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(CCD) HOUSING TASK FORCE

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## HUD's HOME Program: Can it Really Work for People with Disabilities?

By Marie Herb and Ann O'Hara

### Overview

The Home Investments Partnership (HOME) program is the largest federal program available exclusively to create new affordable housing. Approximately \$1.8 billion in HOME funds are provided by the U.S. Department of Housing and Urban Development (HUD) each year to states and localities to address affordable housing needs. These funds can be used to:

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

The HOME program marked a major change in the way the federal government funds the creation of permanent and affordable housing. During the 1970s and 1980s, the federal government relied on a series of "categorical" housing programs (e.g., the federal low-rent public housing program; the Section 8 New Construction and Substantial Rehabilitation program, etc.) that were directly controlled by Congress and HUD.

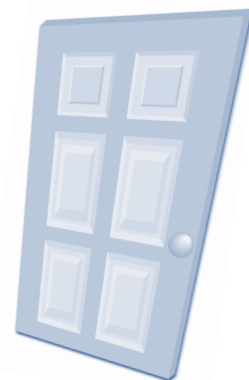
During those years, Congress decided how much money would be spent on various homeownership and affordable rental housing activities and how the money would be spent. HUD, in turn, decided where these funds would be used by awarding them directly to public and private housing providers across the country through competitive applications.

When the National Affordable Housing Act, which created the HOME program, was passed by Congress in 1990, this entire

picture changed. Now, HOME funds are not directly controlled by HUD, but are distributed by HUD to all 50 states and more than 500 localities across the country. Within very broadly defined guidelines established by Congress, the decisions about how HOME funds are used are left to state and local government officials. Thus, the HOME program is much more flexible than the "old" federal housing programs of the 1970s and 1980s, and gives much more control and authority over federal housing funding to state and local housing officials.

Unfortunately, the HOME program is not used in many localities to address the housing needs of very low-income people with disabilities. People with disabilities are not getting their fair share of HOME-funded affordable housing because:

- Most states and local communities invest their HOME funds in housing activities that benefit households with incomes between 30 percent and 60 percent of median income rather than for people with disabilities and other extremely low-income households who are below 30 percent of median income;
- Few states and localities spend HOME funds to provide tenant-based rental assistance, which is the simplest way to use the HOME program to help people with disabilities;



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# Opening Doors

A housing publication for the disability community

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The **Technical Assistance Collaborative, Inc.** is a non-profit organization that provides state-of-the-art technical assistance and training to housing and human service organizations so that they may achieve positive outcomes in their work on behalf of people who are disadvantaged and/or disabled. For more information, please contact Maura Collins Versluys, Technical Assistance Collaborative Inc., One Center Plaza, Suite 310, Boston, Massachusetts 02108. Phone: 617-742-5657 or Fax: 617-742-0509 or e-mail: info@tacinc.org.



The **Consortium for Citizens with Disabilities (CCD)** is a national coalition of consumer, advocacy, provider, and professional organizations who advocate on behalf of people of all ages with disabilities and their families. CCD has created the CCD Housing Task Force to focus specifically on housing issues that affect people with disabilities.

## CCD HOUSING TASK FORCE Co-CHAIRS

Suellen Galbraith  
American Network of Community  
Options & Resources (703) 642-6614  
Kathy McGinley  
The Arc (202) 785-3388  
Susan Prokop  
Paralyzed Veterans of America (202) 416-7707  
Andrew Sperling  
National Alliance for the Mentally Ill (703) 524-7600

## CCD HOUSING TASK FORCE MEMBERS

American Assoc. on  
Mental Retardation (202) 387-1968  
American Congress of Community  
Supports & Employment Svcs. (202) 466-3355  
American Council for the Blind (202) 467-5081  
American Speech-Language-  
Hearing Assoc. (202) 624-5953  
Bazelon Center for Mental Health Law (202) 467-5730  
Brain Injury Assoc. (703) 236-6000  
Easter Seals (202) 347-3066  
Internat'l. Assoc. of Psychosocial  
Rehabilitation Svcs. (410) 730-7190  
Nat'l. Assoc. of Developmental  
Disabilities Councils (202) 347-1234  
Nat'l. Assoc. Protection  
& Advocacy Systems (202) 408-9514  
Nat'l. Assoc. of State Mental  
Health Program Directors (703) 739-9333  
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Behavioral Health Care (301) 984-6200  
Nat'l. Mental Health Assoc. (703) 838-7530  
Nat'l. MS Society (202) 408-1500  
Rehabilitation Engineering &  
Assistive Technology Society of  
North America (703) 524-6686  
Title II Community AIDS  
Nat'l. Network (202) 479-2543  
United Cerebral Palsy Assoc. (202) 776-0406

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## Editorial

The federal HOME Investment Partnership program profoundly changed the landscape of federal affordable housing policies when it was authorized by Congress in 1990. The intent of Congress was very clear at the time, and was carried forward in subsequent federal housing legislation later in the decade. State and local housing officials – not HUD – would decide how federal housing funds would be used to address housing needs.

