

# **Delivering on the Promise:**

**U.S. Department of Housing  
and Urban Development**

## **Self-Evaluation to Promote Community Living for People with Disabilities**

**Report to the President  
On Executive Order 13217**

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# Department of Housing and Urban Development

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## I. Introduction

The U.S. Department of Housing and Urban Development (HUD or the Department) is the Federal agency responsible for national policy and programs that address America's housing needs; that improve and develop the Nation's communities; and enforce fair housing laws. HUD's mission is to ensure a decent, safe and sanitary home and suitable living environment for every American. HUD has programs to create opportunities for homeownership; provide housing assistance for low-income persons; programs to create, rehabilitate and maintain the nation's affordable housing; enforce fair housing laws; help homeless persons; spur economic growth in distressed neighborhoods; and help local communities meet their development needs.

The primary programs administered by HUD include mortgage and loan insurance through the Federal Housing Administration; Community Development Block Grants (CDBG) to help communities with economic development; job opportunities and housing rehabilitation; HOME Investment Partnership Act block grants to develop and support affordable housing for low-income residents; rental assistance under the Housing Choice Voucher Program, which benefits low-income households; public or subsidized housing for low-income individuals and families; homeless assistance provided through local communities and faith-based and other nonprofit organizations; and fair housing public education and enforcement.

The following is a list of the HUD Offices that provided information for the Department's response to *Executive Order 13217, Community-Based Alternatives for Individuals with Disabilities*, and a description of each office:

**Office of Community Planning and Development (CPD)**

**Office of Fair Housing and Equal Opportunity (FHEO)**

**Government National Mortgage Association (Ginnie Mae)**

**Office of Housing – Federal Housing Administration (FHA)**

**Office of Policy Development and Research (PD&R)**

**Office of Public and Indian Housing (PIH)**

**A. Office of Community Planning and Development (CPD).**

The Office of Community Planning and Development (CPD) seeks to develop viable communities by promoting integrated approaches that provide decent housing, a suitable living environment, and expand economic opportunities for low and moderate income persons. The primary means towards this end is through the development of partnerships among all levels of government and the private sector, including for-profit and non-profit organizations.

CPD seeks to encourage empowerment of local residents by helping to give them a voice in the future of their neighborhoods; stimulate the creation of community based organizations; and enhance the management skills of existing organizations so they can achieve greater production capacity. Housing and community development are not viewed as separate programs, but rather as among the myriad elements that make up a comprehensive vision of community development. These groups are at the heart of a bottom-up housing and a community development strategy.

**B. Office of Fair Housing and Equal Opportunity (FHEO).**

The Office of Fair Housing and Equal Opportunity (FHEO) enforces the Fair Housing Act and other civil rights laws by taking proactive steps to identify and combat discrimination in both its most obvious and more subtle forms, and to ensure the right of equal housing opportunity and free and fair housing choice regardless of race, color, religion, sex, national origin, disability or family composition. FHEO also enforces Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disability Act and the Architectural Barriers Act of 1968. FHEO seeks to affirmatively further Fair Housing in HUD programs, promote geographic mobility for low-income and minority households, and integrate fair housing plans into HUD's Consolidated Plans. FHEO also seeks to further fair housing in other relevant programs of the Federal government; and promote substantial equivalency among state, local and community organizations involved in providing fair housing.

**C. The Government National Mortgage Association (Ginnie Mae).**

The Government National Mortgage Association's (Ginnie Mae) mission is to support expanded affordable housing in America by providing an efficient government-guaranteed secondary market vehicle linking the capital markets with federal housing markets.

Ginnie Mae helps more Americans buy their own homes. Ginnie Mae does not loan money for mortgages. Instead, Ginnie Mae helps make mortgage-backed securities more attractive to investors thereby increasing the availability of mortgage credit.

