GRANNY PODS: COST-EFFECTIVENESS AND HEALTH BENEFITS OF "NEXTDOOR" HOUSING APROACH

Alla Lozovan Kazi, MD, MPH, Aging Studies Certificate, School of Public Health, University of Minnesota

SCHOOL OF PUBLIC HEALTH
UNIVERSITY OF MINNESOTA

INTRODUCTION

In our current housing infrastructure there are gaps that cause both emotional and financial hardship for the aging, disabled, and their families.

Subsidized housing for seniors or assisted living facilities often have waitlists or are impractically expensive. Therefore, there is an urgent need for new healthcare/housing service delivery options for older adults.

With an aging baby boomer generation, the Accessory Dwelling Units (ADU) are considered alternatives to expensive long-term care facilities that help to keep aging seniors close to families.

Over the past few decades, municipalities across the country have adopted standards to allow or encourage the construction of ADUs. The information about regulations by state and city can be found on Accessory Dwellings website.

"GRANNY PODS" FOR FAMILY SENIORS

An accessory dwelling unit (ADU) – also known as "Granny Pods" or "MedCottages" are portable high-tech dwellings that can be installed in a family's back yard and can be temporary solution for taking care of elderly family members in need of special care.

NextDoor Housing is the sole company selling such granny pods in Minnesota. Units typically sell for about $45,000, or can be rented.

Granny Pods are specially built with the safety of a senior in mind. They include a small kitchen, bedroom, and a bathroom that is handicap accessible with railing and safety features built in. All utilities and electricity are connected to the primary residence.

SIGNIFICANCE

Resent studies shows that loneliness is a significant factor in the decline of quality of life in older adults, including risk of depression, cognitive impairment and health problems like coronary artery disease, and even increased risk for an earlier death.

Granny pod homes allow aging parents to stay close to their children and grandchildren for care and companionship while maintaining privacy and independence for all family members.

WHAT IS THE PROBLEM?

The bill S.F. 2555 ("Granny Pods") passed in Minnesota during 2016 session in an attempt to allow accessible/non-permanent types of housing to be used for family members in need of various medical cares.

Cities everywhere rejected the law without giving to their citizens an opportunity to try this alternative housing.

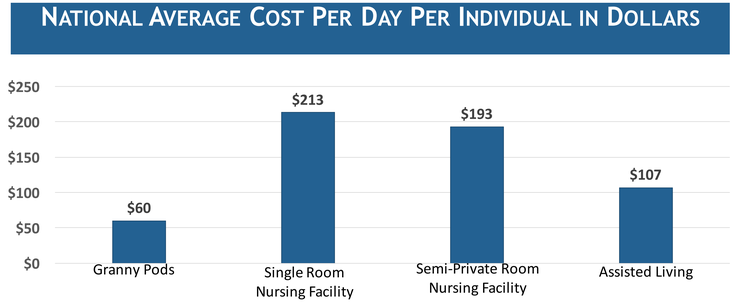
Therefore, at this time, granny pods cannot be sustained as a temporary housing or rental fleet, because of the current city ordinances.

GRANNY PODS



Jesse Lammi and John Louiselle founded NextDoor Housing based in Minnesota which sells small mobile housing units that people can put on their property to provide short-term care to a relative. *Martin Moylan | MPR News*

NATIONAL AVERAGE COST PER DAY PER INDIVIDUAL IN DOLLARS



Adopted from: N2Care's MEDCottage, http://www.medcottage.com/the-story-.html.. Source: Genworth (2011). Executive Summary Genworth 2011 Cost of Care Survey Coleman, Christian, at el., Virginia (2011). Long Term Care Actuarial Analysis. *Actuarial & Analytic Practice of AON Global Risk Consulting*.

METHODOLOGY

This research will employ mixed methods. Specifically, the lead researcher will conduct cost-effectiveness analysis, key informant interviews with city officials, and surveys of older adults and their families.

Part I: The objectives of the first part are: 1) to examine cost effectiveness of this program for families and taxpayers; 2) to explore the likelihood of expanding the program to other areas in the state, such as alternative housing options for chronically homeless older adults, and 3) to identify the main barriers for successful program implementation.

Part II: The second part will be conducted in an attempt to run pilot and to rent 5-10 units to interested families. The main objectives of this pilot study will be: 1) to examine quality of life of the "Granny Pods" tenants and 2) to measure the health benefits and outcomes of the "Granny Pods" program.

SPECIFIC AIMS

There are three specific aims for the study:

Aim # 1: To analyze cost effectiveness of the Granny Pods program and determine its economic impact. *Hypothesis 1* is that these small transferrable houses are less expensive housing options compare to long term care facilities and living close by the family will possible reduce the need for home care services and long term care that, in turn, could save public dollars and families' savings.

Aim # 2: To examine quality of life of the Granny Pods tenants. *Hypothesis 2* is that Granny Pods housing will improve quality of life of older adults with assumption that living near to their families will have a positive effect on health by reducing stress, anxiety, and therefore, improve depressed mood associated with relocation and separation from the families.

Aim # 3:To evaluate if increased quality of life of the Granny Pods tenants will be associated with health benefits. *Hypothesis 3* is that improved quality of life will be associated with reduction in incidence of acute vascular events, such as stroke and heart attack, will improve chronic disease conditions such as obesity, depression, diabetes, cancer, hypertension, and hence reduce direct medical costs, increase quality-adjusted life-years and, eventually, prolong life.

RATIONALE

The Granny Pods project is an innovative housing option that can allow some category of older adults to live independently but still close to their families, while getting help with daily care needs from their relatives.

Although this project is well liked by people of Minnesota, cities everywhere rejected the law. Because this is a new program, there is not enough evidence about its economic, social, and health benefits.

The ultimate goal of this study is to bring more evidence to the state legislature and city officials giving them opportunity to understand better the potential benefits of this program.

This information hopefully will help to revise the "Granny Pods" law, to break bureaucratic barriers, and hence to implement the program in the Twin Cities and Statewide.

REFERENCES

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CONTACT INFORMATION

Alla Kazi, MD, MPH
kazix006@sph.umn.edu
763-250-8383

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