Housing advocates involved in the struggle to create the HOME program can vividly recall the debate – one that included discussions about how the needs of the lowest income households would be addressed. In particular, there was concern about several key issues:

- Would state and local housing officials end up using the HOME program simply as an extension of the popular Community Development Block Grant program, rather than use it more creatively to expand affordable housing?
- Would the flexibility built into the program mean that housing officials could get away with not serving those households most in need of housing assistance?
- Could the program actually produce housing for the lowest income households without some type of subsidy mechanism built into the program design?

More than 10 years later, we have the answers to these questions, and they are extremely relevant to the current events unfolding in Washington D.C.

The HOME program has more than fulfilled its promise of flexibility and creativity. HUD data indicates that over 617,000 new units of housing – both rental and homeowner – have been created with the HOME program. Almost \$4 in other financing is contributed for every \$1 of HOME funding invested. Some say that HOME is an affordable housing developer's "dream come true."

Unfortunately, if you are an extremely low-income person with a disability looking for housing assistance in 2001, the HOME program is not likely to be the answer to your problems. As this issue of *Opening Doors* documents, not enough HOME funding is going to address the housing needs of people with disabilities – or other households with incomes below 30 percent of median income for that matter.

This outcome might not have been a problem if other federal housing programs were addressing this

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- Housing officials that control the HOME program lack knowledge about the housing needs and preferences of people with disabilities; and
- Non-profit housing developers assisting people with disabilities continue to rely primarily on “disability specific” programs such as the Section 811 Supportive Housing for Persons with Disabilities program (Section 811), the McKinney/Vento Homeless Assistance programs, and the Housing Opportunities for People with AIDS (HOPWA) program to expand permanent housing.

This issue of *Opening Doors* is designed to help the disability community learn more about the HOME program, how it works, and how it can be used to expand affordable housing for people with disabilities. Some of the problems with the HOME program pointed out in this article could discourage people with disabilities and their advocates from seeking HOME funds. However, that conclusion would be a mistake.

There are very specific strategies that can be used to increase the investment of HOME funds in affordable housing for people with disabilities, including people with incomes as low as Supplemental Security Income (SSI) benefits levels. A few of these strategies are outlined in this article as a guide to help engage state and local housing officials and convince them to allocate more HOME funding to address these needs.

## Distributing HOME Funds

**H**UD distributes HOME funds every year to all 50 states and more than 500 eligible localities. Localities that receive HOME funds directly are referred to as “HOME participating jurisdictions” and include metropolitan cities and urban counties, or other local governments that join with adjacent cities or towns to form a “HOME consortium.” Communities that do not receive HOME funds directly from HUD can obtain HOME funding through the state’s HOME program.

The actual amount of funding received each year is based on the amount appropri-

ated by Congress for that year, as well as a formula that HUD uses to allocate HOME funds to each state and participating jurisdictions. The formula takes into account certain local conditions including the inadequacy of the housing supply, the amount of substandard rental housing, the number of low-income units in need of rehabilitation, the cost of producing housing, the overall incidence of poverty, etc. For HUD’s most up-to-date and complete listing of HOME grants to cities and states go to [www.hud.gov/offices/cpd/affordable\\_housing/programs/home/index.cfm](http://www.hud.gov/offices/cpd/affordable_housing/programs/home/index.cfm) and choose the HOME grants link.

## The Consolidated Plan Process

**A**ll states and 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 also includes an Annual Action Plan for the use of federal housing funds including HOME dollars.

The ConPlan process was established by Congress so that state and local government and citizens – rather than the federal government – could make affordable housing and community development decisions. Congress made sure that citizens could be involved in making these decisions by requiring that government housing officials in charge of preparing the ConPlan meet specific citizen participation requirements including: holding at least two public hearings; consulting with public and private service providers; and soliciting feedback from residents and members of the community.

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 state’s housing agency (it may be called the Department of Community Affairs or Community Development, the state

**T**here are very specific strategies that can be used to increase the investment of HOME funds in affordable housing for people with disabilities.

Housing Finance Agency, or the Department of Economic Development) develops the ConPlan. Through the ConPlan process, the disability community can educate local housing officials; provide information and data on the housing needs of people with disabilities; and advocate that HOME funds be used to assist people with disabilities. For more detailed information on the ConPlan process, see TAC's online publication *Piecing It All Together* available at [www.tacinc.org/resourcesframe.html](http://www.tacinc.org/resourcesframe.html).

