



THE ARC, AAIDD, AUCD,  
UCP, NACDD AND SABE

## FACT SHEET

### HOUSING FOR PEOPLE WITH DISABILITIES: THE CRISIS AND THE OPPORTUNITY

#### 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 2008*, on a national average, over 4 million Americans with disabilities who rely on federal monthly Supplemental Security Income (SSI) of \$674 for all their basic needs would have to pay 112.1 percent of their entire monthly income to rent a modest one-bedroom unit. The cost of renting a smaller studio/efficiency unit is 99.3% of monthly SSI.

#### 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 has used Section 811 funds to provide interest-free capital funding to non-profit sponsors to help finance the development of fully accessible rental housing – primarily independent living projects and small group homes – many of which offer voluntary supportive services for people with significant disabilities. A project-based contract (also known as a PRAC) is linked to the capital funding to cover housing 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). Renewal funding for these 14,000 vouchers is "taken off the top" of each year's Section 811 appropriation and in FY 2011 is expected to cost \$113 million of Section 811's small \$300 million budget. All Section 811 stakeholders agree that the program needs to be reformed to survive and meet the needs of people with disabilities for supportive housing.

The Administration's FY 2011 budget proposes to eliminate all funding for construction of new 811 units because, according to the budget's justification, the program needs to be reformed to leverage non-811 sources of capital to build units. Congress is making progress on a comprehensive 811 reform bill.

In July of 2009, the House of Representatives overwhelmingly passed the Frank Melville Supportive Housing Investment Act (H.R. 1675) and Sens. Robert Menendez (D-NJ) and Mike Johanns (R-NE) have introduced an identical bill (S.1481). This groundbreaking legislation streamlines Section 811 processing requirements, removes outdated regulatory barriers, transfers funding for the "Mainstream" voucher program to the Section 8 voucher program and – most importantly – authorizes a new PRAC-Only Demonstration program. This Demonstration program will provide the essential rental subsidy to reduce rents to affordable levels for people receiving SSI in a small but significant percentage of the hundreds of thousands of units that are routinely created every year through the Low Income Housing Tax Credit Program (LIHTC) and HOME programs administered by states and local jurisdictions. By using LIHTC, HOME, or other federal or state funds to pay construction costs and the PRAC to pay for operating costs, this Demonstration program will keep 811 units affordable to SSI beneficiaries, significantly increase integrated housing opportunities, and triple the number of 811 units funded without increasing the program's appropriation.

#### 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. Unfortunately, non-elderly adults with disabilities comprise only 19% of all Section 8 voucher holders – far less than their relative need for assistance. Congress provided no funding for new vouchers in FY 2010 and the President's FY 2011 budget proposes no new funding for these vouchers.

#### Increasing Production of Affordable and Accessible Housing/

The National Affordable Housing Trust Fund Act was enacted in 2008 to establish dedicated funding for the production, preservation and rehabilitation of 1.5 million affordable homes over 10 years. At least 67.5% of the funds must be spent on rental housing for extremely low income households with incomes at or below 30% of median income. SSI payments are equal to only 18 percent of median income. This new rental housing production program could significantly expand the supply of deeply affordable and accessible rental housing units for people with disabilities with the lowest incomes. President Obama's FY 2011 budget requests \$1 billion for the National Affordable Housing Trust Fund.

#### Recommendations

- Restore the cut in the Section 811 production program to bring funding to \$300 million, provide at least \$30 million for new Section 8 vouchers targeted to non-elderly persons with disabilities, and support President Obama's request for \$1 billion for the National Affordable Housing Trust Fund; and
- Senators should co-sponsor the Frank Melville Supportive Housing Investment Act of 2009 (S.1481).

#### 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 Disability (301) 588-8252, American Association on Intellectual and Developmental Disabilities (202) 387-1968, National Association of Councils on Developmental Disabilities (202) 506-5813 or the Self Advocates Becoming Empowered (802) 760-8856.