**D. Office of Housing – Federal Housing Administration (FHA).**

The Office of Housing, also known as the Federal Housing Administration (FHA) is responsible for the Department’s housing functions and oversees aid for construction and financing of new and rehabilitated housing and for preservation of existing housing. The Office underwrites single-family, multifamily, property improvement, and manufactured home loans; administers assisted housing programs designed specifically for the elderly, the disabled, and the chronically mentally ill; administers assisted housing programs for low-income families who are experiencing difficulties affording standard housing; administers grants to fund resident ownership of multifamily housing properties; protects consumers against fraudulent practices of land developers and promoters; and administers programs to improve the quality of life for families by increasing home ownership opportunities, empowering residents by reducing the “digital divide” .

**E. Office of Policy Development and Research (PDR).**

The Office of Policy Development and Research’s (PD&R) primary mission is to provide reliable facts and analysis to form the Secretary’s policy decisions and further his policy agenda. PD&R does this by maintaining and expanding information on housing needs and market conditions, by evaluating HUD programs, and by conducting research on a wide range of housing and community development issues, including advances in housing technology.

In addition to its research and policy analysis functions, PD&R has other related responsibilities, including Government Sponsored Enterprise oversight, building partnerships with universities assisting their communities, and overseeing a number of international activities.

In all aspects of its activities, PD&R takes full advantage of the wealth of intellectual resources outside HUD by forming active collaborations with researchers, practitioners, advocates, industry groups, and foundations.

**F. Office of Public and Indian Housing (PIH).**

The aim of HUD’s Office of Public and Indian Housing (PIH) is to ensure safe, decent, and affordable housing; create opportunities for residents’ self-sufficiency and economic independence; and assure fiscal integrity by all program participants. PIH is responsible for administering and managing a range of programs and activities authorized and funded by Congress under the basic provisions of the United States Housing Act of 1937. Funds appropriated by Congress and administered by PIH enable Public Housing Authorities (PHAs) to provide affordable housing to approximately 2.7 million low-income families nationwide. PIH’s programs include: (1) the Housing Choice Voucher Program, which allows low-income families to lease or purchase affordable, privately-owned rental housing through either “general purpose” vouchers, for which PHAs may establish preferences for disabled families, or through several

voucher programs that are specifically targeted to families with disabilities; (2) Housing Choice Voucher Family Self-Sufficiency (FSS) Program Coordinators, which provides funding to PHAs to pay the salaries of FSS Coordinators who assist voucher families in becoming economically self-sufficient; and (3) the Public Housing Program, which addresses public housing developments and their residents through programs and activities such as the HOPE VI Revitalization Program, the Public Housing Capital Fund Program, and the Resident Opportunities and Self-Sufficiency (ROSS) Program.

## **II. Summary of barriers with proposed solutions related to facilitating community-based alternatives for individuals with disabilities**

### **A. Office of Community Planning and Development (CPD).**

Barriers-The involvement of political jurisdictions is key to achieving the objectives of the Supreme Court's Olmstead decision. Therefore, the Office of Community Planning and Development (CPD) proposes to issue a notice informing Community Development Block Grant (CDBG) Entitlement and State grantees of Olmstead, Executive Order 13217, the New Freedom Initiative, and its six goals. These goals are to increase access to assistance and universally designed technologies; expand educational opportunities; promote homeownership; integrate Americans with disabilities into the workforce; expand transportation options; and promote full access to community life.

HUD consolidated plan regulations [24 CFR 91.100 and 91.110] require that each political jurisdiction, during the preparation of the consolidated plan, consult with public and private agencies that provide assisted housing, health services, and social services to persons with disabilities. In addition, the regulations concerning citizen participation (91.105(a)(2)(ii) and 91.115 (a)(2)) require each jurisdiction to take the requisite actions to encourage participation of persons with disabilities during the development of their consolidated plans, any subsequent amendments to the plan, and performance reports. The notice will provide guidance concerning the manner in which jurisdictions are to incorporate the objectives of Olmstead, Executive Order 13217 and the New Freedom Initiative during the development of their consolidated plans.

