



**CONSORTIUM FOR CITIZENS
WITH DISABILITIES**

FRANK MELVILLE SUPPORTIVE HOUSING

INVESTMENT ACT (S.1481)

Major Changes to Section 811 Supportive Housing for Persons with Disabilities Program Passed in the U.S. House of Representatives and was introduced in the U.S. Senate

February 16, 2010

On July 22, 2009 the Frank Melville Supportive Housing Investment Act (H.R. 1675) passed the U.S. House of Representatives by a wide bipartisan margin of 376-51. The Senate version of the 811 bill (S.1481) was introduced in the Senate on July 23, 2009 by lead co-sponsors, Senator Menendez (D-NJ) and Senator Johanns (R-NE). A hearing was held in the Senate Banking Committee on the legislation on October 29, 2009. This ground breaking bi-partisan legislation will make significant changes and improvements to the Section 811 Supportive Housing for Persons with Disabilities program.

Section 811 is a critical federal program that assists the lowest income people with serious and long-term disabilities to live independently in the community by providing integrated affordable rental housing linked with voluntary services and supports. This landmark and essential legislation will help address the enormous and unrelenting housing crisis faced by millions of extremely low income people with disabilities and will spur the creation of thousands of new 811 units every year by:

- ❖ Authorizing a new Section 811 Demonstration Program that fulfills the promise of true community integration as envisioned in the Americans with Disabilities Act;
- ❖ Enacting long over-due reforms and improvements to the existing Section 811 production program essential for the program's long-term viability.

People with serious and long term disabilities – including the vast majority of the four million non-elderly adults living on federal Supplemental Security Income of \$637 per monthⁱ – have the greatest unmet need for housing assistance of any group in the United States. The sole purpose of the Section 811 program is to create deeply affordable permanent rental housing linked with community-based services that people with disabilities want and

need. In fact, it is the only federal program authorized to achieve this critically important federal housing policy objective.

Current federal, state and local efforts to achieve the promise of community integration, reduce unnecessary and expensive institutionalization, and assist aging parents who have adult children with disabilities still living at home are going nowhere because of the critical shortage of affordable and accessible housing resources, particularly the lack of a long-term housing operating subsidy provided by the Section 811 program. Important Medicaid reforms to expand self-directed services and promote rehabilitation and recovery for people with disabilities are completely stalled because people with SSI-level incomes cannot afford modest rental housing in any community in the United Statesⁱⁱ.

S.1481 will “fast-track” and sustain the creation of thousands of new permanent supportive housing units every year by:

- Authorizing a new and innovative Section 811 Project Rental Assistance Contract (PRAC) Demonstration program to create thousands of new Section 811 units each year without substantially increasing Section 811 appropriations levels by leveraging new set-asides of supportive housing units in federal Low Income Housing Tax Credit (LIHTC) properties and HOME-funded projects. The PRAC Demonstration program will provide the essential rental subsidy to reduce rents to affordable levels for people receiving SSI in a small but significant percentage of the hundreds of thousands of units that are routinely created every year through the LIHTC and HOME programs administered by states and local jurisdictions.
- Reforming the existing Section 811 production program to better leverage other capital funding and reduce barriers to “mixed-finance” Section 811 projects. These reforms will also increase the number of units created each year through the current 811 production program;
- Streamlining Section 811 processing requirements and removing out-dated regulatory barriers.
- Shifting fiscal responsibility for the Section 811-funded Mainstream Housing Choice Voucher program to the Section 8 budget where it belongs. Although funded and renewed from 811 appropriations, these Mainstream Housing Choice Vouchers have never created new permanent supportive housing units and are not targeted to people with the most serious and long-term disabilities.

Time is running out on the Section 811 program while the need to create new permanent supportive housing units has never been greater. In FY 2008, only 930 Section 811 units were awarded. Section 811 legislation is also needed because the basic Section 811 model – which for 30+ years has produced small group homes and single population independent living facilities – no longer responds to the housing needs and choices of most people with disabilities who prefer to live in housing that is truly integrated within local communities.

By enacting the Frank Melville Supportive Housing Investment Act in 2009, Congress can ensure that a reinvigorated Section 811 program is ready to create thousands of new

permanent supportive housing units every year without needing to double or triple appropriation levels. The removal of many bureaucratic barriers which cause protracted delays in 811 construction will also produce new units more efficiently. Shifting renewal costs associated with the seriously flawed 811-funded Mainstream Housing Choice Voucher program – which has drained funding away from essential permanent supportive housing production since 1997 – is also long-overdue.

The Consortium for Citizens with Disabilities Housing Task Force and the Technical Assistance Collaborative are pleased that this important legislation honors the memory of the late Frank Melville – the first chair of the Melville Charitable Trust. Since 1993, the Trust has been a leader in promoting and advancing the creation of permanent supportive housing across the nation. We look forward to working with Congress and with Section 811 stakeholders across the nation to ensure that this essential and critically needed legislation is enacted as soon as possible. More information on this important legislation is available on TAC’s website www.tacinc.org

ⁱ The national average SSI payment for people living independently published in the TAC/CCD Priced Out in 2008 study of rents and SSI.

ⁱⁱ The Priced Out in 2008 study found that national average rents for modestly priced studio and one-bedroom apartments exceed the entire monthly income of people with disabilities who rely solely on SSI payments