Solutions that Work: Innovative Strategies to Meeting the Housing Needs of People with Disabilities

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Introduction

Recent state and local housing officials across the nation have been challenged to better meet the housing needs of people with disabilities. This increased attention on housing for people with disabilities is related to national events such as the U.S. Supreme Court Olmstead v. L.C. decision and the federal government’s new emphasis on ending chronic homelessness among people with disabilities. The combined impact of these two events has prompted some housing and disability advocates to learn more about “solutions that work” to expand community-based housing options for people with disabilities.

Without information about proven housing strategies, stakeholders in the housing and disability arenas often have a difficult time figuring out how to “get started.” In some states and communities, housing officials view housing for people with disabilities as “risky” and are unwilling to try new strategies unless they have been successfully used in other localities.

To overcome this barrier, housing and disability advocates at the federal, state, and local levels are seeking information about “best practices” to expand housing for people with disabilities. Also referred to as “promising practices,” these are housing approaches that have been found to be effective and replicable in meeting the housing needs of people with disabilities.

This issue of Opening Doors describes three “best practices” – including the basic steps to implement these strategies in your state or community. At the core of these successful strategies are strong partnerships and collaborations between the affordable housing system and the disability community. These partnerships ensure that any housing created meets both the needs and preferences of people with disabilities.
Key Ingredients to Developing Strategies

In recent years, an increasing number of states and communities have made progress in developing solutions that meet the affordable housing needs of people with disabilities. The most creative and successful strategies involve housing and service agencies thinking “outside the box” – using all available housing resources and not just those targeted to “special needs” populations. For example, in some communities housing officials have combined mainstream Low Income Housing Tax Credit funds and Shelter Plus Care subsidies to create new supportive housing for very low-income homeless people with disabilities.
Because SSI benefits are so low, it is critical that any housing “best practice” for people with disabilities ensures long-term housing affordability. That people with disabilities – particularly those receiving federal disability benefits – are some of the poorest people in the nation. As a result of their limited incomes, most people with disabilities are unable to afford to rent a modest studio or one-bedroom apartment anywhere in the nation. Specifically, the report documented that the average rent for a modest one-bedroom rental unit in the United States was equal to 105 percent of monthly Supplemental Security Income (SSI) benefits.

Because SSI benefits are so low, it is critical that any housing “best practice” for people with disabilities ensures long-term housing affordability. Within federal housing policy, housing affordability and the need for housing assistance are measured primarily by the percentage of income that a low-income household pays each month for housing costs, including utilities. Under current federal guidelines, housing is considered affordable for a low-income household when the cost of monthly rent plus utilities does not exceed 30 percent of monthly household income.

Solutions that Work

On the following pages is a discussion of three strategies that have been used successfully in many states and communities across the nation to expand affordable housing for people with disabilities with the lowest incomes. These solutions include:

1. Ensuring housing affordability for people with disabilities by creating deeply subsidized housing;
2. Providing “bridge” rental subsidies for people with disabilities; and
3. Expanding the availability of accessible housing units.

The Importance of Affordability

The strategies highlighted in this issue are based on the principle that housing for people with disabilities must be integrated in the community, accessible, and most importantly, affordable. A recent study by the Technical Assistance Collaborative (TAC) and the Consortium for Citizens with Disabilities (CCD) Housing Task Force titled Priced Out in 2002 demonstrated
Strategy #1

Ensuring Housing Affordability for People with Disabilities

Unfortunately, the extremely low income of most people with disabilities 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 extremely low incomes, most people with disabilities need more rent subsidy funding than other low-income people. Competition for housing funding is fierce in many places and the disability community must be knowledgeable about a community’s process for setting priorities, the array of resources that are available, and how to access them.

Long-standing U.S. Housing and Urban Development (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 Supportive Housing for Persons with Disabilities, etc.) have been reduced or eliminated from the federal budget. Replacing them are housing programs that are more easily targeted to higher-income households, including the HOME program, 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 disabilities who receive federal disability benefits – such as SSI benefits equal to $545 per month.

