery of molybdenum in the 1920s sounded another revival for Leadville. For over 60 years the economy was heavily dependent on the \$1 billion of molybdenum extracted by the Climax Molybdenum Company (Southworth, 1997). When the mine shut down in 1987, 3,000 workers no longer had jobs and Leadville slid into a deep recession.

In 1999 the Black Cloud Mine, with a focus on mining lead, zinc, and silver, became the last base metal producing mine in Colorado to close, leaving Leadville with no active mining for the first time in its history. The mine was Leadville's largest private employer with 136 employees. No longer dependent on mining, Leadville is emerging as a resort community. The Leadville Improvement Group is emphasizing the town's assets in actively advertising Leadville as a destination for winter activities such as skiing and snowmobiling. There is currently a small ski resort near town and a new ski resort offering greater amenities is in the planning stages. In the summer, marathon races, biking, and historical mining events take place. Fishing and hunting are popular year-round.

Leadville was selected in a national competition as the site of the National Mining Hall of Fame and Museum which is now a stop on well-attended building tours. The community was also successful in obtaining designation of local Highway 24 as a scenic byway and creating the Metal Belt bicycle trail which has increased its visibility to tourists.

Leadville is officially documented as a National Historic Landmark District with its historically important buildings documented on the National Register of Historic Places. Grants of over \$360,000 have been obtained from the Colorado Historical Society to assist the town in preserving its architecture, including the renovation of many important homes and commercial structures. There has been limited new construction that has created an interesting context of the old and new, as historic homes sit adjacent to new franchise stores (for example, there is the colored plastic of a 7-Eleven Store located beside the historic 1879 Tabor Opera House).

Housing consists of 3,913 single-family housing units, 662 manufactured homes, and 444 multi-housing units. The median price of a single-family house was \$110,000 in 2000, up from \$86,667 in 1996) (Leadville Chamber of Commerce, 2003). There are 24 lodging accommodations and three campgrounds. The majority of lodgings consist of historical Victorian houses that were renovated by their owners to create bed and breakfast establishments, adding to the town's well-preserved architecture.

The economic shift from mining to tourism has been difficult. Miners who once earned up to \$30 an hour have either left town or are working in the tourism industry at \$7 to \$10 an hour. In 2000, median household income was \$28,950 and the two largest job sectors after government were service with 481 employees and retail with 318 employees (Leadville Chamber of Commerce, 2003). Other community members are catching buses to work in nearby ski areas such as Vail and Aspen, giving Leadville a reputation of being a "bedroom" community.

With a focus on tourism, businesses increasingly cater to visitors instead of providing basics such as food and clothing needed by residents. A majority of Leadville residents shop for clothing, automobiles, and household furnishings away from Lake County. A decline in sales tax revenue has deteriorated available social services. Community leaders are currently sponsoring a survey of town residents to obtain input on future development efforts that can best meet the needs of the community.

Conclusion

Leadville faces challenges in its efforts to develop its economy. There exists competition to attract tourists from established Victorian towns and ski resorts located closer to I-70 (the interstate highway that crosses the Colorado Rocky Mountains).

Additionally, some potential investors have shied away from Leadville because of its designation of a Superfund cleanup site due to pollution caused by past mining operations. Proposals to develop an industrial park and expand the airport have stalled. The next few years will be a key indicator as to whether Leadville can develop into a vibrant community, dedicated to preserving its 19th century architecture while promoting the future.

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MANUFACTURED HOMES AND THE ELDERLY POPULATION

Starr M. Gobtop*, Graduate Assistant,
Department of Family and Consumer Sciences,
Illinois State University

Jean Memken, Ph.D. Associate Professor
Department of Family and Consumer Sciences
Illinois State University

Contact Name: Jean Memken
Department of Family and Consumer Sciences
Illinois State University
203D Turner Hall
Normal, IL 61790-5060
Phone: 309-438-5802 or 309-828-8655
Facsimile: 309-438-5659
E-Mail: jmemken@ilstu.edu

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MANUFACTURED HOMES AND THE ELDERLY POPULATION

Starr M. Gobtop, Graduate Assistant,
Department of Family and Consumer Sciences,
Illinois State University

Jean Memken, Ph.D. Associate Professor
Department of Family and Consumer Sciences
Illinois State University

