



January 14, 2005

The Honorable Josh B. Bolton
Director
Office of Management and Budget
Executive Office of the President
Eisenhower Executive Office Building, #252
Washington, DC 20502

Dear Director Bolton:

The Consortium for Citizens With Disabilities (CCD) Housing Task Force is writing to urge the Bush Administration and HUD to support a FY 2006 Section 811 Supportive Housing for Persons with Disabilities budget request of \$400 million. We appreciate the constraints the Administration faces in light of the President's commitment to deficit reduction, however this increase is essential to ensure that the program can sustain an adequate level of production of new supportive housing opportunities for people with severe disabilities. Failing to increase production of affordable and accessible housing for people with severe disabilities will result in increased federal and state expenditures for institutions and nursing homes for this population.

We believe strongly that this increase is also essential for the Bush Administration to achieve important policy goals in the New Freedom Initiative. As you know, the President's New Freedom Initiative establishes a broad series of goals for the Administration and the states for greater integration of people with disabilities into the mainstream of community life. Access to community-based supportive housing is a centerpiece of these efforts to helping people with severe disabilities take advantage of opportunities that allow maximum independence, away from costly institutional settings.

The CCD Housing Task Force is very concerned that the future of the Section 811 program is in jeopardy with respect to appropriations levels. In FY 2004, the program funded the smallest number of new units ever in the 14-year history of the program. In October, HUD announced that only 1,379 new units and 124 projects would be funded under Section 811 for 2004. This marks yet another year of steady decline in the number of new units funded under Section 811. By contrast, the number of new units funded under the Section 202 Supportive Housing for the Elderly program has remained steady.

A major contributing factor to the decline in new production units under Section 811 is the devastating impact of the growth in expenditures on the tenant-based rental assistance side of the program. As 5-year Section 811 "mainstream" tenant-based contracts are renewed, these

renewals are certain to further erode the declining Section 811 appropriation. In FY 2005, approximately 30 percent of the Section 811 appropriation (as much as \$70 million) will be used to support tenant based renewals. By our estimates, without an increase in appropriations, the entire Section 811 budget will be needed to fund tenant-based renewals as early as 2012.

To make matters worse, the CCD Housing Task Force believes there is a high likelihood that at least some of these precious 811 tenant based funds are being used to support non-disabled households. HUD's lack of written guidance, tracking and monitoring of Section 811-funded vouchers (that are converted to Section 8 vouchers by HUD and administered primarily by PHAs) is a major cause of this concern. The CCD Housing Task Force has raised this concern on numerous occasions with HUD staff – most recently at a HUD Disability Task Force meeting on December 15 chaired by Deputy HUD Secretary Bernardi.

Further, as noted above, the number of new housing opportunities created in the Section 811 program are substantially lower – and declining much more rapidly – than the number of units being created in its companion program – Section 202 Supportive Housing for the Elderly. These trends have important policy implications for the disability community because “worst case” housing needs among people with disabilities are at least as high as among elderly households according to HUD's most recent “Worst Case Housing Needs” report.

Certainly, Congress and HUD's decision to create tenant-based rental assistance funding in Section 811 (a decision which, in retrospect, seems ill-advised) was not intended to end HUD's role in the production of new affordable and accessible supportive housing for persons with the most severe disabilities.

As we make this urgent request, it is also important to point out that new Section 811 funding is likely to be the only source of new supportive housing funding which could be used by the federal government to support the goals of the President's New Freedom Initiative. Cuts in the Housing Choice Voucher Program make it unlikely that PHAs will be in a position to create new supportive housing using vouchers. People with severe disabilities living in institutions, nursing homes or other restrictive settings are not considered homeless under HUD's rules, and are therefore not eligible for new supportive housing units created through the McKinney Vento Homeless Assistance programs. “Affordable” housing units produced under other programs, such as HOME or the federal low income housing tax credit program are not “affordable” to the over 3 million people with severe disabilities who live on federal SSI benefits of less than \$600 per month.

As you know, your colleagues at HHS have made a substantial investment in Real Choice System Change grants awarded to states to help ensure that the goals of the New Freedom Initiative are achieved. Grantees have identified the lack of affordable and accessible community based housing as the most critical barrier to successful implementation of community integration strategies.

The CCD Housing Task Force urges the Bush Administration to request \$400 million in funding for Section 811 for FY 2006. This appropriation request will send a strong and clear message of support for the Section 811 program and the goals of President Bush's New Freedom Initiative

for greater integration of people with disabilities into the mainstream of American community life.

Sincerely,

Kathy McGinley
National Association of Protection and Advocacy Systems

Liz Savage
The Arc-UCP Policy Collaborative

Andrew Sperling
National Alliance for the Mentally Ill

cc: The Honorable Alphonso Jackson, HUD
F. Stevens Redburn, Chief, Housing Branch OMB

CCD Housing Task Force Co-Chairs
Consortium for Citizens With Disabilities
1660 L Street, N.W., #701
Washington, DC 20036

The CCD Housing Task Force is a broad coalition of national disability organizations who represent and advocate for the housing needs of people with mental illness, people with mental retardation and other developmental disabilities, and people with physical disabilities, including mobility and sensory impairments. Among the national disability organizations that participate in the CCD Housing Task Force are the National Alliance for the Mentally Ill (NAMI), the Arc of the United States-United Cerebral Palsy Associations Public Policy Collaborative, the National Association of Protection and Advocacy Systems (NAPAS), the National Easter Seals Society (NESS), the Brain Injury Association (BIA), the Paralyzed Veterans of America (PVA), and the American Network of Community Options and Resources (ANCOR)).