## How HOME Funds Can Be Used

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

- Rental housing development;
- Tenant-based rental assistance;
- Homeownership activities; and
- Homeowner repair.

Up to 15 percent of a community's HOME grant must be reserved for projects owned, developed, or sponsored by community housing development organizations (CHDOs). CHDOs are community-based non-profit housing organizations that meet specific federal requirements. (For example, at least one third of the Board of Directors of a non-profit CHDO must be low-income residents). States and localities can also use up to 10 percent of their HOME funds to cover administrative expenses.

### Rental Housing Development

HOME resources can be used to cover the cost of acquiring land and buildings, renovating properties, as well as constructing new rental housing. However, HOME funds *cannot* be used to fund on-going housing operating costs – a major drawback of the HOME program. HOME 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, which are designed to ensure affordability. Sometimes HOME funds are used to cover costs incurred to determine if a project is feasible, such as paying for architect and engineering fees.

The rental housing developed using HOME funds can take on many forms. The units can range in size from single room occupancy units or efficiencies to multi-bedroom apartments. HOME-funded rental housing can be as small as a single family home or as large as an apartment complex with hundreds of units.

The fact that HOME funds cannot be used to subsidize the operating costs of rental housing is a real barrier to using the program for people with disabilities, particularly people with disabilities receiving SSI benefits. The federal housing programs that can provide this on-going subsidy are the Section 8 project-based assistance program, the McKinney/Vento Homeless Assistance programs, and the Section 811 Supportive Housing for Persons with Disabilities program. However, most housing officials administering the HOME program are not familiar with strategies that can link HOME-funded rental housing activities with these other HUD programs.

### Tenant-Based Rental Assistance

Congress specifically created the tenant-based rental assistance component of the HOME program so that extremely low-income households, including people with disabilities, could easily benefit from the program. HOME tenant-based rental assistance operates in much the same way as other federal rental assistance programs, such as the Section 8 voucher program. HOME funds can provide a rent subsidy directly to a landlord on behalf of an eligible household. The household selects the rental unit from units available in the community. The unit must meet the HOME program guidelines, which are similar to those used in the Section 8 voucher program.

Tenants are required to pay a portion of their income for rent (generally 30 percent of their adjusted gross income) and HOME



funds pay the difference between the tenant share of the rent and the approved monthly rent for the unit. HOME tenant-based rental assistance is awarded for a two-year timeframe but can be renewed if additional HOME funds are available. Since households that receive HOME tenant-based rental assistance can also be on Section 8 waiting lists, strategies can be developed that link people receiving HOME funds to Section 8 vouchers at the end of the two years.

## Homeownership Activities

The combination of limited incomes and tight housing markets has made it nearly impossible for many people with disabilities to purchase homes without some sort of financial assistance. Because of limited incomes, people with disabilities may also require more down payment assistance and lower mortgage rates. 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 HOME program permits the purchase of owner-occupied 1- to 4-family residences, condominiums, cooperative units, or manufactured housing initiatives.

A few states and communities have made considerable headway in expanding homeownership opportunities for people with disabilities using the HOME program. In these localities, housing officials are implementing innovative and collaborative homeownership strategies benefiting people with disabilities that combine the HOME program with other homeownership resources. For example, HOME funds have been used for down-payment assistance in conjunction with below-market interest mortgage programs for people with disabilities in Alaska and Maryland.

## Home Repair

HOME resources can be provided to existing eligible homeowners to fund the repair, rehabilitation, or reconstruction of their homes. For example, localities can make HOME funds available to people with disabilities to support general repairs to their homes, such as installation of a new roof or boiler. The HOME program can also help make properties accessible for people with

physical or sensory impairments, including the installation of wheelchair ramps, renovating entranceways, modifying bathrooms and kitchens, and adding assistive technology. Similar to homeownership activities, the housing must be an owner-occupied 1- to 4-family residence, condominium, cooperative unit, or manufactured housing.

## Income Targeting

**H**OME funds must be used to create housing for low and very low-income households, meaning households with annual incomes at or below 80 percent of the area median income. Complicated income eligibility guidelines for the HOME program ensure that, for rental housing activities, most of the households assisted must be below 60 percent of median income. However, there are virtually no requirements that a state or community set-aside a portion of HOME funds for the lowest income households – that is, households with incomes below 30 percent of median.

