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Community Living Exchange Collaborative
A National Technical Assistance Program

Funded by Centers for Medicare and Medicaid Services (CMS)
In collaboration with Independent Living Research Utilization (ILRU)

REGIONAL HOUSING FORUM

A Technical Assistance Guide for Housing Resources and Strategies

Prepared for:

Participants in the Regional Housing Forum held in Washington, DC on November 13-14, 2002

Prepared by:

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The Institute for Health, Health Care Policy, and Aging Research

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Purpose of the Guide

Across the nation, people with disabilities, of all ages, are currently facing an affordable housing crisis. This crisis has been highlighted in recent years through the passage of community integration lawsuits – such as the *Olmstead* decision described later – and recent federal policy directives, such as an emphasis on ending chronic homelessness among people with disabilities. This guide provides strategies that people with disabilities, their advocates, families, and service providers (including state and local human service agencies) can use to help address this crisis.

In 2001, the U.S. Department of Health and Human Services Centers for Medicare and Medicaid Services (CMS) announced the availability of Systems Change Grants for Community Living, including funding to help people with disabilities transition from nursing facilities to the community (*Nursing Home Transition* grants) and grants to help states design and implement enduring improvements in community long-term support systems to enable people with disabilities to live and participate in community life (*Real Choice Systems Change* grants). Since 2001, CMS has awarded $125 million in grant funding to 48 states, the District of Columbia, and two territories. Combined, these grants are intended to support states to develop systems-level strategies to help people with disabilities move from nursing homes and other "restrictive settings" into more community-based housing with available, accessible, and appropriate supportive services.

In addition, beginning in 2001, CMS funded two technical assistance initiatives to help grantees meet their goals. The Rutgers Center for State Health Policy (CSHP) and the National Academy for State Health Policy (NASHP) are leading one of these initiatives.[1] Through this technical assistance contract, six states – Delaware, Florida, Kentucky, Maryland, Massachusetts, New Jersey – and the District of Columbia attended a Regional Housing Forum in Washington, D.C. in November 2002. The forum was organized by CSHP, NASHP, and their strategic partner, the National Cooperative Bank Development Corporation. The information and approaches detailed in this guide are intended to provide further information and guidance for these states as they work collaboratively to develop realistic systems-level strategies to expand housing opportunities for people with disabilities.

Specifically, this technical assistance guide covers the following topics:

- Chapter 1 provides an overview of the housing needs of people with disabilities as well as some of the challenges in meeting these needs.
- Chapter 2 provides information about the design, principles, and critical components of housing for people with disabilities.
- Chapter 3 describes the various agencies that may be involved in addressing the housing needs of

The information and approaches detailed in this guide are intended to provide further information and guidance for these states as they work collaboratively to develop realistic systems-level strategies to expand housing opportunities for people with disabilities.

people with disabilities and the programs these agencies administer.

- Chapter 4 describes the HUD-mandated strategic planning processes that control access to federal affordable housing resources.
- Chapter 5 identifies some of the numerous housing strategies that have been shown to be effective in meeting the housing needs of people with disabilities.
- Appendices A and B provide detailed information about the various housing programs and resources that are available to address the housing needs of people with disabilities.

The term **disability community** is used throughout this guide to refer to all adults with disabilities (both elderly and non-elderly), their advocates, families, and service providers – including state and local human service agencies. It is important to note that many federal housing programs are intended to serve all people with disabilities and may not be restricted to one disability group – such as people with mental illness.[2]

[1] The other technical assistance award was granted to Independent Living Resource Utilization (ILRU) in Houston, Texas.

[2] The Section 811 Supportive Housing for Persons with Disabilities Program and some McKinney/Vento Homeless Assistance programs are exceptions to this rule. Appendix A includes detailed information about these programs.

Background

On June 22, 1999, the Supreme Court of the United States issued its decision in *Olmstead v. L.C.* This important lawsuit against the State of Georgia questioned the state's continued confinement of two individuals with disabilities after the state's hospital physicians had determined that they were ready to return to the community. The Supreme Court described Georgia's action as "unjustified isolation," and determined that it violated these individuals' rights under the Americans with Disabilities Act (ADA). The impact of this decision on people with disabilities who are in institutions, or who are at risk of institutionalization, has prompted a great deal of activity by people with disabilities and their advocates, states, and the federal government.

As a result of the *Olmstead* decision, certain people with disabilities currently living in "more restrictive settings," such as public institutions and nursing homes, as well as people at risk of living in such settings, should be offered housing and community-based supports that are consistent with the integration mandate of the ADA. The *Olmstead* decision offered guidance for states by suggesting that states develop "comprehensive, effectively working plans" to ensure community integration. It has become clear that comprehensive planning activities should address the availability of permanent, affordable, accessible, and integrated housing.

The U.S. General Accounting Office (GAO) recently estimated that as many as 4 million people with disabilities could be covered by the *Olmstead* decision, including people with disabilities living in institutions and those at risk of institutionalization.[3] In testimony before Congress, a senior GAO official, who directs the agency's work on Medicaid and Private Health Insurance stated that "states...face varying challenges in supporting community living beyond what can be provided through long-term care programs, such as ensuring adequate supports for housing." In the same testimony, this official went on to say that:

> *The additional costs to the states of supporting people with disabilities in the community are a concern. For example, Medicaid does not pay for housing for individuals who are receiving long-term care services in their own homes or in a community setting.... Consequently, a number of state agencies may need to coordinate the delivery and funding of such costly supports as housing and transportation.*

Now, states are currently reviewing whether current policies and practices in their health care and service delivery systems are in compliance with the ADA. Many states – including Delaware, Florida, Kentucky, Maryland, Massachusetts, New Jersey, and the District of Columbia – are also trying to address this key question central to *Olmstead*-planning efforts: "Where will people with disabilities live?"

Many states are also trying to address this key question central to *Olmstead*-planning efforts: "Where will people with disabilities live?"

Although *Olmstead* confirmed the ADA's integration mandate, the word "housing" does not appear in the decision. Instead, the Supreme Court uses terms such as "community placements" and "less restrictive settings." However, it is clear that where people with disabilities will live, and how their housing will be made affordable, are topics that should be included in *Olmstead*-planning discussions.

The information and resources provided in this guide will assist the Real Choice Systems Change and Nursing Home Transition grantees, as well as their partners in the housing and disability communities, in designing effective strategies to address the housing needs of adults with disabilities effected by the *Olmstead* decision.

3 U.S. General Accounting Office. Testimony before the Special Committee on Aging, U.S. Senate. *Long-Term Care: Implications of Supreme Court's Olmstead Decision Are Still Unfolding.* (GAO-01-1167T). September 24, 2001.

CHAPTER 1 • *Housing Needs of People with Disabilities*

Researchers and practitioners have demonstrated repeatedly that adults with severe disabilities – including many people currently living in institutions – can live successfully in homes of their own in the community. To succeed, they need decent, safe, affordable, and accessible housing as well as access to the supports and services they want and need to live as independently as possible.

BARRIERS TO HOUSING FOR PEOPLE WITH DISABILITIES

Incomes of People with Disabilities

Adults with disabilities, regardless of age, are disproportionately poor – particularly those individuals who rely on federal Supplemental Security Income (SSI) benefits (equal to $545 per month in 2002).

SSI Benefit Levels in 2002 for People with Disabilities Living Independently in the Community[4]

Delaware	$ 550
District of Columbia	$ 545
Florida	$ 545
Kentucky	$ 545
Maryland	$ 545
Massachusetts[5]	$ 659
New Jersey	$ 576

According to a report to be published by the Technical Assistance Collaborative, Inc. (TAC) in early 2003 titled *Priced Out in 2002,*[6] people with disabilities receiving federal disability benefits continue to be the poorest people in the nation. As a national average, SSI benefits in 2002 were equal to only 18.8 percent of the one-person median household income. Since 2000, the income of people with disabilities receiving SSI benefits has been below 20 percent of median income.

SSI Benefits as a Percentage of the One-Person Income in 2002

Delaware	14.0%
District of Columbia	10.7%
Florida	18.0%
Kentucky	20.7%
Maryland	12.8%
Massachusetts	17.1%
New Jersey	13.5%

Because of their extreme poverty, many of these people (as well as many other people with disabilities who may be working for extremely low wages, or only be able to work part-time) are facing a housing crisis. They may be living in restrictive congregate settings or in seriously substandard housing; paying virtually all of their SSI benefits for housing; still living at home with aging parents; or, are either homeless or at risk of becoming homeless.

Without housing assistance – such as government-funded subsidized housing – low-income people with disabilities are unable to afford decent and safe housing in the community. According to *Priced Out in 2002*, the average modest private rental housing unit costs more than the **entire** monthly SSI benefits for people with disabilities. Nationally, on average, people with disabilities

Without housing assistance – such as government-funded subsidized housing – low-income people with disabilities are unable to afford decent and safe housing in the community.

receiving SSI benefits were priced out of the private housing market because they needed to pay over 105 percent of their SSI check in order to be able to rent a modest one-bedroom unit at the published HUD Fair Market Rent.

To put this data in the context of affordable housing policy, under current federal guidelines, housing is considered affordable for a low-income household when the cost of monthly rent (including any tenant-paid utilities) does not exceed 30 percent of monthly household income. Low-income households that pay between 30 and 50 percent of their income toward housing costs are considered to be "rent burdened" by the federal government. When the percentage of income spent on housing costs exceeds 50 percent, the household is considered "severely" rent burdened and have "worst case" needs for housing assistance.

Using the federal 30 percent rent-to-income standard, **Table 1** below documents that people with disabilities receiving SSI benefits have worst case housing needs. In each of the seven states that attended the Regional Housing Forum organized by the Rutgers Center for State Health Policy/National Academy for State Health Policy Technical Assistance Exchange Collaborative, people with disabilities receiving SSI benefits had to spend at least 61 percent or more of their income to rent a modest one-bedroom housing unit. In some housing markets within these states, people with disabilities receiving SSI benefits had to spend over 100% of their monthly income to rent decent housing – an impossibility!

TABLE 1: PERCENT OF SSI BENEFITS NEEDED TO RENT A ONE-BEDROOM HOUSING UNIT IN SELECT STATES IN 2002

State	Housing Market Area	% SSI for 1-Bedroom
Delaware	Dover	105.3%
	Wilmington-Newark	117.3%
	Non-Metropolitan Areas	88.9%
	State Average	**111.1%**
District of Columbia	Washington	180.6%
Florida	Daytona Beach	89.9%
	Fort Lauderdale	118.2%
	Fort Myers-Cape Coral	94.7%
	Fort Pierce-Port Lucie	100.4%
	Fort Walton Beach	87.2%
	Gainesville	87.2%
	Jacksonville	102.6%
	Lakeland-Winter Haven	83.9%
	Melbourne-Titusville-Palm Bay	89.7%
	Miami	119.6%
	Naples	120.4%
	Ocala	87.2%
	Orlando	125.7%
	Panama City	87.2%
	Pensacola	87.2%
	Punta Gorda	91.7%

State	Housing Market Area	% SSI for 1-Bedroom
Florida, contd.	Sarasota-Bradenton	101.8%
	Tallahassee	90.6%
	Tampa-St. Petersburg-Clearwater	110.3%
	West Palm Beach-Boca Raton	121.7%
	Non-Metropolitan Areas	89.3%
	State Average	**108.8%**
Kentucky	Cincinnati	90.8%
	Clarksville-Hopkinsville	74.7%
	Evansville-Henderson	74.7%
	Gallatin County	72.5%
	Grant County	63.1%
	Huntington-Ashland	69.9%
	Lexington	84.2%
	Louisville	86.8%
	Owensboro	61.1%
	Pendleton County	62.0%
	Non-Metropolitan Areas	59.7%
	State Average	**73.4%**
Maryland	Baltimore	126.8%
	Columbia	149.9%
	Cumberland	79.3%
	Hagerstown	84.2%
	Washington	180.6%
	Wilmington-Newark	118.3%
	Non-Metropolitan Areas	92.4%
	State Average	**134.5%**
Massachusetts	Barnstable-Yarmouth	108.0%
	Boston	162.9%
	Brockton	122.7%
	Fitchburg-Leominster	89.2%
	Lawrence	111.2%
	Lowell	126.6%
	New Bedford	104.0%
	Pittsfield	74.8%
	Providence-Fall River-Warwick	84.2%
	Springfield	81.1%
	Worcester	95.4%
	Non-Metropolitan Areas	93.2%
	State Average	**134.7%**
New Jersey	Atlantic-Cape May	108.3%
	Bergen-Passaic	161.4%
	Jersey City	152.0%
	Middlesex-Somerset-Hunterdon	155.7%
	Monmouth-Ocean	133.4%
	Newark	136.7%
	Philadelphia	122.2%
	Trenton	133.3%
	Vineland-Millville-Bridgeton	111.8%
	State Average	**141.9%**

By focusing on the housing needs of people with disabilities receiving SSI, a state can best address the affordability problems of all people with disabilities that have incomes below 30 percent of median income, including those people that are directly affected by the *Olmstead* decision.

With these affordability problems in mind, it may be helpful for states to consider the needs of *all* low-income people with severe disabilities when developing a comprehensive and effective housing strategy in response to the *Olmstead* decision. By focusing on the housing needs of people with disabilities receiving SSI (or comparable benefits), a state can best address the affordability problems of all people with disabilities that have incomes below 30 percent of median income, including those people that are directly affected by the *Olmstead* decision.

Loss of Housing Units Available to People with Disabilities

There is also less federally funded housing available for people with disabilities. Since 1998, the number of affordable housing units available to people with disabilities has declined. According to the U.S. Department of Housing and Urban Development (HUD), between 1997 and 1999 there was a 13 percent reduction in the units affordable to the poorest of our nation's citizens, including people with disabilities. Many of these units have disappeared due to private landlords "opting out" of contracts with the federal government to administer affordable housing. These properties often include barrier free or accessible subsidized housing units. This loss of housing has occurred in thousands of communities across the country and has significantly reduced the supply of affordable housing available to people with disabilities.

For years, people with disabilities have also reported experiencing some form of discrimination when seeking housing. In 1988, with the passage of the Fair Housing Amendments Act, it became illegal in the United States to discriminate against a person with a disability attempting to rent or buy a home. Federal laws now protect people with disabilities from housing discrimination but these legal protections need to be understood in order to be effective.

OPPORTUNITIES TO EXPAND HOUSING FOR PEOPLE WITH DISABILITIES

Despite the barriers identified above, some states and communities are making real progress in expanding affordable housing for people with disabilities. In these localities, housing officials and the disability community are implementing innovative and collaborative affordable housing strategies benefiting people with disabilities. Obviously, the specific approaches adopted in local communities vary, depending on circumstances and opportunities. Chapter 5 includes some strategies and examples of states that have made progress in addressing the housing needs of people with disabilities.

4 These figures represent the 2002 SSI payment for elders and individuals with disabilities living independently. The payment includes the basic federal SSI payment of $545 in 2002, **plus** the optional state supplements in the states that uniformly provide a state-determined, state-funded additional amount to all SSI recipients who live independently in the community. Some states provide SSI supplements for people with specific types of disabilities and/or people with disabilities residing in specific housing arrangements (such as congregate living or structured residential settings). Only those supplements uniformly applied to **all** people with disabilities living independently in the community were included in determining this figure.

5 In Massachusetts, people with disabilities aged 65 or older living independently in the community receive $673 in SSI benefits.

6 When published, *Priced Out in 2002* will be available online at www.tacinc.org.

CHAPTER 2 • *Funding and Design of Housing for People with Disabilities*

ESSENTIAL PRINCIPLES OF HOUSING FOR PEOPLE WITH DISABILITIES

Although there is no one model of housing to meet the needs of all people with disabilities, there are three core principles that should be integrated into all housing strategies:

- Affordability
- Independence
- Accessibility

Affordability

To be successful in housing, people with disabilities must have rents that are affordable. As mentioned earlier, under current federal housing guidelines, housing is considered affordable for a low-income household when monthly housing costs do not exceed 30 percent of monthly household income. For example, a person with a disability receiving a monthly SSI benefit of $545 would pay approximately $165 per month toward rent and utilities. Unfortunately, under this standard, there are no housing markets in the nation where a person with a disability receiving SSI benefits could afford a modest one-bedroom apartment.

As a result of their limited incomes, for low-income people with disabilities, affordable housing almost always means subsidized housing that is either developed or rented through government housing programs. This additional financial assistance is usually in the form of rental assistance or subsidies that are available on a long-term basis.

Independence

Housing strategies designed to assist people with disabilities should emphasize and reinforce the desire for independence and autonomy. People with disabilities should be able to choose their housing, including its location and model.

Independent housing provides people with disabilities with a clear sense of rights, including rights of tenancy. People with disabilities living in independent housing are provided leases or occupancy agreements that clearly outline fundamental tenant rights and responsibilities. In independent housing, people with disabilities enjoy privacy, the ability to manage who enters their home, when they have guests, whether or not to have a roommate, etc.

Independent housing is also not conditioned on the receipt of services. Supportive services may be offered and made available; however, maintaining one's housing is not conditioned on the receipt of support services. Tenants still must meet all the requirements of the lease.

Accessibility

Housing should meet a range of accessibility needs. First, people with mobility impairments may need to live in units that are physically accessible and modified to meet their special needs. These modifications may include wheelchair accessible features such as ramps, wider doorways, lower cabinets, roll-in showers, etc. For those with hearing or visual impairments, an accessible unit may include assistive technologies such as blinking lights, alarms, or other appropriate features.

In addition to physical accessibility, it is critical to recognize the importance of ensuring access to needed services, such as health care providers, and community amenities, such as supermarkets. It is also important that housing be close to public transportation so that individuals do not have to rely on other people for transportation.

ENSURING AFFORDABILITY OF HOUSING FOR PEOPLE WITH DISABILITIES

As mentioned earlier, for low-income people with disabilities, affordable housing means subsidized housing that is either developed or rented through government housing programs. The majority of funding for these programs comes directly or indirectly from the HUD and is administered by state and local housing officials (discussed further in Chapter 3).

Broadly speaking, all affordable housing strategies center around two types of approaches: the production of new housing and rental assistance to use in existing housing units. In many instances, both of these approaches are combined in the same project.

Development Approaches – Building or Renovating Housing

In most communities, the housing crisis confronting people with disabilities is exacerbated by a limited supply of quality affordable housing units, particularly housing that is barrier-free or close to community amenities. Much of the "affordable" housing that is currently being developed using resources controlled by state and local housing agencies is not affordable to people with disabilities with incomes below 30 percent of the area median income.

Given this, it is important that any efforts to expand housing options for people with disabilities include not only strategies that maximize the use of rental assistance resources, but also include the creation of new housing units that are affordable to people with disabilities with limited incomes. Some of this housing may have some sort of rental assistance attached to it.

When developing housing for people with disabilities, it is important to consider the model of housing. Historically, in some communities, much of the housing developed for people with disabilities has been single-purpose housing (i.e., housing that is exclusively targeted to people with disabilities), often with on-site supportive services. This is a successful model for some people with disabilities, particularly elderly people with disabilities. Consumer preference studies and surveys have also found that many younger people with disabilities may prefer to live in mixed-population housing (i.e., integrated housing in the community). These two common models of housing – mixed-population and single-purpose – are described below. It is important that housing officials and the disability community consider the preferences of all people with disabilities when deciding what type of housing model to pursue.

Development of Mixed-Population Housing

In the mixed-population housing model there is usually a set-aside of units for people with disabilities mixed in with other affordable and/or "market" rate units. For example, a mixed-population property could include some units for people with disabilities, units for elderly households, units for low-income individuals and families, and/or units for moderate- or middle-income individuals and families.

This integrated housing model has gained increased popularity in recent years, especially among non-elderly people with disabilities. Mixed-population housing offers people with disabilities the opportunity to live in housing that is integrated "in the community" rather than in certain buildings. Developers of mixed-population housing may have an easier time winning community approval and may not face the opposition many disability-specific housing programs encounter.

Development of Single-Purpose Housing

There may be circumstances when developing a building targeted exclusively to people with disabilities or to people with one specific disability is a viable option. In some communities, the available housing stock will support these models and still enable residents to become part of the larger community. For some people with severe disabilities, living in a building with other people with disabilities may afford the best opportunity to receive the services needed to live independently. In addition, single-purpose settings can offer people with disabilities the opportunity to live in a community setting and receive the peer support, encouragement, and assistance that can enhance their overall quality of life. Consumer preference studies have found that many elderly people with disabilities prefer living in single-purpose housing.

There are two types of single-purpose housing commonly developed: congregate housing in which residents share some common facilities such as kitchens, bathrooms, and/or living rooms; and self-contained units in which each resident has a unit with a kitchen area, bathroom, and living/sleeping space.

Development Financing

For the most part, the underlying principles of financing housing development do not change whether you are developing mixed-use or single-purpose housing. In general, depending on how the housing is developed, there are either one or two separate funding components in permanent affordable housing projects:

1. Capital funding
2. Rental assistance

1. Capital Funding

The term "capital funds" refers to the type of funds used to pay for the purchase, rehabilitation, or new construction of permanent affordable housing. This one-time funding needed to "capitalize" new affordable housing development comes primarily from government housing programs. Often as many as five to seven different types (sources) of funding are needed to cover the entire cost of developing permanent affordable housing. For example, a 10-unit affordable housing program

All affordable housing strategies center around two types of approaches: the production of new housing and rental assistance to use in existing housing units.

for individuals with disabilities could combine local and state HOME funds, state bond financing, and private foundation funding to amass the $500,000 needed to cover rehabilitation costs.

Some common sources of capital funding are listed below. These resources are described in more detail in Appendix A.

- **Community Development Block Grant**
- **HOME program**
- **Housing Opportunities for People with AIDS**
- **Housing Trust Funds**
- **Low Income Housing Tax Credits**
- **Section 202 Supportive Housing for the Elderly**
- **Section 811 Supportive Housing for Persons with Disabilities**
- **Section 515 Rural Rental Housing**
- **Supportive Housing Program**
- **Tax Exempt Bond Financing**

2. Rental Assistance

When developing housing, it is important to not only identify the capital funds, but also ensure that there is funding to operate the housing (e.g., insurance, maintenance/repairs, reserves, property management costs, utilities, etc.) and pay back any debts incurred in financing the project.

For most housing developments, tenant rents are used to cover these operating expenses. However, without some sort of rental assistance, owners of these housing developments are forced to charge higher rents. These rents are usually higher than a person with a disability receiving SSI benefits can afford. To bring these rents down, long-term rental assistance – also known as "operating subsidies" – must be included as part of the overall financing for housing development. These subsidies can be provided through project-based rental assistance programs (see page 10), or can be built into the financing package, as is the case in some HUD programs, such as the Section 8 New Construction program.

It is equally important that housing developed for people with disabilities be "deeply" subsidized, providing a large amount of rental assistance for the tenant. It is important to note that although government housing agencies are producing new "affordable" housing every year, in most instances this new supply of housing is not deeply subsidized enough to be affordable to people with disabilities who rely solely on SSI. This is usually because most federal and state programs help pay for the one-time capital cost of developing the housing (i.e., the cost of acquisition/rehabilitation or new construction of housing), but do not fund the ongoing operating costs. A long-term commitment of subsidy funds is necessary to ensure that the housing remains affordable to the lowest income households.

