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## President Obama's FY 2014 Proposes a Deep Cut to Housing for People with Significant Disabilities

The President's budget proposes a deep cut to HUD's **Section 811 Supportive Housing for Persons with Disabilities** program for FY 2014. Section 811 is a critical source of funding for permanent supportive housing (PSH) for non-elderly adults with significant disabilities. Specifically, the budget proposes a more than \$40 million reduction, dropping funding to \$126.2 million; this includes \$106 million needed to renew existing Project-Based Rental Assistance Contracts for FY 2014. Only \$20 million is proposed for development of new PSH units under the new and highly cost-effective Section 811 **Project-Based Rental Assistance (PRA) Demonstration** program. This represents an 80% reduction in the innovative, flexible Section 811 option targeted by Congress to assist states struggling to address the community-based housing needs of the most vulnerable non-elderly adults with significant disabilities.

### HUD 811 PRA Demonstration Program – A Record of Enormous Success in FY 2012 & FY 2013

This proposal is in marked contrast to funding that Congress made available in FY 2012 and 2013 for the HUD 811 PRA Demonstration program. In FY 2012 Congress made \$85 million available for the first year of the 811 PRA Demonstration. With a reallocation of unobligated funds from previous years, this amount was boosted to \$98 million. On February 13, HUD – with significant fanfare – announced awards to 13 states to create 3,530 units of new PSH units. A total of 35 states and D.C. applied for these funds – demonstrating the extraordinary demand for new PSH for people currently living in costly institutional settings (i.e. nursing homes, board and care homes, etc.) and people who are chronically homeless.

For FY 2013, the Continuing Resolution recently passed by Congress allocates \$165 million for Section 811 (minus the 5% sequester of approximately \$8.3 million). HUD projects that \$60 million will be available for a FY 2013 competition for new 811 PRA units – enough to fund as many as new 2,000 PSH units. Thus, in FY 2012 and FY 2013, the new 811 PRA Demonstration will produce 5,520 new PSH units. By contrast, the “old” 811 capital advance program produced only 948 units of PSH in FY 2010 and 2011.

### Proposed Cut to HUD 811 PRA Demonstration – A Retreat from Community Integration for People with Disabilities and Ending Chronic Homelessness

The proposed cut for FY 2014 represents a significant retreat from the highly innovative, cost-effective and flexible PSH initiative that had been embraced by the Obama Administration as a critical component of strategies to expand integrated PSH opportunities, to assist states comply with *Olmstead*-related cases and to prevent and end chronic homelessness. The HUD 811 PRA Demonstration is an important resource for the federal government to help states meet these obligations and goals. **Congress should reject this proposed cut to housing for people with disabilities and restore program funding for FY 2014.**

#### Section 811 PRA Demonstration Program

	FY 2012	FY 2013	FY 2014 Proposed
<b>Funding</b>	\$98 M*	\$60 M	\$20 M
<b>New Units</b>	3,530	2,000	700

\*Includes an \$85 million appropriation plus approximately \$13 million in reallocation of prior years' unobligated funds.

CCD Housing Task Force, April 23, 2013.