Because the HOME program can assist households below the area median income, the vast majority of people with disabilities in need of housing assistance qualify for the HOME program. The irony is that the *lower* the income of the household, the *less* likely it is that the household will benefit from the HOME program. This is particularly true for people with disabilities receiving SSI benefits, who, according to housing advocates, receive very little benefit from the HOME program. [In fact, recent data from HUD's website indicates that people with disabilities are generally not benefiting from HOME-funded housing activities – see [Table 2](#) for more information.]

## HOME Rents Not Affordable for Lowest Income Households

**T**he HOME program creates “affordable” rental housing by requiring the owner(s) of HOME-funded units to use the program's rent limits. These rent limits are referred to as High and Low HOME Rents and are derived from HUD's Fair Market Rents (FMRs)

and area median income levels. The High HOME Rent is a ceiling above which rents *cannot* be charged. The Low HOME Rent *must* be used for at least 20 percent of the units in most HOME-funded projects to ensure affordability for very low-income households below 50 percent of median income.

Unfortunately, even the HOME program's Low Rent limits are not low enough to be affordable to people with disabilities receiving SSI benefits. Although *technically* eligible to live in housing developed through the HOME program, people with disabilities with incomes below 30 percent of median rarely live in HOME-funded rental housing because – unless they have additional rental assistance like a Section 8 voucher – they cannot afford to pay the Low HOME Rent.

In fact, in most areas of the country, a person would need to spend more than 60 percent of their monthly SSI benefit for a unit renting at the HOME Low Rent. In some communities, the Low HOME Rent limit is actually *higher* than monthly SSI benefits, making it literally impossible for a person with SSI benefits to live in a HOME-assisted property without a rent subsidy. For example, in New Haven, Connecticut, an individual receiving SSI would pay almost 80 percent of his/her income in a Low HOME Rent unit and over 90 percent at the High HOME rent. **Table 1** provides a snapshot of the High and Low HOME Rent

Limits for some communities, and compares them to SSI benefit levels.

## The HOME Program's Track Record

As mentioned previously, state and local government housing officials decide how their HOME funds will be used. The funds can be committed to any one, or to all four approved HOME activities, as long as it is clearly specified in the HUD-approved ConPlan. For example, one participating jurisdiction may elect to use all of its HOME funds to support the development of new rental housing. Another participating jurisdiction can choose to use all of its HOME funds for homeownership programs. More commonly, communities use a portion of their HOME funds for several of the four eligible activities.

Statistics for the HOME program available on HUD's website provide a breakdown of exactly how HOME program funds have been used since 1992. As indicated in **Table 2**, 55.4 percent of HOME funds have been committed to rental housing activities and 44.6 percent for homeownership. [NOTE: Homeownership percentage includes both homebuyer and home repair activities]. What is most notable and disconcerting about this data is the extremely low percentage of funding spent on tenant-based rental assistance.

Out of the \$9.9 billion in funding commitments made under the HOME pro-

**Table 1: High and Low One-Bedroom HOME Rent Limits as Compared to SSI**

State	City/Area	Low HOME Rent	High HOME Rent	SSI Amount	HOME Low Rent as a % of SSI	HOME High Rent as a % of SSI
AL	Birmingham	\$454	\$454	\$512	88.67%	88.67%
AK	Anchorage	\$567	\$599	\$874	64.87%	68.54%
AZ	Flagstaff	\$438	\$474	\$512	85.55%	92.58%
CA	Oakland	\$671	\$853	\$692	96.97%	123.27%
CO	Denver	\$603	\$625	\$512	117.77%	122.07%
CT	New Haven	\$595	\$674	\$747	79.65%	90.23%
FL	Daytona	\$416	\$464	\$512	81.25%	90.63%
GA	Atlanta	\$623	\$720	\$512	121.68%	140.63%
MD	Baltimore	\$542	\$542	\$512	105.86%	105.86%
NY	Westchester County	\$804	\$939	\$599	134.22%	156.76%

NOTE: HUD publishes a list of HOME High and Low Rents for each participating jurisdiction. For a complete listing of the High and Low HOME Rents go to: [www.hud.gov/offices/cpd/affordablehousing/programs/HOME/limits/rent](http://www.hud.gov/offices/cpd/affordablehousing/programs/HOME/limits/rent).

**Table 2: Project Funding Commitments by Activity Type and Tenure***(Figures as of Oct. 31 and in millions of dollars)*

Activity	Rental	Home Repair	Homeowner	Total	% of Funds
New Construction	\$2,581	\$996	–	\$3,577	36.2
Rehabilitation	\$2,354	\$366	\$1,901	\$4,621	46.7
Acquisition	\$282	\$1,151	–	\$1,433	14.5
Tenant-Based					
Rental Assistance	\$263	–	–	\$263	2.7
<b>TOTAL</b>	<b>\$5,480</b>	<b>\$2,513</b>	<b>\$1,901</b>	<b>\$9,894</b>	<b>–</b>
<b>PERCENTAGE OF FUNDS</b>	<b>55.4</b>	<b>25.4</b>	<b>19.2</b>	<b>–</b>	<b>100.0</b>

gram by state and local housing officials, only \$263 million – or 2.7 percent – of the total funding committed in the past nine years has been used for tenant-based rental assistance.

