CONSORTIUM FOR CITIZENS WITH DISABILITIES

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To the Subcommittee on Transportation-HUD and Related Agencies
Committee on Appropriations
United States Senate
On the FY 2022 Budget for the U.S. Department of Housing and Urban Development
June 17, 2021

Chairman Schatz and Ranking Member Collins, on behalf of the Consortium for Citizens With Disabilities (CCD) Housing Task Force, I am pleased offer the following testimony on the FY 2022 budget for the Department of Housing and Urban Development (HUD). I am Andrew Sperling, Director of Legislative Advocacy with the National Alliance on Mental Illness (NAMI). I also serve as Co-Chair of the CCD Housing Task Force – a coalition of national disability advocacy groups that supports policies and funding that expands access to decent, safe and affordable housing for non-elderly people with disabilities. Among the organizations participating in the CCD Housing Task Force are the Arc of the United States, the National Downs Syndrome Society, the Autism Society of America, the National Alliance on Mental Illness, Paralyzed Veterans of America, the National Disability Rights Network and the National Association of State Directors of Developmental Disabilities Services.

The unmet need for affordable rental housing for non-elderly people with disabilities is enormous. Over the past decade, increased rental demand combined with development primarily at the high end of the market has led to record-low vacancy rates, higher rents, and increased competition for affordable and subsidized housing. This overall market trend is reflected in the ever-worsening affordability gap for extremely low-income renters with disabilities. Supplemental Security Income (SSI) is the principle federal income maintenance program that assists people with significant and long-term disabilities who have virtually no assets and — in most instances — no other source of income. The national average rent for a studio/efficiency unit in 2016 was $752, equal to 99% of a monthly SSI payment. CCD's Priced Out report confirms that non-elderly adults with disabilities living on SSI confront a massive housing affordability gap across all 50 states.

Chairman Schatz in your state of Hawaii, a person with a disability on SSI is at only 14% Area Median Income (AMI). Renting a one-bedroom apartment consumes 189% of their monthly SSI cash assistance and renting an efficiency apartment consumes 171%. Ranking Member Collins, in your state of Maine the picture is a little better, but still bleak – SSI beneficiaries are at 18% of AMI and rent for a one-bedroom consumes

108% of monthly benefits and renting an efficiency consumes 99%.

This housing affordability crisis deprives hundreds of thousands of people with disabilities of a basic human need: a place of their own to call home. Because of the disparity between SSI income and rental housing costs, non-elderly adults with significant disabilities in our nation are often forced into homelessness or segregated, restrictive, and costly institutional settings such as psychiatric hospitals, adult care homes, nursing homes, or jails.

People with disabilities who rely on SSI and manage to rent a lower-cost, non-subsidized unit are likely to be living in substandard housing or using virtually all of their income just to pay the rent each month. People in these circumstances are at great risk of homelessness and the exacerbation of chronic health conditions as they face the constant struggle of paying rent while meeting other basic needs such as food, medications, transportation, and clothing.

This is an unrelenting rental housing crisis for extremely low-income people with disabilities in every single one of the nation's housing market areas. The report also highlights the negative outcomes — including homelessness, institutionalization, and incarceration — that occur when people with disabilities lack affordable housing and access to critical health treatment and services. To reverse this worsening crisis, CCD supports robust funding in FY 2022 across all HUD programs including public housing, Tenant-Based Rental Assistance (TBRA), Project-Based Rental Assistance (PBRA), HOME, CDBG, Section 202 and Section 811, HOPWA and the McKinney Vento Homeless Assistance Act.

The CCD Housing Task Force would like to thank this Subcommittee for its bipartisan support for HUD's programs in its FY 2021 bill. We are especially grateful for the $54 million increase for the Section 811 program (boosting funding to $227 million) and the $223 million increase for programs under the McKinney-Vento Homeless Assistance Act (boosting funding to $3 billion). These increases are critical to addressing the needs of non-elderly people with disabilities.

