



**CONSORTIUM FOR CITIZENS
WITH DISABILITIES**

**Testimony Regarding FY 2005 Appropriations Submitted By:
The Consortium for Citizens with Disabilities Housing Task Force
To The Subcommittee on HUD, VA and Independent Agencies
Of The House Appropriations Committee
Presented by: Mr. Matthew Bausch and Mr. David Bolduan
March 25, 2004**

Overview

Mr. Chairman and Committee Members, the Consortium for Citizens with Disabilities (CCD) Housing Task Force is grateful for the opportunity to provide testimony to the Subcommittee on the FY 2005 budget for the U.S. Department of Housing and Urban Development. The CCD Housing Task Force is a coalition of national disability organizations working to promote access to affordable and accessible housing opportunities for people with disabilities.

We are fortunate that Mr. Matthew Bausch – a 29 year old man with disabilities who is a Section 8 program participant – has traveled from California to Washington D.C. for the purpose of presenting oral testimony to the Subcommittee. His Section 8 landlord, Mr. David Bolduan, who made one of his rental units in San Luis Obispo accessible for Matthew, has accompanied him on this long journey. Mr. Chairman, you may remember that Mr. Bausch appeared before the Subcommittee in April of 2000 to thank the Committee for their leadership in providing new vouchers for people with disabilities. Now, Mr. Bausch is here on behalf of all low income people with disabilities to urge you to protect the Section 8 program.

People with disabilities like Matthew continue to have the highest unmet need for housing assistance. In 2002, approximately 3.7 million non-elderly people with disabilities relied solely on federal Supplemental Security Income (SSI) benefits worth \$545 per month. *Priced Out in 2002* (published by the CCD Housing Task Force and the Technical Assistance Collaborative) found that SSI recipients on average would need to pay 105 percent of their monthly SSI income to rent a modest one bedroom unit. The CCD Housing Task Force estimates that more than 3 million people with disabilities receiving SSI do not currently receive any housing assistance from HUD. The current Section 8 program is literally a “lifeline” for people with disabilities who rely on SSI, as well as other low income people with disabilities who simply cannot afford the cost of rental housing.

Last summer, Matthew moved from Florida back to California where he lived when he was injured. While traveling cross-country with his mother, all of Matthew’s possessions were stolen when thieves stole their U-Haul from a motel parking lot in Tallahassee. He lost everything – medical equipment, his bed, all his photographs and CD’s—literally everything but his wheel chair and the clothes on his back. Yet today, Matthew will tell you he would rather lose all of his possessions again than lose his Section 8 voucher because the voucher means that he can live a normal life in the community!

Millions of individuals like Matthew – who depend on SSI or other disability benefits – are current participants in the Section 8 Housing Choice Voucher program or need a Section 8 voucher. The Section 8 voucher program is central to their ability to have an opportunity to find affordable and accessible housing in the community. Landlords like David Bolduan are making a special effort to modify their apartments in order to accommodate the special needs of people with disabilities – including accepting a lower rent because of the Section 8 rent limits.

The Administration’s FY 2005 HUD Budget proposal calls for deep cuts in the Section 8 Housing Choice Voucher Program – cuts that could negatively affect Matthew and discourage landlords like Mr. Bolduan from continuing to participate in the program. HUD has also proposed to radically alter the fundamental design of the program by converting it to a block grant administered by Public Housing Agencies (PHAs). As proposed, the Flexible Voucher program would expand voucher assistance to households with much higher incomes at the expense of people like Matthew, who literally would have no where else to turn.

The Consortium for Citizens with Disabilities Housing Task Force (CCD Housing Task Force) is strongly opposed to the Administrations budget proposal which would cut more than \$1 billion from current

funding levels and under fund the program by an estimated \$1.6 billion. We are also strongly opposed to the Administration's ill-conceived proposal to convert the program to the Flexible Voucher program – an approach which would eliminate many of the critical protections that Mr. Bausch and other people with disabilities have under the current Section 8 program.

