



**CONSORTIUM FOR CITIZENS
WITH DISABILITIES**

October ____, 2006

Dear Representative _____/Senator _____,

We are writing to you as members of the Consortium for Citizens with Disabilities Housing Task Force to urge you to take action during the "lame duck" session of Congress in November to help families struggling to secure affordable housing. The CCD Housing Task Force works to increase access to decent, safe and affordable housing for all people with disabilities and to protect the rights guaranteed under the Fair Housing Act.

Decent, safe, affordable and accessible housing is of critical importance to people with disabilities because they are among the population with the lowest incomes in the nation and face "worst case housing needs". According to Priced Out in 2004, there is no place in the nation where a person with a disability who depends on Supplemental Security Income can afford to rent a modest one-bedroom apartment at the established HUD standard. There is no state in the nation where the Fair Market Rent is less than 71 percent of monthly SSI benefits.

This letter specifically addresses six issues relating to "Section 8" housing vouchers and public housing that we would like to see addressed during the final negotiations on the Transportation-Treasury-HUD appropriations bill for fiscal year 2007. We are asking for your help in resolving these issues.

1. Fix the housing voucher funding formula. As part of the appropriation for Section 8 vouchers, Congress must specify a funding formula for allocating the vouchers among the 2400 state and local agencies that administer the program. For the past few years, HUD has been using a formula that is based on outdated information about housing needs and is causing serious problems. The flawed formula gives some agencies less than they need to cover their vouchers, while others get more money than they can use. This has forced many to cut back on helping families.

The House Financial Services Committee approved legislation earlier this summer that would create a new, much improved voucher funding formula. The formula in this bipartisan bill (H.R. 5443, the Section 8 Voucher Reform Act, or SEVRA) would stem the tide of voucher cuts without requiring any additional dollars, because it makes much more efficient use of the

limited funds available. We urge you to advocate the inclusion of the SEVRA formula in the final HUD appropriations bill this year.

- 2. Provide adequate funding for public housing.** Over one million families, including thousands in our state, live in federally-supported public housing. More than half of these households are headed by someone who is elderly or has a disability. Due to recent funding shortfalls, many local housing agencies have already been forced to raise rents on the neediest households, defer safety-related improvements, and make other painful cuts. Much of the under-funding stems from HUD's failure to request funds to cover utility cost growth in recent years.

The level provided for public housing operating subsidies in the House appropriations bill would result in the deepest shortfall in more than 25 years. The Senate bill provides some added funds but still falls far short of what is needed. To fully fund agencies' operating subsidies in 2007 would require an appropriation of approximately \$4.5 billion, close to \$1 billion above the level in the House bill and the HUD budget request. At a minimum, Congress should cover the recent surge in utility prices that HUD's request failed to reflect, by providing an appropriation of \$3.85 billion for operating subsidies, \$290 million above the level in the House bill.

- 3. Avoid the loss of affordable housing by preserving the "one-for-one" replacement of lost units with tenant protection vouchers.** The House bill includes a harmful change in federal policy, first proposed by HUD, which will lead to a substantial loss of affordable housing in communities across the nation. Under current law, HUD is required to issue so-called "tenant protection" vouchers to replace every unit of federally-assisted housing that is lost each year—whether it is public housing that is being demolished, or privately-owned buildings that are ending their federal subsidy in order to rent at market rates.

HUD has proposed a change in the law so that vouchers are provided only for units that were occupied just prior to demolition or conversion to market rate. Yet the fact that a unit is vacant at that moment does not mean that the community does not need that housing subsidy (or the tenant protection voucher that would replace it). In addition to normal apartment turnover, tenants may relocate months in advance of a demolition, for example, or private owners may leave units vacant in anticipation of making the unit available at market rates immediately after federal subsidies are terminated. If vouchers are not provided to replace all units, there will be a permanent loss of affordable housing in communities across the country, despite the long waiting lists for assistance. The impact will be particularly harsh in Gulf Coast communities, as they seek to rebuild. Congress should reject this proposed change in policy, and preserve the "one-for-one" rule in the final appropriations bill.

- 4. Fix the rule concerning rents for project-based vouchers to allow this important tool to be used in developments involving the Low Income Housing Tax Credit.** Housing agencies currently have the ability to "project-base" some of their vouchers by contracting directly with private owners (often nonprofit agencies) so that the voucher gets tied to a specific apartment. Over the last five years, housing agencies have used project-based vouchers to spur the production of new affordable housing, including permanent supportive housing targeted to individuals who face chronic homelessness.

A recent HUD rule arbitrarily eliminated housing agencies' ability to set project-based voucher rents at the market rate when units are also financed by federal low income housing tax credits. The loss of this development tool will jeopardize 50,000 affordable units in tight housing markets that could otherwise be created each year at no additional cost to the federal government. The Senate appropriations bill includes a provision that will restore the option to enter into project-based voucher contracts at market rents in buildings financed by tax credits. (This provision is also included in H.R. 5443, mentioned above.) Congress should retain this provision in the final appropriations bill.

5. Don't expand or make permanent the 1996 "Moving to Work" experiment.

In 1996, Congress created a housing policy demonstration called "Moving to Work." While the name suggests that the purpose was to encourage work among federally-assisted tenants — most of whom are already working or are elderly or have disabilities — in reality, the MTW experiment gave housing agencies broad authority to override virtually *any* federal housing law governing public housing or vouchers. A number of proposals have been made to expand or make permanent the 1996 MTW experiment, and we urge you to reject them. We are deeply concerned about the impact that such proposals would have on low-income tenants, who could lose the fundamental protections of federal housing law.

6. Simplify rent and inspection rules. H.R. 5443, the bipartisan bill mentioned above that was passed by the House Financial Services Committee this summer, also includes an important set of reforms to the rules governing the calculation of rents in federally-assisted housing. Tenants would still be required to pay 30 percent of their incomes toward the rent, but the bill would streamline the process for determining tenants' incomes and deductions, in order to reduce administrative burdens on housing agencies, tenants, and private owners of subsidized housing. The bill also includes some modest but helpful changes in housing inspection rules designed to ease burdens on housing agencies and encourage landlords to make apartments available to voucher holders. We urge you to incorporate these reforms into the final HUD appropriations bill.

Affordable housing is priced out of reach for too many residents with disabilities in your state. By taking these six actions, Congress can help address the housing crisis that so many families and individuals face.

If you have any questions about these issues, please feel free to contact Liz Savage (202-XXX-XXXX) or Kathy McGinley (202-408-9514)

Sincerely,

National Alliance on Mental Illness
National Disability Rights Network
The Arc of the United States
United Cerebral Palsy