ABSTRACT

The purpose of this research was to evaluate the potential of the manufactured housing industry to accommodate the housing needs of the elderly population. The needs of the elderly were explored and the options for “aging in place” were investigated. Housing options produced by the manufactured housing industry have improved to a point that this alternative has become more accepted by much of the population in this country. Many independent elderly households live in manufactured housing, particularly mobile homes. However, most of these housing units are not built with universal design features. It was hypothesized that manufactured homes can be built to accommodate the elderly segment of our population and let them age in place. That is, it was postulated that universal design features, such as wider doorways, accessible kitchens and bathrooms, and easy to use door handles, can be utilized in the building of manufactured homes to allow the elderly to comfortably “age in place”.

A survey was mailed to the 60 manufactured housing companies listed on a manufactured housing website. Questions regarding the use of universal design features, accessible space planning and model types were included in the survey. A request to send materials related to the design of each manufacturer’s housing was included with the survey so that floor plan models could be evaluated in terms of their accessibility.

Results will be presented in the form of charts and tables to show the extent to which the manufactured housing industry is using universal design concepts and components in the housing they produce.

As the population of the United States continues to grow older, new accommodations in the housing market need to be explored to house this expanding segment of our population. Now more than ever, we need housing options for the elderly that allow them to keep their dignity and independence for as long as possible.

Manufactured housing is one option that has the potential to provide affordable and accessible housing for the elderly population. This study serves to examine what this industry has already done to meet this challenge.

MANUFACTURED HOMES AND THE EDLERLY POPULATION

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RESIDENTIAL SEGREGATION PATTERNS AT THE TURN OF THE CENTURY: AN URBAN, RURAL AND SUBURBAN PRESPECTIVE

Steve Peuquet, University of Delaware
Andrew Carswell, University of Georgia

Abstract

This paper addresses the issue of residential segregation patterns and trends within the state of Delaware. The report will focus on the differences within the state in levels of unevenness along urban, suburban and rural areas.

The paper expands upon earlier research by one of the primary authors (Carswell, 2000) on the differences in segregation levels between the suburban and urban levels of Wilmington, Delaware – the state’s largest urban center, in order to more accurately reflect the political realities within the state and local government structure.

In terms of methodology, the paper relies on the index of dissimilarity, an established statistical tool for measuring segregation patterns across areal units within a fixed geographical entity. Dissimilarity measures compare the spatial distribution of different groups, and are sometimes referred to as measures of “unevenness”. Massey and Denton popularized the “*D*” statistic as the foremost method of measuring dissimilarity or unevenness (Massey & Denton, 1988), and many other researchers have used the “*D*” statistic for their own analyses on the issue of segregation within communities (Kantrowitz, 1973; Sorenson, Taeuber, & Hollingworth, Jr., 1975; Guest & Weed, 1976; Farley, 1983; and Kusmer, 1986). The “*D*” statistic essentially analyzes the composition of minorities within Census tracts, and compares it with the percentage composition throughout the larger area being studied. Through quantitative formulas derived through the research of Massey and Denton, the researchers can then answer the question, “*What percentage of the minority population would have to move away to another Census tract to achieve a distribution of minority percentages throughout each of the Census tracts that is equal to that of the larger area being studied?*” The “*D*” statistic will serve as the basis for this particular research.

The rationale for conducting the research is threefold. First, the decade of the 1990s represented a period of significant economic progress for most of the country (including Delaware), particularly in the housing sector. Since much of the increase in house price has occurred in the suburban areas, social scientists will naturally be interested in analyzing the residential patterns of African-Americans and Hispanics within suburban communities. This is an important public policy concern when one considers that African-Americans and Hispanics have been the beneficiaries of a much more liberalized home buying environment. Some of the factors which have allowed African-Americans and Hispanics to enjoy homeownership include: a) mortgage programs touting low down payment mortgages; b) increased down payment and closing cost assistance; c) more liquid sub-prime lending market; d) increased attention given to “underserved” communities by primary lenders and secondary mortgage market agencies such as Fannie Mae and Freddie Mac; and e) the lowest interest rate environment in decades.

Second, there has been ample evidence through previous segregation research that dissimilarity scores throughout the country have experienced a steady decline with each successive decennial Census reporting period. This decline has been even more pronounced in metropolitan areas throughout the Northeastern portion of the country, an area in which Delaware is situated. Thus, updated research will tend to verify whether or not this pattern has continued during the economically prosperous 1990s.

