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## Granny Pods: Cost-effectiveness and health benefits of nextdoor housing approach – pilot

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Specific Aims: 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 middle-class seniors close to families. The ADU also was known as "Granny Pods" or "Med Cottages" are portable high-tech dwellings that can be installed in a family's backyard and can be the temporary solution for taking care of elderly family members in need of special care. 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. Recent studies show that loneliness is a significant factor in the decline of quality of life in older adults, including a risk of depression, cognitive impairment and health problems like coronary artery disease, and even increased the risk for an earlier death. Granny Pods homes enable maturing guardians to remain nearby to their youngsters and grandkids for care and friendship while keeping up security and freedom for all relatives. 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 the Accessory Dwellings website. NextDoor Housing is the sole company selling such Granny Pods in Minnesota. Units typically sell for about \$45,000 or can be rented. The bill S.F. 2555 ("Granny Pods") was 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 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. This research will employ mixed methods. Specifically, the lead researcher will conduct key informant interviews with city officials and surveys of older adults and their families before and after the intervention. The second part is to run the pilot, to rent out 5-10 units to interested families for 12-18 months, and conduct cost-effectiveness analysis.

There are three specific aims for the study:

**Aim # 1:** To analyze the 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 possibly 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 the quality of life of the Granny Pods tenants. Hypothesis 2 is that Granny Pods housing will improve quality of life of older adults with an 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 the 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 a reduction in the 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.

The ultimate goal of this study is to bring more evidence to the state legislature and city officials giving them an 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 Minnesota and statewide.

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