One successful strategy for addressing this “affordability” problem is the use of financing models that include long-term rent or operating subsidies so that the units produced will be affordable to people with SSI level incomes. Rent or operating subsidy programs typically required tenants to pay only 30 percent of their monthly income toward housing costs. Without this rent or operating subsidy, rents in “affordable” housing produced by most government housing programs are unlikely to be affordable to people receiving SSI or other disability benefits.

Steps to Create Deeply Subsidized Housing

Step 1: Educate Housing Officials about Different Models and Financing of Housing for People with Disabilities

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

Many housing officials are unaware of the models of housing that people with disabilities prefer. They may only be familiar with the single-purpose congregate housing model – such as group homes – which includes on-site supportive services. Although congregate models may be
Community Housing Network

Community Housing Network (CHN) is a non-profit developer, owner, and manager of permanent supportive housing rented to people with mental illness, addiction disorders, and histories of homelessness. All CHN consumers are extremely-low income and in need of housing assistance. Based in Columbus, Ohio, CHN has provided housing with specialized property management services and rent subsidies to people with disabilities since 1987. Currently, CHN has developed and own over 800 apartments in 160 locations throughout Columbus and Franklin county.

CHN has utilized a variety of strategies to create subsidized housing for people with disabilities. One successful strategy includes the partnering of state capital funds made available from the Ohio Department of Mental Health (ODMH) and Section 8 project-based assistance from the local PHA. By combining the ODMH funds for “bricks and mortar” along with the Section 8 rental subsidy, CHN was able to ensure that new supportive housing would be affordable to people with disabilities with extremely low incomes.

preferred by some elderly people with disabilities, younger people with disabilities usually prefer housing that is more integrated into the community and that is not targeted to a specific disability subpopulation.

To promote the creation of deeply subsidized housing, the disability community will have to challenge housing officials to improve the coordination of housing financing and possibly change the way they allocate and distribute affordable housing funds. For example, state housing agencies that control federal housing resources – such as Low Income Housing Tax Credits, HOME funding, Section 8 Housing Choice Vouchers, etc. – can develop a uniform application for funding that includes incentives for housing developers to combine resources and target new housing units for people with disabilities. Some states currently require that developers that receive Low Income Housing Tax Credits set aside a certain percentage of the units created for people with disabilities. To ensure that these units are affordable to people with disabilities with extremely low incomes, Public Housing Agencies (PHAs) are encouraged to provide Section 8 project-based vouchers to help subsidize the rents.

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Step 2: Identify Capital Funding

To create new deeply subsidized 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 Community Development Block Grant (CDBG) funding, state bond financing, housing trust funds, Low Income Housing Tax Credit equity, McKinney/Vento Supportive Housing Program capital funds, etc.

In order to lower the ongoing cost of operating the housing and keep the rents as low as possible, 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. In simpler terms, this means that the money borrowed to develop the housing does not have to be repaid as long as the housing continues to be used for its intended purpose.

### Step 3: Identify Subsidy Funding

In addition to the capital funding, developers of deeply subsidized housing must obtain the rent or operating subsidy funding that will make the units affordable for people with disabilities with the lowest incomes. 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. Drastic cutbacks in federal housing programs over the past 15 years have made it much more difficult to obtain these funds.

Nonetheless, to ensure financial feasibility and affordability for people with disabilities, all new housing projects should be underwritten with some form of rental assistance strategy. An excellent source of rent subsidy funding is the new Section 8 project-based assistance program, which is administered by state and local PHAs. Federal law now permits PHAs to use up to 20 percent of their vouchers for long-term commitments of Section 8 project-based assistance. For example, Section 8 project-based rent subsidies could be provided through state agency partnerships with PHAs that agree to participate in a demonstration program to create more housing for extremely low-income households with disabilities.

Other programs that can provide subsidies include the McKinney/Vento Shelter Plus Care or Housing Opportunities for Persons with AIDS (HOPWA) programs. A few jurisdictions use human service funds to provide project-based rent subsidies. These subsidies are usually either bridge subsidies until Section 8 assistance can be substituted, or are permanent project-based rental subsidies. See page 5 for a description of how Community Housing Network in Ohio is using both state human service funding and Section 8 project-based assistance to create deeply subsidized affordable housing for people with disabilities.