In addition, CPD will require state and local government applicants for the 2002 McKinney-Vento Homeless Assistance Act funds to certify that they will develop and implement policies and protocols for the discharge of persons from publicly funded institutions or systems of care in order to prevent such discharge from immediately resulting in homelessness for such persons. Further, CPD will require applicants for these funds to certify that they will coordinate their homeless programs with other mainstream programs/services for which homeless populations may be eligible.

**B. Office of Fair Housing and Equal Opportunity (FHEO).**

1. Barrier - Successful achievement of the objectives of Olmstead is greatly dependent on the availability and accessibility of HUD-assisted and private housing. The Office of Fair Housing and Equal Opportunity (FHEO) proposes several strategies to enhance the availability and accessibility of such housing through enforcement and affirmatively furthering fair housing actions.

FHEO will take steps to assure that complaints that may have Olmstead implications are referred to the appropriate agencies, such as the Department of Justice (DOJ) and the Department of Health and Human Services (HHS). In addition, when applicable under the fair housing laws enforced by the Department, FHEO will ensure that such complaints are filed at HUD. Therefore, FHEO will also remind its field offices of their duty to concurrently process all disability and other complaints under all applicable laws and regulations. FHEO will also provide its field office training and other technical assistance on disability rights laws.

Also, HUD will continue to coordinate efforts with DOJ to devote substantial resources to investigations and enforcement actions against developers, architects, and site engineers who design and/or construct multi-family housing that does not comply with the accessibility provisions of the Fair Housing Act. HUD will work with DOJ to increase the accessibility of public housing by improving enforcement of the nondiscrimination requirements (including accessibility and reasonable accommodation requirements) of Section 504 and the Fair Housing Act against PHAs. HUD will investigate and take enforcement action to eliminate discriminatory housing practices that deny reasonable structural modifications to housing units, disqualify persons with disabilities from living in certain types of housing, or impose discriminatory conditions of residence/use on persons with disabilities. HUD will implement the provisions of the Memorandum of Understanding between DOJ and IRS so that housing providers who discriminate against persons with disabilities do not benefit from Low Income Housing Tax Credits.

FHEO will enhance efforts to increase access to HUD housing by people with disabilities. FHEO will take steps to encourage the submission of Fair Housing Initiative Program (FHIP) grant applications for providing education and outreach training relating to Olmstead under the next FHIP Notice Of Funding Availability (NOFA). FHEO will address processing these types of complaints at the national FHIP/FHAP policy conference scheduled next year. FHEO proposes to include disability among the populations targeted in all affirmative fair housing marketing plans.

HUD will work with DOJ on technical assistance to improve housing providers' understanding of the Fair Housing Act. HUD will work with DOJ to improve enforcement of the Federal Housing Act and Section 504 of the Rehabilitation Act. HUD will encourage State and local governments to make accessibility requirements for multi-family housing equivalent to, or greater than, the accessibility requirements

of the Fair Housing Act. HUD will encourage State and local governments to review plans for multi-family housing for compliance with the accessibility requirements of the Fair Housing Act and to review plans for public housing for compliance with the Fair Housing Act and Section 504. HUD will encourage universities offering courses of study in architecture and engineering to provide courses in accessible design. HUD will work with the National Association of Home Builders, the American Institute of Architects, and other groups representing design professionals and building contractors to increase their members' knowledge and understanding of the accessibility requirements of the Fair Housing Act and Section 504 of the Rehabilitation Act. HUD will encourage advocacy groups and private counsel representing persons with disabilities to alert HUD to private lawsuits where amicus participation by the Federal government would assist the court in interpreting and applying the provisions of the Fair Housing Act and Section 504 of the Rehabilitation Act. HUD will encourage private community-based organizations to promote accessibility and inclusion of persons with disabilities. Where such lawsuits allege violations of federal laws by recipients of federal financial assistance, HUD will work with DOJ to determine the appropriate response to such lawsuits.