Third, segregation patterns within the rural areas of the state have been virtually ignored by the academic community. The urban influence on segregation research has been particularly noteworthy over the past few decades. While some work has been performed on segregation within selected suburban areas, there has been little work done nationally on the segregation levels or trends within rural areas. This reasoning becomes even more important when one considers the vast increase in overall populations that has been occurring during the past ten years in Kent and Sussex County's two most rural counties – Kent and Sussex Counties.

The research analysis generated by the authors produced four major findings. First, the segregation levels of African-American communities continued to decline in the urban and suburban areas of Wilmington and New Castle County, but at a less drastic rate from earlier decades. Second, after the authors redefined the boundaries of the Wilmington suburbs, there was ambiguity as to whether or not suburban segregation levels have improved as dramatically as was initially perceived. Third, results from the rural communities suggest a much lower *level* of segregation than the urban and suburban areas, yet the *trend line* since 1980 does not necessarily show improving residential segregation patterns within these communities. Fourth, rural Sussex County has seen a dramatic spike upward in Hispanic dissimilarity patterns between the 1990 and 2000 Census periods.

INVESTIGATING MANUFACTURED AND SITE-BUILT HOUSING WITH A HEDONIC PRICE MODELⁱ

Anne L. Sweaney, University of Georgia
Stephanie A. Eichenbrenner, University of Georgia
Yoko Mimura, University of Georgia

Using hedonic price analysis, we asked how much of the price differences between manufactured homes and site-built homes are purely due to their structural type (manufactured or site-built) by examining models that controlled for the differences in other objective features that empirical studies have indicated as the price determinants of the houses. Despite the increase in the number of manufactured homes in the U.S. housing market, we found no previous study that specifically examined comparable manufactured and site-built homes in the U.S. Understanding price differences may be important in identifying consumers' willingness to purchase manufactured housing.

The home ownership rate in the U.S. is growing, and more and more Americans are enjoying the benefits of owning a home. Nonetheless, in 2001 about 14.4 million American families, or one in seven households in the U.S., faced critical housing needs, meaning that they spent over one half of their income on housing or lived in seriously substandard conditions. There are millions of people who want to rent or buy affordable housing, yet housing units in an affordable price range are difficult to locate (Lipman, 2002).

Manufactured housing is one potential option for increasing affordable home ownership opportunities for Americans. However, a number of barriers currently prevent widespread acceptance of manufactured housing. Among the barriers are manufactured housing's negative image and a lack of understanding of factory construction by public officials and consumers. It might be that stereotypes about the quality of manufactured homes are preventing consumers from considering and choosing them, yet some manufactured homes are actually more affordable than their site-built alternatives and provide comparable features as well. Data directly comparing the two types of housing may be the best way to begin to break down negative stereotypes and inform people who can potentially benefit from factory construction.

This study used the 2001 American Housing Survey (AHS) National Data, collected by the U.S. Census Bureau for the Department of Housing and Urban Development. The data include a nationally representative sample of over 50,000 housing units. Slightly more than 9,000 of these houses were included in the present study by meeting the criteria of being owner-occupied, single-story, manufactured or site-built homes that are single-family, detached units on fewer than 10 acres of land.

To compare the price differences between comparable manufactured and site-built homes, SAS's regression procedure was used. The dependent variable is the natural logarithm of the respondent-claimed home value in dollars. The main explanatory variable is a dichotomous (dummy) variable indicating whether the home is

manufactured (=1) or site-built (=0). Other explanatory variables included in the first model came from a careful review of literature on housing prices. The equivalent variables from the American Housing Survey we included in this model are the presence of a fireplace, (in)adequacy of housing score, age of the home, numbers of bedrooms and bathrooms, and presence of abandoned buildings in the neighborhood. Finally, the home's region in the country and its Metropolitan Statistical Area (MSA) status were controlled. This model, in which key variables (listed earlier) identified from previous hedonic studies were controlled, explained approximately 46% of the variation in home prices, with manufactured homes being 24% of the value of the site-built homes. All other explanatory variables included in the model significantly related to the price variations of the homes.