FY 2022 Funding for the Section 811 Program

While all of HUD's affordable housing programs are important in meeting the needs of low-income people with disabilities, the Section 811 program is singularly focused on this priority population. For FY 2021, the Biden Administration is requesting $272 million for Section 811, a $45 million increase over the FY 2021 funding level. Within this $272 million request, $190 million would be directed toward PRAC contract renewals and amendments and $2 million for capital advance grant amendments. The President's budget does allow for $80 million for development of new units – both capital advance grants and Project-Based Rental Assistance (PRA) allocated through state housing agencies. In addition, the President's budget is requesting $505 million for renewal of the roughly 51,000 Section 811 Mainstream tenant-based vouchers. Unfortunately, the President's budget does not request any funding for new 811

Mainstream units.

While CCD appreciates the Biden Administration's commitment to meeting the housing needs of people with disabilities, we believe that this proposed increase of $45 million is insufficient to meet the growing demand. The growing shortage of rental housing affordable to extremely low income (ELI) households and the sub-poverty level of monthly SSI cash assistance makes additional investment critical.

In addition, the Biden Administration has expressed its commitment to taking action to ensure that states meet their obligations under Title II of the Americans with Disabilities Act (ADA) and the Supreme Court's Olmstead decision to ensure that people with disabilities live in the most integrated settings. The expansion of these Olmstead settlements will require states to commit affordable housing resources in the community as an alternative to costly institutionalization in nursing homes and long-term psychiatric hospitals. Finally, additional investment in the 811 PRA program can be a valuable resource as part of state plans to end chronic homelessness.

Given this large and growing need, the CCD Housing Task Force endorses the recommendation of Senator Menendez and his colleagues in their recent letter to you in support of the Section 202 and 811 programs. In particular, their letter recommends $100 million for new Section 811 Mainstream tenant-based vouchers and $245 million for new Section 811 PRA units.

Section 811 Project-Based Rental Assistance (PRA) v. Capital Advanced Grants

It has now been more than a decade since Congress passed the Frank Melville Supportive Housing Investment Act of 2010. This law created the PRA program as an alternative to capital advance grants. The PRA program is a much more cost effective on a per unit basis. Funding under this model flows through state housing agencies and is limited to shallow monthly project-based subsidy. Instead of 811 shouldering the cost capital, states layer these project-based subsidies into affordable rental housing developed under the Low-Income Housing Tax Credit (LIHTC) and HOME programs.

The result is that instead of building disability specific housing with high front end capital cost, the 811 PRA program is focused on integrated permanent supportive housing where people with disabilities live along side neighbors without disabilities. This is much more aligned with the community integration mandate of Title II of the ADA and Olmstead. The 811 PRA programs also holds states and their local human service agencies accountable for providing residents with the housing related support services they need to meet their tenancy obligations.

With this background, CCD would urge the Subcommittee to direct HUD to ensure that any new resources available for the Section 811 program in FY 2022 be directed to the PRA program and NOT capital advance grants. The President's own budget projects that the requested $80 million allocation for new capital advance grants and PRA will produce only 900 new units of housing – assuming a mix of capital advance grants and

PRA. By contrast, investing the entire $80 million allocation in 811 PRA would produce as many as 1,600 new units.

Back in October 2019, HUD issued a NOFA for $112 million in Section 811 funding that allocated $75 million for capital advance grants and only $37 million for PRA. This unbalanced allocation was made despite the overwhelming demand from state housing agencies to develop more PRA units. Further, this allocation of funds to capital advance grants was the first time in nearly a decade that the Multifamily Office at HUD had conducted a competition for these funds. As a result of this, and the pandemic, it took HUD nearly a year to make the awards to grantees and it will likely be years before housing is developed and ready for occupancy. By contrast, the awarding of 811 PRA grants to states is a much more efficient process.

FY 2022 Funding for Homeless Programs

Programs under the McKinney-Vento Homeless Assistance Act are a critical resource for people with disabilities experiencing homelessness – or who are at risk of homelessness. The CCD Housing Task Force supports the recommendation of Senator Reed and his colleagues to fully fund the President's request for $3.5 billion, a $500 million increase, for McKinney-Vento.

Thank you for the opportunity to offer input into your FY 2022 bill.