Rental Assistance Approaches

Rental assistance is the resource most frequently used to ensure that housing is affordable. Rental assistance strategies recognize that very low-income people do not have enough money to afford decent, safe, and good quality housing. Through a rental assistance program a low-income household is provided with a "subsidy" to assist the household with the monthly housing costs. This subsidy is usually based on the cost of moderately priced rental housing in the community. The household pays a portion of monthly housing costs that is based on the income of the household. The household's portion is usually – but not always – equal to 30 percent of its monthly adjusted income.

In general, rental assistance comes in two forms:

- **Long-term ongoing subsidies that are tied to specific housing units or buildings** – sometimes referred to as operating subsidies (described above).
- **Portable rental assistance that households can use in housing of their choice.** These subsidies – often referred to as tenant-based subsidies – are given to a low-income household to use in a unit of their choice in the community. If the household moves to another unit, the subsidy moves with them.

In general, there are three different types of rental assistance including:

- Tenant-based rental assistance
- Project-based rental assistance
- Sponsor-based rental assistance

Tenant-Based Rental Assistance

Tenant-based rental assistance allows people with disabilities to choose their own housing unit from a community's private rental housing market. Tenant-based assistance helps people with disabilities to select rental housing that meets their individual preferences and needs, and that is fully integrated into the community.

Specifically, through a tenant-based rental assistance program, an eligible household receives a subsidy to use in a housing unit of their choice in the community. The rent subsidy is "portable," meaning that if the household moves to another unit, the subsidy moves with them.

Some common sources of tenant-based rental assistance are listed below. These resources are described in detail in Appendix A:

- **HOME program**
- **Housing Opportunities for People with AIDS**
- **Section 8 Housing Choice Voucher program**
- **Shelter Plus Care**
- **Supportive Housing Program**

Through tenant-based rental assistance programs, people with disabilities are given a choice about where they live and can keep their assistance if they move. Some of the advantages of tenant-based assistance for people with disabilities include:

- The ability to choose both the location and type of housing preferred.
- The ability to move from one unit to another or from one locality to another without losing the housing assistance.
- Increased privacy because neighbors are not aware that the household receives housing assistance.
- The opportunity to live in a housing setting that is fully integrated within the community rather than one set aside exclusively for people with disabilities.

Tenant-based rental assistance programs do present obstacles that tenants and housing providers must address in order to make the rental assistance viable. Some people with disabilities may have no housing history or a poor housing history and have difficulty with landlord screening criteria. Tight housing markets may make it difficult to find available apartments, particularly in better neighborhoods. Many property owners discriminate against households with rental subsidies, especially Section 8 Housing Choice Vouchers, which are the most common source of rental assistance. These landlords will often refuse to rent to households that have rental subsidies or purposely charge rents over the acceptable amount for the rental subsidy. To address these barriers, many communities have implemented landlord negotiation programs; offered financial incentives to landlords; provided agency contact information for landlords; passed fair housing laws that protect people with subsidies; etc.

Project-Based Rental Assistance

Project-based rental assistance involves subsidies that are committed to a specific unit in a building through a contract between the owner and the agency administering the subsidy. The subsidy commitment is usually for a long term (e.g., five to ten years).

In project-based rental assistance, the rental subsidy is tied to a particular unit and remains with that unit. As eligible tenants move into the unit, they pay a percentage of their income for rent and the project-based rental assistance covers the difference between the tenant portion of rent and the approved monthly rental charge for that unit. If the tenant moves out of the unit, the project-based assistance stays with the unit to assist the next eligible tenant that moves in. In the new Section 8 Housing Choice Voucher project-based rental assistance program, a tenant in good standing moving out of a project-based unit must be offered a tenant-based subsidy provided the tenant has lived in the project-based unit for at least a year.

Project-based rental assistance is a useful tool to support the creation of new affordable housing units for people with disabilities. By providing a long-term guarantee of rental income through a project-based subsidy, a housing developer is often able to obtain the capital financing needed to fund the construction/rehabilitation of new housing affordable to the lowest-income households.

The most common sources of project-based rental assistance are listed below. These resources are described in detail in Appendix A:

- **Housing Opportunities for People with AIDS**
- **Section 8 Housing Choice Voucher project-based assistance**
- **Section 202 Supportive Housing for the Elderly (rental assistance contract built into the grant)**
- **Section 811 Supportive Housing for Persons with Disabilities (rental assistance contract built into the grant)**
- **Shelter Plus Care**

Sponsor-Based Rental Assistance

For a description of rental assistance to be complete, there must be a discussion of sponsor-based rental assistance. Sponsor-based rental assistance is a hybrid form of rental assistance and is only utilized in the HUD McKinney/Vento Homeless Assistance programs (described in Chapter 4). It does not fit neatly into either the tenant-based or project-based models.

With sponsor-based rental assistance, a non-profit organization, referred to as the "sponsor," controls the rental assistance. The sponsor leases apartments and then sublets the units to eligible tenants. The tenants who occupy the units pay a percentage of their income for rent and the sponsor-based rental assistance covers the difference between the tenant payment and the apartment's monthly rent.

Since the non-profit organization leases the units from private landlords, sponsor-based rental assistance can address many of the obstacles faced by people with disabilities who have poor housing histories. Often landlords will rent to an established "sponsor" organization rather than an individual household. Sponsor-based rental assistance provides people with disabilities with an opportunity to develop a positive housing record as a sub-leaser in the housing program.

Subsidy Renewals

In both the development of housing and rental assistance approaches, because of the limited incomes of most people with disabilities, subsidies are needed to ensure that the housing remains affordable.

Long-term commitments of rent subsidies or operating subsidies are more expensive for government housing agencies like HUD to fund than one-time capital costs. Many of HUD's programs provide subsidies for an initial 3-5 year contract rather than a 10-15 year commitment. After receiving the initial subsidy contract, many housing programs must continue to seek sufficient operation funding in future years to maintain the affordability of the housing.

CHAPTER 3 • *Key Agencies Involved in Addressing the Housing Needs of People with Disabilities*

The affordable housing delivery system is comprised of a myriad of programs administered by a large number of agencies – mainly units of government – at the federal, state, and local levels. It is often difficult for the disability community to know where to begin because there are so many players that could potentially be involved in crafting strategies to help expand housing options for people with disabilities. It is important to understand who the various housing players are and learn which programs they administer before beginning to develop effective strategies for meeting the housing needs of people with disabilities.

FEDERAL PLAYERS

There are at least four federal agencies that administer housing programs. Although each of these agencies plays a critical role, the majority of federal housing programs and policies are administered through the U.S. Department of Housing and Urban Development.

U.S Department of Housing and Urban Development (HUD)

HUD administers programs that not only assist homeowners and renters, but also agencies willing to develop housing or make improvements to the community. HUD also provides funding to organizations that provide housing and services to homeless people and people with special needs. These HUD programs are described in detail in Appendix A and include:

- Community Development Block Grant
- Emergency Shelter Grant
- Federally assisted housing
- HOME program
- Housing Opportunities for People with AIDS
- Public Housing
- Section 8 Housing Choice Voucher Program
- Section 8 Moderate Rehabilitation SRO
- Section 202 Supportive Housing for the Elderly
- Section 811 Supportive Housing for Persons with Disabilities
- Shelter Plus Care
- Supportive Housing Program

HUD's headquarters is located in Washington, D.C. In addition, there are over 75 HUD Field Offices. For contact information for HUD, visit www.hud.gov/local.

At the state and local level, the majority of HUD programs are administered by state and local housing and community development officials, state housing finance agencies, and Public Housing Agencies.

U.S. Department of Agriculture (USDA)

The federal government also has rural housing programs administered by the U.S. Department of Agriculture. The USDA is responsible for managing those housing programs that specifically target

The affordable housing delivery system is comprised of a myriad of programs administered by a large number of agencies at the federal, state, and local levels.

people living in rural areas, including people with disabilities.

Within the USDA, housing programs are administered by the Rural Housing Service (RHS). The goal of the RHS is to increase both the amount and the quality of housing in rural areas of the country by promoting and financing housing activities including: homeownership; housing rehabilitation; rental assistance to tenants of multi-family housing; housing for farm laborers; multi-family housing; and community facilities.

RHS headquarters is located in Washington, D.C.; however, there are RHS offices in most states (some small states have merged offices and now cover larger multi-state jurisdictions). Each state office has an RHS State Director who accepts applications for housing programs and helps decide funding priorities for the jurisdiction. A list of state RHS offices is available online at www.rurdev.usda.gov/recd_map.html.

What Geographic Areas are Considered Rural?

Unfortunately, there is not one uniform definition of "rural" housing programs. Instead, many definitions are based on the standards used by a particular program or the specific context. For example, areas are often called rural when they are outside of the HUD-established Metropolitan Statistical Areas (MSAs) – the geographic areas used when determining HUD Fair Market Rents. However, the definition of a rural area most relevant for housing purposes is the one utilized by the USDA for its rural housing programs. According to the USDA, a rural area is:

- **Situated in open country that is not part of or associated with an urban area; or**
- **A town, village, city, or place, including the immediately adjacent densely settled area, that meets one of the following descriptions:**
  - **A population of 2,500 or less and not part of or associated with an urban area.**
  - **A population of 10,000 or less if it is rural in character.**
  - **A population of 20,000 or less, located outside a MSA, and having a serious lack of mortgage credit for low- and moderate-income households (as determined by HUD and the USDA).**

U.S. Department of Treasury – Internal Revenue Service

Although primarily concerned with commerce, the Department of Treasury administers one very valuable resource for developing affordable housing – the federal Low Income Housing Tax Credit (LIHTC) program. Created by the 1986 Tax Reform Act under Section 42 of the Internal Revenue Code, the LIHTC program encourages the development of low-income housing by giving qualified owners or investors in eligible low-income rental housing a credit on their federal income tax. In general, state housing finance agencies are responsible for administering the federal LIHTC program at the state level.

The LIHTC program is currently the largest source of federal subsidy for adding new or rehabilitated rental housing units to the affordable housing stock. Between 1987 and 2000, equity raised through the LIHTC program facilitated the creation of over 1.1 million affordable housing units. For more information about the LIHTC program, see Appendix A.

In order to access LIHTC funds, states must develop a strategic plan that identifies and prioritizes housing needs known as the Qualified Allocation Plan (QAP). A QAP must also contain criteria that guide the selection of projects to be awarded tax credits. The QAP is discussed further in Chapter 4.

U.S. Department of Veterans Affairs (VA)

The U.S. Department of Veterans Affairs administers numerous housing programs, mostly transitional housing for homeless veterans. These programs and initiatives are specifically designed to help veterans live as self-sufficiently and independently as possible. In addition to providing funding to support emergency shelters and transitional housing, the VA also administers a loan guarantee program to help develop new affordable housing units and participates in a joint HUD-VA initiative that gives Section 8 Housing Choice Vouchers to homeless veterans with disabilities.

Although the VA headquarters is located in Washington, D.C., the majority of the VA's housing and health programs are operated by local VA offices, medical centers, and VA facilities located in each state. A listing of all VA offices can be found at www.va.gov.

U.S. Department of Health and Human Services (HHS)

In general, the U.S. Department of Health and Human Services does not fund housing programs. However, it does fund many critical supportive service programs. For many people with disabilities, these supportive services are essential to accessing and maintaining housing. As evidenced by the CMS Systems Change grants, HHS recognizes that accessible and available services – such as case management, counseling, housing search assistance, etc. – often play a critical role in helping address the housing needs of people with disabilities.

DEVOLUTION OF FEDERAL HOUSING FUNDING DECISIONS TO STATE/LOCAL GOVERNMENT

During the 1990s, the federal government increasingly gave state and local housing officials, housing finance agencies, and Public Housing Agencies more control over how federal housing funds were used in their jurisdictions. This policy direction began with the enactment of the National Affordable Housing Act of 1990 and culminated with the passage of the Quality Housing and Work Responsibility Act of 1998.

Collectively, these new laws have fundamentally altered the landscape of affordable housing funding and decision-making. Now state and local housing officials and PHAs – **not** the federal government – decide which low-income populations will benefit from most federally-funded housing activities.

COMPLICATED HOUSING SYSTEM

Historically, each federal affordable housing program was developed to address a specific need. Navigating the resulting maze of programs is often difficult for the disability community. While there are some provisions in federal law and regulations designed to foster collaboration between government housing officials and the disability community, this collaboration may be difficult to implement. The disability community often faces barriers trying to engage housing officials or working with them to assist people with disabilities.

Local and state housing officials who administer certain federal housing programs may not be familiar with the rules and policies that govern housing programs outside of their administrative authority. For example, some Public Housing Agencies will have information on the public housing and Section 8 Housing Choice Voucher program, but not on the federal HOME and Community Development Block Grant programs.

The key players in affordable housing at the state and local level are described below and include:

- State and local community development and housing officials
- Public Housing Agencies (including public housing authorities)
- State housing finance agencies

STATE AND LOCAL COMMUNITY DEVELOPMENT AND HOUSING OFFICIALS

Many HUD housing programs are administered by state and local housing and community development agencies – often called the Department of Housing, Community Affairs, Community Development, or Economic Development. These agencies are allocated certain HUD funds via federal formulas. Housing officials at these agencies are responsible for deciding how these funds will be used in their state or locality within very broad parameters. It is important that the disability community engage state and local housing officials in a dialogue about using these valuable federal affordable housing resources to meet the housing needs of people with disabilities.

The HUD programs controlled by state and local housing officials include:

- **Community Development Block Grant**
- **Emergency Shelter Grant**
- **HOME program**
- **Housing Opportunities for People with AIDS**

PUBLIC HOUSING AGENCIES

A Public Housing Agency (PHA) is an organization that administers the Section 8 Housing Choice Voucher program at the state or local level on behalf of HUD. These agencies have a direct contractual relationship with HUD. Some of these agencies are public housing authorities. Some PHAs may be state housing agencies and a few are non-profit organizations. For a complete listing of PHAs go to www.hud.gov/offices/pih/systems/pic/haprofiles.

Public Housing Authorities

Public housing authorities are created by state laws to provide subsidized housing within their communities. They are public and corporate in structure, which means they are a part of municipal government, but they can act independently. Housing authorities are governed by a Board of Commissioners. The members of the Board are either elected or appointed, usually for five-year terms. The Board of Commissioners appoints the Executive Director, who is responsible for the daily administration of the housing authority and its resources.

Public housing authorities have a process for developing public policy and providing opportunities for participation. The disability community can learn how the process works and the opportunities to submit information that will be useful in designing public policy that addresses the needs of people with disabilities.

Public housing authorities are the most common and well-known administrators of the Section 8 Housing Choice Voucher program. They are not required by HUD to run the Section 8 program; in fact, some housing authorities only administer federal public housing units and do not administer a Section 8 program. Although there are more than 3,000 public housing authorities across the country, at the present time there are approximately 2,600 housing authorities administering the Section 8 program. While the largest PHAs may administer 10,000 or more vouchers, over half of the housing authorities administer less than 250 Section 8 vouchers.

When people use the term "PHA" they are usually referring to public housing authorities. To be consistent with HUD definitions, however, the term "PHA" refers to "Public Housing Agency" and includes any agency under contract with HUD to administer Section 8 housing assistance, including public housing authorities, state housing agencies, and other organizations.

STATE HOUSING FINANCE AGENCIES

State housing finance agencies (HFAs) are state-chartered authorities established to help meet the affordable housing needs of the residents of their states. Although they vary from state to state in their relationship to state government, most HFAs are independent entities that operate under the direction of a Board of Directors appointed by the Governor.

Housing authorities are often the largest providers of affordable housing in the community and may administer a variety of programs including:

- **HOME tenant-based rental assistance**
- **HOPE VI**
- **Housing Opportunities for People with AIDS tenant-based rental assistance**
- **Public housing units**
- **Section 8 Housing Choice Voucher program**
- **Section 8 Moderate Rehabilitation SRO**
- **Shelter Plus Care**

HFAs are responsible for administering a range of low-income housing financing programs. There is a state housing finance agency in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

Typically state HFAs administer:

- Tax-exempt bond financing programs
- State housing trust funds
- Federal and state low-income housing tax credit programs
- Other federal and state housing programs

Some state governments may have two separate housing agencies that divide up the administration of these housing programs. For example, some state HFAs may administer the tax credit programs while the state housing and community development department administers the housing trust fund programs.

STATE AND LOCAL HUMAN SERVICE AGENCIES

Many state and local human service agencies also administer housing programs for people with disabilities, although these programs are not usually funded with HUD resources. For

The following agencies are the state housing finance agencies in these select states:

- **Delaware: Delaware State Housing Authority (www2.state.de.us/dsha)**
- **District of Columbia: District of Columbia Housing Finance Agency (www.dchfa.org)**
- **Florida: Florida Housing Finance Corporation (www.floridahousing.org)**
- **Kentucky: Kentucky Housing Corporation (www.kyhousing.org)**
- **Maryland: Maryland Department of Housing and Community Development (www.dhcd.state.md.us)**
- **Massachusetts: MassHousing (www.masshousing.org)**
- **New Jersey: New Jersey Housing and Mortgage Finance Agency (www.nj-hmfa.com)**

example, some state mental health departments use mental health funds to provide rental assistance to people with serious mental illness. Many state development disabilities departments use their own funds to help develop congregate housing for people with developmental disabilities or mental retardation.

In addition, many local non-profit housing and service providers administer housing programs for people with disabilities, including homeless people with disabilities. For example, many non-profit organizations use HUD Homeless Assistance funds and Section 811 Supportive Housing for Persons with Disabilities funds to administer permanent supportive housing programs for people with disabilities.

These state and local human service agencies usually also provide the critical supportive services and life skills assistance – such as case management, housing search and stabilization assistance, mental health and substance abuse counseling, budgeting and money management, etc. – that some people with disabilities need to locate affordable housing and maintain residential stability.

Finally, many local organizations – such as Independent Living Centers – as well as friends, family members, and people with disabilities, play a vital role in not only assisting people with disabilities to meet their housing needs, but also advocating for them with federal, state, and local housing and service officials.

CHAPTER 4 • *Strategic Planning: What You Need to Know to Access Housing Resources for People with Disabilities*

In order to access federal affordable housing resources to meet the housing needs of people with disabilities, it is important to be aware of the planning processes that control these valuable public resources. By becoming knowledgeable about these planning initiatives, the disability community can use these resources to expand housing options for people with disabilities.

There are four federally-mandated strategic planning initiatives that seek to ensure community-wide coordination and comprehensive planning regarding the use of federal resources to develop, renovate, preserve, and/or create housing opportunities for low- and moderate-income people. In addition to providing the planning framework for communities, these plans provide the means to access federal housing resources. These four planning initiatives are the foundation of the development of these strategic housing planning documents:

- Consolidated Plan (ConPlan)
- Public Housing Agency Plan (PHA Plan)
- Qualified Allocation Plan (QAP)
- Continuum of Care

Three of these plans, the Consolidated Plan, the Public Housing Agency Plan, and the Continuum of Care are mandated by HUD. The fourth plan, the Qualified Allocation Plan, is required by the Department of Treasury in order to access Low Income Housing Tax Credits.

In addition to these plans, as mentioned earlier, new planning activities, resulting from recent federal initiatives or policy goals – such as the Supreme Court *Olmstead v. L.C.* decision and the President's goal of ending chronic homelessness in ten years – are taking shape in some states and could also become useful tools to create housing opportunities for people with disabilities.

IMPORTANCE OF FEDERALLY-MANDATED PLANS

The ConPlan, PHA Plan, and QAP are required by law and have clear guidelines regarding when they must be developed, what they must include, and how to obtain feedback from the community. The fourth plan, the Continuum of Care plan, is not required by law but is an initiative created by HUD to help communities plan for homeless housing and services and to provide a means for communities to access HUD-funded homeless resources.

These plans are important because:

- They are intended to provide an assessment of housing needs.
- They control how federal housing funds will be used to expand affordable housing.
- They determine who will benefit from these affordable housing activities.

The ConPlan is the "master plan" for affordable housing in local communities and states.

- The federal government considers them to be key strategic documents for establishing linkages between the various federal affordable housing programs.

There are real opportunities for people with disabilities, their families, advocates, and service providers to influence what these strategic plans say about the housing needs of people with disabilities. Most of the resources controlled by these four documents are specifically targeted to low-income households, including people with disabilities. As mentioned earlier, people with disabilities are among the lowest income households in the country. People receiving SSI are too poor to obtain decent and affordable housing unless they have the type of housing assistance controlled by the ConPlan, PHA Plan, QAP, Continuum of Care, and other federal housing programs.

More importantly, the planning process is the appropriate time to advocate that some of the federal housing money received by local communities and states be used for specific housing activities (e.g., housing development, rental assistance, accessibility modifications, etc.) targeted to people with disabilities.

In some communities, the same officials may be responsible for preparing both the ConPlan, QAP, and/or PHA Plan. Over the past years, some communities have been very open about the planning processes and have made a real effort to seek public input and participation. The disability community needs to understand how these plans are developed, who is responsible for preparing and obtaining public input, and how that input may be contributed.

CONSOLIDATED PLAN (CONPLAN)

The ConPlan is the "master plan" for affordable housing in local communities and states. Each year, Congress appropriates billions of dollars that go directly to all states, most urban counties, and communities "entitled" to receive federal funds directly from HUD for new affordable housing and community development activities. Before these states and communities can receive these federal funds, however, they must have a HUD-approved ConPlan.

The ConPlan is intended to be a comprehensive, long-range planning document that describes housing needs, market conditions, and housing strategies, and outlines an action plan for the use of federal housing funds. The stated purpose of the ConPlan includes *"providing decent housing, a suitable living environment and expanded economic opportunities for low- and moderate-income persons."*

The ConPlan is a long-term housing plan that controls access to HUD funds used to expand affordable housing opportunities. It is intended to be a five-year comprehensive housing strategy that includes several pieces of key information. The ConPlan contains a housing needs assessment, which documents the need for affordable housing within a state or community, and both a five-year comprehensive plan, and a one-year action plan, which describe the activities that will be undertaken each year to address these needs.

The ConPlan controls valuable federal affordable housing programs including:

- Community Development Block Grant (CDBG)
- Emergency Shelter Grant (ESG)
- HOME Investments Partnerships Program (HOME)
- Housing Opportunities for Persons with AIDS (HOPWA)

Recent legislation and HUD policies have linked other HUD programs to the ConPlan, thus, emphasizing its role as the "master plan." Specifically, HUD has mandated that the ConPlan be linked to the two other planning documents discussed in this chapter – the Continuum of Care and the Public Housing Agency Plan. Due to the linkage between these housing plans, it is extremely critical that the disability community understand all plans, the relationships among them, and how they can get involved in their preparation.

The ConPlan is likely to become even more important in the future than it is right now. Since 1990, the federal government has been slowly handing over responsibility for federal housing programs to state and local government. It is possible that, in the near future, virtually all decisions about how federal housing funding is spent in a community will be based on the ConPlan.

Agencies that Prepare and Submit a Consolidated Plan

A unit of local government that receives CDBG, HOME, ESG, and/or HOPWA program funding directly from HUD must submit a ConPlan.