We then ran another regression model, this time with the stepwise selection option, by adding various other structural, neighborhood and resident characteristics including the household size to examine whether they further explain price differences between manufactured and site-built homes. The results showed that construction type, *i.e.*, whether the unit is manufactured or site-built, has the greatest power, among all the explanatory variables, to explain price variations. In this model, manufactured homes were 25% of the value of site-built homes, keeping everything else equal. All together, the other 26 factors that were retained in the final model explain only slightly more variation in price than the home type did alone. Among the other factors that explained the variation in prices to a lesser extent were the number of full bathrooms; location in the West, as opposed to the South; household annual income of more than \$50,000, as opposed to less than \$10,000; the number of half bathrooms; and whether or not the house is located in an MSA.

Without controlling for the other characteristics, the values of manufactured homes were relatively higher, at about 27% of the "comparable" site-built homes', than when other price determinants were controlled. Although we hypothesized that controlling for the characteristics associated with the home price variations in previous empirical studies would show smaller differences in prices between the manufactured and "comparable" homes (*i.e.* owner-occupied, single story, no basement, single-family, detached units on fewer than 10 acres of land), the findings were quite the opposite.

This study lends strong support to the belief that manufactured housing is perceived as more affordable than site-built housing. This is an extremely important finding due to the fact that there is an extreme shortage of affordable housing units for America's workforce. Given the possibility that manufactured home residents may be underestimating their home values due to negative stereotypes of manufactured housing, future studies of perceptions of manufactured housing among its own residents will be very important.

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**FANNIE MAE AND FREDDIE MAC PURCHASES OF MORTGAGES
MADE TO LOW- AND MODERATE-INCOME BORROWERS**

Sue R. Crull, Carol B. Meeks, and Chihui Lan, Iowa State University

Introduction

This study was undertaken to assist HUD's Office of Policy Development and Research to improve the understanding of GSE performance in rural areas. Research such as this contributes to the regulatory knowledge of HUD and only indirectly influences opportunities for consumers. The purpose of the study was to examine the goal performances of Fannie Mae and Freddie Mac, the two major government sponsored enterprises (GSEs) in the secondary mortgage market, in purchasing mortgages for low- and moderate-income borrowers in metropolitan and nonmetropolitan counties. GSE activity in nonmetropolitan counties is evaluated by means Urban Influence Codes, developed by the Economic Research Service (ERS) in the United States Department of Agriculture (Ghelfi & Parker, 1997) that represent economic opportunities based on adjacency to metropolitan areas and on the size of the largest community within the nonmetropolitan county.

Background

The hypotheses for the study were that nonmetropolitan counties suffer from lower GSE goal achievement relative to metropolitan counties and that some nonmetropolitan counties may suffer more than other nonmetropolitan counties. Federal legislation in the early 1980's succeeded in deregulating the financial system and restructured policy for the mortgage system in the U.S. (Meyerson, 1989). Pessimism was expressed that the greater reliance on the secondary market would stifle homeownership for lower-income households (Meyerson, 1989).

However, the creation of the GSE affordable housing goals in the 1990's brought a new wave of optimism for homeownership for disadvantaged households.

The ability of home mortgages to be packaged and re-sold to the investment community in the secondary market has meant that a housing lender need not hold a mortgage until its maturity. Congress gave special considerations to the GSEs, and in exchange, GSEs were mandated goals by Congress to improve home ownership for underserved groups.

In this study, comparisons were made in relation to the low- and moderate-income goal that required 42 percent of the loans be purchased from families with incomes at or below the area median income ("goal purchases") in 1997. Manchester (1998) found that Fannie Mae had a 45.5 percent and Freddie Mac had a 42.9 percent goal performance in 1997. The results in this study are not comparable to Manchester's because he used all types of GSE purchases including multi-family, while this project uses only GSE purchases of single-family mortgages. Also, only the goal performance activities of the GSEs were studied within the context of the loans purchased. There was no attempt to evaluate what could have been done based on the number of loans that actually were originated in nonmetropolitan counties because origination data for rural areas are not readily available.

Procedures

The unit of analysis in this study is counties of the United States, 836 metropolitan and 2305 nonmetropolitan counties. A new data set was developed from secondary data that included county level GSE variables generated from the 1997 GSE single-family properties household file, various county level economic, social, population and housing variables from the USA Counties Data CD (USDC, 1998), and county urban influence codes from ERS.

