

THE 2008 DISABILITY POLICY SEMINAR

THE ARC, AAIDD, AUCD,
UCP AND NACDD

FACT SHEET

HOUSING FOR PEOPLE WITH DISABILITIES: THE CRISIS ESCALATES

Background

Being part of the community and living as independently as possible are among the most important values and goals shared by people with disabilities, their families, and advocates. A home of one's own – either rented or owned – is the cornerstone of independence for people with disabilities. However, across the nation, people with developmental and related disabilities face a severe crisis in the availability of decent, safe, affordable, and accessible housing. Today many still live in large congregate facilities or other inappropriate places like institutions. Over 700,000 people with developmental disabilities live with aging parents (one of whom is over age 65). For people who use wheelchairs or other mobility devices, finding housing with even basic accessibility features (e.g. an entrance with no steps) ranges from daunting to impossible.

The affordability gap for people with disabilities has exponentially worsened in recent years. According to *Priced Out in 2006*, on a national average, 4 million Americans with disabilities who rely on monthly Supplemental Security Income (SSI) of \$632¹ for all their basic needs would have to pay 113 percent of their entire monthly income to rent a modest one-bedroom unit – up from 109 percent in 2004. For the first time, even the cost of renting a smaller studio/efficiency unit exceeds monthly SSI income (100.09%).

Action Taken by Congress and the Administration

Section 811 Supportive Housing for Persons with Disabilities Program

HUD's Section 811 provides housing for people with physical or developmental disabilities, or people with chronic mental illness who are 18 years of age or older and have very low incomes (at or below 50 percent of the area median income). Section 811 participants may live in supportive housing units developed and owned by non-profit organizations, or they may receive tenant-based rental assistance that helps them rent decent, accessible and safe housing in the private rental market. Tenants pay 30 percent of their adjusted income for rent which ensures affordability for those receiving SSI benefits.

Section 811 is the only HUD program that produces affordable and accessible housing for non-elderly people with disabilities. Historically HUD used 75 percent of Section 811 funds to provide interest-free capital advances to non-profit sponsors to help finance the development of fully accessible rental housing such as independent living projects, condominium units, and small group homes, many of which offer voluntary supportive services for people with severe disabilities. Project-based renewals (also known as PRACs) cover operating costs such as insurance and maintenance. The Section 811 law also allows HUD to use up to 25 percent of the program's funds for tenant-based rental assistance (known as the "Mainstream Housing Opportunity for People with Disabilities" voucher program).

Last year, for the third consecutive year, the Administration's FY 2008 budget proposed to slash Section 811 by \$112 million which would have eliminated all funding for new unit production in FY 2008. This unprecedented cut would have ended a more than 30-year commitment to supporting the production of new housing targeted to non-elderly people with severe disabilities. Fortunately, Congress restored the entire cut by providing the 811 program with \$237 million for FY 2008.

¹ National average SSI payment includes SSI supplements provided by 21 states

Once again, for the fourth consecutive year, the President's FY 2009 budget proposes a significant cut in the 811 program by slashing funding by \$77 million - all of this proposed cut would come from the portion of the 811 program that produces new housing.

Section 8 Rental Assistance – Section 8 Housing Choice Voucher Program

Section 8 vouchers, which are administered by Public Housing Agencies (PHAs), are designed to bridge the gap between income and rent by paying the difference between what a very low-income household can afford (e.g., 30 percent of income) and modest rental housing costs. People with disabilities comprise approximately 20% of Section 8 voucher holders. In FY 2008 Congress appropriated \$30 million for approximately 4,000 new vouchers targeted to non-elderly people with disabilities. This was the first time since 2002 that Congress has provided such funding. The Administration's FY 2009 budget contains no funding for additional new vouchers. In fact, by only proposing \$14 billion to renew all existing vouchers, compared to the \$15.5 billion needed to fund all authorized vouchers, approximately 100,000 voucher holders could lose their vouchers unless Congress fills this gap.

Increasing Production of Affordable and Accessible Housing

The National Affordable Housing Trust Fund Act (S. 2523) will establish a dedicated funding source for the production, preservation and rehabilitation of 1.5 million affordable homes over 10 years. At least 75% of the funds will be targeted to households that are extremely low income, earning less than 30% of an area's median income. This production bill will dramatically increase the supply of accessible housing for people who use mobility devices. The House of Representatives passed a similar bill (H.R. 2895) in October, 2007.

Recommendations

- Restore the Administration's \$77 million FY 2009 proposed cut to the Section 811 Supportive Housing for People with Disabilities program and increase funding to \$250 million;
- Restore the Administration's FY 2009 cut to the Section 8 Housing Choice Voucher program so that current voucher holders will not lose their vouchers and providing \$50 million for new vouchers targeted to non-elderly people with disabilities; and
- Support the National Affordable Housing Trust Fund Act (S. 2523).

Relevant Committees

House & Senate Appropriations Committees
House Committee on Financial Services
Senate Banking, Housing and Urban Affairs Committee

For more information, please contact The Arc and United Cerebral Palsy Disability Policy Collaboration (202-783-2229), Association of University Centers on Disabilities (301-588-8252), American Association on Intellectual and Developmental Disabilities (202-387-1968), or National Association of Councils on Developmental Disabilities (703-739-4400).

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