2. Barrier - HUD's Section 504 regulations treat private housing providers participating in the Section 8 housing voucher program as "contractors" rather than as "recipients" of federal financial assistance. As a result, these housing providers are not required to meet the same obligations for assuring accessibility of their programs, services and activities, which has the effect of limiting the housing choices available to persons with disabilities. In addition, although the entity that administers the voucher program (usually a PHA) is a recipient and must take several steps (identified in the regulation) with respect to private landlords participating in the program, in order to assure basic nondiscrimination, and to assist applicants in locating accessible units, requesting exceptions to the Fair Market Rents, and other requirements, persons with disabilities often are not aware of the requirements imposed on the recipient and might not request this type of assistance.

To address this barrier, FHEO proposes to enhance HUD guidance to PHAs, private landlords and persons with disabilities participating in the housing choice voucher program. The guidance will remind recipients of their responsibility to provide reasonable accommodations to persons with disabilities in the housing choice voucher program. Similarly, the guidance will inform persons with disabilities of their rights to reasonable accommodations under the program. Additionally, the Department will consider amending the regulations [24 CFR Part 8] to set stricter requirements for private landlords participating in these programs; however, such a step may have the undesirable consequence of discouraging landlord participation.

3. Barrier - At present, there is a lack of consumer-friendly public documents and a lack of counseling programs staffed with persons who are familiar with fair housing laws like Section 504, the ADA and the Fair Housing Act, in order to assist persons with disabilities attempting to move out of institutions into the community and who,

because of lack of such information and assistance, may not be aware when they are the victims of discrimination or know how to exercise their fair housing rights.

FHEO has taken steps to increase the amount of information on its web sites related to laws like Section 504, which have not previously been covered as extensively as the Fair Housing Act. In addition, FHEO will develop an easy to understand chart of the various disability rights laws and their requirements; and will develop a Section 504 consumer-oriented booklet.

4. Barrier - HUD's Section 504 regulations include a separate section on homeownership [24 CFR 8.29] that focuses on four programs that are no longer active. The regulation also addresses requirements for new construction or alterations of any type of housing program. Because of the provision in the regulation that relates to the programs no longer active, some offices have interpreted this to mean that newly constructed or altered homeownership housing programs only need comply with the section that covers the four now inactive programs, and not to the provisions in the regulations for new construction and alterations, thereby causing some new housing homeownership programs developed under HUD's Hope VI and HOME programs to not meet the accessibility requirements in the regulations. This can reduce the accessible housing stock available to persons leaving institutions and resulting in complaints. FHEO plans to draft a rule amendment to [24 CFR 8.29] resolve this concern.
5. Barrier - There is a considerable need for guidance on fair housing/Section 504 issues such as reasonable accommodation rights, eligibility for certain HUD programs, overlapping accessibility requirements of the laws, and other issues. Such guidance would make it easier for individuals leaving institutions to know what housing programs they may apply for and how their fair housing rights relate to such programs, and what their rights are in relating to reasonable accommodations and similar issues. FHEO has already begun to use its Section 504 website to address the need for guidance on some of the more frequently asked fair housing and disability rights related questions. FHEO is also in the process of developing further guidance on reasonable accommodations, and proposes to make such guidance available upon completion through various means in addition to its web site.

**C. Government National Mortgage Association (Ginnie Mae).**

1. Barrier – The Government National Mortgage Association (Ginnie Mae) web site, which is used to communicate program essentials to the public, requires further improvements in being accessible to people with disabilities. Ginnie Mae proposes to work with contractors to add technological accessibility to the web site as the technology becomes available.
2. Barrier – To facilitate Olmstead by enhancing homeownership opportunities for people with disabilities, Ginnie Mae must develop and/or modify existing mortgage-backed securities programs that support government insured or guaranteed loans targeted to people with disabilities will assess changes that may



need to have changes made to programs to facilitate securitization of such loans when a federal agency that supports a housing program such as FHA or VA develops an insured or guaranteed loan targeted to persons with disabilities.

