

NEWS from Congressman John W. Olver (MA-1)

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Prepared Remarks of Chairman John Olver

Housing Needs for the Elderly, Disabled, Homeless, and People Living with AIDS

Let me welcome Mark Johnston, Deputy Assistant Secretary for Special Needs Assistance Programs and John Garvin, Senior Advisor to the Assistant Secretary for Housing Programs to our hearing on housing for the elderly, disabled, homeless, and people with AIDS.

The federal government has a responsibility to ensure that a strong social safety net exists for people who are elderly, disabled, homeless, or live with AIDS. Our friends within these vulnerable populations are all too often forgotten and left without the supportive services they need and require.

Adequate and affordable housing, along with supportive housing services, is particularly important for the elderly, disabled, homeless, and people with AIDS.

I would like to spend a few moments to describe the great need that exists for housing within these communities.

According to the U.S. Census Bureau, the number of elderly is expected to rise to 72 million by 2030, which is more than double the number in 2000.

The United States already has a shortage of housing for the elderly - the AARP estimates that there are 10 seniors on a waiting list for every one unit of elderly housing that becomes available – and the rise in the number of elderly will continue to exacerbate this housing shortage. In a report released in 2002, the bipartisan Commission on Affordable Housing and Health Facility Needs for Seniors in the 21st Century estimated that an additional 730,000 units of affordable housing for the elderly will be needed by 2020.

Yet, the two main HUD housing programs utilized by the elderly – the Section 202 program and the Section 8 Project Based Rental Assistance – are in trouble.

The Section 202 program is the largest housing program for the elderly, with over 268,000 units for seniors. Once again the President's budget recommends a steep cut, \$195 million below last year's level of \$735 million, for the Section 202 program.

Within the Project Based Section 8 program a little over 200,000 units are specifically designated for seniors. We worked hard to increase funding by over \$600 million for Project Based Section 8 last year to try to put a down payment on the funding gap created by HUD and instill more confidence in the program.

The Administration has proposed \$7 billion, which is over \$600 million more than we provided last year, as well as an advance appropriation of \$400 million to help extend contracts into the new fiscal year. With an estimated funding gap of about \$2.8 billion, we still have a long way to go to fix the problem.

The shortage of affordable units for the disabled is just as severe.

A 2004 report released by the Presidentially appointed National Council on Disability, cited a study which estimated 1.8 million persons with disabilities who receive Supplemental Security Income (SSI) have severe housing problems. Another study released last year found that average housing rents rose over 110 percent of a disabled person's monthly Supplemental Security Income (SSI).

Created in 1990, the Section 811 program is the main federal housing assistance program for the disabled. Through capital grants, project rental assistance, and vouchers, the 811 program has over 40,000 units. Last year, the Administration recommended a 50 percent reduction to affordable housing for the disabled. For fiscal year 2009, your budget recommends a \$77 million reduction, which is more than a 30 percent cut from last year.

In addition, last year this Committee provided \$30 million for about 4,000 new housing vouchers for the disabled. These new vouchers were the first new housing vouchers for the disabled in five years.

Yet, the Administration's budget this year does not take into account these new vouchers for Section 8 tenant based contract renewals and if this budget were enacted these vouchers might be lost.

People living with AIDS also have a great need for affordable housing and supportive services. According to the CDC, the number of people living with HIV is between 1,039,000 and 1,185,000. Studies have found that people living with HIV and AIDS are more likely to experience homelessness or other housing problems.

While the appropriation for the Housing Opportunities for People with AIDS (HOPWA) program reached a record \$300 million in fiscal year 2008, the program serves about 8,000 households less than in fiscal year 2003. I am glad that the Administration did not propose a reduction for HOPWA, but clearly more needs to be done to provide housing and services for people living with AIDS.

The Homeless Assistance Grants program is one area where the President has shown some compassion, providing increases to this account each year for the past several years.

In January 2007, the National Alliance to End Homelessness reported that approximately 744,313 people experienced homelessness in January 2005. In addition, this report showed that 23% of this population consists of chronically homeless persons, or those who are homeless for long periods of time. The increases to this account reflect the Administration's goal to end chronic homelessness by 2012, and includes a new initiative called the Samaritan Initiative.

I look forward to testimony that will help us to understand how the data are informing funding decisions and to hear of what progress we are making in terms of homelessness in America.

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