

RCFE**Resource****FOR ACCURATE RCFE HOME AND BUSINESS VALUATIONS**

Call us **TODAY** for a
FREE valuation of
your care home
and business.

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RCFE MARKET REPORT:

Sum-Sum-Summertime

Housing's Summer Market has arrived, and with it comes an increase in inventory, a slight decrease in demand, and a rise in the market time.

THE SUMMER HOUSING MARKET
Expect the senior and adult residential housing market to slow slightly yet to remain exceptionally hot.

Graduation caps have been tossed into the air since the end of May, marking the beginning of the Summer Market for residential real estate. With the school year ending, it is time to usher in all the distractions of summer: the beach, the community pool, hiking, biking, camping, traveling, and all kinds of camps for the kids. As everyone turns their attention to fun in the sun, the housing market evolves and downshifts slightly.

Spring is cyclically the hottest time of the year for housing. Buyers and sellers are transacting all year long, yet families with kids like to hit the market in the spring, enabling them to close on a care home transaction during the summertime when the kids are out of school. Demand typically peaks during the Spring Market, between mid-March and the end of May. As soon as the last bell rings, marking the end of the school year, owners of care homes often hone in on goals of selling and purchasing, but that often takes a back seat to enjoy all that summer has to offer. As a result, summer is the second busiest time of the year for housing, for single-family residences and RCFEs/ARFs alike.

The various seasons of the housing market do not necessarily align precisely with the official start and end dates of the four seasons. Summer officially begins on June 21st, the summer solstice, the longest day of the year. Yet, in housing, it aligns with when the kids are out of school, around the end of May. It is hard to look for a care home during the busy end-of-school-year activities and graduation festivities, while on vacation,



enjoying the warmth of summer surf, or carpooling to and from camps, pools, water parks, and friends' houses. The Summer Market comes to an end around the third week of August when schools are back in session. Housing then transitions to the Autumn Market.

During the summer market, demand, a reading of recent pending sales activity, decreases slightly with all the distractions. For many buyers, it still feels as busy as ever, but the numbers illustrate a drop in demand regardless. With a slight decrease in demand, the number of available RCFEs and ARFs rises as more care homes continue to come on the market. It is still a very hot market, where sellers get to call most of the shots, just a bit more tolerable.

In looking at these trends, buyers may conclude that the market will slow down enough to line up in their favor. That will not be the case. Negotiations will continue to favor sellers, yet the unbelievable housing pace will slow. As the Summer Market progresses, housing will not be as instantaneous. RCFEs and ARFs will still procure plenty of traffic, multiple offers, and sales prices at or above their asking prices. The market transformation will be characterized by fewer showings, slightly fewer offers generated, and not as many sales above their list prices.

In the coming weeks, buyers, sellers, and everyone connected to the real estate market will feel a slight slowdown in housing, care homes and otherwise. They will scratch their collective heads and wonder what is going on. No, housing is not suddenly shifting completely in the buyer's favor. Instead, it is shifting to a new cyclical season of the year: SUMMER.



Ask The Broker

GRANTS TO REHABILITATE YOUR RCFE OR ARF



Q: Are there any available grants to rehabilitate my residential care home?

A: There are several grant programs in California that may be available to Residential Care Facility for the Elderly (RCFE) and Adult Residential Facility (ARF) owners to rehabilitate their homes. Here are some examples:

1. Community Development Block Grant (CDBG) Program: The CDBG program provides funding to local governments and non-profit organizations to support community development activities, including housing rehabilitation. RCFE and ARF owners may be eligible to apply for CDBG funding through their local government or non-profit organization.
2. Home Investment Partnerships (HOME) Program: The HOME program provides funding to local governments and non-profit organizations to support affordable housing activities, including housing rehabilitation. RCFE and ARF owners may be eligible to apply for HOME funding through their local government or non-profit organization.
3. California Housing Finance Agency (CalHFA) Multifamily Programs: CalHFA offers several multifamily programs that provide financing for the construction, rehabilitation, and preservation of affordable rental housing. RCFE and ARF owners may be eligible to apply for CalHFA financing to rehabilitate their homes.
4. California Department of Housing and Community Development (HCD) Housing Rehabilitation Program: The HCD Housing Rehabilitation Program provides funding to local governments and non-profit organizations to support housing rehabilitation activities. RCFE and ARF owners may be eligible to apply for HCD funding through their local government or non-profit organization.