None of this data is good news for people with disabilities receiving SSI who cannot afford to live in HOME-funded rental housing developments without an additional rent subsidy, but who would benefit greatly from HOME tenant-based rental assistance.

## More Tenant-Based Rental Assistance Needed

This data isn't a surprise to advocates for people with disabilities who have long argued that HOME tenant-based rental assistance is the most feasible way to ensure that people with disabilities can benefit from the HOME program. Unfortunately, many state and local government housing officials view tenant-based rental assistance as a "waste" of HOME funding because it does not develop, preserve, or repair the supply of affordable housing.

Whether intentional or not, the refusal to fund any tenant-based rental assistance under the HOME program has the affect of denying the poorest people with disabilities access to housing assistance funded through the HOME program.

It is important to point out that tenant-based rental assistance is *not* the only way that people with disabilities with the lowest incomes can benefit from the HOME program. For example, the HOME program can be used by state and local housing officials in combination with other HUD programs that are used to assist people with disabilities –

such as the Section 8 voucher program.

However, it takes an organized and sustained advocacy effort from the disability community – often over a multi-year period – to change the way that HOME funds are used in most states and localities.

## Six Good Reasons to Target HOME Funds

Despite the problems and issues with the HOME program discussed above, there are at least six reasons why the HOME program *should* be considered a key resource to expand affordable housing for people with disabilities.

1. The amount of money available through the HOME program makes it a prime resource. For fiscal year 2002, Congress appropriated approximately \$1.8 billion dollars for the HOME program. This is at least 5 times more new funding than is available from all of HUD's "boutique" programs for people with disabilities, *combined!* Some housing officials unfortunately believe that people with disabilities should not be prioritized for HOME funds since other "disability-specific" programs (e.g., Section 811, HOPWA, and McKinney/Vento Homeless Assistance) are available. It is important to point out to them that these small programs are intended to augment, but not *replace*, HUD's other affordable housing programs.
2. The HOME program is an excellent source of funding for tenant-based rental assistance for people with disabilities. If designed carefully, a HOME-funded

# Washington Bulletin

## FY 2002 Budget Highlights

HUD's recently approved FY 2002 budget is the best it's been in years for people with disabilities. Among the highlights:

**Section 811:** \$240 million was appropriated, a \$28.2 million increase over last year. 75 percent of the funding will be used to buy, rehabilitate, construct, and operate housing owned by non-profit organizations, and 25 percent will be used for tenant-based rental assistance through the Section 8 Mainstream program. The funding will be sufficient to develop approximately 1,600 new units of housing and create 2,000 new Section 8 vouchers for people with disabilities.

**Section 8:** \$40 million was approved for new Section 8 vouchers for people with disabilities affected by the "elderly only" designation of federal public and assisted housing developments. This funding will provide approximately 6,000 new Section 8 vouchers.

**Homeless Assistance:** Congress appropriated \$1.12 billion for McKinney/Vento Homeless Assistance programs; including approximately \$100 million for the renewal of existing Shelter Plus Care rent subsidies. Congress also continued the requirement that HUD spend at least 30 percent of McKinney/Vento funding on permanent supportive housing for people with disabilities.

**HUD Formula Grants – HOME, CDBG, and HOPWA:** Congress appropriated \$1.79 billion for the HOME program, \$5.01 for the Community Development Block Grant program, and \$277 million for the Housing Opportunities for Persons with AIDS program. These funds are distributed at the state and local level through the Consolidated Plan process.