### Hawaii Adult Mental Health Division Supported Housing/Bridge Subsidy Program

The State of Hawaii’s Adult Mental Health Division’s (AMHD) bridge subsidy program began in 1998 and is administered in the same way as the Section 8 Housing Choice Voucher program. The bridge rental assistance is available to AMHD clients for up to two years or until a Section 8 voucher is available. When a voucher is issued to a person participating in the program, the AMHD bridge subsidy is re-issued to another participant.

AMHD has partnered with Steadfast Housing Development Corporation (SHDC), a private non-profit housing organization that administers the bridge subsidy on behalf of AMHD. SHDC also offers participants housing support services, and – with permission – contacts case managers if clinical assistance is needed by a consumer. However, participation in the bridge subsidy program is not contingent on the receipt of supportive services.

AMHD works closely with both the state PHA and the City and County of Honolulu. Both have worked in partnership with AMHD to facilitate the linkages between the bridge subsidy program and Section 8 – including a waiting list preference established by the state PHA. AMHD has also worked closely with these PHAs to encourage them to apply for new Section 8 vouchers, including those set aside for people with disabilities. This advocacy ensures that people with mental illness have better access to vouchers and helps more people move off the bridge subsidy program and onto permanent housing assistance.
Strategy #2
Providing “Bridge” Rental Subsidies for People with Disabilities

Another successful strategy for helping people with disabilities – particularly people living in restrictive settings who want to move into the community – is the development of a “bridge” rental subsidy program. Bridge rental 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 more permanent housing resource, such as a Section 8 voucher.

Program Design

Bridge subsidies can help a person obtain affordable housing while they apply for and/or wait for a permanent housing subsidy. For a bridge subsidy program to be most effective, it should be modeled somewhat after the Section 8 program. For example, people using bridge subsidies usually have to pay a portion of their income toward rent (typically less than 50 percent of their income). Some bridge subsidy programs require people to pay more than they would pay in the Section 8 program as an incentive to accept the permanent Section 8 voucher when it becomes available.

In successful bridge subsidy programs, people who receive bridge subsidies are required to apply for a Section 8 voucher as soon as waiting lists are open. Owners that accept bridge subsidies are asked to agree to accept the Section 8 voucher when the tenant finally receives one. This eliminates the need to look for new housing once the Section 8 voucher is obtained and addresses a barrier that many people with disabilities face in accessing and utilizing Section 8 vouchers.

Almost all bridge subsidy programs require the rental unit to be inspected in accordance with HUD’s Section 8 Housing Quality Standards. This inspection, and the landlord’s willingness to accept the bridge subsidy payment (and later the Section 8 subsidy), should make it easier to replace the bridge subsidy with a Section 8 voucher, or other permanent rent subsidy, 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. See page 6 for a description of the supported housing/bridge subsidy program created by the Adult Mental Health Division of the Hawaii Department of Health.

Systems Linkages to the Section 8 Program

Successful bridge subsidy strategies link the program to localities with a PHA willing to:

1. Adopt a preference in their Section 8 program for people with bridge subsidies. This preference allows some people with bridge subsidies to be served before other people on the waiting list; and

2. Apply to HUD for more Section 8 vouchers (including those set aside for people with disabilities) when they become available. Since 1997, HUD has made available over 60,000 new vouchers targeted to people with disabilities. According to Congress, these vouchers must continue to be made available to people with disabilities, even when a disabled household gives the voucher back to the PHA (known as “turn over”).

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.
Steps to Start a Bridge Subsidy Program

**Step 1: Identify Funds for Bridge Subsidy**

The first step to starting a bridge subsidy program is to identify the resources to fund the temporary tenant-based rental assistance – the “bridge.” 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; and
- Funding from state or local human service agencies.

This strategy requires that state/local 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 applicable housing plans – such as the Consolidated Plan. To learn more about the Consolidated Plan, see issue 8 of *Opening Doors* available online at www.tacinc.org.