Every state must also submit a ConPlan. The state ConPlan covers all communities within the state that do not qualify to receive these funds directly from HUD. At the local level, the planning or community development department is usually responsible for coordinating the preparation of the ConPlan. At the state level, the ConPlan is developed by the state's housing agency, which may be called the Department of Community Affairs or Community Development, the state Housing Finance Agency, or the Department of Economic Development. Summaries of selected ConPlans are available on HUD's web site at www.hud.gov/states.html.

Not every state or locality that submits a ConPlan receives funding for all four programs listed above. In most cases, however, if a state or locality receives both CDBG and HOME program funds, the same department in the city or state government typically administers them.

These state and local housing and community development officials responsible for developing the ConPlan have the responsibility for:

- Consulting with public and private agencies serving people with disabilities, people with HIV and AIDS, people who are homeless, and other groups with special housing needs.
- Ensuring citizen participation through at least two public hearings.
- Publishing a draft ConPlan for public comments.
- Summarizing public comments on the ConPlan and sending them to HUD.
- Providing performance reports on how ConPlan resources are spent.

ConPlan Resources

As stated above, the four HUD programs controlled by the ConPlan include the:

- CDBG
- ESG
- HOME
- HOPWA

The amount of money that a state or locality receives for each program is determined by a formula based on the amount of funding appropriated by Congress each year. Appendix B contains the Fiscal Year 2002 ConPlan allocations for the District of Columbia, Delaware, Florida, Kentucky, Maryland, Massachusetts, and New Jersey.

Decisions about how these four federal housing programs will be used are made during the ConPlan process. At the state and local level, a portion of CDBG funding, and all of the HOME and HOPWA funding, must be spent on affordable housing-related activities, including:

- Housing rehabilitation
- Grants and loans for affordable housing development
- Down payments and other assistance to increase homeownership opportunities
- Tenant-based rental assistance (HOME and HOPWA)
- Emergency shelter or services programs for people who are homeless (ESG)

All of these housing activities can benefit people with disabilities. For example, a portion of HOME program funding can be targeted for a rental assistance program for homeless people with disabilities or for homeownership activities that would benefit people with disabilities. People with disabilities can also benefit from CDBG grants and loans used to develop affordable housing by ensuring that some of the units are affordable and accessible to low-income people with disabilities.

Community Development Block Grant (CDBG)

CDBG is a federal grant provided to "entitlement communities" (typically municipalities with populations over 50,000 and urban counties with populations over 200,000) and to all states. States may use CDBG funds only in **non**-entitlement communities, including rural areas.

At least 70 percent of CDBG funds must be used to benefit low- and moderate-income households by providing decent housing and a suitable living environment, and by expanding economic opportunities.

CDBG can be spent on any of the following activities:

- Housing rehabilitation (loans and grants to homeowners, landlords, non-profits, developers)
- New housing construction (only if completed by non-profit groups)
- Purchasing land and buildings
- Construction of public facilities, such as shelters for the homeless
- Construction of neighborhood service centers or community buildings
- Code enforcement, demolition, and relocation funds for people displaced because of CDBG projects
- Making buildings accessible to the elderly and people with disabilities

- Public services (capped at 15 percent of a jurisdiction's CDBG funds), such as employment services and health and child care

Emergency Shelter Grant (ESG)

The ESG program is a federal program designed to help states and local communities meet the basic shelter and supportive services needs of homeless people while also preventing more individuals and families from becoming homeless. In fiscal year 2002, Congress appropriated over $149 million for the ESG program.

The objectives of the ESG program are to increase the number and quality of emergency shelters and transitional housing facilities for homeless individuals and families, to operate these facilities and provide essential social services, and to help prevent homelessness.

Eligible ESG activities include:

- Renovation, major rehabilitation, or conversion of buildings for use as emergency shelter
- Up to 30 percent on essential services for homeless persons
- Up to 30 percent on homelessness prevention efforts
- Shelter operating costs, such as maintenance, insurance, utilities, rent, and furnishings

HOME Investments Partnerships Program (HOME)

The HOME program is a formula grant of federal housing funds to states and local jurisdictions. Local jurisdictions are larger cities and consortia of smaller communities (called "participating jurisdictions").

HOME funds can be used for the following activities:

- Rental housing production and rehabilitation loans and grants
- First-time homebuyer assistance
- Rehabilitation loans for homeowners
- Tenant-based rental assistance (two-year renewable contracts)

All housing developed with HOME funds must serve low- and very low-income individuals and families. For rental housing, at least 90 percent of HOME funds must benefit families whose incomes are at or below 60 percent of area median income; the remaining 10 percent must benefit families with incomes at or below 80 percent of area median income. Individual states or participating jurisdictions may have even lower income targeting for their HOME funds.

To encourage affordable housing development by non-profit organizations, a minimum of 15 percent of a jurisdiction's HOME funds must be set aside for housing that is developed by community housing development organizations (CHDOs). A CHDO is a special type of non-profit organization and has meaning only in the context of HUD's HOME program. Generally defined, a CHDO is a non-profit, community-based organization that has, or intends to retain, staff with the capacity to own, manage, and/or sponsor affordable housing.

Housing Opportunities for Persons with AIDS (HOPWA)

The HOPWA program funds housing and services for people living with HIV/AIDS and their families whose incomes are at or below 80 percent of area median income. Eligible HOPWA activities include:

All housing developed with HOME funds must serve low- and very low-income individuals and families. For rental housing, at least 90 percent of HOME funds must benefit families whose incomes are at or below 60 percent of area median income; the remaining 10 percent must benefit families with incomes at or below 80 percent of area median income.

- Housing information and referral services
- Acquisition, rehabilitation, and leasing of property
- Project-based or tenant-based rental assistance
- Homeless prevention activities
- Supportive services
- Housing operating costs
- Technical assistance, including resource identification

The HOPWA program is distributed under a formula that is based on AIDS surveillance information from the Centers for Disease Control and Prevention. The formula allocates 90 percent of the HOPWA appropriation to eligible states and cities, on behalf of their metropolitan area. Ten percent of HOPWA funds are awarded by competition. Through the competition, projects can apply under one of the following categories:

- **Special Projects of National Significance** that are selected based on their likelihood to serve as effective models in addressing the needs of eligible persons
- **Long-Term Comprehensive Strategies** for providing housing and services for eligible persons in areas of the nation that do not qualify for HOPWA formula resources
- **Renewals** of existing HOPWA funded programs

PUBLIC HOUSING AGENCY PLAN

For many years, the federal government has debated what to do about the public housing and Section 8 programs, and the Public Housing Agencies that run them. This question has been answered – at least for now – by the public housing reform legislation enacted in 1998. Continuing the intent of the federal policies that created the ConPlan in the early 1990s, the goal of public housing reform is to give PHAs more flexibility and control over how federal public housing and Section 8 Housing Choice Voucher funds are used in their communities. For example, local officials could decide to direct more Section 8 Housing Choice Voucher funding to households with higher incomes who are saving to purchase a home and/or to very low-income people with disabilities.

Along with this flexibility and control came new requirements,[7] including the creation of a five-year comprehensive document known as the Public Housing Agency Plan (PHA Plan). Beginning in 2000, each PHA was required to complete a PHA Plan. The PHA Plan describes the agency's overall mission for serving low-income and very low-income families, and the activities that will be undertaken to meet the housing needs of these families.

In the past, the resources controlled by the PHA Plan, specifically federal public housing and the Section 8 Housing Choice Voucher programs, were highly regulated by HUD. These programs are intended to provide affordable housing to the lowest-income households, including many people with disabilities. As described earlier, millions of people with disabilities are too poor to obtain decent and affordable housing unless they have the type of housing assistance controlled by the PHA Plan (i.e., subsidized housing).

The PHA Plan is part of a federal policy to give PHAs increased flexibility to determine who will receive housing assistance, and to decide which of the PHA's resources will be maintained, eliminated, or enhanced. Through the PHA Plan process, the PHA decides the policies and procedures to be followed for the public housing units and Section 8 rent subsidies controlled by the PHA.

The PHA Plan includes a statement of the housing needs of low- and very low-income people in the community, and how the PHA will meet those needs. A PHA must document in its PHA Plan any intention to apply for new Section 8 subsidies (including subsidies targeted to people with disabilities) or to designate any public housing developments as "elderly only" or "disabled only."

PHAs must develop this Plan in consultation with a Resident Advisory Board made up of the PHA's program participants. Federal law also requires that the PHA Plan be consistent with the community's ConPlan.

PHA Resources

As mentioned earlier, PHAs are often the largest providers of affordable housing in the community and may administer a variety of programs including:

- HOME tenant-based rental assistance
- HOPE VI
- HOPWA tenant-based rental assistance
- Public housing units
- Section 8 Housing Choice Voucher program
- Section 8 Moderate Rehabilitation SRO
- Shelter Plus Care

The majority of PHAs administer the Section 8 Housing Choice Voucher program, the federal public housing program, or both.

Federally Funded Public Housing Units

Many PHAs own and manage public housing units. In other words, the PHA is the "landlord." As the owner and landlord, the PHA is allowed to establish eligibility criteria for their public housing units (in accordance with HUD rules and regulations) and screen people to determine if they are eligible for the housing.

In recent years, tenant selection policies have undergone fundamental changes with the elimination of federal mandatory preferences (including those for people who are homeless or at risk of homelessness) and the modification of some public housing income limits. The primary goal of these changes – authorized in the Quality Housing and Work Responsibility Act of 1998 – is to create more mixed-income public housing developments.

Although federal mandatory preferences are no longer applicable, PHAs may choose to establish local preferences for tenant selection, and may adopt a preference for homeless people or people with disabilities. PHAs have a good deal of latitude in selecting local preference categories, though these categories should be based on local needs (as indicated in the ConPlan, the PHA Plan, or other public planning processes).

Section 8 Housing Choice Voucher Program

The federal Section 8 program began in 1975 as a way to assist low-income families, elderly people, and people with disabilities to rent decent, safe, and affordable housing in the community. Through this program, individuals and families receive a "voucher" – also referred to as a "subsidy" – that can be used in housing of their choice that meets the Section 8 program requirements. These subsidies are long-term and considered permanent housing.

The Section 8 program is one of the most successful federal housing programs. It is also one of the best ways to help people with disabilities afford and maintain rental housing of their choice. Currently, across the nation, over 1.5 million households receive housing assistance through the Section 8 program – including many households with family members with a disability. There are currently three types of housing assistance provided by the Section 8 Housing Choice Voucher program:

1. Tenant-based rental assistance
2. Project-based rental assistance
3. Homeownership assistance

In 1975, when this housing assistance program was established, it was referred to as the "Section 8" program. In many communities, it is still referred to by this name. However, a federal housing law passed in 1998 gave the program a new name – the Housing Choice Voucher program. Appendix A includes detailed information about the Section 8 Housing Choice Voucher program.

Within the Section 8 Housing Choice Voucher program there are a number of set-aside programs that target Section 8 vouchers to households that meet certain eligibility criteria – such as people with disabilities, families moving from welfare to work, and families reunifying with their children.

LINK BETWEEN THE CONSOLIDATED PLAN AND THE PUBLIC HOUSING AGENCY PLAN

When Congress created the PHA Plan they included a very important requirement to link the PHA Plan to the ConPlan. The needs, goals, and activities detailed in the PHA Plan must reflect the needs and priorities documented in the ConPlan. In fact, PHAs are permitted to use the data provided in the ConPlan, rather than conducting their own needs assessment for the community.

This linkage can provide more opportunities for the disability community to participate in the process to set housing priorities. The disability community may review information available to planners and submit additional data that may not have been considered during the plan's development. Planners may not always be aware of the housing needs of people with disabilities and this process gives the disability community the opportunity to inform the policy and priority setting process.

QUALIFIED ALLOCATION PLAN

As with the ConPlan and PHA Plan, when Congress created the Low Income Housing Tax Credit program in 1986, they also included the requirement that states develop a strategic housing document describing how LIHTC would be utilized to meet the housing needs and priorities of the state. In accordance with this law, prior to allocating tax credits, each state must develop a Qualified Allocation Plan (QAP). The QAP outlines the states affordable housing priorities and how to apply for tax credits. The QAP must be consistent with the state ConPlan and solicit public comment prior to becoming final.

Federal law requires that the QAP give priority to projects that serve the lowest-income households and remain affordable for the longest period of time. In addition, by law, 10 percent of a state's annual LIHTC allocation must be reserved for non-profit organizations.

Some states have additional set-asides within the LIHTC program to encourage the creation of certain types of housing. For example, the Massachusetts 2003 QAP includes a requirement that housing developed with tax credits include a set-aside of units (equal to 10 percent of the total units in the building) for households with incomes below 30 percent of the median income.

CONTINUUM OF CARE PLAN

The HUD McKinney/Vento Homeless Assistance programs have formed the backbone of local efforts intended to address the many needs of homeless individuals and families in states and communities across the nation. When first authorized by Congress in 1986, these programs each had a separate appropriation in the HUD budget. Each year, through a national HUD competition, individual non-profit organizations and government agencies were able to submit their own applications for these programs directly to HUD.

No strategic planning was necessary to receive these funds, leading to duplication and fragmentation of homeless services in many communities. For example, two separate non-profit organizations in the same community could both receive McKinney/Vento Supportive Housing Program funding to implement identical transitional housing programs for homeless people with mental illnesses without any requirement that these organizations coordinate their efforts. As a result, the housing and services provided through these HUD programs in a locality were often not coordinated with other homeless interventions or not implemented as part of a systematic and community-wide approach to address homelessness.

In 1994, HUD introduced the Continuum of Care model to encourage communities to address the problems of housing and homelessness in a more coordinated, comprehensive, and strategic fashion. Unlike other HUD planning requirements (e.g., the ConPlan, the PHA Plan) which originated in Congress, the Continuum of Care was created by HUD as a policy to help coordinate the provision of housing and services to homeless people. With the introduction of Continuum of Care planning, communities were encouraged to envision, organize, and plan comprehensive, long-term solutions to

As with the ConPlan and PHA Plan, when Congress created the Low Income Housing Tax Credit program in 1986, they also included the requirement that states develop a strategic housing document describing how LIHTC would be utilized to meet the housing needs and priorities of the state.

The resources controlled by the Continuum of Care are invaluable in providing supportive housing for homeless families and individuals.

address the problem of homelessness. The strategic planning conducted through this process also forms the basis of a Continuum of Care plan and application to HUD for Homeless Assistance funds.

Thus, HUD's Continuum of Care approach serves two main purposes:

1. It is a strategic plan developed through a community-based process to address homelessness based on: the identified needs of homeless individuals and families; the availability and accessibility of existing housing and services; and the opportunities for linkages with non-homeless mainstream housing and services resources.
2. It is an application to HUD for McKinney/Vento Homeless Assistance resources. These resources are invaluable in providing housing and supportive services for people who are homeless. These funds are made available through a national competition announced each year in HUD's Notice of Funding Availability (known as the HUD SuperNOFA).

Although the Continuum of Care is not mandated by law, the need to have a comprehensive planning process to allocate homeless resources is a priority of Congress and HUD and will, therefore, continue to play a vital role in the distribution of federal homeless resources. Through the Continuum of Care, communities can create a comprehensive plan for the housing needs of homeless people with disabilities and other homeless individuals and families.

Continuum of Care Resources

The resources controlled by the Continuum of Care are invaluable in providing supportive housing for homeless families and individuals. Through the Continuum of Care, a community can seek funding from HUD to support specific programs to address homelessness in their community.

The Continuum of Care serves as an application to HUD for funding made available through the following programs:

- **Supportive Housing Program (SHP):** Flexible use of funds and activities for supportive housing and supportive services to assist homeless persons to transition from homelessness to live independently as possible.
- **Shelter Plus Care (S+C):** A rental subsidy program that covers a portion of the monthly rent. Generally, tenants pay 30 percent of their income for rent, the rental subsidy pays that difference between the tenant share and the unit's approved rent.
- **Section 8 Moderate Rehabilitation SRO:** A project-based rental subsidy program for Single Room Occupancy (SRO) units. Generally, tenants pay 30 percent of their income for rent, the rental subsidy pays that difference between the tenant share and 120 percent of the unit's Fair Market Rent.

Over the past few years, there has been a growing dependence on HUD Continuum of Care dollars to fund supportive services for people who are homeless. Congress has become increasingly concerned about this trend and about the need to continue to expand permanent housing for people who are homeless. To address this concern, since 1999, Congress directed HUD to ensure that at least 30 percent of the funds awarded through the Continuum of Care process be utilized for permanent housing. To ensure this outcome, HUD has made a bonus of funds available to those Continuum of Care communities that rank a new permanent supportive housing project as the first priority for funding. In 2002, this bonus was equal to $500,000.

USING THESE PLANS TO EXPAND HOUSING OPPORTUNITIES FOR PEOPLE WITH DISABILITIES

By using resources in the Continuum of Care, ConPlan, PHA plan, and QAP, communities can improve their overall housing and service delivery systems. Together, these plans control flexible resources and opportunities to develop quality, integrated, community programs and housing.

Many funding programs require a match from the local community for acquisition and rehabilitation, services, and operations. By accessing resources controlled by the ConPlan and PHA Plan, the community can find the funds to meet the match requirements. Creating new housing for people with disabilities may require costs related to locating, acquiring, developing, and operating housing. These plans either control the funds or control the housing itself. For example, programs have been successful in siting both transitional and permanent supportive housing programs in public housing buildings. Other communities have been successful in obtaining a set-aside of units for homeless persons, including homeless people with disabilities.

Examples of ways the disability community could capitalize on the opportunities to expand housing options for people with disabilities presented in these plans include:

- **Form a working group** to focus on expanding affordable housing opportunities for people with disabilities. This group should have a broad-based membership including key leaders in the disability and housing communities, service providers, and other stakeholders. The group should develop a mission statement and identify goals, objectives, and action steps – such as reviewing past ConPlans.
- **Learn the basics.** Get a clear picture of how the process works for your community or area. Find out which agencies prepare these strategic housing documents, how often they are prepared, and how you can be part of the planning process. Get copies of the plans and review them thoroughly. Ask to be placed on a list of interested parties.
- **Gather useful needs data** about the housing needs of people with disabilities and ensure that this information is provided to housing officials preparing the ConPlan, PHA Plan, QAP, and Continuum of Care.
- **Take advantage of all opportunities to give input** into these plans, such as testifying at public hearings, submitting written comments, joining a PHA's Resident Advisory Board, and meeting with the staff responsible for preparing these plans to discuss mutual concerns.

ADDITIONAL PLANNING INITIATIVES

There may be other planning initiatives at the state or local levels that could play an important role in the disability community's capacity to provide housing for people with disabilities. These planning initiatives often result from special circumstances that happen at the state or local level that prompt public policy makers and other interested parties to focus attention on developing strategies to address particular needs. For example, class action lawsuits brought by a group of individuals seeking housing, negative changes in local housing markets, or other public issues may prompt the call for planning efforts to address the issue or issues identified.

For example, the crisis of homelessness among individuals in New York City in the late 1980s and early 1990s prompted the development of the New York/New York Agreement, a planning initiative that aimed to provide a means for the City of New York and state to jointly and equitably address the housing crisis. Through the planning initiative, the city and state aimed to fund the capital, operating, and service costs of 3,600 supportive housing units for homeless individuals with mental illness in New York City. From 1989 through 1997, over 4,600 homeless individuals were placed in housing created as a result of the New York/New York Agreement.

[7] These provisions were authorized by the Quality Housing and Work Responsibility Act (QHWRA) of 1998.

CHAPTER 5 • *Strategies That Work*

In those states and communities that have made progress in addressing the affordable housing needs of people with disabilities, there are two common elements to their success:

1. The creative use of all available affordable housing programs to expand housing options; and
2. Strong partnerships and collaborations between the affordable housing system and the disability community to ensure that the housing created will meet the needs and preferences of people with disabilities.

DEVELOPMENT OF HOUSING STRATEGIES

Many states are currently exploring ways to incorporate housing strategies into *Olmstead*-related planning activities. In order to have the maximum impact, these strategies should be clear, realistic, feasible, and concrete. State service agencies and the disability community should try to think "outside the box" when developing these recommendations – using both "mainstream" affordable housing programs (e.g., HOME, CDBG, ESG, and HOPWA programs) as well as other resources that can be targeted to people with a disabilities that are in need of affordable housing.

It is important to keep in mind that most HUD housing programs are targeted to all people with disabilities and not to one sub-population (e.g., people with mental illness). For this reason, partnerships and joint advocacy efforts among organizations that serve different disability populations are often helpful when trying to engage housing officials that control access to affordable housing resources.

When developing strategies to obtain affordable housing resources, it is necessary to have a good understanding of exactly how these funds can best be used to expand housing – in other words, to not only know how they **can** be utilized, but also how they **cannot**. For example, HOME funds can be used for tenant-based rent subsidies, but cannot be used for project-based rent subsidies or for project operating subsidies.

It is also important to develop strategies that are **feasible** and that can work in the current housing environment. For example, HOME-funded tenant-based rental assistance resources will not be effective if there is very little rental housing in the area. Similarly, targeting HOME funds for the acquisition and rehabilitation of rental housing will be problematic unless there are organizations with the expertise and experience to "make the projects happen." This chapter includes some examples of creative strategies to address the housing needs of people with disabilities covered by the *Olmstead* decision, including:

- Providing "bridge" rental subsidies for people with disabilities
- Improving access to existing rental assistance programs (including Section 8 Housing Choice Vouchers)

- Ensuring housing affordability for people with disabilities
- Expanding the supply of and access to accessible housing units
- Creating alternative housing options

STRATEGY #1: PROVIDING "BRIDGE" RENTAL SUBSIDIES FOR PEOPLE WITH DISABILITIES

One successful model for helping people with disabilities move from restrictive settings into the community, and gain more access to Section 8 Housing Choice vouchers appropriated by Congress for people with disabilities, is the development of a "bridge" rent subsidy program for people with disabilities. Bridge rent subsidy programs use rental assistance resources – such as HOME or HOPWA tenant-based rental assistance or funding from human service agencies – to provide temporary rental assistance until a person receives a Section 8 voucher.

Bridge subsidies can help a person obtain affordable housing while they apply for and/or wait for a permanent housing subsidy. People who receive bridge subsidies are usually required to apply for a Section 8 voucher as soon as applications are available. Recipients of bridge subsidies typically pay less than 50 percent of their income toward rent, but may pay more than required in the Section 8 program as an incentive to accept the permanent voucher. Units are usually inspected in accordance with HUD's housing quality standards and owners are asked to agree to accept a Section 8 voucher when one becomes available. Bridge subsidy programs can also include a supportive services component that helps people with disabilities successfully obtain and maintain affordable rental housing in the community.

Bridge subsidy programs recognize that although many Section 8 waiting lists are closed, there is still a substantial need for rental assistance among people with disabilities. The program provides the temporary assistance needed until a Section 8 voucher becomes available. Successful bridge subsidy strategies link the program to localities where there is a PHA willing to:

- Adopt a Section 8 preference for people with bridge subsidies; and
- Apply to HUD for more Section 8 vouchers (including those set aside for people with disabilities) when they become available.

These two steps are critical to ensuring that there is a strong linkage between the bridge subsidy program and the Section 8 Housing Choice Voucher program and that new resources will continue to be available over time.