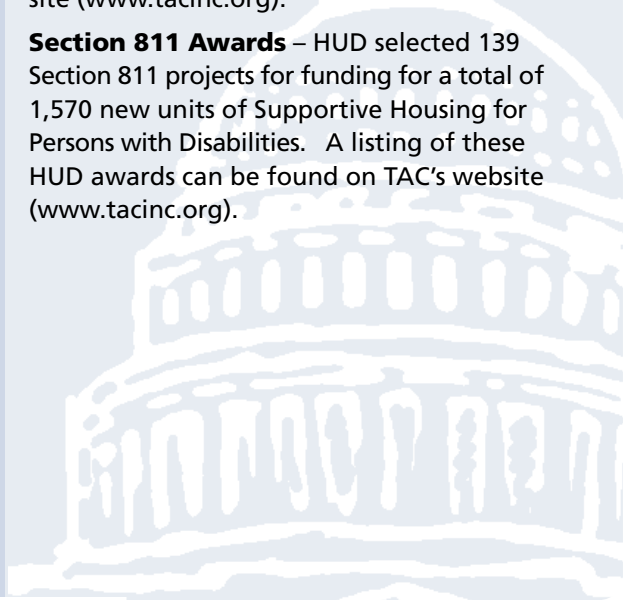
## Recent HUD Funding Announcements

**Section 8 vouchers** – In October of 2001, HUD awarded approximately 8,000 new vouchers to PHAs and non-profit organizations that applied under the Section 8 Mainstream and Designated Housing Programs. For complete information on the PHAs and non-profits that received these funds, please refer to TAC's website ([www.tacinc.org](http://www.tacinc.org)).

**Section 811 Awards** – HUD selected 139 Section 811 projects for funding for a total of 1,570 new units of Supportive Housing for Persons with Disabilities. A listing of these HUD awards can be found on TAC's website ([www.tacinc.org](http://www.tacinc.org)).

### Non-Profit Organizations That Received Section 8 Mainstream Funds in 2001

State	Housing Agency	City	# Received
NY	Options for Community Living	Smithtown	75
NV	Accessible Space, Inc.	Las Vegas	75
NC	Eastern Carolina Human Services Agency	Jacksonville	75
MA	Middlesex North Resource Center, Inc.		75
MA	Community TeamWork, Inc.	Lowell	48
MA	Greater Lynn Mental Health and Retardation Association, Inc.	Lynn	75
MI	Housing Services for Eaton County	Charlotte	75
FL	Boley Centers for Behavioral Health Care, Inc.	St. Petersburg	75
DC	Community Connections	DC	75





rental assistance program for people with disabilities can avoid the bureaucracy often associated with the Section 8 program administered by Public Housing Agencies (PHAs). It can also be “up and running” in a matter of months, rather than the two or three years it may take to develop new rental housing. HOME tenant-based rental assistance is an ideal resource to assist people with disabilities who are moving from restrictive settings such as institutions and nursing homes to community-based housing under the U.S. Supreme Court’s *Olmstead v. L.C.* decision. HOME tenant-based rental assistance could also be used to secure set-asides of accessible units in new affordable housing developments that would otherwise go to higher income households.

3. The HOME program has more flexibility than almost any other HUD rental housing development program and can be combined with project-based subsidies under the Section 8 voucher program or the McKinney/Vento Shelter Plus Care program. It can also be used to address the shortfall that exists in many Section 811 projects. The HOME program can easily fund mixed income and mixed population developments that meet the goal of community integration that is so important for people with disabilities. The HOME program can also be used to create different size rental units in one property (e.g., studio apartments for single people and multi-bedroom units for families with children).
4. The HOME program facilitates the separation of housing from supportive services. Although some projects funded with HOME are linked to community-based services and supports that tenants can access if they need them, under the HOME program rules, the owner of the housing cannot *require* tenants to accept services as a condition of tenancy or as a condition of the receipt of HOME funding.
5. The HOME program can help state and local homeownership coalitions

to expand affordable homeownership opportunities for people with disabilities. Currently, only 7 percent of people with disabilities in the United States are homeowners. However, during the past few years new mortgage products designed for people with disabilities – such as the Fannie Mae Home Choice Mortgage and the new rules that permit Section 8 vouchers to be used for homeownership assistance – encourage more people with disabilities to pursue the goal of homeownership. The availability of HOME program funds – which can provide substantial amounts of down payment assistance, reduce the interest rate on mortgages, or reduce the actual cost of developing new homes – is critical to the success of these homeownership efforts.

6. The HOME program is a key element in expanding the supply of barrier-free and accessible housing. HOME can be used to retro-fit or renovate existing housing to enable people with disabilities to remain in their homes, or to return home from nursing homes or other institutional settings. As states proceed with plans to implement the *Olmstead* decision the HOME program may be needed to fund accessibility modifications.

## Linking HOME With Project-Based and Operating Subsidies

To ensure access by very low-income people with disabilities to HOME-funded rental units over the long term, project-based rental subsidies are critical. With a project-based subsidy “tied” to the unit, tenants pay 30 percent of their income for rent – rather than the HOME program rent – and the project-based subsidy pays the rest.