Results

Percentages of purchases from households that met the very low income guidelines (less than or equal to 60 percent of the area median income), the low income guidelines (above 60 percent and up to or equal to 80 percent of the area median income), and the moderate income guidelines (above 80 percent and up to or equal to the area median income) were calculated for each county. Based on the means of the percentages, 35.75 percent of the GSE purchases in metropolitan counties and 24.88 percent of the purchases in nonmetropolitan counties were “goal purchases.” Fannie Mae outperformed Freddie Mac with 36.68 and 26.21 percent compared to 34.38 and 22.78 percent. Percentage of GSE purchases serving the very low income borrowers were much lower than the percentages serving low income borrowers which in turn were lower than percentages serving moderate income borrowers.

Fannie Mae outperformed Freddie Mac in all urban influence code categories. Both GSE’s goal performances declined drastically in the most rural counties. The highest “goal purchase” percentages in nonmetropolitan counties were in counties adjacent to large or small cities with fairly large cities of their own (greater than or equal to 10,000 population). The third largest percentages were in the counties with cities equal to or over 10,000 populations that were not adjacent to metropolitan areas. This latter result supports the idea that adjacency to metropolitan areas is not the only economic opportunity variable that may influence GSE activity. A county with a fairly large city, which often supports a small region of rural counties, may provide several opportunities for GSE activity without being adjacent to metropolitan areas.

Regression analysis on nonmetropolitan counties was used to explore the power of the urban influence codes in explaining the variation in the dependent variable, the percent of 1997 GSE purchases serving borrowers with incomes at or below the area median income. The R

square was .288 and significant. Seven of the 21 the standardized coefficients of independent variables were significant. The most powerful was the percent of families in poverty. Counties with high levels of poverty had low levels of GSE “goal purchases.” Households in poverty probably fall far below the area median income and are unable to buy a home. Counties with high vacancy rates had low percentages of GSE purchases because a high vacancy rate usually represents that supply is greater than demand. Counties with high percentages of mobile/manufactured homes had low GSE purchases because many mobile homes are not purchased as real estate or have nonstandard financing both of which do not qualify for GSE purchase. Counties with high percentages of Black households, Hispanic households, and high school graduates had high percentages “goal purchases.” The only urban influence code that was significant was the Code 8 representing counties that were not adjacent to a metro area and contained a town of 2,500 to 9,999 residents. The counties in Code 8 were more likely to have higher “goal purchases” than the reference counties in the most rural influence code with no towns larger than 2,500.

Conclusions

Both hypotheses were supported; the GSEs had higher goal performance percentages in metropolitan areas than in nonmetropolitan areas and GSE activity varied by type of nonmetropolitan county. Although this study did not analyze what proportion of nonmetropolitan mortgage originations were purchased by the GSEs, their actual goal performance within the arena of loans purchased was definitely poor in many nonmetropolitan counties. One important question remains unanswered in this paper. Are there enough low- and moderate-income loan originations in rural areas for the GSEs to purchase to meet their goals in rural areas? Because percent of families in poverty, vacancy rate, and manufacturer homes were

strong indicators in the regression in this study and are variables that represent the lack of goal qualifying loans, lack of qualifying loans may be a problem in rural areas.

To better understand GSE activity in nonmetropolitan counties, what could have been done needs to be compared with what was done. Home Mortgage Disclosure Act (HMDA) data are readily available for metropolitan areas and are frequently used to study GSE goal activity. However, HMDA data are not readily available in nonmetropolitan areas because the Act does not require small volume lenders (often these are rural lenders) to report loan originations. Until GSE activity can be evaluated with fairly accurate records of originations throughout all areas of the U.S., Fannie Mae and Freddie Mac's true effectiveness in meeting the performance goals in nonmetropolitan areas will remain unknown.

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 - The analysis in this abstract is not final and the project is currently under HUD review.

LATINOS' HOUSING ADAPTATION AND ADJUSTMENT

Purpose

Previous studies of Latino immigrants in Georgia (Atilés & Bohon, 2002; Atilés et al., 2001) have shown that this population often faces housing deficits related to safety, health and affordability. Morris and Winter's (1978) theory on housing adjustment and adaptation is used to explain how Latinos respond to normative housing deficits in Georgia. In this study, the term *Latino* is limited to respondents who came from Latin American nations (or were the U.S.-born ancestors of Latin American immigrants) where the predominant language is Spanish.