Once they become familiar with the program, well-managed PHAs are usually very willing to participate in bridge subsidy programs. Bridge subsidies can help PHAs to use their vouchers more quickly because people with bridge subsidies are already "leasing in place." This helps the PHA maintain a high Section 8 utilization rate – a new HUD requirement. Bridge subsidies can also help bring new landlords into the Section 8 program. Many states and localities have implemented a bridge subsidy program. The bridge subsidy program administered by the Kentucky Housing Corporation – the state's HFA – is described on page 34.

Bridge subsidy programs can be useful housing strategies in *Olmstead* efforts. Some states – such as Arkansas – have developed bridge subsidy programs that target people with disabilities living in restrictive settings, such as nursing homes, that want to move into the community.

Steps to Create a Bridge Subsidy Program for People with Disabilities

► **Step 1: Identify Funds for Bridge Subsidy.** The first step to develop a bridge subsidy program is to identify the resources to fund the tenant-based rental assistance. Those states and communities that have developed successful bridge subsidy programs have relied primarily on these resources:

- HOME tenant-based rental assistance
- HOPWA tenant-based rental assistance
- Funding from state or local human service agencies

This strategy requires that officials prioritize housing for people with disabilities and agree to use these resources for the creation of a bridge subsidy program. In order to allocate HOME or HOPWA funds for tenant-based rental assistance, housing officials may need to amend the ConPlan for the area.

Effective bridge subsidy programs build on strong partnerships between the disability community and housing officials. As part of this partnership, the disability community could agree to:[8]

- Assist state/local housing officials in identifying people with disabilities (including those people currently living in restrictive settings that want to move into the community).
- Identify funds and strategies to provide supportive service resources to assist with housing search, case management, budgeting and money management, etc.
- Develop a process to coordinate Medicaid waivers and/or support services for these Section 8 participants.
- Help identify resources to assist with moving expenses, first/last month's rent, security deposits, etc.

► **Step 2: Partner with PHAs.** Key to the success of a bridge subsidy program is the development of strong systems-level linkages with PHAs controlling Section 8 vouchers. Without this linkage (which includes special provisions for people with bridge subsidies), people with disabilities using bridge subsidies will have to wait until their name comes to the top of a Section 8 waiting list – a process that often takes years. During this time, the bridge subsidy will be unavailable to other people with disabilities who could benefit from this assistance. The most effective way to establish this linkage is for the PHA to create a Section 8 waiting list preference for people with disabilities participating in the bridge subsidy program.

Bridge rent subsidy programs use rental assistance resources – such as HOME or HOPWA tenant-based rental assistance or funding from human service agencies – to provide temporary rental assistance until a person receives a Section 8 voucher.

Using Bridge Subsidies to Expand Housing Options for People with Disabilities

The State of Kentucky currently uses a bridge rental subsidy program to help meet the housing needs of people with disabilities. The Kentucky Housing Corporation (KHC) – the state HFA – allocates approximately $50,000 in HOME funds to support each local bridge subsidy program. Most existing projects are targeted to individuals with serious mental illness and/or substance abuse disorders. New projects can be targeted to the *Olmstead* population (i.e., people with disabilities living in restrictive settings and those people with disabilities at risk of institutionalization).

Kentucky's bridge subsidy program is primarily a rural housing program. Bridge rental assistance is only offered in those areas of the state covered by the state's ConPlan (i.e., non-entitlement communities).

Integral to the success of this bridge subsidy program are the supportive services funded by the state's human service agencies – including the Kentucky Department for Mental Health and Mental Retardation Services (KDMHMRS) and provided locally by the network of Regional Mental Health/Mental Retardation Boards. Targeted case managers are critical to the success of the bridge subsidy program. Along with the provision of typical case management services, these case managers also recruit landlords, assist in completing necessary paperwork, and inspect housing units.

Currently, KHC, and its strategic partners, are working to strengthen systematic linkages between the bridge subsidy program and Section 8 Housing Choice Voucher programs administered by KHC and local PHAs across the state.

For a PHA to have a waiting list preference for bridge subsidy recipients, this strategy must be included in the PHA's Section 8 Administrative Plan. The Administrative Plan includes the "nuts and bolts" about how the PHA administers the Section 8 program. An amendment to this plan is not usually difficult, but may require approval from the PHA's Board of Directors and other key stakeholders.

As mentioned earlier, there are over 2,600 PHAs administering the Section 8 programs nationwide. Some states have over 150 PHAs while others have only a few. In those states with a state PHA, a bridge subsidy program developed cooperatively by state housing and human service agencies could be easily linked to the state PHA's Section 8 program. However, to implement a bridge subsidy program in states without a state PHA, the disability community will need to identify innovative and willing PHAs at the local level and pilot the program in those communities. Once implemented, this pilot initiative could be expanded to involve other PHAs in other parts of the state.

► **Step 3: Expanding Supply of Vouchers.** To make a bridge subsidy successful over the long term, there must be a sufficient supply of Section 8 vouchers. With enough vouchers, people with disabilities can transition to Section 8 vouchers fairly quickly and the bridge subsidies can continue to be recycled among people with disabilities in need of housing assistance. It is, therefore, critical that PHA partners in a bridge subsidy program not only agree to establish a waiting list preference for bridge subsidy recipients, but also to apply for new Section 8 vouchers as they become available from HUD.

STRATEGY #2: IMPROVING ACCESS TO EXISTING RENTAL ASSISTANCE PROGRAMS

#2

Currently over 1.8 million households receive housing assistance through the Section 8 program. However, despite the dire poverty of people with disabilities, only a small portion of these Section 8 households include an adult with a disability. Given the extremely low-incomes of people affected by the *Olmstead* decision, it is clear that any *Olmstead*-related housing strategy must increase access to valuable HUD rental assistance programs – including the Section 8 Housing Choice Voucher program, Shelter Plus Care program, etc.

As a result of the devolution of housing decisions to state and local housing officials, PHAs now have the discretion to create Section 8 policies that meet the housing needs of people in their jurisdictions. Although given this authority, many PHAs still do not use it to modify policies to increase access by people with disabilities to PHA resources. In addition, many PHAs are unaware of, or unfamiliar with, the fair housing laws and the resulting PHA obligations to make changes to their policies and programs to ensure access by people with disabilities.

Some examples of Section 8 policies that could increase access to vouchers by people with disabilities include:

- Sending copies of all correspondence with Section 8 applicants to a designated second party
- Providing a higher payment standard for people with disabilities
- Expanding the definition of "disabled household" to include unrelated adults with disabilities living together
- Providing extensions to the housing search time beyond 120 days
- Allowing vouchers to be used in congregate housing, group homes, SROs, and in roommate situations

In addition, to these programmatic changes, PHAs can use their resources to implement policy changes or address social concerns at the systems level. One method for achieving this is establishing "set-asides" within a PHA's Section 8 program for specific households. For example, a PHA could choose to set aside 100 Section 8 vouchers for people with disabilities covered by the *Olmstead* decision. Through *Project Access*, the New Jersey Department of Community Affairs administers 40 Section 8 Housing Choice Vouchers set aside for people with disabilities that want to move out of nursing homes and other restrictive settings. See page 36 for more information about *Project Access.*

Steps to Develop a Set-Aside within the Section 8 Housing Choice Voucher Program for People with Disabilities with Medicaid Waiver Services

- **Step 1: Partner with a PHA.** Those states with a state PHA should approach the PHA about establishing a Section 8 set-aside for people with disabilities receiving Medicaid waiver services. In those states without a state PHA, as with the bridge subsidy program, the disability community could start by identifying innovative and willing local PHAs and pilot the set-aside program in those communities. Once implemented in one community, it will be much easier for the disability community to convince other PHAs to be involved in this set-aside initiative.
- **Step 2: Modify Section 8 Administrative Plan.** As with strategy #1 above, for a PHA to

create a set-aside within the Section 8 program, this strategy must be included in the PHA's Section 8 Administrative Plan. The Administrative Plan includes the "nuts and bolts" about how the PHA administers the Section 8 program. An amendment to this plan is not usually difficult, but may require approval from the PHA's Board of Directors and other key stakeholders.

Targeting Section 8 Housing Choice Vouchers to People with Disabilities Living in Retrictive Settings

In 2000, HUD announced the availability of $2.5 million to support 400 Section 8 Housing Choice Vouchers targeted to people with disabilities transitioning from nursing homes to the community through the *Project Access* program (formerly known as Access Housing 2000). Public Housing Agencies were eligible for Project Access funding; however, as part of the PHA application to HUD, PHAs were required to partner with human service and disability agencies.

PHAs in 11 states were awarded Project Access vouchers[9] including the New Jersey Department of Community Affairs (NJDCA) – the state PHA – which received 40 vouchers. NJDCA assists over 18,000 households throughout the State of New Jersey with Section 8 vouchers, HOPWA tenant-based rental subsidies, Shelter Plus Care subsidies, and other resources. Through Project Access, and its other housing programs for people with disabilities, NJDCA coordinates with a variety of non-profit agencies – including Independent Living Centers – as well as the state Department of Human Services, Divisions of Mental Health Services, Developmental Disabilities, and the Department of Health and Senior Services.

As part of Project Access, NJDCA will enter into a formal agreement with the state Medicaid agency, as well as other state agencies. Through this partnership, 40 disabled households will be able to transition from nursing homes throughout New Jersey to community living.

► **Step 3: Create the Infrastructure to Help People with Disabilities Utilize Set-Aside Vouchers.** In order to be successful, a Section 8 set-aside initiative must ensure that these set-aside vouchers are utilized by the targeted population. New "use it or lose it" federal policies require that PHAs utilize their vouchers or risk having to return them to HUD. A voucher is considered "used" if the voucher holder has actually rented a unit. Vouchers given to households that are searching for housing are not considered utilized and are at risk of being lost, according to current HUD policy.

Because of these new federal voucher utilization policies, it is critical that the disability community work closely with PHAs to create an infrastructure to ensure that any vouchers set aside for people with disabilities are effectively and efficiently utilized. This discussion could include making modifications to Section 8 program policies, such as those described earlier. Also, included in this effort could be ways the disability community could help people with disabilities utilize Section 8 vouchers. For example, the disability community can help a PHA by:

- Identifying people with disabilities with Medicaid waiver services
- Providing funds to make accessibility modifications to housing units
- Conducting outreach to landlords and owners.
- Using Section 8 vouchers in service provider-owned housing
- Assisting with housing search and negotiations with landlords
- Providing funding for security deposits, first/last month's rent, utility deposits, etc.

#3

STRATEGY #3: ENSURING HOUSING AFFORDABILITY FOR PEOPLE WITH DISABILITIES

In order to expand housing for people with severe disabilities, and particularly accessible housing, both rental assistance and development strategies are necessary. As described in Chapter 1, the extremely low income of most people receiving disability benefits is a major barrier that most federal housing policies and programs do not address. Simply put, it costs more to provide decent and affordable housing for people with disabilities than it does for most other groups eligible for government housing programs.

Because of their limited incomes, people with disabilities need more rent subsidy funding than low-income working families. Competition for available housing resources may be strong in many areas and the disability community must be knowledgeable about the process for setting priorities, the array of resources that are available, and how to access them.

Long-standing HUD programs that provided "deeply" subsidized housing for the lowest-income groups (e.g., Section 8 New Construction/Substantial Rehabilitation program, new public housing units, Section 811, etc.) have been reduced or eliminated from the federal budget. Replacing them are housing programs and financing mechanisms that are more easily targeted to higher-income households, including the HOME and Community Development Block Grant programs, the federal Low Income Housing Tax Credit program, and bond financing. State and local government housing agencies are producing thousands of units of "affordable housing" with these programs. However, in most instances, this new supply of housing is not affordable to people with SSI incomes of approximately $545 per month.

One successful strategy for addressing this "affordability" problem is the use of financing models that include rent or operating subsidies so that the units produced will be affordable to people with SSI level incomes. Without this rent or operating subsidy, rents in "affordable" housing produced by most government housing programs will not be affordable to people receiving SSI or other disability benefits. Some human service agencies have taken action toward creating additional affordable housing for low-income people with disabilities. The District of Columbia Department of Mental Health uses mental health funding to build, renovate, and buy housing for people with mental illness. See page 39 for more information about this capital fund initiative.

Steps to Create Deeply Subsidized Housing

► **Step 1: Educate Housing Officials About Models and Financing of Housing for People with Disabilities.** Many housing officials are unaware or unfamiliar with the models of housing that people with disabilities prefer. For many housing officials, housing for people with disabilities means single-purpose congregate housing with on-site supportive services. Although this model is preferred by some elderly people with disabilities, many younger people with disabilities prefer housing that is integrated into the community and not targeted to a certain group or disability such as people with mental illness.

To create more housing that is affordable to extremely low-income people with disabilities, the disability community may have to educate housing officials about the housing preferences of people with disabilities and the financing of housing that facilitates community integration. In most cases, this housing is scattered-site and can include freestanding duplexes or other scattered-site models, or can be a set-aside of units in a larger affordable housing development, including mixed-income developments financed with federal Low Income Housing Tax Credits.

► **Step 2: Identify Capital Funding.** To create new affordable housing, it is necessary to identify the funding needed to construct, acquire, or renovate a property. Usually, this involves accessing capital funds from more than one source. Sources of capital financing could include HOME or CDBG funding, state bond financing, housing trust funds, Low Income Housing Tax Credits, Supportive Housing Program funds, etc.

To lower the ongoing cost of operating the housing, housing development capital should be debt-free whenever possible. Debt-free capital can be structured as either cash flow loans or as deferred payment, forgivable loans secured with a long-term use restriction to ensure that the housing remains affordable for a long time.

► **Step 3: Identify Subsidy Funding.** Equally as important as the capital financing are the resources that subsidize the rents and/or operating costs so that the owner can charge lower rents. It is this critical subsidy funding that ensures that the housing is affordable to people with incomes below 30 percent of the area median income.

To ensure financial feasibility and affordability for people with disabilities, all new housing projects should be underwritten with some form of rental assistance strategy. A good source of subsidy funding is the new Section 8 project-based assistance program. Section 8 project-based rent subsidies could be provided through partnerships with PHAs that agree to participate in a demonstration program to create more housing for extremely low-income households.

Other resources that could provide subsidies include the McKinney/Vento Shelter Plus Care program or Housing Opportunities for People with AIDS program. A few jurisdictions use human service funds to provide project-based rent subsidies, in particular for those housing projects which, for numerous reasons, are difficult to fund initially with Section 8 project-based subsidies. These subsidies are usually either bridge subsidies until Section 8 assistance can be substituted, or are permanent project-based rental subsidies funded in an approach similar to the practice of supporting the costs of operating state-funded group home programs.

#4

STRATEGY #4: EXPANDING THE SUPPLY OF AND ACCESS TO ACCESSIBLE HOUSING UNITS

Many people with disabilities have mobility, visual, or auditory impairments and will need affordable barrier-free housing. Unfortunately, in most states and communities, barrier-free housing is scarce and difficult to locate.

Some communities have prioritized the needs of people with physical disabilities and have implemented innovative strategies to assist them in locating accessible units. Examples of these strategies include:

- **Establishing a pool of resources to fund accessibility modifications in existing housing.** In many communities there is not enough accessible housing and people with disabilities often have to make modifications to existing housing to have it fit their needs. According to federal fair housing laws, private landlords must allow people with disabilities to make these reasonable modifications; however, in most states, the landlord is not required to pay for these changes. Unfortunately, funding to make accessibility modifications is scarce or non-existent in many areas. This lack of funding could be a significant barrier to implementing some of the Section 8 strategies described earlier.

  To address this problem, some communities have pooled resources – including CDBG, VA resources, human service funding, etc. – to use for accessibility modifications. This pool is a critical component to a bridge subsidy program or any *Olmstead*-related housing strategy to help people with disabilities living in restrictive settings – many with significant physical disabilities – to access housing in the community.

- **Actively enforcing federal fair housing laws that require housing developers to include set-asides of accessible units.** It is important to note that a major goal of the federal fair housing laws was the promotion (and enforcement) of the creation of accessible or adaptable housing. In other words, those federal housing resources used to develop new affordable housing units – such as CDBG and HOME funds – have strict federal requirements

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Using Human Service Funding to Support a Capital Strategy

In recent years, the District of Columbia Department of Mental Health (DMH) has implemented an aggressive initiative to increase housing options for people with serious and persistent mental illness. Since 1994, DMH has allocated over $20 million in mental health funding to buy, build, or renovate over 900 units of affordable housing for people with mental illness in DC.

The housing units developed with this funding vary from units in apartment buildings, and single room occupancies to units in single family homes. DMH has utilized both the single-purpose and mixed-use models of housing. Many of the units are operated under a supported housing model, whereby consumers of DMH services choose their mental health services and their housing, independent of those services.

DMH also uses mental health funding to help subsidize the rents of people with mental illness through both tenant-based rental assistance programs (using the bridge subsidy model described on page 32) and operating subsidies to assist the tenants of housing developed with DMH capital funds.

In 2002, DMH began a collaboration with other DC human service agencies, the DC Housing Authority, DC Housing Finance Agency, and the DC Department of Housing and Community Development in an effort to leverage DMH's capital and housing subsidy funding to significantly expand the availability of decent, safe, and affordable supportive housing for consumers of the public mental health system.

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for including set-asides of accessible housing units. More specifically, housing developed with these funds must set aside at least five percent of the units as barrier-free and two percent for people with visual or auditory impairments.

Unfortunately, many builders and housing developers are unaware or unfamiliar with these requirements. The disability community, working in partnership with state and local housing officials that control access to these federal housing resources, should work to educate builders and developers about their obligations and ensure that these obligations are met.

- **Developing a database of all housing developed with these federal funds.** Even in those communities where new units of accessible housing are being built all the time, it is often difficult for people with disabilities in need of accessible housing to locate these units. To address this problem, many states and localities have developed databases of housing developed with CDBG, HOME, Low Income Housing Tax Credits, and other resources, including information about the number of accessible units. To be most effective, these databases should be regularly updated, include all the units created throughout the state (i.e., not just those developed using resources controlled by state housing officials, but also those funded with resources from local cities and counties), and published in easily accessible locations, such as City Hall, local libraries, and online. For example, the Delaware State Housing Authority publishes an online directory of subsidized housing.
- **Creating an interactive housing registry listing all vacant units with accessibility features.** Unfortunately, in most states there is no formal mechanism in place to compel landlords of barrier-free units to list vacancies as they occur or to provide information about the unique accessibility features of their units. When this information is available, it is often too labor intensive and costly for providers to update their systems in a timely manner and make this information available to people with disabilities in need of affordable housing.

In response to this issue, some states have created

Linking People with Disabilities to Accessible Housing

Each year, the Delaware State Housing Authority (DSHA) publishes its *Housing Services Directory.* This directory is an extremely useful tool for any household searching for housing assistance in the state. Not only does the directory list all the agencies in the state (by county) that provide housing assistance, but also provides information about emergency shelters and transitional housing programs.

One of the most helpful sections of the directory is the listing of affordable and rental housing sites throughout the state. This listing includes all subsidized housing units statewide. For each property, the directory provides contact information (name, address, phone number, and manager's name) as well as a description about the site, including whether the building has any accessible units. Equally as important, the listing provides information about whether there is a waiting list for the building and if there is a fee for submitting an application.

The Housing Services Directory is available online (www2.state.de.us/dsha/directory_frame.htm), making it accessible to people from various locations. A copy can also be picked up at DSHA's office.

interactive registries of barrier-free subsidized housing and require owners to list all vacancies. These registries include computerized databases that track accessible units including information on whether the unit is vacant and the unique features of that unit. The databases include accessible and adaptable residential units including subsidized and some market-rate units. This type of interactive clearinghouse provides a "one-stop" approach for accessible and barrier-free units and minimizes the likelihood that they will be rented by people who do not need the special features of the unit.

#5 STRATEGY #5: CREATING ALTERNATIVE HOUSING OPTIONS

There is not one model of housing that meets the needs of all people with disabilities. For example, many non-elderly people with disabilities may prefer to live in housing that is integrated in the community while some elderly people with disabilities may prefer housing that is specifically for elders and provides on-site services to meet their needs. In addition, there may be people with disabilities that prefer to own their own home while others prefer to rent. It is important that any *Olmstead*-related housing strategy include the creation of a variety of housing options – including assisted living and homeownership.

Assisted Living

It is estimated that approximately 6.5 million people today age 65 and over need assistance with activities of daily living. By 2020, this number will have doubled.[10] Many of these people are disabled and at risk of institutionalization, and covered by the *Olmstead* decision. Although some elderly people with disabilities choose to live independently, with or without services, a large number may prefer to live in some type of affordable senior living situation, such as assisted living.

According to the Assisted Living Federation of America,[11] assisted living is a special combination of housing, supportive services, personalized assistance, and health care designed to respond to the individual needs of those who need help with activities of daily living and instrumental activities of daily living. Usually, supportive services are available, 24-hours a day, to meet the needs of residents, in a way that promotes maximum dignity and independence for each resident and involves the resident's family, neighbors, and friends. However, each state determines their own definition of assisted living as well as policies concerning the services available, entry and move out criteria, etc. By 2003, 41 states were able to provide Medicaid coverage for services in assisted living settings.

In order to meet the needs of elderly people with disabilities, it is crucial that any *Olmstead* housing strategy also include the creation of more cost effective, less restrictive alternatives to nursing home care, such as assisted living, particularly for low-income elderly people with disabilities. MassHousing – the Massachusetts HFA – has implemented a program to expand assisted living options for elderly people. See page 42 for more information about the MassHousing initiative.

Creating Affordable Assisted Living

The Elder CHOICE program administered by MassHousing – the state housing finance agency – helps developers build and operate housing for seniors who need assistance to live independently but do not need nursing home care. The program is unusual in that it provides assisted living services and reserves 20 percent of the units for extremely low-income elderly people who are Medicaid eligible. The program has developed over 700 units of housing, with more in the pipeline, and won the Innovations in American Government Program from the Kennedy School of Government at Harvard University and the Ford Foundation in 1995.

To design and implement the program, and to speed project review, MassHousing assembled a working group of specialists in areas such as design, housing management, service delivery, and local underwriting. The interdisciplinary group developed comprehensive, streamlined methods that have proven to facilitate loan applications.

Financing for the Elder CHOICE program requires the creative use of funding from multiple sources, including bond financing, equity from private developers, proceeds from the sale of Low Income Housing Tax Credits, and other federal sources. Operating costs for the low-income units (which can run as high as $25,000 per unit per year including debt service) come from tenant rents in the market rate units, and the Group Adult Foster Care (GAFC) program, a Medicaid-funded nursing home diversion program that saves the state thousands of dollars per person per year. The GAFC contributes approximately $1,300 dollars per month in operating income per resident to the project for services that include personal care, cooking, housekeeping, laundry and housekeeping, and transportation. Coordination for other community-based services, including primary health care, is also provided by project staff.

Homeownership

Homeownership for people with disabilities has recently gained national attention primarily due to the following factors:

- Findings from the National Home of Your Own (HOYO) Initiative[12] demonstrated that people with disabilities can be successful homeowners.
- Some financial institutions – such as Fannie Mae – have created mortgage products tailored to meet the unique needs of low- and very low-income people with disabilities.
- A few states have developed low-interest mortgage products, often targeted to people with disabilities.