**D. Office of Housing – Federal Housing Administration (FHA).**

1. Barrier - HUD's Office of Housing proposes to modify its requirements for local governments and non-profit organizations seeking to participate in HUD's Direct Sales or Asset Control Area (ACA) Programs by requiring that the Affordable Housing Plans or ACA Plans include the means by which homeownership opportunities for persons with disabilities will be increased. The Department will also encourage housing counseling agencies to work with existing state organizations such as the state protection and advocacy entities and the state developmental disability councils, Centers for Independent Living, etc., to provide fair housing and disability rights related counseling and services.
2. Barrier - The Office of Housing issued a letter to encourage lenders to use the Title I and 203(k) programs to finance accessibility modifications. These programs may not be fully utilized for accessibility rehabilitation. Currently, to be eligible for the Section 203(k) program, rehabilitation costs must be at least \$5,000. HUD will consider amending its eligibility criteria to eliminate this threshold amount, when the rehabilitation is for the purpose of making accessibility modifications.
3. Barrier - There is a lack of flexibility within the Section 811 Supportive Housing for Persons with Disabilities Program to develop more integrated housing with less supportive services. HUD will consider seeking changes to the Section 811 statute to seek greater flexibility in terms of supportive services. HUD recognizes, however, that it must be cognizant of the fact that funding for supportive services for many existing projects may be project-based. HUD will consider further reducing the project size limits to provide for smaller, more integrated projects, recognizing that this could increase the per unit development cost limits. HUD will also consider increasing incentives for integrated housing (this will be done, in part, through the changes made by the American Homeownership and Economic Opportunity Act of 2000 which permits mixed-financing or a mixed-use project for additional units). HUD will consider allowing Section 811 tenant-based assistance to be used for homeownership (down payments, mortgage payments, maintenance assistance).

**E. Office of Public and Indian Housing (PIH).**

Based on its analysis of all of its programs and activities, HUD's Office of Public and Indian Housing determined that the following programs/activities present barriers for individuals with disabilities to be successfully integrated into the community.

All vouchers under the Housing Choice Voucher Program. These vouchers consist of: (1) Fair Share Program and Family Unification Program vouchers that are used by

the general population, with some portion of these vouchers being issued to disabled families based upon a PHAs preference categories for admission to the voucher program; and (2) vouchers that are targeted solely for families with disabilities—Mainstream, Designated Housing, Certain Developments Voucher Programs, and the Fair Share vouchers in which PHAs have agreed to use at least 15% of their allocated Fair Share vouchers for families with disabilities and at least 3% of their Fair Share vouchers for disabled families covered under a Medicaid Home and Community-Based Services waiver.

1. Barrier - PHAs and HUD Field Offices may not have knowledge of or understand the New Freedom Initiative, which was issued by President Bush in February 2001, and the June 18<sup>th</sup> Executive Order entitled “Community-Based Alternatives for Individuals with Disabilities,” both of which are aimed at promoting the swift implementation of the U.S. Supreme Court’s 1999 decision in Olmstead v. L.C. The Olmstead decision concluded that under the Americans with Disabilities Act (ADA), states are required to provide services to persons with disabilities in community settings rather than institutions when treatment professionals determine that community placement is appropriate, the individual does not object to this determination, and it can be reasonably accommodated. The Housing Choice Voucher Program is one of HUD’s best tools for opening the door to integrated and affordable housing opportunities for families with disabilities.

PIH will develop a Notice to be transmitted to PHAs and HUD Field Offices explaining the New Freedom Initiative, the Executive Order on “Community-Based Alternatives for Individuals with Disabilities,” and the Olmstead decision. The Notice will also address implementation issues and discuss how Federal, state, and local governments can work together in cooperative efforts to successfully implement the actions set forth in the New Freedom Initiative and the Executive Order.

2. Barrier - Current legislation (Section 8 of the United States Housing Act) and HUD regulations (24 CFR Part 982) for the Housing Choice Voucher state that at the time a family initially receives tenant-based assistance, the total rent that the family may be required to pay may not exceed 40 percent of the family’s adjusted annual income. This provision could cause families, including those that are disabled, to be unable to rent higher priced units in some localities.