Currently, project-based subsidies can be created through the Section 8 voucher program and the Shelter Plus Care rental assistance program. PHAs are now permitted to make up to 20 percent of their Section 8 vouchers project based, although

**H**OME tenant-based rental assistance could also be used to secure set-asides of accessible units in new affordable housing developments that would otherwise go to higher income households.

only a few PHAs have done so thus far. Converting tenant-based Section 8 to project-based Section 8 can achieve three important goals:

1. Help the PHA improve its Section 8 leasing rate by having the voucher committed to a unit for a multi-year period;
2. Help address the reluctance of landlords to accept Section 8 vouchers; and

**Editorial continued from page 2**

need. However, by the 1990s, virtually all other housing production programs for people with the lowest incomes (with the exception of “boutique” programs such as Section 811 and 202 programs) had ceased to exist, and were replaced with programs that work best for households with incomes above 30 percent of median and above.

Now another opportunity may be at hand. Currently, the Millennial Housing Commission is beginning to draft its report to Congress with recommendations for the future of federal housing policies and programs. The Commission has heard testimony from housing advocates about how difficult it is to rely exclusively on Section 8 vouchers to solve the housing problems of the poorest households. Hopefully, their recommendations will take into account both the successes and the failures of the federal policies of the 1990s and include strategies to ensure that the full range of housing needs can be addressed in future federal housing production programs.

As the Commission finalizes its recommendations, legislation proposing a new National Housing Trust Fund is also pending in Congress and has a growing number of co-sponsors. Housing advocates for people with disabilities and others who advocate on behalf of the poorest of the poor are as concerned now as they were 11 years ago when the HOME program was first authorized – except this time we have the evidence from the HOME program to prove our case.

We cannot afford to make the same mistake again! Advocates must ensure that any federal housing trust fund legislation include specific mechanisms – including a source of operating or rental assistance funding – to create affordable units for the lowest income households. Without these assurances, the flaws in the HOME program design will be perpetuated, and the lowest income people will continue to be overlooked by federal policy makers.

**The Editors**

3. Perhaps most importantly, help make rental housing developed with HOME funding affordable to people with disabilities with incomes as low as SSI.

Many HOME administrators are still not aware that Section 8 project-based vouchers can now be combined with HOME funds. Housing advocates for people with disabilities must educate both PHAs and HOME administrators – who rarely work together on housing strategies – about this new opportunity, which could significantly increase the number of people with disabilities who are assisted through the HOME program. Non-profit organizations administering the Section 8 Mainstream program should also be aware that they could link their vouchers to HOME-funded activities.

If PHAs do not have vouchers available to convert to project-based subsidies, let them know they can apply to HUD in the spring of 2002 for some of the 8,000 vouchers for people with disabilities that were just appropriated by Congress for the coming year. (See the Washington Bulletin on page 8 for more information on new Section 8 vouchers). Approximately 2,000 of these new vouchers will be available to non-profit groups that qualify.

McKinney/Vento Homeless Assistance Shelter Plus Care project-based subsidies are also an ideal resource to link to the HOME program in order to create new permanent supportive housing for homeless people with disabilities. For the past three years, Congress has mandated a 30 percent set-aside for permanent housing for HUD’s McKinney/Vento Homeless Assistance, which has made Shelter Plus Care subsidies much easier to obtain. HOME funds can also be used as “match” for the McKinney/Vento Homeless Assistance Supportive Housing Program (SHP), which provides up to \$400,000 in funding for the new construction, acquisition, and/or rehabilitation of permanent housing for homeless people with disabilities. The SHP program can also provide a three-year renewable operating subsidy (which covers the cost of

operating the housing not covered by tenant rents) to make HOME-funded rental housing affordable.

## Advocating for HOME

In order to increase access to HOME resources, the disability community must understand how the program can be used and develop strategies to overcome the resistance of state and local housing officials. Advocates must work to educate them on the housing needs of people with disabilities and propose feasible solutions to address those needs utilizing HOME funds. A step-by-step approach towards this goal is outlined below.

**Step One:** Determine the amount of HOME funding being provided by HUD to your state and localities within the state. A complete list of HOME recipients is available at: [www.hud.gov/offices/cpd/about/budget\\_data/RegAreaAlloc](http://www.hud.gov/offices/cpd/about/budget_data/RegAreaAlloc).

**Step Two:** Review a copy of the local and/or State ConPlan. [NOTE: Some successful strategies have first targeted state housing officials who – because of the Supreme Court’s *Olmstead* decision – may be somewhat more likely to change their policies than local housing officials]. Remember, the ConPlan is intended to be a comprehensive, long-range planning document that describes housing needs, market conditions, and housing strategies. It should also outline an action plan for the use of federal housing funds, including HOME. This action plan gets updated annually.

