



**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**  
FISCAL YEAR 2013 PROGRAM AND BUDGET INITIATIVES  
**HOUSING AND SERVICE COORDINATION FOR THE ELDERLY AND PERSONS WITH DISABILITIES**

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**In Fiscal Year 2013, HUD is requesting a total of \$736 million to fund programs that will directly support housing and services for very low-income elderly individuals and persons with disabilities and their families.**

HUD remains committed to providing housing and services for our nation's most vulnerable families, including very-low income elderly individuals and persons with disabilities. While several HUD programs serve these populations, the \$736 million request will be *entirely dedicated to elderly and disabled individuals*. To ensure effective provision of housing and services, HUD proposes to enhance and improve the Section 202 and 811 programs to better fit the needs of the families they serve. This includes undertaking regulatory reform, streamlining the existing program structure, accelerating administrative processing, better leveraging state and local investments in affordable housing, and aligning more strategically with state and federal health care priorities. This builds on the strong foundation provided by two bipartisan bills (the Section 811 Melville Supportive Housing Act and the Section 202 Supportive Housing Act) which the President signed into law in early 2011 and which HUD is currently implementing.

**HOUSING FOR THE ELDERLY (SECTION 202)**

Over the last 50 years, HUD's Section 202 program has provided over 400,000 affordable homes for very low-income elderly individuals through a number of different financing structures, including subsidized financing, capital advances, and ongoing operating assistance. In FY 2013, in an effort to maximize creation of new affordable units in a time of funding restraints, the Department is requesting the flexibility to provide operating assistance-only funding to new or existing elderly affordable housing developments that utilize capital from other state and local sources. HUD's assistance will allow these properties to provide housing to a segment of the elderly population that is older, poorer, and frailer than would normally be able to access or afford housing subsidized only through the Low Income Housing Tax Credit and/or HOME programs. This new authority will draw on lessons learned from the implementation of the Section 811 project rental assistance authority (enacted under the Frank Melville Supportive Housing Investment Act of 2010). Under this model, state housing agencies, in partnership with state health care agencies, act as a delegated agent for HUD, taking advantage of efficiencies inherent in these same agencies' oversight responsibilities for tax credits, HOME funds or similar housing funding. Assuming requested statutory language is enacted, up to 3,450 units could be made available with support from this project rental assistance.

In addition, HUD will continue to support and expand its service coordinator program supporting residents to live independently in the community for as long as possible. All of these changes better align Section 202 developments with health care reforms at the state and federal level and better support elderly residents as they age in place in the community.

**In Fiscal Year 2013, HUD is requesting a total of \$475 million for Section 202, which will provide crucial funding to initiatives including:**

- *\$100 million for elderly expansion activities*, including the provision of operating assistance contracts to support approximately 3,450 new units.
- *\$90 million for service coordinators*, who are responsible for linking residents of Section 202 housing with specific supportive services that those residents need to continue living independently and age in place. This funding would support 1,330 existing service coordinators and fund grants for 100 additional service coordinators.
- *\$285 million for Project Rental Assistance Contract (PRAC) renewals* to protect elderly tenants and preserve affordability for 77,505 existing units.



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**HOUSING FOR PERSONS WITH DISABILITIES (SECTION 811)**

HUD's Section 811 program provides affordable housing for persons with disabilities that meets the residents' physical needs and accommodates the provisions of supportive services. Historically, HUD has provided capital advances and operating subsidies to non-profit sponsors to construct and manage multifamily housing for low-income people with disabilities. Starting in 2012, however, HUD provides Section 811 funding through awards to state housing agencies that have formed partnerships with state health care agencies that have developed methods for identifying, referring, and conducting outreach to a target population of extremely low-income persons with disabilities requiring long term services and supports. These operating assistance funds are used to set aside supportive units for this target population in affordable housing complexes whose capital costs are funded through Low-Income Housing Tax Credits, HOME funds, or other sources. Investing Section 811 funds under this authority allows HUD to rely on the expertise of the state housing agencies to administer the award and on the state health care agency to identify the most critical population to be served and guarantee the delivery of appropriate services.



**In Fiscal Year 2013, HUD is requesting \$150 million for the Section 811 program.** This request will provide crucial funding to initiatives including:

- *\$96 million* for Project Rental Assistance contract (PRAC) renewals to protect persons with disabilities and preserve affordability for 23,330 existing units.
- *\$54 million* for Project Rental Assistance (PRA) funds, which will fund operating assistance contracts to support approximately 1,850 new units through grants to State housing agencies.

In addition, **in Fiscal Year 2013, HUD is requesting \$111 million for the renewal of mainstream 811 vouchers** through the Tenant Based Rental Assistance Account (TBRA). These vouchers enable persons with disabilities to access affordable housing of their choice on the private market. Administering agencies of Section 811 mainstream vouchers will assist persons with disabilities in locating and making physical modifications to rental units, and allow those individuals to voluntarily connect with supportive services. In addition, HUD also remains committed to supporting housing and services for individuals with disabilities through specialized vouchers. Since 2009 a total of 7,816 special Non-Elderly Disabled vouchers have been awarded to non-elderly persons with disabilities, including those individuals who wish to transition out of institutions.

**INTERAGENCY COLLABORATION**

HUD has developed a close partnership with the Department of Health and Human Services (HHS) to better align housing programs with health and social service programs for individuals with disabilities. Specifically, this partnership has included:

- *948 Non-Elderly Disabled Vouchers* which were awarded to PHAs in connection with the "Money Follows the Person" Program, to target disabled individuals wishing to transition from institutional settings to the community.
- *Housing Resource Coordinators* to facilitate the linkages between Medicaid services and the resources available through Public Housing Agencies.
- *Capacity Building Effort* to promote collaboration between human service agencies and housing agencies at the federal, state and local levels to improve the support of persons with disabilities.
- *Community Living Initiative* - HUD is working with HHS to consider a variety of ways to rebalance the entrenched preference for institutional care and to be responsive to the Supreme Court's *Olmstead* decision, which requires that public services be provided in the community rather than in institutional settings whenever possible.