HUD's Proposal Would Seriously Harm People with Disabilities

The CCD Housing Task Force strongly believes that HUD's Flexible Voucher Program proposal would cause serious harm to people with disabilities and significantly erode housing assistance for the poorest people with disabilities. For example:

- Proposed reductions in funding of over \$1 billion for FY 2005 could mean that at least 250,000 households, including 50,000 households with disabilities, could lose their Section 8 assistance within the next year. HUD has not produced any valid data or budget estimates to show how a cut of this magnitude could be absorbed;
- The Administration's Flexible Voucher program proposal would eliminate targeting to the lowest income households and could be used for households up to 80 percent of median income. The current Section 8 targeting requirements that have helped the poorest people with disabilities to live in the community. Under the new program, there would be no federal guarantee that people like Matthew Bausch would continue to receive assistance from PHAs.
- Under the Administration's Flexible Voucher Program, people with disabilities could be required by PHAs to pay much higher rents than they can afford. The law which limits rents to 30-40 percent of income would be repealed, eliminating this important protection for people with disabilities living on fixed incomes.
- PHAs could establish time limits on voucher holders. When a person's disability is permanent, their housing assistance should not be time limited. A time limited voucher could force people with disabilities back into nursing homes, institutions and other restrictive settings, and homeless shelters.
- Important Congressional policies – such as the leadership taken by this Subcommittee to appropriate Section 8 vouchers for people with disabilities like Matthew – would be repealed. Over 50,000 people with currently funded disability vouchers would be at-risk. All Flexible Voucher policies would be at the discretion of PHAs.

Over the long term, the Administration's budget projections for 2005-2009 clearly show further erosion in voucher funding – putting more people with disabilities at-risk of losing their Section 8 assistance. By 2009, Section 8 expenditures would be more than \$4.6 billion below what the Congressional Budget Office estimates would be needed to maintain the program's current level of funding. The Center for Budget and Policy Priorities (CBPP) projects that cuts of this magnitude would mean that 600,000 vouchers – or 30 percent of the vouchers currently authorized – would be eliminated. HUD has not offered any data whatsoever to refute this analysis.

HUD's Flawed Rationale

The Administration's proposal is ill-advised and their statements defending it are seriously flawed. The CCD Housing Task Force urges Members of Congress to treat this proposal with the same degree of skepticism and concern as it treated last year's Housing Assistance for Needy Families (HANF) proposal. One senior HUD official's public statement, that the current program's income-targeting

requirements should be eliminated because they are not needed, can be rebutted by the fact that over 3 million people with disabilities below 30 percent of median income still do not receive any housing assistance¹¹.

HUD officials state that converting the current voucher program to a block grant is needed to control the programs “upward spiral in costs over the past two years”. This statement is very misleading. HUD’s failure to produce accurate data and projections on Section 8 program costs cannot be used to imply that Section 8 program spending is “out of control”. The rising costs in the Section 8 program during the past few years were due in part to improved PHA voucher utilization – as urged by the Congress – and leasing of new vouchers authorized from 1999-2002. Other cost factors include the escalating rental market of the late 1990s (which has now stabilized) and higher subsidy levels needed by households who have recently lost employment. CBPP’s analysis projects that spending for the voucher program for FY 2005 will grow by only 1.6 percent, which is lower than the rate of inflation.

Section 8 Recommendations

The current Section 8 Housing Choice Voucher program is the most important federal housing resource to address the housing needs of those with low incomes. We believe that Congress should maintain its responsibility to protect people with disabilities who receive or need Section 8 assistance. The CCD Housing Task Force urges Congress to fully fund the Section 8 voucher program in FY 2005 by providing \$1.6 billion more in funding than requested by the Administration for FY 2005. Full funding would require a \$600 million increase over FY 2004 appropriation levels.

We also urge Congress to soundly reject the Administration’s ill-advised Flexible Voucher Program proposal. This proposal is nothing more than another attempt by the Administration to achieve what they could not achieve in Congress last year, when bipartisan opposition to the HANF block grant proposal ensured its failure. We believe that Congress should continue to have the direct authority to ensure adequate funding for the program and to make decisions on how the Section 8 program is utilized.

HUD’s role in administering the Section 8 program and monitoring the use of vouchers by PHAs is also critically important. HUD should be held responsible for devoting the necessary resources to carry out these responsibilities successfully. Many of the current problems with the Section 8 program can be attributed to HUD’s mis-management, including long-standing mismanagement of over 50,000 vouchers targeted to people with disabilities. Most importantly, the Section 8 program should continue to be targeted to addressing the most critical housing needs in our country today – those of extremely low-income people, including people with disabilities.