Methods

A two-year qualitative study looked at two urban and four rural Georgia counties: Dekalb, Muscogee, Colquitt, Hall, Liberty and Whitfield, which had the largest Latino populations in the state in 1990. Thirteen focus groups conducted in Spanish included 103 Latino immigrants from a variety of occupations. Housing themes were compiled through repetition and categorized according to Morris and Winter's model.

Results

Based on Morris and Winter's (1978) model for housing adaptation and adjustment, Latino immigrants, for the most part, deviate from several American housing norms. Results from our research reveal the normative housing deficits of Latino immigrants in Georgia and point to their housing adaptation and adjustment.

Space norms are rarely met by Latino males who come without their families. Life in the migrant-worker barracks is characterized by room sharing and Latino farm labor residing outside the barracks often live in overcrowding conditions. Latino families also face crowding as more than one family often lives in the same housing unit.

Tenure norms. Home ownership is rarely met by Latino families with school-age children. Most rent mobile homes, apartments and low quality housing units in rural areas. Single and young Latino workers are more likely to meet the expected norm as renters.

Structure type norms. Latinos who rent or own a manufactured home meet this norm.

Expenditure norms. Most Latinos indicated that housing was very expensive in their communities and that affordable housing was deplorable.

Quality and neighborhood norms. These should be consistent with the socioeconomic status of the family. However, the quality of the housing in which many Latino immigrants live is not safe or sanitary and does not make it desirable to them or their neighbors. Neighborhood norms are rarely met in areas where Latinos tend to concentrate. They often lack access to transportation, basic infrastructure such as sewer, or adequate septic systems or health services.

Latinos' responses to residential deficits

Morris and Winter (1978) argue that families respond to salient deficits through either residential mobility or residential alterations and additions. However, they also leave space for dissatisfaction as a response to residential deficits. Overall, Latinos have responded to residential deficits through dissatisfaction. In dealing with dissatisfaction, Latinos have, for the most part, tended to change their housing norms to adapt to the housing available to them (i.e., a normative family adaptation). Some have been able to save enough money to buy a home (typically a manufactured home) and therefore have responded with residential mobility to their housing deficit.

Latinos' responses to residential deficits in terms of space, structure type, tenure, quality, for example, are intimately related to several constraints:

Intra-familial constraints. The lack of English and Spanish language skills is a constraint that affects the level of problem solving skills to resolve a normative housing deficit. Likewise, the lack of a family support system restricts the number of roles that can be assigned to family members to help resolve a housing deficit. The effectiveness and overall performance of the family as a unit is thus affected. Even when Latino children growing up bilingual, take on the role of interpreters for their parents, the housing deficit may still be unresolved. For example, a low-literacy Latino family that can't read or write English or Spanish (the householders only completed a 4th grade level in their schools back home) is very limited in what it can accomplish in trying to resolve a housing deficit. Moving to a foreign land where there is no established social or familial support system also creates a constraint to this family.

Satisfaction constraints. Respondents indicated that housing conditions were not satisfactory. Availability of affordable housing seems to preempt the need to resolve a housing deficit related to space or quality, for instance. Satisfaction thus is closely related to financial constraints as well.

Extra-familial constraints. Access to normative housing for Latinos was limited by income, supply of affordable and sanitary housing and access to home financing. Consumer fraud and predatory lending have appeared as ways to afford credit to Latinos but such practices may violate quality and expenditure norms.

Conclusions and Implications

This study helps understand that deviation from housing norms is likely to affect the way Latinos are adapting to their new society and community. Although, based on Morris & Winter's model, it could be somewhat permissible for young, single individuals (in this case, Latinos) to live in crowded rental units of substandard quality, Latino families with school-age children might be expected to meet the norms. Successful adaptation to society by Latinos is thus jeopardized and will require future research and a closer look at the economic and structural constraints that prevent their access to normative housing.

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Housing in Small Rural Communities: The Minnesota Case Study

Marilyn J. Bruin, Ph.D.
University of Minnesota

Sue R. Crull, Ph.D.
Christine C. Cook, Ph.D.
Iowa State University

Becky L. Yust, Ph.D.
Associate Professor/ Department Head
University of Minnesota

Misty L. Skaff, M.S.
Seongyeon Auh, M.S.
Iowa State University

Measuring economic vitality in rural communities is a popular research topic. However attempts to measure and promote economic development through local activities have focused on the development of business, recreation and tourism, forestry products, and service industries. Little research measures the extent to which development strategies contribute to rural community vitality. Decision-making processes linking available, affordable housing with economic development and rural community vitality have not been investigated.