To apply for these grant programs, RCFE and ARF owners should contact their local government or non-profit organization to determine eligibility and application requirements. Additionally, the California Department of Housing and Community Development website provides information on various housing programs and funding opportunities: <https://www.hcd.ca.gov/grants-funding>

Current Listings



To view our current listings visit our website at

www.rcferesource.com

CURRENT LISTINGS

LAGUNA HILLS - RCFE FOR LEASE

- Beautifully remodeled
- 4 BDR/2 BA, 1,700 s.f.
- \$6,000/mo. Lease + \$80K business

SAN DIEGO COUNTY- RCFE FOR SALE

- Licensed for 16
- 10 BDR/6 BA, 6000 s.f.
- Spectacular Ocean View!
- \$6.6M - Seller financing available
- Resident monthly rents \$8,500-\$11,000+

COMING SOON

(please call for details)

FRESNO- RCFE FOR SALE

- Home and Business
- Licensed for 6
- 5 BDR/3 BA, 2,400 s.f.
- Tranquil home; excellent care
- Activities galore! Happy seniors!
- \$560K Home; \$230K Business

NAPA- RCFE FOR SALE

- Home and Business
- Licensed for 6
- 5 BDR/3 BA, 1,800 s.f.
- Quaint and caring home

WINCHESTER- RCFE FOR SALE

- Home and Business
- Licensed for 6
- 6 BDR/4 BA, 2,700 s.f.
- Large corner lot
- Big covered sitting area in backyard



EDIBLES FOR YOUR RESIDENTS?

As the owner of a Residential Care Facility for the Elderly (RCFE), admitting a new resident who uses marijuana edibles can be a complex issue. Here are some pros and cons to consider when deciding whether to change your “no marijuana” rules:

Pros:

1. Pain relief: Marijuana edibles can be an effective way to manage chronic pain, which is a common issue among seniors.
2. Improved appetite: Marijuana edibles can also stimulate appetite, which can be beneficial for seniors who have difficulty eating or maintaining a healthy weight.
3. Reduced anxiety: Marijuana edibles can have a calming effect, which can be helpful for seniors who experience anxiety or agitation.
4. Increased socialization: Marijuana edibles can also help to reduce social barriers and promote socialization among residents.

Cons:

1. Legal issues: Marijuana is still illegal at the federal level, and there may be legal implications for admitting a resident who uses marijuana edibles.
2. Safety concerns: Marijuana edibles can have unpredictable effects, particularly in seniors who may be more sensitive to the drug. This can increase the risk of falls, accidents, and other safety concerns.
3. Staff training: Admitting a resident who uses marijuana edibles may require additional staff training to ensure that they are able to provide appropriate care and support.
4. Community perception: Admitting a resident who uses marijuana edibles may be perceived negatively by other residents, their families, and the community at large.

Ultimately, the decision to change your “no marijuana” rules and admit a resident who uses marijuana edibles should be based on a careful consideration of the pros and cons, as well as the specific needs and preferences of the resident. It’s important to consult with legal and medical professionals to ensure that you are in compliance with all applicable laws and regulations, and to provide appropriate care and support to the resident.



WHAT IF A RESIDENT OF AN RCFE RUNS OUT OF MONEY?

When a private pay resident in a Residential Care Facility for the Elderly (RCFE) runs out of money and can no longer afford to pay for their care, there are several options available to them and the facility.

The first option is for the resident to apply for Medicaid, which is a government-funded program that provides healthcare coverage to low-income individuals. In California, Medicaid is known as Medi-Cal, and it covers the cost of long-term care in RCFEs for eligible individuals. If the resident is eligible for Medi-Cal, the facility can continue to provide care and receive payment from the program.

