

TAC/CCD Federal Policy Recommendations

Federal rental assistance — meaning a subsidy that helps renters pay no more than 30% of their income for housing — is the key to solving the housing crisis that has been documented in *Priced Out* studies over the past 16 years. Unfortunately, because of the U.S. Department of Housing and Urban Development (HUD) funding limitations that have grown worse in recent years, federal rental subsidy programs currently reach only one out of four eligible households. This shortcoming translates into long waiting lists at Public Housing Agencies (PHAs) and other affordable housing developments and a critical shortage of permanent supportive housing opportunities for people with significant disabilities who have Social Security Income (SSI)-level incomes.

A unified advocacy effort by the disability community is needed to support and potentially expand permanent supportive housing programs and policies and other rental assistance strategies that ensure affordability for people with SSI-level incomes. Providing housing assistance to people with the most significant and long-term disabilities is not only the right thing to do, but is also more effective than perpetuating costly institutional care and homelessness.

The disability community must work closely with elected and appointed federal and state officials to advance policy proposals and funding solutions that prioritize mainstream affordable housing programs

and Medicaid funding for permanent supportive (PSH) housing initiatives. Collaboration with other like-minded state and national housing groups advocating for federal housing policy to better address the needs of “extremely low-income” (ELI) households is also critical.

Toward that end, the Technical Assistance Collaborative (TAC) and the Consortium for Citizens with Disabilities Housing Task Force (CCD) urge the disability community to take action on the following policy recommendations.

Fund the Section 811 Project Rental Assistance Program in all 50 States and the District of Columbia

The Section 811 Project Rental Assistance (PRA) program facilitates the creation of cost-effective, integrated PSH units for ELI people with disabilities. HUD awards PRA funds to state housing agencies that develop partnerships with their state human services and Medicaid agencies. Section 811 PRA funds ensure that eligible tenants with disabilities pay no more than 30% of their adjusted income for housing costs. The program provides rental assistance, but states must leverage housing capital funds and service resources from other public and private sources. Further, by requiring that no more than 25% of the units in a PRA-funded property be targeted to people with disabilities, the program ensures that funded units

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are consistent with the Americans with Disabilities Act (ADA) integration mandate and the *Olmstead* decision.

This program is a very cost-effective and efficient model for producing integrated permanent supportive housing for ELI people with disabilities. As of May 2015, HUD has made available two rounds of funding for the Section 811 PRA program. Through these funding rounds, the program awarded \$248 million to 28 states and the District of Columbia for the development of 8,130 units.

All but seven of the 50 states applied in one or both of these Section 811 PRA funding rounds. This high response rate underscores the need for permanent supportive housing across the nation. TAC and CCD urge both HUD and Congress to sustain their robust support for this innovative and promising program, and call for Congress to provide sufficient funding to ensure the program is available in all 50 states.

Fully Restore Housing Choice Voucher Program to Pre-sequestration Levels

Permanent rental subsidies are the model solution to the ELI housing crisis. In *Housing America's Future*, the Bipartisan Policy Center recommends that “federal rental assistance be made available to all eligible households with incomes at or below

30% of Area Median Income (AMI) who apply for such assistance.”¹ Unfortunately, in 2013, Congress instituted automatic budget cuts, known as sequestration, across nondefense discretionary federal programs, including HUD’s housing programs. As a result of the sequester, HUD programs received across-the-board cuts of roughly 5.1%. The Center on Budget and Policy Priorities² found that these cuts resulted in a loss of an estimated 100,000 Housing Choice Vouchers across the country. While Congress provided funds in the Fiscal Year (FY) 2014 budget to restore some of these vouchers, additional funds are needed to maintain current funding levels and to restore vouchers to their pre-sequestration levels.

TAC and CCD urge Congress to both (1) provide sufficient funding for all vouchers that are currently issued or leased, and (2) restore the program to pre-sequestration levels. TAC and CCD further urge the Administration and Congress to support proposals to target restored vouchers to ELI populations including individuals and families who are homeless as well as persons with disabilities who are living in institutions or covered by *Olmstead* settlement agreements.

Expand Housing Opportunities for SSI Recipients through the National Housing Trust Fund

The National Housing Trust Fund was authorized

¹ Bipartisan Policy Center Housing Commission. (2013). *Housing America's future: New directions for national policy*. Retrieved from <http://bipartisanpolicy.org/library/housing-americas-future-new-directions-national-policy/>

² Center on Budget and Policy Priorities. (2014). *Sequestration's rising toll: 100,000 fewer low-income families have housing vouchers*. Washington, DC: Rice, D. Retrieved from <http://www.cbpp.org/research/housing/sequestrations-rising-toll-100000-fewer-low-income-families-have-housing-vouchers?fa=view&id=4229>

by Congress in 2008 as the first permanent federal housing program that is targeted to ELI households, not subject to annual discretionary appropriations. The NHTF will provide communities with funds to build, preserve, and rehabilitate rental homes that are affordable to extremely- and very low-income households. At least 90% of the funding from NHTF must be used for the production, preservation, rehabilitation, or operation of rental housing, and at least 75% of these funds must benefit ELI households at or below 30% of AMI. Because of this income targeting, the NHTF could significantly benefit people with disabilities who rely on SSI payments.