A critical element common to all three of these trends has been the recognition that that some people with disabilities might need not only a unique financing and underwriting strategy, but also access to a wide range of financial and personal support services from public and non-profit housing and service agencies if they are to realize their dream of owning their own home. To meet these needs, most homeownership activities targeted to people with disabilities rely heavily on the homeownership coalition model. This model is intended to be a public/private partnership designed to provide a comprehensive approach to first-time homeownership for people with disabilities.

Through these coalitions, people with disabilities have been able to overcome the traditional barriers of buying a home – such as developing a credit history, saving money for a down payment, and documenting a stable source of income. As states involved in *Olmstead* planning develop ways to create more affordable and accessible rental housing, strategies to increase homeownership opportunities for people with disabilities should also be explored. The State of Maryland has designed an innovative homeownership program for people with disabilities. See page 43 for more information about this homeownership initiative.

Financing Homeownership Programs for People with Disabilities

The State of Maryland is nationally recognized as a leader in the development of homeownership programs for people with disabilities. The Maryland Home Ownership Program for People with Disabilities, which is one of only a handful of these type of programs nationwide, begun in 1998 as a collaborative effort of the Maryland Developmental Disabilities Council, Department of Housing and Community Development (DHCD), the Governor's Office for Individuals with Disabilities, Department of Health and Mental Hygiene, Independence Now, self-advocacy groups, and agencies providing services to people with disabilities. The Maryland Home Ownership program, which is administered by DHCD, is unique in that it involves a substantial commitment of state resources – over $8.25 million spent to date and an additional $2.5 million allocated each year for the next 3 years.

The program has been extremely successful and has assisted over 105 low- and moderate-income people with disabilities. The average loan amount is $74,708, although loan amounts range from $27,000 to $120,000. The Maryland Home of Your Own Coalition has played a key role by providing technical assistance, training, information/referral, education, and advocacy for housing counselors, lenders, realtors, non-profit developers, and other housing professions. A cross-disability coalition approach has ensured that the program is accessible for people with all types of disabilities, including mental illness, mental retardation, and other developmental disabilities, as well as people with mobility or sensory impairments. This coalition was also key factor in the success of recent advocacy efforts to obtain continuation funding.

Perhaps the most important factor in the program's success is the state's commitment to provide a very low-interest mortgage product. During the first phase of the program, interest rates could range anywhere from 0-5 percent, which was an effort to take into account the extremely low incomes of people with disabilities. New policies set a fixed rate of 3 percent, which is still well below market.

CONCLUSION

In the end, innovation in affordable housing practices benefiting people with disabilities will also depend on intangibles, including a culture of innovation and change, and the leadership it takes to sustain the process of systems change. However, the authors of this report firmly believe that these dynamics can be fostered and enhanced by: 1) developing working partnerships between the affordable housing system and the disability community; 2) creatively utilizing **all** available resources – both housing and service resources; and 3) prioritizing the housing needs of people with disabilities.

[8] Many of the services listed can be paid for through Medicaid Home and Community Based waivers if the services are needed to help a person with a disability relocate from a nursing home.

[9] The following PHAs received Project Access vouchers: Colorado Department of Human Service (40); Miami-Dade (FL) Housing Agency (10); Michigan State Housing Development Authority (40); New Hampshire Housing Finance Authority (50); New Jersey Department of Community Affairs (40); Albuquerque (NM) Housing Services (40); Oklahoma City (OK) Housing Authority (25); Portland (OR) Housing Authority (20); Pennsylvania Housing Authorities of Dauphin, Lehigh, Cumberland, and Schuylkill counties (50); Texas Department of Housing and Community Affairs (35); Washington Housing Authorities of King and Thurston counties (50).

[10] Data from the National Cooperative Bank Development Corporation at www.ncbdc.org.

[11] More information about assisted living is available online at www.alfa.org.

[12] HOYO grew from locally based homeownership pilot program to a national effort funded by the Administration on Developmental Disabilities within the U. S. Department of Health and Human Services from 1993 to 1998. Many HOYO coalitions now offer the Fannie Mae HomeChoice mortgage (described in Appendix A) as well as other mortgage products that meet the needs of people with disabilities.

Housing Activity Matrix

Program	Activity: New Construction	Acquisition	Rehabilitation	Rental Assistance Tied to a Bldg/Unit
Consolidated Plan Programs				
Emergency Shelter Grant			✔	
Community Development Block Grant	✔	✔	✔	
HOME Investment Partnership Program	✔	✔	✔	
Housing Opportunities for People with AIDS	✔	✔	✔	✔
Homeless Assistance Continuum of Care Programs				
Supportive Housing Program	✔	✔	✔	
Section 8 Moderate Rehabilitation SRO				✔
Shelter Plus Care				✔
Public Housing Agency Programs				
Public Housing				✔
Section 8 Housing Choice Voucher Program				✔
Other HUD Programs				
Section 811 Supportive Housing for Persons with Disabilities	✔	✔	✔	✔
Section 202 Supportive Housing for the Elderly	✔	✔	✔	✔
HOPE VI	✔	✔	✔	
Section 232 Mortgage Insurance	✔	✔	✔	
U.S. Department of Agriculture Programs				
Section 515 Rural Rental Housing Program	✔	✔	✔	
Section 538 Rural Rental Housing Guaranteed Loan Program	✔	✔	✔	
Other Housing and Finance Tools				
Low Income Housing Tax Credits	✔	✔	✔	
Housing Trust Funds	✔	✔	✔	
Tax Exempt Bond Financing	✔	✔	✔	
Affordable Housing Finance Programs of Government-Chartered Corps.	✔	✔	✔	
Below-Market Lenders – Community Development Loan Funds				
Historic Tax Credits		✔	✔	

*Resources can be used to fund supportive service and operating reserve funds.

Rental Assistance Portable	Support Services	Leasing Property	Operating Costs	Pre-Development Loans	Homeownership Activities
	✔		✔		
	✔		✔		✔
✔					✔
✔	✔	✔	✔		
✔	✔	✔	✔		
✔					
✔					✔
	✔				
	✔*		✔*		
				✔	
				✔	
				✔	
				✔	
	✔*		✔*		

APPENDIX A

Housing Resources Available to Meet the Housing Needs of People with Disabilities

Program Descriptions

- Emergency Shelter Grant
- Community Development Block Grant
- HOME Investment Partnership Program
- Housing Opportunities for People with AIDS Competitive Grants
- Housing Opportunities for People with AIDS Formula Grants
- Supportive Housing Program
- Section 8 Moderate Rehabilitation SRO
- Shelter Plus Care
- Public Housing
- Section 8 Housing Choice Voucher Program
- Section 811 Supportive Housing for Persons with Disabilities
- Section 202 Supportive Housing for the Elderly
- HOPE VI
- Section 232 Mortgage Insurance for Nursing Homes, Intermediate Care, Board and Care, and Assisted Living Facilities
- Section 515 Rural Rental Housing
- Section 538 Rural Rental Housing Guaranteed Loan
- Low Income Housing Tax Credits
- Housing Trust Funds
- Tax Exempt Bond Financing
- Affordable Housing Finance Programs of Government-Chartered Corporations
- Below-Market Lenders – Community Development Loan Funds
- Historic Tax Credits

Emergency Shelter Grant (ESG)

Program Description

The Emergency Shelter Grant (ESG) program is a federal program designed to help states and local communities meet the basic shelter and supportive services needs of homeless people while also preventing more individuals and families from becoming homeless. In fiscal year 2002, Congress appropriated over $149 million for the ESG program.

The objectives of the ESG program are to increase the number and quality of emergency shelters and transitional housing facilities for homeless individuals and families, to operate these facilities and provide essential social services, and to help prevent homelessness.

ESG funds are targeted specifically to people who are homeless or at risk of homelessness.

What Can ESG Funds Be Used For?

ESG funds can be used for the following activities:

- Renovation, major rehabilitation, and conversion
- Operating costs (no more than 10 percent of ESG grant)
- Administrative costs (no more than 5 percent of ESG grant)
- Essential services such as housing counseling, employment, mental health, substance abuse, education, etc. (no more than 30 percent of ESG grant)
- Homeless prevention activities (no more than 30 percent of ESG grant)

All state and local grantees are required to provide a match for ESG funds. Local governments must provide a dollar-for-dollar match. States must also provide a match but can choose not to match the first $100,000 of the ESG grant.

How Are ESG Funds Awarded?

Each year, ESG funds are awarded to all states and certain eligible jurisdictions – typically municipalities with populations over 50,000 and urban counties with populations over 200,000 – based on a HUD-determined formula.

State ESG grantees must distribute the funds to local governments and non-profit organizations to perform approved activities. States grantees may not allocate ESG funds to state agencies. Local government ESG grantees may distribute the funds directly to non-profits or administer the funds themselves.

All eligible communities must have a HUD-approved Consolidated Plan (ConPlan) in order to obtain ESG resources. The ConPlan is the "master plan" for affordable housing in local communities and states. The ConPlan is intended to be a comprehensive, long-range planning document that describes housing needs, market conditions, and housing strategies. The ConPlan should also outline an action plan for the use of federal housing funds, including ESG dollars. A complete list of ESG recipients and contact information is available at www.hud.gov/offices/cpd/about/rulesandregs/conplan/local/index.cfm.

Additional Resources

- HUD Contact:
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  Program Coordination and Analysis Division
  Office of Special Needs Assistance Programs
  Office of Community Planning and Development
  U.S. Department of Housing and Urban Development
  451 Seventh Street, SW, Room 7262
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  Fax: (202) 708-3617
  Email: larry_blume@hud.gov

Authorization

The ESG program is authorized by Title IV, McKinney/Vento Homeless Assistance Act of 1987 (42 U.S.C. 113171 et seq.).

Regulations

ESG regulations are located at 24 Code of Federal Regulations, Part 576.

Community Development Block Grant (CDBG)

Program Description

The Community Development Block Grant (CDBG) program is a federal grant provided to all states and certain localities. In 2002, Congress appropriated over $4.34 billion for the CDBG program. All CDBG projects must address one of the three national objectives of the program:

- Benefit low- and moderate-income people
- Eliminate or prevent slums and blight
- Meet an urgent community need

What can CDBG Funds Pay For?

At least 70 percent of CDBG funds must be used to benefit low- and moderate-income people by providing decent housing and a suitable living environment, and by expanding economic opportunities. CDBG can be spent on any of the following activities:

- Housing rehabilitation (loans and grants to homeowners, landlords, non-profit organizations, developers);

Community Development Block Grant (cont.)

- New housing construction (only if completed by non-profit groups);
- Purchasing land and buildings;
- Construction of public facilities, such as shelters for the homeless;
- Construction of neighborhood service centers or community buildings;
- Code enforcement, demolition, and relocation funds for people displaced because of CDBG projects;
- Making buildings accessible to the elderly and handicapped; and
- Public services (capped at 15 percent of a jurisdiction's CDBG funds) such as vocational services for people with disabilities, healthcare, and childcare.

How are CDBG Funds Awarded?

CDBG funds are allocated through a HUD-established formula to "entitlement communities" (typically municipalities with populations over 50,000 and urban counties with populations over 200,000) and to all states. States may use CDBG funds only in "non-entitlement communities," including rural areas.

HUD determines the amount of each grant by measuring several objective measures of community needs, including the extent of poverty, population, housing overcrowding, age of housing, and population growth in relationship to other metropolitan areas.

All eligible communities must have a HUD-approved Consolidated Plan (ConPlan) in order to obtain CDBG resources. The ConPlan is the "master plan" for affordable housing in local communities and states. The ConPlan is intended to be a comprehensive, long-range planning document that describes housing needs, market conditions, and housing strategies. The ConPlan should also outline an action plan for the use of federal housing funds, including CDBG dollars. A complete list of CDBG recipients and contact information is available at www.hud.gov/offices/cpd/about/rulesandregs/conplan/local/index.cfm.

How Can CDBG Funds be Used to Create Housing for People with Disabilities?

CDBG funds can provide communities with valuable resources to meet the housing needs of people with disabilities through these activities:

- Rental housing
- Homeownership activities
- Homeowner repair
- Public services
- Accessibility modifications

1. Rental Housing

CDBG resources can be used to cover the cost of acquiring land and buildings, renovating properties, and doing new construction (if carried out by an eligible non-profit organization).

The rental housing developed using CDBG funds can take on many forms. The units can range in size from single room occupancy units or efficiencies to multi-bedroom apartments. Units can be located in smaller structures or large apartment complexes.

2. Homeownership activities

CDBG funds can be used to assist low- and moderate-income households to become homeowners in a many ways including: providing funds to cover a down payment or closing costs; subsidizing interest rates and mortgage principal amounts; and buying guarantees for mortgage financing obtained by homebuyers from lenders.

For people with disabilities, CDBG funds can help remove many of the obstacles to homeownership, including lack of financial resources and lack of credit.

3. Homeowner Repair

Many low-income homeowners struggle to cover the on-going costs related to maintaining their homes, (e.g., mortgage payments, taxes, and utilities), and often must forego needed repairs to their properties due to lack of resources. CDBG funds can be used to assist homeowners to make these needed improvements, including making their homes accessible, improving energy efficiency, and removing code violations.

4. Public Services

Up to 15 percent of an entitlement community's CDBG funds can be used to carry out public services, such as the operation of transitional housing programs or youth centers, housing counseling activities, etc.

5. Accessibility Modifications

CDBG regulations specifically allow CDBG funds to remove architectural barriers that present obstacles for people with disabilities. Many states and localities have used CDBG resources to help people with disabilities – both renters and homeowners – make access modifications to their homes.

Additional Resources

- *Affordable Housing in Your Community What You Need to Know! What You Need to Do!* Opening Doors: Issue 8, September 1999. Technical Assistance Collaborative and the Consortium for Citizens with Disabilities Housing Task Force. www.tacinc.org.
- *Piecing It All Together: Playing the Housing Game* (1999). Technical Assistance Collaborative and the Consortium for Citizens with Disabilities Housing Task Force. www.tacinc.org.

Community Development Block Grant (cont.)

- *CDBG: An Action Guide to the Community Development Block Grant Program* (1998). Center for Community Change. www.communitychange.org
- HUD Contact:
  Sue Miller, Director
  Entitlement Communities Division
  Office of Block Grant Assistance
  Office of Community Planning and Development
  U.S. Department of Housing and Urban Development
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  Tel: (202) 708-1577
  Fax: (202) 401-2044

Authorization

The CDBG program is authorized by Title I of the Housing and Community Development Act of 1974, as amended.

Regulations

Regulations for the CDBG program are located at 24 Code of Federal Regulations, Part 570.

HOME Investments Partnerships Program (HOME)

Program Description

The federal government created the HOME Investment Partnerships Program in 1990. The HOME program is a formula grant of federal housing funds given to states and localities. In 2002, Congress appropriated over $1.7 billion that was distributed by formula to approximately 560 communities and states.

What Can HOME Funds Pay For?

HOME dollars can be used to:

- Build or renovate rental housing
- Finance homeownership opportunities
- Repair homes, including making buildings physically accessible
- Provide rental subsidies to eligible households

All housing developed with HOME funds must serve low- and very low-income individuals and families.

How Are HOME Funds Awarded?

All states and certain local jurisdictions receive HOME funds based on an established federal formula. Local jurisdictions can be larger cities or a consortia of smaller communities (called Participating Jurisdictions, or "PJs"). A PJ must use non-federal resources to provide a 25 percent match of the HOME funds it receives.

All eligible communities must have a HUD-approved Consolidated Plan (ConPlan) in order to obtain HOME resources. The ConPlan is the "master plan" for affordable housing in local communities and states. The ConPlan is intended to be a comprehensive, long-range planning document that describes housing needs, market conditions, and housing strategies. The ConPlan should also outline an action plan for the use of federal housing funds, including HOME dollars. A complete list of HOME recipients is available at www.hud.gov/offices/cpd/affordablehousing/programs/home/contacts/index.cfm.

How Can HOME Funds Be Used to Create Housing for People with Disabilities?

The HOME program is notable for the flexibility it offers communities in meeting their affordable housing needs. HOME funds can be used to fund four primary housing activities:

- Rental housing
- Tenant-based rental assistance (two-year renewable subsidies)
- Homeownership
- Homeowner repair

Up to 15 percent of a community's HOME grant must be reserved for projects owned, developed, or sponsored by qualified community housing development organizations (CHDOs). CHDOs are certain non-profit organizations that create affordable housing in the communities in which they work. A community can also use up to 10 percent of its allocation of HOME funds to cover administrative expenses.

1. Rental Housing

HOME resources can be used to cover the cost of acquiring land and buildings, renovating properties, and doing new construction. Funds can be provided for projects developed by both for-profit and non-profit developers and can be made available in the form of grants or loans.

The rental housing developed using HOME funds can take many forms. The units can range in size from single room occupancy units or efficiencies to multi-bedroom apartments. Units can be located in smaller structures or large apartment complexes.

For rental housing, at least 90 percent of HOME funds must benefit families whose incomes are at or below 60 percent of area median income; the remaining 10 percent must benefit families with incomes at or below 80 percent of area median income. A state or participating jurisdiction may have even lower income targeting for their HOME funds.

HOME Investments Partnerships Program (cont.)

2. Tenant-Based Rental Assistance

HOME funds can be used to provide tenant-based rental assistance. Communities can use HOME funds to provide eligible tenants with resources to support rental payments and security deposits. Tenants typically pay 30 percent of their income toward rent.

HOME tenant-based rental assistance is awarded for a two-year timeframe but can be extended if HOME funds are available. Communities can create a HOME-funded tenant-based rental assistance program that targets a particular population, such as people with disabilities currently living in nursing homes.

3. Homeownership Activities

HOME funds can be used to finance the acquisition, rehabilitation, and/or new construction of homes for homebuyers by providing resources for down payments, low-interest mortgages, and/or to subsidize the cost of construction. The housing must be a one- to four-family residence, condominium, cooperative unit, or manufactured housing and lot.

4. Homeowner Repair

Many low-income homeowners struggle to cover the ongoing costs related to maintaining their homes (e.g., mortgage payments, taxes, and utilities), and often must forego needed repairs to their properties due to lack of resources. HOME funds can be used to assist with these repairs and expenses.

Additional Resources

- *HUD's HOME Program: Can it Really Work for People with Disabilities?* Opening Doors: Issue 16, December 2001. Technical Assistance Collaborative and the Consortium for Citizens with Disabilities Housing Task Force. www.tacinc.org.
- *Affordable Housing in Your Community What You Need to Know! What You Need to Do!* Opening Doors: Issue 8, September 1999. Technical Assistance Collaborative and the Consortium for Citizens with Disabilities Housing Task Force. www.tacinc.org.
- *Piecing It All Together: Playing the Housing Game* (1999). Technical Assistance Collaborative and the Consortium for Citizens with Disabilities Housing Task Force. www.tacinc.org.
- *Special Needs Housing and the HOME Program* (2001). U.S. Department of Housing and Urban Development.
- HUD Contact:

  Virginia Sardone, Director, Program Policy Division
  Office of Affordable Housing Programs
  Office of Community Planning and Development
  U.S. Department of Housing and Urban Development
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  Fax: (202) 708-1744

Authorization

The HOME program is authorized under Title II of the Cranston-Gonzales National Affordable Housing Act, as amended.

Regulations

HOME regulations are located at 24 Code of Federal Regulations, Part 92.

Housing Opportunities for Persons with AIDS (HOPWA) Competitive Grants

Program Description

The Housing Opportunities for People with AIDS (HOPWA) program provides grant funds to state and local governments to design long-term, comprehensive strategies for meeting the housing needs of low-income people living with HIV/AIDS or related diseases and their families. Of the total HOPWA funding, 10 percent is awarded through competitive grants under the following categories:

- ***Special Projects of National Significance*** **(SPNS)**: Grants for projects that are particularly innovative or have the potential for replication. Any state, locality, or non-profit organization may apply. In recent years, funds have been set aside for applications to assist underserved populations, including racial and ethnic minorities, women, persons in rural areas, and other special populations.
- ***Long-Term Comprehensive Strategies for Providing Housing and Related Services:*** Grants that serve the target population as part of these strategies. States and local governments that are not eligible for HOPWA formula allocations during the relevant fiscal year may apply.

What Can HOPWA Competitive Grants Pay For?

Eligible activities under the HOPWA program include:

- Housing information and coordination services
- Acquisition, rehabilitation, and leasing of property
- Project-based or tenant-based rental assistance
- Homeless prevention activities
- Supportive services
- Housing operating costs
- Technical assistance
- Administrative expenses

HOPWA Competitive Grants (cont.)

HOPWA grantees may carry out program activities themselves, deliver them through any of their administrative agencies, or select project sponsors. Grantees and project sponsors may also contract with service providers, including for-profit entities, to provide HOPWA-funded services.

How are HOPWA Competitive Grants Awarded?

The availability of competitive HOPWA grants is announced each year in a HUD Notice of Funding Availability (NOFA). Awarded grants have ranged from $460,000 to over $1.3 million. Agencies that are eligible to apply include:

- States
- Local governments
- Non-formula eligible states
- Non-formula eligible local governments
- Non-profit organizations

All applications must be consistent with the HUD-approved Consolidated Plan (ConPlan) for the jurisdiction. The ConPlan is the "master plan" for affordable housing in local communities and states. The ConPlan is intended to be a comprehensive, long-range planning document that describes housing needs, market conditions, and housing strategies. The ConPlan should also outline an action plan for the use of federal housing funds, including HOPWA dollars.

Additional Resources

- HUD Contact
  David Vos, Director
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  Email: david_vos@hud.gov

Authorization

The HOPWA program is authorized by the AIDS Housing Opportunity Act, as amended by the Housing and Community Development Act of 1992.

Regulations

The HOPWA regulations are located at 24 Code of Federal Regulations, Part 574.

Housing Opportunities for Persons with AIDS (HOPWA) Formula Grants

Program Description

The HOPWA program provides grant funds to state and local governments to design long-term, comprehensive strategies for meeting the housing and service needs of low-income people living with AIDS or HIV and their families. Participating jurisdictions have the flexibility to create a range of programs to meet local needs.

What can HOPWA Formula Funds Pay For?

Eligible activities under the HOPWA program include:

- Housing information and coordination services
- Acquisition, rehabilitation, and leasing of property
- Project-based or tenant-based rental assistance
- Homeless prevention activities
- Supportive services
- Housing operating costs
- Technical assistance
- Administrative expenses

HOPWA grantees may carry out program activities themselves, deliver them through any of their administrative agencies, or select project sponsors. Grantees and project sponsors may also contract with service providers, including for-profit entities, to provide HOPWA-funded services.

How are HOPWA Formula Grants Awarded?

Ninety percent of HOPWA funds are awarded through formula grants, the remaining 10 percent fund competitive grants. HUD awards 75 percent of the formula funding to eligible states and cities based on each area's number of AIDS cases reported by the U.S. Centers for Disease Control and Prevention (CDC) as of March 31 of the year prior to the appropriation.