**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, people with disabilities using bridge subsidies may have to wait many years until their name comes to the top of a Section 8 waiting list.

As mentioned earlier, 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. For a PHA to have a waiting list preference for bridge subsidy recipients, this strategy must be included in both the PHA plan and the PHA's Section 8 Administrative Plan. The PHA plan is the PHA's long-range strategic planning document that 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. The PHA's Section 8 Administrative Plan is more detailed, including the “nuts and bolts” about how the PHA administers the Section 8 Housing Choice Voucher program. Amendments to these plans are usually not difficult but will require approval from the PHA's Board of Commissioners and possibly other key stakeholders.

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 “lease up” their vouchers more quickly because, theoretically, people with bridge subsidies are already in a rental unit that can be approved for Section 8 assistance. The lengthy, difficult, and often unsuccessful housing search process can be avoided. This helps the PHA maintain a high Section 8 utilization rate (i.e., the number of vouchers assisting households in units in the community) – a new HUD requirement. Bridge subsidies can also help bring new landlords into the Section 8 Housing Choice Voucher program.

There are over 2,600 PHAs administering the Section 8 Housing Choice Voucher program 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
Mass Accessible Housing Registry

Initially funded with a 1995 Fair Housing Initiative Program grant from HUD, the Mass Accessible Housing Registry is a free program that helps people with disabilities find rental housing in Massachusetts, primarily accessible and barrier-free housing. The Mass Access database keeps track of accessible and affordable apartments throughout the state and maintains information about their availability. With this database, people with disabilities can search this information to identify housing opportunities that suit their needs.

The program is administered by Citizens’ Housing and Planning Association (CHAPA). CHAPA’s core task on the Mass Access program is working with housing managers to maintain up-to-date housing and vacancy information. For the first five years of the program, people with disabilities searching for an apartment needed to contact an Independent Living Center (ILC) to learn about available apartments. Today, this information is available via the Internet as well as through the ILCs. Ongoing funds are from the state budget – an annual appropriate of state funds. For more information go to www.massaccesshousingregistry.org.

Housing Choice Voucher 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. To find out if your state has a state PHA, see issue 22 of Opening Doors available online at www.tacinc.org.

Finally, effective bridge subsidy programs also build on the strengths and assets of disability organizations that can agree to:

- Assist state/local housing officials in identifying high priority groups (e.g., people with disabilities currently living in restrictive settings that want to move into the community) who could be targeted for assistance in a new bridge subsidy program;
- Identify funds and strategies to provide support services to bridge subsidy program participants to assist them with housing search, case management, budgeting and money management, etc; and
- Help identify resources to assist with moving expenses, first/last month’s rent, security deposits, etc. for bridge subsidy program participants.

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, people with disabilities using bridge subsidies may have to wait many years until their name comes to the top of a Section 8 waiting list.

Step 3: Increase Supply of Vouchers

To make a bridge subsidy program 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, usually defined as between six months and two years. Once the Section 8 subsidy is obtained, the bridge subsidies can then be recycled to another person in the target population. To ensure an adequate supply, PHA partners in a bridge subsidy program should agree to establish a waiting list preference for bridge subsidy recipients and also apply for new Section 8 vouchers any time they become available from HUD.
Strategy #3
Expanding the Availability of Accessible Housing Units

Many people with disabilities have mobility, visual, or auditory impairments and need affordable barrier-free housing. Unfortunately, in most states and communities, barrier-free rental housing is scarce and difficult to locate. Barrier-free housing is almost never linked systematically to people who have Section 8 vouchers. Some communities have made progress addressing this need and have implemented innovative strategies to assist people with disabilities to locate accessible units. Examples of these strategies include:

• **Establishing a pool of resources to fund accessibility modifications in existing rental housing.** Because of the shortage of accessible housing, people with disabilities often have to make modifications to existing housing to have it meet their needs. According to federal fair housing laws, private landlords must allow people with disabilities to make these reasonable modifications. However, in most circumstances, landlords are not required to pay for the modifications. Unfortunately, funding to help tenants pay for accessibility modifications is scarce or non-existent in many areas.

