

# STATEMENT OF THE CCD HOUSING TASK FORCE TO THE TRANSPORTATION-HUD APPROPRIATIONS SUBCOMMMITTEE COMMITTEE ON APPROPRIATIONS UNITED STATES SENATE ON THE FY 2019 REQUEST FOR THE HUD SECTION 811 PROGRAM

### **April 27, 2018**

Chair Collins and Ranking Member Reed, on behalf of the Co-Chairs of the Consortium for Citizens with Disabilities (CCD) Housing Task Force, I am pleased to submit the following comments on the Subcommittee's FY 2019 bill. CCD is a working coalition of national consumer, advocacy, provider, and professional organizations working together with and on behalf of the over 57 million children and adults with disabilities and their families living in the United States. CCD advocates for national public policy that ensures full equality, self-determination, independence, empowerment, integration and inclusion of children and adults with disabilities in all aspects of society.

## FY 2018 Investments in Housing for People With Disabilities

At the outset, CCD would like to express our profound thanks for the enormous investments in the FY 2018 Omnibus Appropriations bill for a range of programs at HUD serving non-elderly people with disabilities. This includes full funding of renewal of existing tenant-based and project-based vouchers and rent subsidies across a broad range of programs including Section 8, McKinney-Vento permanent housing and Section 811 (both tenant-based Mainstream subsidies and Project-Based Rental Assistance Contracts). This investment will ensure that no lease compliant tenant will lose their housing.

Equally as important, we are extremely grateful for the allocations in the Omnibus bill for new units of housing in the Section 811 program. As you know, this includes as much as \$385 million for new units in the Section 811 Mainstream" program. This amounts to the largest single allocation new tenant-based subsidies for non-elderly people with disabilities in decades. It will make a huge difference in the lives of thousands of people with disabilities currently trapped in segregated institutional settings or struggling with chronic homelessness.

CCD is also extremely appreciative of the \$82.6 million in new funding included in the FY 2018 Omnibus for the Section 811 PRA program. This is the first allocation of funding for new units in the 811 PRA program since FY 2014 – and the largest single year increase in the program's history. This will allow states to continue to innovate in the development of integrated permanent supportive housing that leverages diverse sources of funding for capital, including the LIHTC and HOME programs. This FY 2018 Omnibus Appropriations bill represents a historic milestone for its investments affordable rental housing for people with disabilities. CCD applauds this bipartisan effort.

#### **Continuing the Momentum in FY 2019**

As the Subcommittee now pivots to FY 2019, CCD urges continued progress in expanding access to affordable rental housing opportunities for people with disabilities. Along those lines, we urge the Subcommittee to reject the proposed cuts in the President's FY 2019 budget proposal for Section 811. As you know, the Administration is requesting only \$214.8 million for 811 PRA program. This is likely below the amount that will be required to renew existing PRAC subsidies, with no funding available for new PRA units for FY 2019.

Instead, CCD urges the Subcommittee to ensure adequate funding for all PRAC renewals and continue the momentum in the FY 2018 Omnibus and make funds available for new PRA units for 2019.

CCD would also urge full funding for renewal of Section 811 Mainstream tenant-based vouchers in FY 2019. We recognize that keeping pace with the significant increase for incremental units that was allocated to 811 Mainstream in FY 2018 will be challenging. Nonetheless, CCD would urge the Subcommittee to support additional funding to support new units in 2019. As you know, just this past week HUD issued a Notice of Funding Availability (NOFA) for new units for both FY 2017 and FY 2018.

We are currently working to press PHAs from across the country to submit high quality applications that target high need populations such as people with disabilities currently in restrictive, segregated settings such as nursing homes or experiencing chronic homelessness (or at risk of both). CCD also supports provisions in this NOFA that reward PHAs that develop partnerships with disability service agencies that can provide supportive services and help screen tenants. We are hopeful that a successful allocation of these new 811 Mainstream units will provide the Subcommittee with confidence that this program is worthy of future investments.

# CCD Urges Rejection of "Rent Reforms" in the President's FY 2019 Budget

We are extremely concerned about the legislative rent reforms proposed as part of the Administration's budget. These reforms would be a step backwards for people with disabilities currently being served by a range of programs from public housing Section 8 (both tenant-based and project-based and Section 811. CCD rejects claims made by Administration officials that these reforms will "hold harmless" people with disabilities.

As you know, most families receiving federal housing assistance pay 30% of their adjusted income as rent. Under the Administration's proposal, families, with some exceptions, would instead have to pay 35% of their gross income or 35% of the amount earned by working at least 15 hours a week for four weeks at federal minimum wage, whichever is higher. With this provision, HUD would essentially set a new mandatory minimum rent of \$150—three times higher than the current minimum rent that housing providers may apply to families. Any disabled person who lives in a family with an adult who is not considered disabled and is younger than 65 would be subject to these rent increases.

Further, all new "disabled family" tenants would be impacted immediately; existing "disabled family" tenants would see these higher rents phase in over a maximum of 6 years. The very fact that HUD proposes to phase in these higher rents underscores the reality that people with

disabilities would be hurt. At the end of the day, nearly all families identified as a "disabled family" would see their rents go up under this proposal.

Finally, key income deductions currently used by many people with disabilities would be eliminated under the Administration's proposal. These deductions are currently used to calculate "adjusted income" to set rents in HUD programs. They include deductions of unreimbursed medical expenses, disability-related expenses (including "reasonable attendant care and auxiliary apparatus expenses"), and child care. Eliminating these vital income deductions would cause rents to skyrocket for people with disabilities who have high out-of-pocket health care or disability-related costs, and for many families raising children with disabilities and chronic illnesses.

#### Conclusion

CCD looks forward to working with all members of the Subcommittee on your upcoming FY 2019 bill. It will be important to continue the bipartisan momentum established in the FY 2018 Omnibus Appropriations bill and further investments in housing for people with disabilities.

Respectfully Submitted by the CCD Housing Task Force Co-Chairs

TJ Sutcliffe
The Arc of the United States

Andrew Sperling
National Alliance on Mental Illness