To be eligible a city must be an Eligible Metropolitan Statistical Area (EMSA), which is defined as an area with a population over 500,000 with more than 1,500 cumulative AIDS cases. The largest city in the EMSA acts as the grantee for that area. The state must have 1,500 cumulative AIDS cases reported from areas outside of its EMSAs in order to receive a formula grant.

The remaining 25 percent of the formula HOPWA funds are distributed among EMSAs with a higher than average per capita incidence of AIDS when compared to the national average for EMSAs. States are not eligible for this pool of funds.

All eligible communities must have a HUD-approved Consolidated Plan (ConPlan) in order to obtain HOPWA resources. The ConPlan is the

HOPWA Formula Grants (cont.)

"master plan" for affordable housing in local communities and states. The ConPlan is intended to be a comprehensive, long-range planning document that describes housing needs, market conditions, and housing strategies. The ConPlan should also outline an action plan for the use of federal housing funds, including HOPWA dollars. A complete list of HOPWA recipients and contact information is available at www.hud.gov/offices/cpd/communitydevelopment/programs/contacts/states/ma.pdf.

Additional Resources

- HUD Contact
  David Vos, Director
  Office of HIV/AIDS Housing
  U.S. Department of Housing and Urban Development
  451 Seventh Street, SW, Room 7212
  Washington, DC 20410
  Tel: (202) 708-1934
  Fax: (202) 401-0805
  Email: david_vos@hud.gov

Authorization

The HOPWA program is authorized by the AIDS Housing Opportunity Act, as amended by the Housing and Community Development Act of 1992.

Regulations

The HOPWA regulations are located at 24 Code of Federal Regulations, Part 574.

Supportive Housing Program (SHP)

Program Description

The McKinney/Vento Supportive Housing Program (SHP) is designed to promote the development of housing and supportive services to assist homeless individuals and families to make a successful transition to permanent housing and greater independence.

What can SHP Funds Pay For?

Each project requesting SHP funds must be classified as one of the following program components:

- ***Permanent housing for homeless persons with disabilities.*** SHP funds long-term housing for people with disabilities. Projects are generally community-based housing and supportive services, designed to enable people who are homeless with disabilities to live as independently as possible in a permanent setting. Permanent housing can be provided in one structure, or several structures at one site, or in multiple structures at scattered sites.

- ***Transitional housing.*** Supportive housing that facilitates the movement of homeless individuals and/or families to permanent housing within 24 months. Supportive services may be provided by the applicant or by a collaborating agency.
- ***Supportive services only.*** Supportive services that are provided separate from transitional or permanent housing projects (including case management, housing search, employment assistance, etc.). Services may be offered at a central facility or at scattered sites.
- ***Safe Havens.*** A form of supportive housing in which a structure, or a clearly identifiable portion of a structure, meets the following criteria: 1) serves hard-to-reach people who are homeless with serious mental illnesses, are on the streets, and have been unable or unwilling to participate in supportive services; 2) provides 24-hour residence for an unspecified duration; 3) provides private or semiprivate accommodations; and 4) has overnight occupancy limited to 25 people. A Safe Haven may also provide supportive services on a drop-in basis to eligible people who are not residents.

The SHP program is a flexible resource that can be used to cover many of the costs of providing housing. Eligible SHP activities include:

- **Acquisition, rehabilitation, and conversion** of transitional or permanent supportive housing, safe haven, and/or supportive services facilities. The grant limit is between $200,000 - $400,000, depending on whether the project is in a high-cost area. The HUD SHP funds must be matched dollar-for-dollar with other funding sources.
- **New construction** (including land acquisition) of transitional or permanent supportive housing or safe havens. The grant limit is $400,000 and requires a dollar-for-dollar match with other funding sources.
- **Supportive services** provided at a housing program or separately through a services-only project. Eligible supportive services include childcare services, employment assistance, health services, case management, substance abuse counseling, housing counseling, etc. SHP regulations require that 20 percent of the total supportive services costs be paid for from non-SHP sources.
- **Operating costs** of a housing program including the cost of utilities, taxes, maintenance, and operations staff. SHP regulations require that 25 percent of the operating costs be paid for from non-SHP sources.
- **Leasing costs** of either separate apartments or of an entire building for the purposes of providing housing and/or supportive services to homeless people. SHP will fund 100 percent of the cost of leasing, although tenant rent payments or occupancy payments are allowable.
- **Administrative expenses.** SHP grantees may use up to 5 percent of SHP funds for project-related administration. If a state or local government is the grantee and subcontracts to non-profit

Supportive Housing Program (cont.)

organizations, it must share at least 50 percent of the administrative funds with the subcontracting agencies.

How are SHP Funds Awarded?

SHP funds are awarded to eligible applicants through the Continuum of Care application process. See Chapter 4 for more information. Eligible applicants include:

- States
- Local governments
- Public Housing Agencies
- Indian tribes
- Private non-profit organizations
- Community metal health associations that are public non-profit organizations

SHP grants can be awarded in either one, two, or three year terms. Often the decision as to the grant term is made by the whole Continuum of Care planning group.

Recent Congressional mandates requiring that 30 percent of HUD's Homeless Assistance funds be used for permanent housing projects may make SHP projects for Supportive Services Only or Transitional Housing less competitive, even if they are prioritized in the community's Continuum of Care application for funding.

Additional Resources

- *Permanent Housing and HUD's Continuum of Care.* Opening Doors: Issue 13, March 2001. Technical Assistance Collaborative and the Consortium for Citizens with Disabilities Housing Task Force. www.tacinc.org.

- HUD Contact

  Alma Thomas, Senior Program Specialist
  Elaine Braverman, Senior Program Specialist
  Office of Special Needs Assistance Programs
  Office of Community Planning and Development
  451 Seventh Street, SW, Room 7256
  Washington, DC 20410
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HUD also provides funding for SHP technical assistance. Contact your state or area HUD office to identify the SHP technical assistance provider(s) in your area who can assist you in developing and implementing a Continuum of Care strategy in your community.

Authorization

SHP is authorized by Title IV, Subtitle C, of the McKinney/Vento Homeless Assistance Act 1987.

Regulations

SHP regulations are located at 24 Code of Federal Regulations, Part 583.

Section 8 Moderate Rehabilitation SRO (Section 8 Mod Rehab SRO)

Program Description

The purpose of the McKinney/Vento Section 8 Moderate Rehabilitation Single Room Occupancy (SRO) program is to bring more SRO properties into the local housing supply and to use those units to benefit homeless people.

Through this program, HUD provides a project-based rental subsidy for SRO units. Generally, tenants pay 30 percent of their income for rent, the rental subsidy pays that difference between the tenant share and 120 percent of the unit's Fair Market Rent.

What can the Section 8 Mod Rehab SRO Program Pay For?

The Section 8 Mod Rehab SRO program is a project-based rental assistance program. HUD contracts with PHAs to make rental assistance payments to landlords who complete moderate rehabilitation of their properties and then rent them to homeless individuals. HUD's payments cover the difference between a portion of the tenant's income (normally 30 percent), and the unit's eligible rent.

Rental assistance contracts for the SROs are provided for ten years, with the option to renew the contract through the Section 8 program. Property owners are required to perform a minimum of $3,000 in rehabilitation work per SRO unit (which may include a prorated share of work on common areas or systems).

The program does not provide financing for rehabilitation, but allows for a portion of the cost of the rehabilitation to be reflected in the rent levels allowed for the units.

What are SROs?

SROs are defined as housing for single individuals that do not necessarily contain individual kitchens and/or bathrooms, but provide for these through shared facilities. However, through the Section 8 Mod Rehab SRO program, units can be subsidized that meet the definition of SRO or those that are self-contained studio apartments, efficiency units, or one-bedroom apartments.

Section 8 Mod Rehab SRO (cont.)

How are Section 8 Mod Rehab SRO Funds Awarded?

Section 8 SRO funds are awarded to eligible applicants through the Continuum of Care application process. See Chapter 4 for more information. Eligible applicants include:

- Public Housing Agencies
- Private non-profit organizations (required to subcontract with a PHA to administer the rental assistance payments)

Additional Resources

- *Permanent Housing and HUD's Continuum of Care.* Opening Doors: Issue 13, March 2001. Technical Assistance Collaborative and the Consortium for Citizens with Disabilities Housing Task Force. www.tacinc.org.
- HUD Contact
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Authorization

The Section 8 Mod Rehab SRO program was authorized by Section 448 of the McKinney/Vento Homeless Assistance Act, as amended.

Regulations

Regulations for the Section 8 SRO program are located at 24 Code of Federal Regulations, Parts 880 to 891, 982, and 983.

Shelter Plus Care Program

Program Description

The McKinney/Vento Shelter Plus Care program (S+C) provides rental assistance funding for homeless persons with disabilities, primarily those with mental illness, chronic problems with alcohol and/or drugs, and AIDS or related diseases. Through the S+C program, tenants pay 30 percent of their income toward rent and the rental subsidy covers the balance of the rent.

What can the Shelter Plus Care Program Pay For?

S+C funds four types of rental assistance:

- **Tenant-based rental assistance** (TRA) provides grant funding for a five-year contract term. Participants reside in housing of their choice in the community (grant recipients may require participants to live in a specific area in order to facilitate coordination of supportive services).
- **Sponsor-based rental assistance** (SRA) provides grant funding for a term of five years through contracts between a grant recipient and a sponsor organization. Sponsors may be a non-profit organization or community mental health agency. Participants reside in housing owned or leased by the project sponsor.
- **Project-based rental assistance** (PRA) provides grants for a term of either five or ten years through contracts between grant recipients and owners of existing structures with units that will be leased to participants. Rental assistance grants are for 10 years only if the owner agrees to complete rehabilitation on the units to be leased within 12 months of the grant agreement.
- **Single Room Occupancy Dwellings** (SRO) provides grants for rental assistance for a contract term of ten years in connection with moderate rehabilitation of single room occupancy housing units.

How are Shelter Plus Care Funds Awarded?

Shelter Plus Care funds are awarded to eligible applicants through the Continuum of Care application process. See Chapter 4 for more information. Eligible applicants include:

- States
- Local governments
- Public Housing Agencies

Although non-profit agencies are not eligible applicants, these entities often work closely with an eligible applicant to create and operate a Shelter Plus Care program. Usually non-profit agencies work to coordinate the provision of services to participants as program sponsors. For the TRA, SRA, and PRA components, the rental assistance may also be contracted to non-profit organizations.

All awarded Shelter Plus Care funds must be matched dollar-for-dollar through the provision of supportive services for program participants.

For fiscal years 1999, 2000, 2001, and 2002, Congress appropriated a separate allocation to fund the renewel of exisitng S+C programs. Even though these renewals were funded out of a separate allocation, requests for renewals had to be included in the Continuum of Care competitive application.

Shelter Plus Care Program (cont.)

Additional Resources

- HUD Contact
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Authorization

The Shelter Plus Care program is authorized by Title IV, Subtitle F, for the McKinney/Vento Homeless Assistance Act, as added by Section 837 of the Cranston-Gonzalez National Affordable housing Act of 1990 and amended by Title XIV of the Housing and Community Development Act of 1992.

Regulations

Regulations for the Shelter Plus Care program are located at 24 Code of Federal Regulations, Part 582.

Public Housing

Program Summary

Federal public housing was established to provide decent and safe rental housing for eligible low-income families, elderly households, and people with disabilities. Public housing comes in all sizes and types, from scattered single family houses to high rise apartments for elderly families. There are approximately 1.3 million households living in public housing units, managed by approximately 3,300 Public Housing Agencies (PHAs).

How Does Public Housing Work?

Federal public housing is developed, owned, and operated by PHAs. Public housing tenants typically pay a limited percentage (usually 30 percent) of their income as rent to the PHA. HUD provides an operating subsidy to pay for the costs of operating and managing the housing not covered by tenant rents.

Who Can Live in Public Housing?

Public housing is limited to low-income families and individuals. A PHA determines eligibility based on:

- Annual gross income;
- Whether the household qualifies as elderly, disabled, or as a family; and
- U.S. citizenship or eligible immigration status.

PHAs use income limits developed by HUD to determine income eligibility for public housing. Income limits vary by geographic area and a household may be eligible for the public housing units owned by one PHA but not owned by another PHA.

Each PHA has the discretion to establish selection preferences to reflect needs in its own community. These preferences must be included in the PHA's written policy manual.

If found eligible, the PHA checks landlord references and housing history. PHAs will deny admission to any household whose habits and practices may be expected to have a detrimental effect on other tenants or on the project's environment.

Recent Changes

The 1998 Quality Housing and Work Responsibility Act, commonly called the Public Housing Reform, made major changes in federal public housing and Section 8 programs. Highlights of the important changes to HUD's housing programs include income targeting and "deconcentrating" public housing. The complex provisions of this part of the legislation allow higher income targeting for public housing units and lower income targeting for the Section 8 rental assistance program.

Additional Resources

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Authorization

The federal public housing program was authorized by the Housing Act of 1937, as amended.

Regulation

Regulations for the federal public housing program are located at 24 Code of Federal Regulations.

Section 8 Housing Choice Voucher Program

Program Summary

The federal Section 8 program began in 1975 as a way to assist low-income families, elderly people, and people with disabilities to rent decent, safe, and affordable housing in the community. Through this program, individuals and families receive a "voucher" – also referred to as a "subsidy" – that can be used in housing of their choice that meets the Section 8 program requirements. These subsidies are long-term and considered permanent housing.

The Section 8 program recognizes that very low-income people do not have enough money to afford decent, safe, and good quality housing. The program addresses this problem by providing a Section 8 subsidy to assist the household with the monthly housing costs. This subsidy – which is based on the cost of moderately priced rental housing in the community – is provided by a Public Housing Agency under a contract with HUD.

The Section 8 household pays a portion of monthly housing costs that is based on the income of the household. The household's portion is usually – but not always – equal to 30 percent of its monthly adjusted income.

In 1975, when this housing assistance program was established, it was referred to as the "Section 8" program. In many communities, it is still referred to by this name. However, a federal housing law passed in 1998 gave the program a new name – the Housing Choice Voucher (HCV) program.

Who Administers the Section 8 Program?

Each year Congress appropriates funding for HUD to administer the Section 8 program. Since 1975, Congress has also passed laws that govern the program. These laws, combined with regulations developed by HUD, establish the federal requirements for the Section 8 program that are followed at the state and local levels.

However, there are additional Section 8 policies that are determined by state and local agencies – referred to as Public Housing Agencies or PHAs – that receive funding from HUD to administer the Section 8 program. For example, a PHA is allowed to determine the subsidy amount (within a HUD-determined range) provided from the Section 8 program.

On average, there are over 50 PHAs administering the Section 8 housing progam per state, but the number varies greatly from state to state. For example, the State of Texas has over 200 PHAs while the State of Alaska has two. The sheer number of PHAs administering the Section 8 program makes it even more confusing and difficult for the disability community.

Types of Section 8 Rental Assistance

There are two types of Section 8 rental assistance: tenant-based and project-based.

• Tenant-Based Rental Assistance

Tenant-based rental assistance is the most prevalent and well-known type of Section 8 assistance. When people mention the Section 8 program or a "voucher," they are usually referring to the tenant-based rental assistance component of the program.

Tenant-based rental assistance allows people with disabilities to choose their own housing unit from a community's private rental housing market. Section 8 tenant-based rental assistance helps people with disabilities to select rental housing that meets their individual preferences and needs, and that is fully integrated into the community.

Specifically, through the tenant-based rental assistance component, an eligible household (i.e., individual, group of individuals, or family) receives a Section 8 rental voucher to use in a housing unit of their choice in the community. If the household moves to another unit, the voucher can be used in the new unit.

In the past, there were actually two separate components of the Section 8 tenant-based program: certificates and vouchers. A federal housing law passed in 1998 merged these two programs into one tenant-based voucher program.

• Project-Based Rental Assistance

Project-based rental assistance is also offered through the Section 8 program. This type of assistance involves those subsidies that are committed to a specific unit in a building through a contract between the owner and the PHA. The term of the commitment may be from one to ten years.

Households are referred to these units from the Section 8 waiting list, and may either accept the unit or choose to receive a Section 8 tenant-based voucher instead. Households residing in Section 8 project-based units receive the same amount of rental assistance as households in the tenant-based component.

New rules in the project-based program give households that have resided in project-based units for at least one year the right to move and continue to receive Section 8 assistance by requesting a tenant-based voucher or comparable resource. The project-based unit is then leased to another Section 8 eligible household from the waiting list.

Project-based rental assistance is a valuable tool for expanding housing options for people with disabilities. Through this assistance, long-term subsidy commitments with housing owners can lead to an overall increase in the supply of affordable housing units in a community.

Section 8 Housing Choice Voucher Program (cont.)

Who is Eligible for Section 8 Rental Assistance?

To be eligible for the Section 8 program a household must:

- **Be very low-income.** This means a household's income must be at or below 50 percent of the area median income as determined by HUD. Each year, usually in April, HUD publishes the Section 8 income limits for every housing market area across the nation. These income limits are used to determine eligibility for the Section 8 program and can be located online at www.huduser.org/datasets/il.html. Also, according to federal law, at least 75 percent of Section 8 vouchers must go to households with incomes below 30 percent of the area median income.

AND

- **Be a citizen or a non-citizen with "eligible immigration status."**

AND

- **Be in good standing with federal housing programs.** Specifically, to be eligible for the Section 8 program, a household must not have:
  - Been evicted from public housing;
  - Been terminated from another Section 8 program for cause;
  - Committed fraud or criminal acts in connection with a federal housing program; or
  - Failed to reimburse a PHA for unpaid rent or damages, or currently owe money to a PHA.

Special Section 8 Set-Asides

Within the Housing Choice Voucher program there are also special allocations of vouchers targeted to certain populations. These allocations typically target vouchers to people with disabilities and/or other groups with special needs. In recent years, the following special allocations of vouchers have been available for PHAs to apply for on a competitive basis:

- The ***Mainstream Housing Opportunities for Persons with Disabilities*** program provides Section 8 vouchers exclusively for people with disabilities. Mainstream vouchers are used just like conventional Section 8 vouchers, except that they are targeted to people with disabilities. Since 1997, non-profit disability organizations, as well as PHAs, have been eligible to apply for these vouchers.

- The Section 8 ***Certain Developments*** program provides housing vouchers for non-elderly people with disabilities who are no longer eligible for HUD-funded developments designated as "elderly only." In the early 1990s, Congress passed legislation that permits HUD-assisted housing providers to limit or exclude people with disabilities from living in certain subsidized housing developments by designating that housing as "elderly only." These housing developments contain virtually all of the studio and one-bedroom federally subsidized housing units in the country, and represent over two-thirds of the federally subsidized housing resources that low-income people with disabilities were eligible to access prior to the passage of this legislation. PHAs can apply for new Section 8 vouchers through the Certain Developments set-aside to compensate for this loss of units available to non-elderly people with disabilities.

- The Section 8 ***Designated Housing*** program provides housing vouchers for non-elderly people with disabilities who are no longer eligible for PHA owned public housing developments that have been designated as "elderly only." Since 1992, federal government policy has permitted PHAs to implement "elderly only" housing policies in federal public housing units. Once these housing developments are designated "elderly only," people with disabilities under age 62 are no longer eligible to move in, or are only eligible for a small set aside of units in each project. PHAs must submit Allocation Plans to HUD in order to designate a number of units as "elderly only," "disabled only," or "mixed." As a part of the Allocation Plan, PHAs must assure HUD that they will provide other resources for people with disabilities to make up for this loss of affordable, and many times accessible, housing. PHAs have the choice of using existing resources to assist people with disabilities who were negatively impacted by "elderly only" housing policies, or they can apply for the Section 8 Designated Housing vouchers in order to increase the housing opportunities for people with disabilities in the community.
- The Section 8 ***Welfare to Work*** program provides rental vouchers to households moving off of welfare assistance.
- The Section 8 ***Family Unification Program*** makes vouchers available to adults reuniting with children who previously were in state custody or families at risk of losing custody of their children due to their housing situation.

In addition, in 2000 and 2001, HUD made available new Section 8 vouchers (called ***Fair Share*** vouchers), that did not target special needs populations. As part of the Fair Share competition, PHAs were awarded extra points if they agreed to set aside at least 15 percent of the awarded Fair Share vouchers for people with disabilities and/or at least 3 percent of the awarded vouchers for people with disabilities with Medicaid Home and Community Based Waivers.

Section 8 Homeownership Program

On September 12, 2000, HUD published a final rule in the Federal Register allowing PHAs to establish a Section 8 Homeownership program. Through this program, Section 8 households can use their housing assistance payments towards homeownership expenses.

PHAs are not required to administer a Section 8 Homeownership program. In fact, PHAs must demonstrate to HUD that they have the capacity to administer the Section 8 Homeownership program, which differs in many ways from the rental assistance program. PHAs do not receive any additional funding if they decide to offer this option.

Section 8 Housing Choice Voucher Program (cont.)

Through the Section 8 Homeownership program, a PHA provides a monthly homeownership assistance payment that is usually equal to the difference between 30 percent of the household's monthly adjusted income and the Section 8 payment standard, or the difference between 30 percent of the household's monthly adjusted income and monthly homeownership expenses – whichever is less. The PHAs may make payments directly to the homeowner or directly to the bank.

Under HUD rules, homeownership expenses may include:

- Mortgage payments
- Insurance
- Utilities
- Maintenance costs
- Condominium fees
- Other related expenses

Additional Resources

- *Strategies to Help People with Disabilities be Successful in the Housing Choice Voucher Program. Guidance for Public Housing Agencies Administering Housing Choice Vouchers Targeted to People with Disabilities through the Mainstream, Certain Developments, or Designated Housing Programs* (2002). Technical Assistance Collaborative and Abt Associates for the U.S. Department of Housing and Urban Development. www.tacinc.org.
- *Section 8 Made Simple: Using the Housing Choice Voucher Program to Assist People with Disabilities* (2002). Technical Assistance Collaborative. www.tacinc.org.
- HUD Contact

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Authorization

The Section 8 Housing Choice Voucher program is authorized by the Housing and Community Development Act of 1974.

Regulation

The Section 8 Housing Choice Voucher program regulations can be found at Part 24 of the Code of Federal Regulations.

Section 811 Supportive Housing for Persons with Disabilities

Program Description

The Section 811 Supportive Housing for Persons with Disabilities program (Section 811) funds the development of supportive housing by non-profit organizations, called sponsors. Specifically, the Section 811 program provides capital grants and project rental assistance contracts to non-profit-sponsored housing developments for people with disabilities. The housing must be available for very low-income persons with disabilities for 40 years and is renewable subject to the availability of funds.

The Section 811 program was formerly the Section 202 program for the elderly and disabled. It was authorized as a separate program for people with disabilities in the early 1990s.

What Can Section 811 Funds be Used For?

The Section 811 program has three components:

1. Capital Advance

Section 811 funds may be used for construction, acquisition, or rehabilitation through a capital advance. The advance is a grant since it bears no interest, and does not need to be repaid as long as the housing remains available for at least 40 years for very low-income people with disabilities. The capital advance may not be repaid to extinguish the occupancy restrictions or other requirements of the program.

2. Project Rental Assistance Contract (PRAC)

In conjunction with the capital advance, Section 811 funds are used to pay the difference between the tenants' contribution toward rent and the HUD-approved operating cost for the project. Project rental assistance is available for an initial five-year contract term. Contracts are renewable, provided funds are available.