This case study is part of an NRI-USDA study, *Local Housing Decisions and Economic Vitality of Rural Communities*. The purpose of the NRI study is to the interrelationships between housing and economic vitality by examining local development strategies. The case study examines one state and provides research-based information to local and state policy decision makers.

Procedures

The study population is nonmetropolitan communities within states in the North Central Region. To select the sample, counties were ranked based on a 1990 measure of community vitality¹ (cf. Crull & Cook, 2000). Counties from the lowest quartile and counties from the highest quartile in each state represent the study population. Whenever possible, one county from each quadrant of the state was included; at least one county adjacent to a metropolitan area and non-adjacent county were also included in the sampling frame. Forty-eight counties were randomly selected, six each from Illinois, Iowa, Kansas, Minnesota, Missouri, and Nebraska, and four each from North Dakota, South Dakota, and Wisconsin.

Based on 1990 census data, communities with populations between 100 and 10,000 were selected within the identified counties. A random sample of three communities was selected when more than three communities were available in the pool. Four counties had only two communities in the pool; three counties had only one community that met the criteria. The final

¹ County-level data from the 1990 census was used to the index of community vitality. The index is the sum of three measures: *per capita earnings in all industries, per capita personal income, and proportion of persons above poverty.*

sample included 67 communities from 24 low vitality counties and 67 communities from 24 high counties. Thirty communities were from 10 counties adjacent to metropolitan areas and 104 communities from non-adjacent counties.

An interview instrument, conducted via computer-assisted telephone (CATI), included closed and open-ended questions. The telephone interview-sampling frame consisted of a pool of 12 key informants for each community. Names of elected officials, community and county government staff, bankers, Chamber of Commerce chairpersons, real estate brokers, local media, contractors and builders, businesspersons, members of project committees, educators, and service providers were collected through Extension offices, libraries, and knowledgeable local individuals. Five to nine (mode = 8) key informants were interviewed in each community; there were 951 respondents.

Information was combined from informants from each community to construct a community profile. Factual and behavioral information was aggregated for the profile by using the modal response; attitudinal and opinion responses were aggregated using the mean response (Krannich & Humphrey, 1986). An index of perceived community vitality was constructed by summing 10 descriptors of local community activities; internal consistency was measured by Cronbach's Alpha of .74.

In Minnesota, 126 key informants in 18 communities in six counties were surveyed. Perceptions of housing and community decisions are described and comparisons are drawn between communities in high-vitality counties and communities in low-vitality counties.

Findings

Seventy percent of the key informants were male. The mean age was 49 years; the mean number years lived in the community was 30; 87% had held a leadership position, and 71% had postsecondary education. Seventy-four percent lived within the city limits. Sixty-five percent had been involved in local housing development. In Minnesota, the index of perceived community vitality ranged from 26.57 to 38.88, mean was 34.29; higher scores indicated higher vitality.

Two-thirds of the communities in both high and low vitality counties were adjacent to urban areas. According to the key informants, 33.3% of communities in high vitality counties were economically dependent on a nearby town compared to 78% of communities in low vitality counties. Eight (88.9%) communities in high vitality counties and 4 (44.4%) communities in low vitality counties were perceived as commuter or bedroom communities. Four communities in high vitality counties and 8 communities in high vitality communities perceived a change in business activities over the past decade. Key informants in high vitality counties were more likely to believe that changes in business affected housing. Key informants in low vitality counties were more likely to report low-cost rental housing, low-cost single-family housing, and assisted living facilities in their communities. The mean index of perceived community vitality for communities in high vitality counties was 35.68 compared to 32.89 for communities in low vitality counties.

Implications

According to the key informants, adjacency does not equal economic dependence. However high-vitality counties are more likely to contain economically-independent communities. The greater presence of low-cost housing in low-vitality counties affirms market effects on housing. Interestingly informants in high-vitality counties recognize relationships between business and housing; more work is needed to determine cause, effect, or co-dependent relationships.

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