   To address this problem, some communities have pooled resources (including CDBG funds, Veterans Affairs resources, human service funding, etc.) to use for accessibility modifications. This pool is a critical component to any bridge subsidy program or, for that matter, any housing strategy helping people with disabilities obtain housing in the community.

• **Developing a database of all accessible housing developed with federal funds.** It is important to note that, as a result of federal fair housing laws, more new units of accessible housing are being developed each year. These laws require that all newly constructed or substantially rehabilitated rental housing with four or more units first occupied on or after March 13, 1991 be designed to include specific accessibility features. However, even in communities where new units of accessible housing are being built, it is often difficult for people to locate them. In addition, owners of housing financed with certain federal housing resources – such as Low Income Housing Tax Credits – are required to accept Section 8 vouchers in their units. These properties all have accessible units. What is missing is a mechanism to link voucher holders to vacant accessible units.

   To address this problem, some states and localities have developed databases of housing developed with CDBG, HOME, Low Income Housing Tax Credits, and other federal housing 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 financed by state housing agencies, but also those funded by local cities and counties), and published in easily accessible locations, such as City Hall, local libraries, and online.

• **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 very labor intensive and costly for Inde-
pendent Living Centers and other groups to update their databases and make this information available in a timely manner.

In response to this need, a few states have created interactive registries of barrier-free affordable housing and have required owners to list their vacancies. These registries include computerized databases that track the location of accessible units, vacancies, and any specific features. Adaptable as well as fully accessible units can be listed. 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 without disabilities. See page 9 for a description of Mass Accessible Housing Registry – an interactive database that lists all vacant accessible units in Massachusetts.

**Steps to Develop an Interactive Housing Registry**

**Step 1: Advocate for Modified State Fair Housing Laws**

The first step to developing an interactive housing registry is to create a formal mechanism that requires owners of accessible housing to list their vacancies. To accomplish this, the disability community could advocate with state and local legislators to modify existing state fair housing laws. For example, in Massachusetts, advocates worked with legislators to enact the Housing Bill of Rights that requires owners to list their accessible units in a central registry. To ensure that people with disabilities in need of barrier-free housing have an opportunity to learn of vacant accessible units, the enhanced fair housing laws should prohibit owners from leasing accessible units to individuals who do not require the accessible design features for a specific amount of time (e.g., 15-30 days).

**Step 2: Identify Funding for Initial Start-Up and Implementation**

Once the modified fair housing laws (or similar state policies) are in place, it is important that a system be developed to create and maintain a database and make it accessible to people with disabilities in different locations and in a variety of formats. During the implementation phase, it is important to ensure that the information gathered from owners will be comprehensive and specific enough to address the needs of the people with disabilities in search of housing. For example, it is critical that a person with a disability using the interactive registry be able to get not only a list of currently vacant accessible and adaptable units, but also a list of units in the particular cities or towns they prefer. Through the registry the housing seeker should be able to designate a number of variables for the housing search such as location, bedroom size, rent level, and accessibility features.

Start-up funds are necessary to develop a database and conduct focus groups with people with disabilities to solicit their input. Methods must also be established to gather housing information from owners. A good source of start-up funds is available through HUD’s Fair Housing Initiative Program grant program. These funds are available each year from HUD and awarded through an annual competition announced as part of HUD’s Super Notice of Funding Availability (SuperNOFA). Other resources – such as CDBG funding – may be used for this purpose.
Step 3: Develop Systems for Updating Information and Continued Maintenance

Finally, the most important step to developing an interactive housing registry is to ensure that there are systems in place to keep the data up-to-date. This update process could include such activities as posting vacancy listings daily and conducting annual surveys with housing owners to gather updated information about their housing development such as rehabilitated units, changes in rents or financing, etc.

This ongoing maintenance will also require funding—which is usually more difficult to obtain. As with the start-up funding, state housing or human service agencies should be strongly encouraged to dedicate block grant resources toward this activity. The disability community must make the argument that the funding is needed to ensure the investment in barrier-free units is realized.

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, 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 in all state and community-based affordable housing activities.