3. Tenant-Based Rental Assistance

Beginning in FY 1996, 25 percent of the Section 811 annual appropriations has been designated for tenant-based rental assistance through the Section 8 Mainstream Housing Opportunities for Persons with Disabilities program. See page 68 for more information about the Mainstream program.

The housing that is created through the Section 811 program can be a variety of structure types, including multifamily housing complexes, condominiums, cooperatives, and group homes.

Section 811 Supportive Housing for Persons with Disabilities (cont.)

How are Section 811 Funds Awarded?

Each HUD region receives an allocation of Section 811 funds annually, which are made available to non-profit organizations through a national competition announced in a HUD Notice of Funding Availability. Because of limited funding, the Section 811 program is extremely competitive.

Additional Resources

- HUD Contact
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Authorization

The Section 811 program is authorized by Section 811 of the National Affordable Housing Act of 1990, as amended by Section 603 of the 1992 Housing and Community Development Act.

Regulations

The regulations for the Section 811 program are located at 24 Code of Federal Regulations, Part 891.

Section 202 Supportive Housing for the Elderly

Program Description

The Supportive Housing for the Elderly program (Section 202) helps expand the supply of affordable housing with supportive services for elderly people (age 62 and older). It provides low-income elderly people with options that allow them to live independently but in an environment that provides support activities such as cleaning, cooking, transportation, etc.

What Can Section 202 Funds be Used For?

This program provides capital advances to finance the construction and rehabilitation of structures that will serve as supportive housing for very low-income elderly people and provides rent subsidies for the projects to help make them affordable.

Section 202 capital advances finance property acquisition, site improvement, conversion, demolition, relocation, and other expenses associated with supportive housing for the elderly. The capital advance does not have to be repaid as long as the project serves very low-income elderly persons for 40 years.

Section 202 project rental assistance covers the difference between the HUD-approved operating cost per unit and the tenant's rent. Project rental assistance contract payments can be approved up to five years. However, contracts are renewable based on the availability of funds.

How are Section 202 Funds Awarded?

To be eligible for Section 202 funding, an applicant must be a private, non-profit organization with prior experience in housing or related social service activities. Government entities are not eligible for funding under this program. Applicants must submit an application for a capital advance in response to a HUD Notice of Fund Availability published in the Federal Register each year. Organizations that apply for Section 202 compete for program funds allocated to each individual HUD Field Office.

Authorization

The Section 202 program is authorized under the Housing Act of 1959; Section 210 of the Housing and Community Development Act of 1974; and the National Affordable Housing Act.

Regulations

Section 202 program regulations are located at 24 Code of Federal Regulations, Part 891.

HOPE VI Program

Program Description

The HOPE VI Program, originally known as the Urban Revitalization Demonstration (URD), was developed as a result of recommendations by the National Commission on Severely Distressed Public Housing, which was charged with proposing a National Action Plan to eradicate severely distressed public housing. The Commission recommended revitalization in three general areas:

- Physical improvements;
- Management improvements; and
- Social and community services to address resident needs.

As a result, HOPE VI was created by the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1993, approved on October 6, 1992.

The specific elements of public housing transformation that have proven key to HOPE VI include:

- Changing the physical shape of public housing

HOPE VI Program (cont.)

- Establishing positive incentives for resident self-sufficiency and comprehensive services that empower residents
- Lessening concentrations of poverty by placing public housing in non-poverty neighborhoods and promoting mixed-income communities
- Forging partnerships with other agencies, local governments, non-profit organizations, and private businesses to leverage support and resources

Eligible Applicants

Any Public Housing Authority that has severely distressed public housing units in its inventory is eligible to apply for HOPE VI funding. Indian Housing Authorities and Public Housing Authorities that only administer the Section 8 Housing Choice Voucher program are NOT eligible to apply.

Funding Opportunities

There are two different types of HOPE VI grants:

- **HOPE VI Revitalization grants.** These grants fund:
  - Capital costs of major rehabilitation, new construction, and other physical improvements
  - Demolition of severely distressed public housing
  - Acquisition of sites for off-site construction
  - Community and supportive service programs for residents, including those relocated as a result of revitalization efforts
- **HOPE VI Demolition grants.** These grants fund the demolition of severely distressed public housing, relocation, and supportive services for relocated residents.

Authorization

HOPE VI has operated solely by congressional appropriation from 1993-1999. The fiscal year 1999 appropriation included the congressional authorization of HOPE VI as Section 24 of the U.S. Housing Act of 1937. Section 24 was implemented in the HUD 2000 Notice of Funding Availability, and sunsets after 2002.

Regulations

Whereas most programs are both authorized and appropriated by Congress, HOPE VI has operated through appropriations only. Accordingly, HUD administers these grants not by program regulation but by each Fiscal Year's Notice of Funding Availability, as published in the Federal Register, and the Grant Agreement executed between each recipient and HUD.

Section 232 Mortgage Insurance for Nursing Homes, Intermediate Care, Board and Care, and Assisted Living Facilities

Program Description

The Section 232 program insures mortgage loans to facilitate the construction and substantial rehabilitation of nursing homes, intermediate care facilities, board and care homes, and assisted living facilities. The Section 232 program allows for the purchase or refinancing (with or without repairs) of existing projects not requiring substantial rehabilitation.

Through the Section 232 program, lenders are insured against the loss on mortgage defaults. Section 232 insures mortgages that cover the construction and rehabilitation of nursing homes and assisted living facilities for people who need long-term care or medical attention.

The program allows for long-term, fixed-rate financing (up to 40 years) for new and rehabilitated properties and (up to 35 years) for existing properties without rehabilitation that can be financed with Government National Mortgage Association (GNMA) Mortgage Backed Securities.

Eligible Activities

Insured mortgages may be used to:

- Finance the construction and rehabilitation of nursing homes, intermediate care facilities, board and care homes, and assisted living facilities;
- Enable borrowers to buy or refinance (with or without repairs) projects that do not need substantial rehabilitation; and
- Install fire safety equipment.

Insured mortgages may also include the cost of major movable equipment and day care facilities.

The maximum amount of the loan for new construction and substantial rehabilitation is equal to 90 percent (95 percent for non-profit sponsors) of the estimated value of physical improvements and major movable equipment. For existing projects, the maximum is 85 percent (90 percent for non-profit sponsors) of the estimated value of the physical improvements and major movable equipment.

Eligible Facilities

Facilities must accommodate 20 or more residents who require skilled nursing care and related medical services, or those who, while not in need of nursing home care, are in need of minimum but continuous care provided by licensed or trained personnel. Assisted living facilities and board and care homes are also eligible and must contain a minimum of five accommodations or units.

Section 232 Mortgage Insurance (cont.)

Assisted living facilities, nursing homes, intermediate care facilities, and board and care homes may be combined in the same facility covered by an insured mortgage or may be in separate facility.

Assisted living facilities, nursing homes, intermediate care homes, and board and care homes must be licensed or regulated by the appropriate state agency, municipality, or other political subdivision were located care facilities and the installation of fire safety equipment.

Eligible Borrowers

Eligible mortgagors include investors, builders, developers, public entities (nursing homes), and private non-profit corporations and associations.

For nursing homes only, applicants may be public agencies that are licensed or regulated by a State to care for convalescents and people who need nursing or intermediate care.

Authorization

The Section 232 program is authorized by Section 232 of the National Housing Act.

Regulations

Regulations for the Section 232 program are found in 24 Code of Federal Regulations, Part 232.

Section 515 Rural Rental Housing Program

Within the U. S. Department of Agriculture (USDA), housing programs are administered by the Office of Rural Development. The goal of Rural Development is to increase both the amount and the quality of housing in rural areas of the country by promoting and financing housing activities including homeownership, housing rehabilitation, rental assistance to tenants of multi-family housing, housing for farm laborers, multi-family housing, and community facilities.

The Rural Development headquarters is located in Washington, DC; however, there are Rural Development offices in most states (some small states have merged offices and now cover larger multi-state jurisdictions). Each state office has a director who helps decide funding priorities for the jurisdiction. A list of state Rural Development offices is available online at www.rurdev.usda.gov/recd_map.html.

Program Description

The Rural Rental Housing Program, also called the Section 515 program, provides low-interest loans to finance affordable multifamily housing or congregate housing for families, elders, and people with disabilities who have very low, low, or moderate incomes. Housing developed with Section 515 funds can be apartment-style rental or cooperative housing, newly constructed mobile/manufactured homes, or group houses and congregate housing for the elderly and disabled.

What Can Section 515 Funds be Used For?

Section 515 loans can be used to purchase, construct, or rehabilitate housing. Loans are available for up to 30 years with only a 1 percent interest rate, which helps keep rents affordable.

Income Targeting Requirements

The Section 515 program has income targeting requirements that make it a useful program for creating new affordable housing units for low-income people with disabilities in rural communities. Specifically, the Section 515 program requires that 95 percent of the tenants moving into new Section 515 projects and 75 percent of new tenants moving into existing projects be very low income (defined as having incomes below 50 percent of the area median income).

Rental Assistance

Almost all agencies that apply for Section 515 resources also apply for Section 521 funding at the same time. The Section 521 program – also known as the Rental Assistance Program – is a project-based subsidy that can be attached to Section 515 housing. With Section 521 rental assistance, tenants of a 515-funded property pay only 30 percent of their income toward rent and utilities. The Section 521 funding makes up the difference between the tenant's share and the rent for the unit.

Although Section 515 projects are prioritized for Section 521 funding, the demand for these rental assistance resources far exceeds the available funding. In past years, there has not been nearly enough Section 521 funding available to subsidize all new (and existing) Section 515 properties. This problem is due in a large part to the fact that the majority of the funding allocated by Congress for the Section 521 program each year is spent renewing existing 521 rental assistance contracts. Given the shortage of 521 funds, it is important to look at other housing resources to provide ongoing subsidy for Section 515 projects.

How are Section 515 Funds Awarded?

Section 515 funds are federal funds allocated to states on a formula basis and administered by Rural Development. In fiscal year 2002, the Section 515 program was funded at over $114 million. Funds are awarded competitively by Rural Development to interested housing developers including individuals; partnerships; state and local agencies; and for-profit and non-profit organizations.

Each year, Rural Development State Directors use housing needs data to create a list of communities within each state that are eligible for Section 515 funding. This list is published in the Federal Register in a Notice of Funding Availability (NOFA), usually in early winter. This NOFA includes

Section 515 Rural Rental Housing Program (cont.)

information needed to complete a Section 515 application and the criteria used for evaluating applications and awarding funds.

Additional Resources

- *Rural Housing Challenges: Meeting the Housing Needs of People with Disabilities in Rural Communities.* Opening Doors: Issue 19, September 2002. Technical Assistance Collaborative and the Consortium for Citizens with Disabilities Housing Task Force. www.tacinc.org.
- Housing Assistance Council: www.ruralhome.org
- USDA Contact

  Sue Harris Green
  Deputy Director for Direct Loans
  U.S. Department of Agriculture
  1400 Independence Avenue, SW
  Room 5337, Stop 0781
  Washington, DC 20250
  Tel: (202) 720-1604
  Fax: (202) 690-3444
  Email: sharris@rdmail.rural.usda.gov

Authorization

Section 515 is authorized by Section 515 of the Housing Act of 1949.

Regulations

The Section 515 regulations are located at Section 7 of the Code of Federal Regulations, Parts 1930 and 1944 (Subpart E).

Section 538 Rural Rental Housing Guaranteed Loan Program

Within the USDA, housing programs are administered by the office of Rural Development. The goal of Rural Development is to increase both the amount and the quality of housing in rural areas of the country by promoting and financing housing activities including homeownership, housing rehabilitation, rental assistance to tenants of multi-family housing, housing for farm laborers, multi-family housing, and community facilities.

The Rural Development headquarters is located in Washington, DC; however, there are Rural Development offices in most states (some small states have merged offices and now cover larger multi-state jurisdictions). Each state office has a Director who helps decide funding priorities for the jurisdiction. A list of state Rural Development offices is available online at www.rurdev.usda.gov/recd_map.html.

Program Description

Established in 1996, the purpose of the Section 538 program is to increase the supply of multi-family housing units in rural areas, including congregate housing and other diverse housing models. The Section 538 program (also known as the Rural Rental Housing Guaranteed Loan Program) is administered through Rural Development and facilitates the construction, acquisition, and rehabilitation of rural multi-family homes.

How Does the Section 538 Program Work?

Through the Section 538 program, a housing developer applies to a private financial institution that meets established criteria – such as a bank – for a loan to develop new housing. The loan, which can be up to 40 years long, is then guaranteed by the USDA should the borrower subsequently default. This guarantee means that the developer can borrow money to build the housing at a more favorable interest rate and pass on those savings in the form of lower rents to tenants.

Income Targeting Requirements

Residents of housing developed through the Section 538 program must not have incomes that exceed 115 percent of the area median income. The maximum rent charged to a tenant may be no more than 30 percent of 115 percent of median income adjusted for that family size.

Current regulations do not allow Section 538-funded properties to use Section 521 rental assistance. Thus, the owners of Section 538-funded housing face the same challenges as Section 515 owners in finding households that have *enough* income to pay the rent needed by the owner but do not exceed the Section 538 income eligibility limits.

How are Section 538 Funds Awarded?

Agencies interested in participating in the Section 538 program must submit applications in response to an annual Notice of Funding Availability. This NOFA details the program structure, including the limitations on the fixed-rate interest levels that banks and other financial institutions can charge through this program. Applicants for this funding can be individuals; non-profit and for-profit agencies; units of local government; and community development groups in rural areas.

The Section 538 program can be used in combination with Low Income Housing Tax Credits, the HUD HOME program, or other state-funded subsidy resources.

Additional Resources

- *Rural Housing Challenges: Meeting the Housing Needs of People with Disabilities in Rural Communities.* Opening Doors: Issue 19, September 2002. Technical Assistance Collaborative and the Consortium for Citizens with Disabilities Housing Task Force. www.tacinc.org.

Section 538 Rural Rental Housing Guaranteed Loan Program (cont.)

- Housing Assistance Council: www.ruralhome.org
- USDA Contact
  Joyce Allen
  Deputy Director – Guaranteed Loan Division
  Multi-Family Housing Processing Division
  U.S. Department of Agriculture
  1400 Independence Avenue, SW
  Room 1271, Stop 0781
  Washington, DC 20250
  Tel: (202) 690-4499
  Fax: (202) 690-3444
  Email: jallen@rdmail.rural.usda.gov

Authorization

The Section 538 program is authorized by Section 538 of the Housing Act of 1949.

Regulations

Regulations for the Section 538 program are located at Section 7 of the Code of Federal Regulations, Part 3565.

Low Income Housing Tax Credits

Program Description

The federal government created the Low Income Housing Tax Credit (LIHTC) program in 1986 in order to create incentives for investment in low-income housing development by giving federal tax credits to investors in affordable low-income housing. Private investors (such as banks, corporations) buy the tax credits from the affordable housing developer. The affordable housing developer then uses these proceeds called equity (usually in combination with other financing) to construct or rehabilitate affordable housing. Investors receive a federal tax credit over a 10-year term.

States award tax credits to developers of low-income housing, who, in turn, offer the credits to investors. Investors obtain a dollar for dollar reduction in their federal tax liability in exchange for providing equity to finance the development of qualified, affordable rental housing. The developers use the money they receive from selling the tax credits to create housing.

Because developers of affordable housing must often piece together various forms of financing, the LIHTC program has become a critical piece of overall project financing.

How Are Low Income Housing Tax Credits Awarded?

Each state receives an annual allotment of credits based on population, and the state in turn makes these available to housing projects on a competitive basis. State tax credit allocation agencies (usually the state housing finance agency) administer the program, monitor compliance, and allocate the credit based on locally determined priorities.

Within general guidelines promulgated by the IRS, states are allowed to set specific allocation criteria for awarding tax credits. States are required to develop plans that identify and prioritize housing needs. These plans are called Qualified Allocation Plans (QAPs). QAPs must also contain criteria that guide the selection of projects to be awarded tax credits. State plans must ensure that priority is given to low-income renter households. States can establish selection criteria that target specific special needs populations. For example, through its allocation process a state can offer extra points on the competitive application for tax credits to projects serving people with mental illness if the state identified people with mental illness as a priority.

Are there State Housing Tax Credits?

As of 2001, approximately 10 states had established their own version of the LIHTC program, providing credits against state income tax when funds are invested in low- and moderate-income housing. Programs vary from state to state regarding the amount of credits provided, the types of housing projects assisted, and the targeted income levels of the tenants.

What Type of Housing Can be Created with LIHTC?

Housing that can be developed using LIHTC includes:

- Rental housing
- Single room occupancy (SRO) housing
- Transitional housing for the homeless
- Mixed-use projects that include both rental housing and commercial space
- Projects receiving moderate rehabilitation assistance under the Continuum of Care homeless assistance programs

The federal government sets basic long-term affordability requirements on projects. Under LIHTC, at least 20 percent of the units must be reserved for households earning less than 50 percent of the area median income or at least 40 percent of the units must be reserved for households earning up to 60 percent of area median income. LIHTC projects are required to accept applications from households with Section 8 vouchers, provided the household meets other tenant screening criteria.

Additional Resources

- *Analysis of State-Qualified Allocation Plans for the Low-Income Housing Tax Credit Program* (2002). U.S. Department of Housing and Urban Development.

Housing Trust Funds

Some states, cities, and local communities have resources available to support the creation of housing for special populations, including people with disabilities. These funds can be important tools to help cover the various costs associated with creating new housing. Generally, these funds will support acquisition, rehabilitation, new construction, and other development-related expenses.

Program Description

A housing trust fund is a dedicated capital pool that supplies funding for affordable housing. These public funds are established by legislation, ordinance, or resolution to receive specific revenues to be spent on housing. A key characteristic of a housing trust fund is that it receives on-going revenues from a dedicated source, such as taxes, fees, or loan repayments. For example, a real estate transfer tax or interest earnings on real estate trust accounts are some of the sources used to fund housing trust funds.

Housing trust funds offer several advantages including:

- Funds are designated for this purpose and need not compete with other social causes
- The revenues are from an ongoing funding source and not subject to year-to-year appropriations
- They usually can be used in combination with federal funds, such as HOME program

Housing trust funds will vary considerably as to what they fund. Each state generates its own regulations as to: 1) how the resources can be used and 2) who can be assisted. States can stipulate that funds be used for rental housing or homeownership. In addition, states can target certain special populations, such as people with disabilities. Many trust funds supply the final piece of capital known as "gap" or "bridge" financing for projects. Some trust funds may have very low-income targeting provisions.

Additional Resources

As of 2001, there were approximately 150 housing trust funds across the country, operated by states, counties, and cities. Approximately 25 percent of these trust funds are operated by states, 75 percent by cities and counties.

Cities or Counties:

- Contact your city or county government to find out who is the administering agency.

State Housing Trust Funds:

- The 35 states with housing trust funds and the administering agency are listed below. Most states should have a state web site with links to these housing trust funds.

State	Administering Agency
Arizona	Dept. of Commerce
California	Dept. of Housing & Community Development
Connecticut	Housing Finance Authority
Delaware	Housing Finance Authority
Florida	Housing Finance Corporation
Georgia	Dept of Community Affairs
Hawaii	Housing & Community Development Corp.
Idaho	No funds committed
Illinois	Housing Development Authority
Indiana	Housing Finance Authority
Iowa	Housing Finance Authority
Kansas	Dept. of Community & Housing
Kentucky	Kentucky Housing Corporation (two housing trust funds)
Maine	State Housing Authority
Maryland	Dept. of Housing & Community Development
Massachusetts	Dept. of Housing & Community Development
Minnesota	Housing Finance Agency
Missouri	Housing Development Commission
Montana	No funds committed
Nebraska	Dept. of Economic Development (homeless trust fund & housing trust fund)
Nevada	Nevada Housing
New Hampshire	Housing Finance Agency
New Jersey	Dept. of Community Affairs
North Carolina	Housing Finance Agency
Ohio	Dept. of Development
Oklahoma	Housing Finance Agency
Oregon	Housing & Community Services Dept. (two housing trust funds)
Rhode Island	No funds committed
South Carolina	Housing Finance & Development Authority
Tennessee	Housing Development Agency
Texas	Dept. of Housing & Community Affairs
Utah	Division of Community Development
Vermont	Housing & Conservation Board
Washington	Dept. of Community Trade & Economic Development
Wisconsin	Division of Housing

Tax Exempt Bond Financing

Program Description

Tax exempt bonds are usually used to finance large affordable housing projects that can afford to pay debt service. Several varieties of tax exempt bond financing programs rely on the ability of state and local governments to issue bonds that bear interest that is exempt from federal income tax. The exemption allows the bonds to bear a below-market rate of interest that subsidizes the acquisition, rehabilitation, construction, ownership, or operation of affordable housing.

Tax exempt bond financing is made possible by federal income tax law. State law, however, determines the authorization and how the bond financing is structured, including the issuance of mortgage revenue bonds, the designation of authorized issues, and the establishment of purposes and priorities.

Federal law allows for tax exempt bond financing for multifamily residential rental programs and special needs housing programs. Several states have created special programs targeting special needs populations, such as people with disabilities, funded through tax exempt bond financing.

Mortgage Revenue Bonds

Mortgage Revenue Bonds (MRBs) are a specific type of tax exempt bond that state and local governments issue through housing finance agencies to help fund below-market interest-rate mortgages. Some states use MRBs to fund loans to for-profit and/or non-profit organizations for the acquisition and development of affordable rental housing units. Most states, however, use MRBs to assist qualified first time and/or low-income homebuyers to purchase a home.

How to Apply for Bond Financing

If available in your state, tax exempt bond financing is administered by the state housing finance agency. There is a state housing finance agency in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

Contact the National Council of State Housing Finance Agencies, the membership organization for state housing finance agencies, to locate the housing finance agency for your state at www.ncsha.org.

Affordable Housing Finance Programs of Government-Chartered Corporations

A number of government-chartered privately owned corporations focus on assuring the availability of sufficient mortgage loan funds in the country and insuring specific kinds of deposits in certain financial institutions. Each of these corporations has programs aimed at increasing the quantity and quality of affordable housing, including funding grants, loans, and providing technical assistance.

Federal Home Loan Banks

The Federal Home Loan Banks (FHLBs) ensure the broad availability of mortgage funds by providing a consistent secondary mortgage market. There are 12 district FHLBs across the country, regulated nationally by the Federal Housing Finance Board. Most local financial institutions are members of their district FHLB.

Each district FHLB operates both the Affordable Housing Program and the Community Investment Program to help create and preserve housing for lower-income families and individuals. In both programs, the FHLBs provide direct subsidies or subsidized loans to their member financial institutions. In turn, member institutions pass the subsidy on to their borrowers. Most FHLBs also sponsor a variety of "community support" programs, such as small grants and loans to non-profit agencies for the predevelopment costs of affordable housing projects.