We also recommend that the Subcommittee once again specifically direct HUD to ensure that the 50,000 vouchers appropriated by this Subcommittee from 1997-2002 continue to be made available for their original purpose – providing housing for non-elderly people with disabilities. These vouchers should be providing replacement housing opportunities for people with disabilities who are no longer eligible for over 500,000 units of HUD public and HUD assisted housing converted to “elderly only”. We also request that the Subcommittee direct HUD to take immediate steps to inform PHAs in writing of the Congressionally mandated requirements that these vouchers on renewal or turnover are to go only to people with disabilities. HUD has yet to issue a Notice to PHAs regarding their obligations under this appropriations language.

Finally, we must advise the Subcommittee that PHAs and HUD assisted housing providers continue to designate “elderly only” housing. HUD data, including the Inventory required by this Subcommittee, show that as many as 500,000 units are now reserved exclusively for elderly households and are not longer available to non-elderly people with disabilities. Because of this substantial loss of housing supply,

we urge the Subcommittee to appropriate \$36 million in funding for new vouchers for people with disabilities negatively affected by the implementation of “elderly only” housing policies.

HUD McKinney-Vento Homeless Assistance

The CCD Housing Task Force also strongly supports the HUD McKinney-Vento Homeless Assistance programs as an important source of permanent supportive housing for homeless persons with disabilities. We support a continuation of the thirty percent permanent housing set-aside and the renewal of all Shelter Plus Care and Supportive Housing Program (SHP) permanent housing grants. Specifically, we request the Subcommittee appropriate an additional \$150 million above the administration’s request to support the renewal of all SHP permanent housing grants.

Section 811 Recommendations

The Section 811 Supportive Housing for Persons with Disabilities program is also an extremely important program for people with disabilities who need supportive housing. It is the only federal production program that can expand the supply of accessible and affordable housing with supports for people with the most severe disabilities. Today, millions of people with severe disabilities continue to live unnecessarily in expensive settings such as nursing homes, institutions and other public facilities. Hundreds of thousands still live at home with aging parents who do not know where their adult child will live after they die.

Despite these needs, production levels in the Section 811 program have continued to decline. Appropriations in this program have not kept pace with inflation, and are also now being used to renew 5 year tenant based rental assistance contracts. An analysis of Section 811 funding data prepared by the Technical Assistance Collaborative for the CCD Housing Task Force indicates that unless appropriations levels keep pace with renewal demand, by FY 2013, the Section 811 appropriation will no longer support the production of any new units of supportive housing and will only support the cost of renewals of Project Rental Assistance Contracts (PRACs) and tenant based vouchers.

The CCD Housing Task Force recommends increasing the funding for the Section 811 program to \$301 million in FY 2005 and to continue to appropriate no more than 25 percent of this funding for new tenant based rental assistance. This level of funding will permit production levels to be maintained and also renew all 5 year tenant based rental assistance contracts.

We also urge Congress to mandate that new Section 811-funded tenant based rental assistance be provided only to non-profits with experience in providing tenant based supportive housing for persons with severe disabilities and to cease the HUD policy of awarding these scarce supportive housing funds to PHAs. Only by awarding these vouchers to non-profits can Congress be assured that these funds are being used for their intended purpose. Despite numerous requests, HUD has issued no guidance to PHAs on the use of these vouchers other than the initial Notice Of Funding Availability. Anecdotal evidence suggests that at least some of these vouchers have been incorporated into PHAs regular Section 8 program and are no longer set-aside for people with disabilities.

Respectfully Submitted by the Co-Chairs of the CCD Housing Task Force

Andrew Sperling - National Alliance for the Mentally Ill
Kathleen McGinley - National Association of Protection and Advocacy Systems
Liz Savage - The Arc/United Cerebral Palsy Public Policy Collaboration
Suellen Galbraith - American Network of Community Options and Resources

[\[1\]](#) All unassisted SSI recipients have incomes below 30 percent of median, according to TAC's Priced Out in 2002 study.