In December 2014, federal government actions allowed Fannie Mae and Freddie Mac (government-sponsored entities, or GSEs) to begin making financial contributions to the NHTF. These funds are expected to be available to states in the summer of 2016; current estimates of funding generated by the GSEs, however, are significantly less than anticipated when the legislation first passed in 2008. Advocacy at the federal level is needed to obtain other permanent sources of revenue on the mandatory side of the federal budget, such as through tax or GSE reform efforts,³ as well as to protect the NHTF from efforts to repeal or defund the program. TAC and CCD urge Congress to protect and support the NHTF and to enact legislation to provide additional federal funding resources as soon as possible.

One cost-effective model is to provide Section 811 PRA funding to subsidize rents in developments receiving NHTF funds as capital. Other models are described in TAC's 2015 report [*Creating New Integrated Permanent Supportive Housing Opportunities for ELI Households*](#).⁴

Fund Federal *Opening Doors* Plan Goals and Strategies

In 2010, the U.S. Interagency Council (USICH) published *Opening Doors*, the first-ever federal strategic plan to prevent and end homelessness. By calling for ending veterans homelessness by 2015 and chronic homelessness by 2017, the USICH has stimulated more robust efforts on the part of many communities with high levels of chronic and veterans homelessness.

Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH) funding, the federal government's primary response to homelessness, is critically important to achieving the goals in *Opening Doors*. For over 20 years, HUD has funded, with match and leverage from communities, proven solutions to the problem. These solutions include cost-effective PSH and Emergency Solutions Grant formula funding for chronically homeless people as well as emergency shelter and rapid re-housing programs through the competitive Continuum of Care (CoC) program.

³ National Low Income Housing Coalition *United for homes campaign: Campaign for the National Housing Trust Fund*. Retrieved from <http://nlihc.org/unitedforhomes>

⁴ Technical Assistance Collaborative *Creating New Integrated Permanent Supportive Housing Opportunities for ELI Households*. Retrieved from <http://www.tacinc.org/knowledge-resources/publications/reports/creating-new-integrated-permanent-supportive-housing-opportunities-for-eli-households-a-vision-for-the-future-of-the-national-housing-trust-fund>

According to the National Alliance to End Homelessness (NAEH),⁵ since HUD started collecting national data on homelessness in 2007, homelessness has fallen by over 11%, from 651,142 people in 2007 to 578,424 people in 2014. HEARTH funding has certainly contributed to this decline in homelessness by providing short-term assistance such as security deposit funding and longer-term supports such as permanent supportive housing, depending on the needs of the homeless individual or family.

TAC and CCD encourage advocates to seek an increase in HEARTH funding. The President's FY 2016 budget proposal, for example, would provide funds for 25,500 new permanent supportive housing units as well as 15,000 new rapid re-housing interventions to build capacity to end family and youth homelessness. Advocacy and support from federal and local leaders is absolutely necessary to provide the funding needed to achieve the ambitious goals adopted in *Opening Doors*.

Employment Can Help Close the Gap

Increasing ELI households' income through competitive, integrated employment can help to close the affordability gap and, by minimizing the amount of rental assistance needed to afford housing, stretch limited rental resources further. The National Alliance on Mental Illness's 2014 *Road to Recovery*

report, for example, found that "studies show that most adults with mental illness want to work and approximately six out of 10 can succeed with appropriate supports." Unfortunately, inadequate employment opportunities and limited access to needed supports and services are the reality for many people with disabilities. States should ensure adequate employment supports and job development for ELI people with disabilities.

A number of state and federal initiatives have been building a potential path to employment for people with disabilities, including those who are homeless. New federal legislation such as the Workforce Innovation and Opportunity Act (WIOA) is aimed at increasing opportunities, particularly for those facing barriers to employment. Some states have included employment goals in *Olmstead* Plans and many are adopting or moving towards Employment First models. These activities could serve as leverage in states to increase competitive employment opportunities for people with disabilities, increasing income and potentially helping to pay rent.

It is too early to know the full impact of WIOA and other state and federal disability employment initiatives. TAC, CCD, and disability stakeholders will be closely monitoring implementation of this important new law. Stay tuned for more in *Priced Out in 2016*.

⁵ National Alliance to End Homelessness. (2015). *The state of homelessness in America*. Retrieved from <http://endhomelessness.org/library/entry/the-state-of-homelessness-in-america-2015-in-america-2015>

⁶ National Alliance on Mental Illness. (2014). *Road to recovery: Employment and mental illness*. Arlington, VA: Diehl, S., Douglas, D., & Honberg, R.

⁷ U.S. Department of Justice, Civil Rights Division, Olmstead Enforcement (2014). *U.S. v. Rhode Island — 1:14-cv-00175 — (D.R.I. 2014.)* Retrieved from http://www.ada.gov/olmstead/olmstead_cases_list2.htm#ri-state