**Step Three:** Advocate for specific uses of HOME funds for activities to serve people with disabilities or for set-asides in existing HOME-funded projects. It is very important that you have a strategy in mind for how you would like HOME funds to be used. Simply making a general statement that you want HOME funds to be set-aside for people with disabilities will probably not be sufficient to convince housing officials to change their current HOME-funded activities. When in doubt, you can always advocate for HOME-funded tenant-based rental assistance resources! The formula in **Table 3** should

help you estimate the cost of a HOME tenant-based rental assistance program.

**Step Four:** Monitor your community’s use of specific HOME funds. You may not get what you ask for in Step Three, at least not the first time. However, persistence usually pays off! Review annual performance reports that the local or state ConPlan coordinators sent to HUD to determine which households benefit from HOME resources. If people with incomes below 30 percent of median are not being assisted through any HOME-funded housing activity, you will have a better argument the next time that decisions are being made. Ask if any HOME-funded activities are assisting people with disabilities and insist on documentation. These statistics and questions can help determine whether people with disabilities are receiving their “fair share” of federal funding provided through the HOME program.

**Step Five:** Be prepared to be persistent and to keep educating housing officials on the potential uses of HOME funds for people with disabilities. Many communities have not used HOME funds to create any tenant-based rental assistance programs despite the fact that it is the easiest way to ensure that people with disabilities benefit from the

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**Table 3: HOME Tenant-Based Rental Assistance Program Costs**

To estimate what a HOME tenant-based rental assistance program would cost your community, multiply the number of units by the local Fair Market Rent (FMR) for the applicable bedroom size by 24 months. (# of units x FMR x 24 months.) Below are sample costs of a tenant-based rental assistance project in different parts of the country.

Project Location	# Units	Local Fair Market Rent for BR Size	Length of Program (Months)	Project Cost
<b>Jackson County, TX</b>				
Efficiency	10	\$277	24	\$66,480
One Bedroom	10	\$321	24	\$77,040
Total	20			\$143,520
<b>Reno, NV</b>				
Two Bedroom	5	\$733	24	\$87,960
Total	5			\$87,960
<b>St. Paul, MN</b>				
Two Bedroom	20	\$742	24	\$356,160
Four Bedroom	20	\$1137	24	\$545,760
Total	40			\$901,920
<b>Lafayette, LA</b>				
Efficiency	12	\$296	24	\$85,248
One Bedroom	18	\$341	24	\$147,312
Three Bedroom	6	\$558	24	\$80,352
Total	36			\$312,912

## Other Good Advocacy Ideas

- Request that a set-aside of rental housing units developed with HOME funds be reserved for people with disabilities.
- Advocate for project-based rental subsidies for these units to ensure their long-term affordability for people with disabilities.
- Encourage communities to prioritize HOME projects that serve persons with disabilities.
- Work with a non-profit organization or your local PHA to apply for Section 8 Mainstream rental subsidies so that people with disabilities can afford to live in HOME-assisted rental developments.
- Seek changes in first time homebuyer underwriting guidelines so that income derived from benefits, such as SSI, is viewed in a similar manner as income earned through employment.
- Encourage the use of HOME funds to subsidize the cost of acquisition and construction of homes for purchase by people with disabilities.
- Advocate with local housing officials to use the Section 8 Housing Choice Voucher program to assist people with disabilities to buy homes that are financed through the HOME program. PHAs were given significant flexibility by HUD in designing Section 8 Homeownership programs, including targeting the assistance to a specific segment of people, such as people with disabilities.
- Encourage the use of HOME resources to fund repairs to homes to make them accessible to people with disabilities. Advocate for grants or very low-interest loans to ensure access by people with disabilities.

HOME program. Communicate with the appropriate senior housing officials that make the *final* decisions about the HOME program and let them know you *expect* them to ensure that people with disabilities are not “left out” of the HOME program!

## Conclusion

Expanding the number of extremely low-income people with disabilities who benefit from the HOME program is one important way to ensure that the nation’s affordable housing system becomes more responsive to the housing needs of people with disabilities. However, it is very easy to become discouraged when advocating for changes in the HOME program because it may take a lot of time and may not work the first time you try.

The most successful efforts often involve a broad-based coalition of advocates and self-advocates who organize, develop, and “market” their strategy to local and state housing officials long before decisions about HOME funding are made. They arrange meetings with housing officials, testify “in force” at public hearings, and prepare written position papers and comments that can be included as a part of the public record of the Consolidated Plan process.

It’s hard work, but it does pay off! For example, advocates for people with disabilities in Texas recently obtained over \$4 million in HOME funds for tenant-based rent subsidies that will help over 400 people with disabilities obtain affordable housing of their choice.

## Opening Doors

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Boston MA 02108