For Information about FHLB programs described below contact:

- Federal Housing Finance Board
  1777 F Street, NW
  Washington, DC 20006
  Tel: (202) 408-2500
  www.fhfb.gov

Affordable Housing Program

The Affordable Housing Program (AHP) is a competitive grant program, funded by FHLB profits. Member banks apply on behalf of housing developers (for-profit or non-profit) or government housing organizations. The grants are most often used to reduce the mortgage principal. Funds must be used to acquire, construct, or rehabilitate owner-occupied or rental housing for very low-, low-, and moderate-income people. Those served must have incomes at or below 80% of area median. For rental housing, 20 percent of the units must serve those at or below 50 percent of area median.

Community Investment Program (CIP)

The Community Investment Program (CIP) provides loans at FHLB cost for affordable housing and community development projects benefiting low- and moderate-income households and neighborhoods.

Affordable Housing Finance Programs of Government-Chartered Corporations (cont.)

FHLB members apply on behalf of housing developers (for-profit or non-profit) or government entities.

Fannie Mae (Federal National Mortgage Association)

For information on the programs listed below contact:

- Fannie Mae Corporate Headquarters
  3900 Wisconsin Avenue, NW
  Washington, DC 20016-2892
  Tel: (202) 752-7000
  www.fanniemae.com

Multifamily Affordable Housing Financing Programs

Fannie Mae's Multifamily Division offers favorable mortgage underwriting terms and interest rates for rental properties serving lower-income households. These initiatives are available for construction, rehabilitation, or refinancing of projects that use government subsidies to keep rental costs low.

Home Keeper Mortgage

The Home Keeper Mortgage is an adjustable-rate, conventional reverse mortgage that allows older homeowners to borrow against the value of their home and receive the proceeds according to the payment option selected. More than 60 lenders have been approved to offer the Home Keeper Mortgage.

HomeChoice for People with Special Needs

HomeChoice mortgages are available to qualified low-and moderate-income individuals who have disabilities or live with family members with disabilities. These single-family loans must be used to purchase owner-occupied, principal residences, including units in approved condominiums and planned housing developments. Loans are fixed-rate, with 15 to 30 year terms. Borrowers may make down payments from $250 to up to 2 percent of the home's sale price, depending on their income. Loans are available through approved lenders who work in partnership with coalitions. Fannie Mae has approved coalitions from 11 states and the District of Columbia to participate in the program.

Community Living

These loans are for small residential group home facilities. The loans may be made to individuals, for-profit and non-profit corporations, limited partnerships, and government agencies serving adults and children with disabilities. Eligible properties are limited to one- or two-unit residences that provide permanent housing. The Community Living program underwriting guidelines make it easier for group home developers to obtain long-term mortgage credit.

Federal Deposit Insurance Corporation (FDIC)

For information about the FDIC's affordable housing program and to review its list of properties call or check the web site at (800) 568-9161 or www.fdic.gov.

FDIC Affordable Housing Program

The FDIC Affordable Housing program sells multifamily properties held by the FDIC to non-profit organizations and public agencies. Buyers must commit to rent 20 percent of the units to eligible low-income tenants (those who make 80 percent or less of the area median income). This eligibility restriction lasts for 15 years.

Below-Market Lenders – Community Development Loan Funds

Several national, statewide, and local non-profit community development loan funds provide resources to non-profit developers of low-income housing. These organizations make loans for a variety of housing activities related to acquisition, development, predevelopment, and operations of housing.

Predevelopment financing is often available to housing developers from below-market lenders. These lenders provide no- or low-interest loans for expenses such as preliminary engineering or architectural studies, hazardous materials surveys, and other activities necessary to determine if a project is feasible and to prepare applications for project development financing. Finding the funding necessary for these tasks is often a deterrent for non-profit organizations considering development of needed housing. Without predevelopment resources, applications to lenders or donors for development funding are less competitive. Several loan funds also provide funding for property acquisition, construction, and rehabilitation.

Below are descriptions of the major national loan funds, along with information about contacting state and local funds.

Corporation for Supportive Housing

50 Broadway, 17th Floor
New York, NY 10004
Tel: (212) 986-2966
Fax: (212) 986-6552
Email: information@csh.org
www.csh.org

The mission of the Corporation for Supportive Housing (CSH) is to expand the quantity and quality of service-supported permanent housing for individuals with special needs who are homeless or at risk of becoming homeless. CSH provides predevelopment loans in the context of a broad array of technical assistance and other support to

Below-Market Lenders – Community Development Loan Funds (cont.)

non-profit supportive housing providers in the communities where CSH works. Currently, CSH has projects in the following states: California, Connecticut, Illinois, Michigan, Minnesota, New Jersey, New York, and Ohio.

The Enterprise Foundation

American City Bldg, Suite 500
10227 Wincopin Circle
Columbia, MD 21044
Tel: (410) 964-1230
Fax: (410) 964-1918
Email: mail@enterprisefoundation.org
enterprisefoundation.org

The Enterprise Foundation provides a range of services to non-profit organizations developing affordable housing, including grants, loans, technical assistance, training, research, and information. Loans range from working capital lines of credit to predevelopment, acquisition, construction, and bridge loans. Enterprise gives preference to loan requests that originate from its local offices and subsidiaries.

Housing Assistance Council

1025 Vermont Ave., NW, Suite 606
Washington, D.C. 20005
Tel.: 202-842-8600
Fax: 202-347-3441
Email: hac@ruralhome.org
www.ruralhome.org

The Housing Assistance Council is a national non-profit corporation established in 1971 to increase the availability of decent and affordable housing for low-income people in rural areas throughout the United States. In addition to its national office, HAC has regional offices in California, Georgia, Missouri, and New Mexico. HAC provides low-interest loans to finance projects in rural communities (usually with populations of less than 25,000). Loans can be used at all stages in the development process, from predevelopment through construction as well as for working capital, to bridge tax credit proceeds or other financing, and for other uses.

Local Initiative Support Corporation

733 Third Avenue, 8th Floor
New York, NY 10017
Tel: (212) 455-9800
Fax: (212) 682-5929
Email: info@liscnet.org
www.liscnet.org

The Local Initiative Support Corporation is a national non-profit support organization and social investment banker for community development corporations nationwide, providing both funding and technical assistance. LISC is the largest non-profit syndicator of low-income housing tax credits. Local LISC programs support affordable housing, economic development, and community building through grants, loans, lines of credit, loan guarantees, and recoverable grants. Currently, there are 41 local LISC offices across the country.

Low Income Investment Fund

1330 Broadway, Suite 600
Oakland, CA 94612
Tel: (510) 893-3811
Fax: (510) 893-3964
www.lihf.org

The Low Income Investment Fund (LIIF) is a non-profit community development financial institution that provides below-market loans and technical assistance for the development of low-income and supportive housing. LIIF makes direct loans to non-profit developers for predevelopment, acquisition, construction, rehabilitation, refinancing, and working capital loans. It also provides loan packaging, community lending pools, preservation financing, operating lines of credit for non-profit agencies, interest rate write down grants, and mortgage guarantees. Approximately 45 percent of LIIF-financed projects serve people with special needs, including homeless people and those living with disabilities.

Institute for Community Economics

57 School Street
Springfield, MA 01105
Tel: (413) 746-8660
Fax: (413) 746-8862
Email: info@iceclt.org
www.iceclt.org

The Institute for Community Economics is a non-profit below-market lender working to build a national community investment movement, promoting the community loan fund and community land trust models. It provides a revolving loan fund for loans to community land trusts and other community organizations, usually for the acquisition and development of land and housing for low-income residents.

McAuley Institute

8300 Colesville Road, Suite 310
Silver Spring, MD 20910
Tel: (301) 588-8110
Fax: (301) 588-8154
www.mcauley.org

The McAuley Institute is a non-profit lender focused on increasing the supply of affordable housing with a special emphasis on the housing needs of women and children. Its revolving loan fund is primarily used to fund housing development costs.

Below-Market Lenders – Community Development Loan Funds (cont.)

National Community Capital

Public Ledger Building
620 Chestnut Street
Suite 572
Philadelphia, PA 19106
Tel: (215) 923-4754
Fax: (215) 923-4755
Email: ncaa@communitycapital.org
www.communitycapital.org

There are many community development loan funds that serve a locality or region or focus on specific populations or types of community development. National Community Capital is a national membership organization of community development financial institutions (CDFIs). Its members include community development loan funds, community development credit unions, community development venture capital funds, and micro-enterprise lenders.

Historic Tax Credits

Program Description

Historic Tax Credits are federal tax credits for developers and investors to preserve and rehabilitate historic buildings. A 20 percent tax credit is available for the substantial rehabilitation of a commercial, industrial, or rental residential property that is a certified historic structure.

Eligible buildings must be certified historic structures listed individually in the National Register of Historic Places or as contributing buildings in National Register Historic Districts. Owners may claim the tax credit for the tax year in which the building is placed in service. Owners seeking the credit must apply through their state historic preservation office.

For non-profit organizations to use these tax credits, the organizations must establish for-profit partnerships. Because of the costs associated with this activity, historic tax credits work best in conjunction with low income housing tax credits.

APPENDIX B

Fiscal Year 2002 Consolidated Plan Allocations for Select States

State	Jurisdiction	CDBG	HOME	ESG	HOPWA	TOTAL
Delaware	Dover	$302,000	$0	$0	$0	$302,000
	New Castle County	$2,662,000	$1,050,000	$92,000	$0	$3,804,000
	Wilmington	$3,078,000	$717,000	$105,000	$1,015,000	$4,915,000
	Delaware State Program	$2,036,000	$3,008,000	$79,000	$150,000	$5,273,000
District of Columbia	Washington	$23,207,000	$7,797,000	$828,000	$10,451,000	$42,283,000
Florida	Boca Raton	$481,000	$0	$0	$0	$481,000
	Boynton Beach	$578,000	$0	$0	$0	$578,000
	Bradenton	$562,000	$0	$0	$0	$562,000
	Brevard County	$1,887,000	$1,528,000	$0	$0	$3,415,000
	Broward County	$4,949,000	$1,640,000	$171,000	$0	$6,760,000
	Cape Coral	$619,000	$0	$0	$0	$619,000
	Clearwater	$1,027,000	$511,000	$0	$0	$1,538,000
	Cocoa	$320,000	$0	$0	$0	$320,000
	Collier County	$2,159,000	$0	$0	$0	$2,159,000
	Coral Springs	$733,000	$0	$0	$0	$733,000
	Davie	$584,000	$0	$0	$0	$584,000
	Daytona Beach	$1,081,000	$652,000	$0	$0	$1,733,000
	Deerfield Beach	$579,000	$0	$0	$0	$579,000
	Delray Beach	$651,000	$0	$0	$0	$651,000
	Escambia County	$2,819,000	$1,885,000	$97,000	$0	$4,801,000
	Fort Lauderdale	$2,700,000	$1,116,000	$94,000	$6,960,000	$10,870,000
	Fort Myers	$869,000	$0	$0	$0	$869,000
	Fort Pierce	$911,000	$0	$0	$0	$911,000
	Fort Walton Beach	$213,000	$0	$0	$0	$213,000
	Gainesville	$1,615,000	$773,000	$0	$0	$2,388,000
	Hialeah	$5,514,000	$1,814,000	$190,000	$0	$7,518,000
	Hillsborough County	$6,517,000	$2,051,000	$223,000	$0	$8,791,000
	Hollywood	$1,650,000	$654,000	$0	$0	$2,304,000
	Jacksonville-Duval	$8,624,000	$3,380,000	$297,000	$1,865,000	$14,166,000
	Lake County	$923,000	$0	$0	$0	$923,000
	Lakeland	$909,000	$470,000	$0	$0	$1,379,000
	Largo	$533,000	$0	$0	$0	$533,000
	Lauderhill	$695,000	$0	$0	$0	$695,000
	Lee County	$2,188,000	$619,000	$0	$0	$2,807,000
	Manatee County	$1,730,000	$587,000	$0	$0	$2,317,000
	Margate	$421,000	$0	$0	$0	$421,000
	Marion	$1,971,000	$0	$0	$0	$1,971,000
	Melbourne	$725,000	$0	$0	$0	$725,000
	Miami	$12,856,000	$5,409,000	$447,000	$12,482	$31,194,000
	Miami Beach	$2,777,000	$1,628,000	$98,000	$0	$4,503,000
	Miami-Dade County	$22,679,000	$6,427,000	$783,000	$0	$29,889,000
	Miramar	$570,000	$0	$0	$0	$570,000
	North Miami	$1,107,000	$0	$0	$0	$1,107,000
	Ocala	$722,000	$0	$0	$0	$722,000
	Orange County	$6,038,000	$2,039,000	$204,000	$0	$8,281,000
	Orlando	$2,460,000	$1,241,000	$85,000	$2,711,000	$6,497,000
	Palm Bay	$634,000	$0	$0	$0	$634,000

State	Jurisdiction	CDBG	HOME	ESG	HOPWA	TOTAL
Florida (cont.)	Palm Beach County	$7,148,000	$2,307,000	$244,000	$0	$9,699,000
	Panama City	$543,000	$0	$0	$0	$543,000
	Pasco County	$2,986,000	$957,000	$103,000	$0	$4,046,000
	Pembroke Pines	$711,000	$0	$0	$0	$711,000
	Pensacola	$1,221,000	$0	$0	$0	$1,221,000
	Pinellas County	$3,682,000	$1,702,000	$127,000	$0	$5,511,000
	Plantation	$478,000	$0	$0	$0	$478,000
	Polk County	$4,103,000	$1,303,000	$141,000	$0	$5,547,000
	Pompano Beach	$1,246,000	$438,000	$0	$0	$1,684,000
	Port St. Lucie	$500,000	$0	$0	$0	$500,000
	Punta Gorda	$103,000	$0	$0	$0	$103,000
	Sarasota	$655,000	$887,000	$0	$0	$1,542,000
	Sarasota County	$1,644,000	$0	$0	$0	$1,644,000
	Seminole County	$2,698,000	$0	$94,000	$0	$2,792,000
	St. Petersburg	$3,012,000	$1,525,000	$104,000	$0	$4,641,000
	Sunrise	$620,000	$0	$0	$0	$620,000
	Tallahassee	$2,174,000	$972,000	$0	$0	$3,146,000
	Tamarac	$360,000	$0	$0	$0	$360,000
	Tampa	$4,878,000	$2,313,000	$170,000	$2,771,000	$10,132,000
	Titusville	$422,000	$0	$0	$0	$422,000
	Volusia County	$3,208,000	2,057,000	$95,000	$0	$5,360,000
	West Palm Beach	$1,172,000	$565,000	$0	$3,960,000	$5,697,000
	Winterhaven	$321,000	$0	$0	$0	$321,000
	Florida State Program	$29,466,000	$23,609,000	$2,430,000	$4,129,000	$59,634,000
Kentucky	Ashland	$880,000	$0	$0	$0	$880,000
	Covington	$2,171,000	$619,000	$76,000	$0	$2,866,000
	Henderson	$352,000	$0	$0	$0	$352,000
	Hopkinsville	$487,000	$0	$0	$0	$487,000
	Jefferson County	$3,237,000	$1,293,000	$112,000	$0	$4,642,000
	Lexington-Fayette	$2,724,000	$1,498,000	$94,000	$0	$4,316,000
	Louisville	$12,197,000	$3,247,000	$418,000	$405,000	$16,267,000
	Owensboro	$771,000	$449,000	$0	$0	$1,220,000
	Kentucky State Program	$35,464,000	$19,091,000	$1,296,000	$390,000	$56,241,000
Maryland	Annapolis	$421,000	$0	$0	$0	$421,000
	Anne Arundel County	$2,489,000	$860,000	$87,000	$0	$3,436,000
	Baltimore	$30,483,000	$9,072,000	$1,052,000	$7,033,000	$47,640,000
	Baltimore County	$4,895,000	$2,354,000	$169,000	$0	$7,418,000
	Cumberland	$1,309,000	$0	$0	$0	$1,309,000
	Frederick	$438,000	$0	$0	$0	$438,000
	Hagerstown	$1,114,000	$0	$0	$0	$1,114,000
	Harford County	$1,313,000	$540,000	$0	$0	$1,853,000
	Howard County	$1,198,000	$0	$0	$0	$1,198,000
	Montgomery County	$5,923,000	$2,325,000	$206,000	$0	$8,454,000
	Prince Georges County	$7,023,000	$2,767,000	$244,000	$0	$10,034,000
	Maryland State Program	$9,249,000	$7,607,000	$518,000	$0	$17,374,000
Massachusetts	Arlington	$1,545,000	$0	$0	$0	$1,545,000
	Attleboro	$575,000	$0	$0	$0	$575,000
	Barnstable	$408,000	$0	$0	$0	$408,000
	Barnstable County Consortium	$0	$783,000	$0	$0	$783,000
	Boston	$24,914,000	$7,515,000	$872,000	$2,416,000	$35,717,000
	Brockton	$1,853,000	$935,000	$0	$0	$2,788,000
	Brookline	$1,872,000	$0	$0	$0	$1,872,000
	Cambridge	$3,856,000	$879,000	$137,000	$0	$4,872,000
	Chicopee	$1,529,000	$0	$0	$0	$1,529,000

State	Jurisdiction	CDBG	HOME	ESG	HOPWA	TOTAL
Massachusetts (cont.)	Fall River	$3,639,000	$1,200,000	$125,000	$0	$4,964,000
	Fitchburg	$1,436,000	$630,000	$0	$0	$2,066,000
	Framingham	$635,000	$0	$0	$0	$635,000
	Gloucester	$902,000	$0	$0	$0	$902,000
	Haverhill	$1,267,000	$0	$0	$0	$1,267,000
	Holyoke	$1,754,000	$1,420,000	$0	$0	$3,174,000
	Lawrence	$2,335,000	$1,375,000	$81,000	$0	$3,791,000
	Leominster	$543,000	$0	$0	$0	$543,000
	Lowell	$2,874,000	$1,253,000	$100,000	$0	$4,227,000
	Lynn	$3,207,000	$1,019,000	$115,000	$0	$4,341,000
	Malden	$1,780,000	$2,387,000	$0	$0	$4,167,000
	Medford	$2,186,000	$0	$0	$0	$2,186,000
	New Bedford	$3,811,000	$1,378,000	$129,000	$0	$5,318,000
	Newton	$2,663,000	$1,264,000	$93,000	$0	$4,020,000
	Northampton	$912,000	$0	$0	$0	$912,000
	Peabody Consortium	$0	$2,210,000	$0	$0	$2,210,000
	Pittsfield	$1,877,000	$0	$0	$0	$1,877,000
	Plymouth	$449,000	$0	$0	$0	$449,000
	Quincy	$2,505,000	$765,000	$86,000	$0	$3,356,000
	Salem	$1,397,000	$0	$0	$0	$1,397,000
	Somerville	$3,634,000	$836,000	$126,000	$0	$4,596,000
	Springfield	$5,195,000	$2,085,000	$179,000	$535,000	$7,994,000
	Taunton	$999,000	$0	$0	$0	$999,000
	Waltham	$1,261,000	$0	$0	$0	$1,261,000
	Westfield	$515,000	$0	$0	$0	$515,000
	Weymouth	$917,000	$0	$0	$0	$917,000
	Worcester	$5,833,000	$1,769,000	$202,000	$0	$7,804,000
	Yarmouth	$206,000	$0	$0	$0	$206,000
	Massachusetts State Program	$38,763,000	$15,162,000	$2,245,000	$1,072,000	$57,242,000
New Jersey	Asbury Park	$533,000	$0	$0	$0	$533,000
	Atlantic City	$1,927,000	$562,000	$0	$0	$2,489,000
	Atlantic County	$1,551,000	$617,000	$0	$0	$2,168,000
	Bayonne	$2,285,000	$0	$79,000	$0	$2,364,000
	Bergen County	$12,794,000	$2,899,000	$440,000	$0	$16,133,000
	Bloomfield	$1,468,000	$0	$0	$0	$1,468,000
	Brick Township	$411,000	$0	$0	$0	$411,000
	Bridgeton	$554,000	$0	$0	$0	$554,000
	Burlington County	$2,117,000	$844,000	$0	$0	$2,961,000
	Camden	$3,906,000	$1,583,000	$131,000	$0	$5,620,000
	Camden County	$3,067,000	$1,261,000	$101,000	$0	$4,429,000
	Cherry Hill	$493,000	$0	$0	$0	$493,000
	Clifton	$1,785,000	$0	$0	$0	$1,785,000
	Dover Township	$520,000	$0	$0	$707,000	$1,227,000
	East Orange	$2,136,000	$1,017,000	$0	$0	$3,153,000
	Edison	$627,000	$0	$0	$0	$627,000
	Elizabeth	$2,755,000	$1,449,000	$100,000	$0	$4,304,000
	Essex County	$7,198,000	$1,299,000	$260,000	$0	$8,757,000
	Franklin Township	$288,000	$0	$0	$0	$288,000
	Gloucester County	$1,935,000	$812,000	$0	$0	$2,747,000
	Gloucester Township	$341,000	$0	$0	$0	$341,000
	Hamilton	$698,000	$0	$0	$0	$698,000
	Hudson County	$4,704,000	$3,457,000	$176,000	$0	$8,337,000
	Irvington	$1,365,000	$630,000	$0	$0	$1,995,000
	Jersey City	$8,720,000	$3,183,000	$303,000	$2,707,000	$14,913,000

State	Jurisdiction	CDBG	HOME	ESG	HOPWA	TOTAL
New Jersey (cont.)	Lakewood Township	$702,000	$0	$0	$0	$702,000
	Long Branch	$670,000	$0	$0	$0	$670,000
	Mercer County Consortium	$0	$613,000	$0	$0	$613,000
	Middlesex County	$2,041,000	$1,547,000	$0	$0	$3,588,000
	Middleton	$360,000	$0	$0	$0	$360,000
	Millville	$388,000	$0	$0	$0	$388,000
	Monmouth County	$3,753,000	$1,835,000	$130,000	$0	$5,718,000
	Morris County	$2,630,000	$967,000	$91,000	$0	$3,688,000
	New Brunswick	$869,000	$455,000	$0	$0	$1,324,000
	Newark	$11,690,000	$4,406,000	$405,000	$6,979,000	$23,480,000
	North Bergen Township	$886,000	$0	$0	$0	$886,000
	Ocean County	$1,712,000	$1,301,000	$84,000	$0	$3,097,000
	Old Bridge Township	$360,000	$0	$0	$0	$360,000
	Parsippany-Troyhills	$277,000	$0	$0	$0	$277,000
	Passaic	$1,303,000	$901,000	$0	$0	$2,204,000
	Paterson	$3,520,000	$1,824,000	$118,000	$1,333,000	$6,795,000
	Perth Amboy	$872,000	$498,000	$0	$0	$1,370,000
	Sayreville	$203,000	$0	$0	$0	$203,000
	Somerset County	$1,422,000	$549,000	$0	$0	$1,971,000
	Trenton	$3,925,000	$976,000	$134,000	$0	$5,035,000
	Union	$811,000	$0	$0	$0	$811,000
	Union City	$1,507,000	$0	$0	$0	$1,507,000
	Union County	$6,393,000	$1,423,000	$220,000	$0	$8,036,000
	Vineland	$655,000	$812,000	$0	$0	$1,467,000
	Wayne Township	$236,000	$0	$0	$0	$236,000
	Woodbridge	$760,000	$0	$0	$786,000	$1,546,000
	New Jersey State Program	$9,574,000	$7,413,000	$1,473,000	$1,991,000	$20,451,000