Another option is for the resident to apply for Supplemental Security Income (SSI), which is a federal program that provides financial assistance to low-income individuals who are aged, blind, or disabled. If the resident is eligible for SSI, they may be able to use the funds to pay for their care in the RCFE.

If the resident is not eligible for Medicaid or SSI, they may need to find alternative housing options. The RCFE may work with the resident and their family to find a more affordable living arrangement, such as a subsidized housing program or a lower-cost care facility.

It's important to note that RCFEs are required to have a written policy in place for dealing with residents who can no longer afford to pay for their care. This policy should outline the steps that the facility will take to assist the resident in finding alternative housing options, as well as any procedures for discharging the resident from the facility.

In some cases, the RCFE may be able to provide a temporary waiver of fees or offer a payment plan to help the resident continue to receive care while they work to secure alternative funding sources. However, it's important to note that RCFEs are businesses and must be able to cover their costs in order to continue providing care to their residents.

In conclusion, when a private pay resident in an RCFE runs out of money and can no longer afford to pay for their care, there are several options available to them and the facility. These options may include applying for Medicaid or SSI, finding alternative housing options, or working with the facility to develop a payment plan or temporary waiver of fees. It's important for RCFEs to have a written policy in place for dealing with these situations and to work with residents and their families to find the best possible solution.

DETERMINING A PET POLICY FOR YOUR RCFE OR ARF



When deciding on a pet policy for a Residential Care Facility for the Elderly (RCFE) or Adult Residential Facility (ARF) in California, there are several factors to weigh. Here are the top 10 considerations to keep in mind:

1. **Resident preferences:** The preferences and needs of your residents should be a top consideration when deciding on a pet policy. Some residents may enjoy having pets around, while others may have allergies or other concerns.
2. **Safety:** The safety of your residents should be a top priority. Consider the potential risks associated with pets, such as bites, falls, or allergies, and develop policies to mitigate these risks.
3. **Staff training:** If you decide to allow pets in your facility, it's important to provide staff training on how to care for and interact with pets, as well as how to address any issues that may arise.
4. **Liability:** Consider the potential liability associated with allowing pets in your facility, such as damage to property or injuries to residents or staff.
5. **Pet ownership requirements:** If you decide to allow pets in your facility, consider setting requirements for pet ownership, such as vaccination records, spaying or neutering, and behavioral training.
6. **Pet types:** Consider the types of pets that will be allowed in your facility, such as dogs, cats, or birds, and set policies accordingly.
7. **Pet limits:** Consider setting limits on the number of pets that can be owned by residents or brought into the facility.
8. **Pet care responsibilities:** Consider the responsibilities associated with pet care, such as feeding, grooming, and exercise, and develop policies to ensure that these responsibilities are met.
9. **Pet deposits or fees:** Consider whether to require pet deposits or fees to cover any potential damage or additional cleaning associated with pets.
10. **Resident agreements:** Consider requiring residents who own pets to sign agreements outlining their responsibilities and the policies associated with pet ownership in your facility.

By weighing these considerations, you can develop a pet policy that meets the needs and preferences of your residents while ensuring their safety and well-being.

RCFE Resource

FOR ACCURATE RCFE HOME AND BUSINESS VALUATIONS

OUR FEATURED LISTINGS

WONDERFUL RCFE FOR LEASE!



LAGUNA HILLS (ORANGE COUNTY): This newly-remodeled Residential Care Facility for the Elderly (RCFE) is light, bright and immaculate. The home is licensed for 6 residents and features 4 BDR/2 BA, ceiling fans, quartz counters and a fenced-in pool. The property is approximately 1,700 s.f. This newly-licensed RCFE is being offered for a 5-year lease and the associated RCFE business must be purchased for \$80,000. **Lease \$6,000/mo.; \$80K for business.**

For more information, please contact Michelle London at 949-397-4506

THINKING OF BUYING OR SELLING?

Let our RCFE Resource team of professionals bring proven expertise to help you get the highest sales price for your RCFE or ARF!

(949) 397-4506 • www.RCFEresource.com