HUD will consider legislation to allow the share of a family’s rent to exceed 40 percent of the family’s annual income, rather than 40 percent of the family’s adjusted annual income. This proposed solution would necessitate Legislative, Regulatory, Policy, and Program changes.

3. Barrier - The new version of Form HUD-50058, Family Report, which collects data from PHAs for the Housing Choice Voucher Program and the Public Housing Program, is scheduled to be implemented by HUD in November, 2001. Although this new form makes improvements in the collection of data on families utilizing the voucher program, it will not capture data addressing the accessibility of units in

privately-owned apartment buildings. Without this information, HUD still will not know to what extent disabled voucher families' needs for accessible units are being met in this program.

PIH will explore the feasibility of making additional revisions to Form HUD-50058 for the reporting requirements for the Housing Choice Voucher Program to include the collection of data on (1) the number of families that are residing in a unit that is fully accessible according to the Uniform Federal Accessibility Standards (UFAS), (2) the number of families that are residing in a unit that is "partially accessible" (i.e. providing a "reasonable accommodation" through alterations to address a specific need when full accessibility is not required or not needed); (3) the number of families who need a fully accessible unit; and (4) the number of families who need a partially accessible unit. This proposed solution would necessitate Policy and Program changes.

4. Barrier - Some disabled families may need assistance in locating accessible rental units and then remaining in a stabilized housing environment.

HUD is already partly addressing this barrier through the *Housing Search Assistance Program* NOFA published in the Federal Register on July 11, 2001, and the first priority category for this assistance is disabled families. Further, HUD NOFAs for the targeted voucher programs already require that PHAs provide housing choice voucher search assistance and assist individuals with disabilities (when requested) to gain access to supportive services.

Further, as part of the Notice being transmitted to PHAs and HUD Field Offices explaining the recent Presidential initiatives on persons with disabilities, the Olmstead decision, and implementation efforts, PIH will reiterate the importance of PHAs providing search assistance for rental housing and assisting disabled families (when requested) to gain access to supportive services.

5. Barrier - Many persons with disabilities receive only Supplemental Security Income (SSI) payments as income, which amounts to approximately \$6,000 per year per person. As a result of this lack of income, if given a voucher, a person with a disability may not have the funds for the normal expenses required upon moving into an apartment, i.e. the security deposit, the utility deposit, funds for purchasing furniture and other household items, etc.

As part of a Notice that will be transmitted to HUD field offices and PHAs explaining Presidential initiatives and the Olmstead decision, PIH will encourage PHAs to refer disabled families to local supportive service and disability organizations that may have funding available for moving expenses. This proposed solution would necessitate Policy and Program changes.

6. Barrier - It often takes a long period of time for a disabled family to locate an apartment, either because of the nature of their disability, which may cause difficulty in physically searching for an apartment, or because of a lack of

accessible apartments in their community. However, some PHAs may not realize that Housing Choice Voucher regulations at 24 CFR 982.303 allows them discretion to grant a family “one or more” extensions of the required initial term of at least 60 calendar days to lease an apartment. These regulations also state that if a disabled family requests an extension as a “reasonable accommodation,” then the PHA must extend the voucher term up to the term “reasonably required for that purpose.”

As part of a Notice that will be transmitted to HUD field offices and PHAs explaining Presidential initiatives and the Olmstead decision, PIH will reiterate the language of 24 CFR 982.303, clarifying that PHAs may extend the voucher term indefinitely to allow more time for a disabled family to search for housing. Further, as part of the workshops that will be offered to PHAs that have received targeted vouchers for families with disabilities, PIH will ensure that these regulations are covered in the training.

“Targeted” Vouchers under Housing Choice Voucher Program – These vouchers are “targeted” solely for families with disabilities: (1) Fair Share vouchers in which PHAs have agreed to use at least 15% of their allocated Fair Share vouchers for persons with disabilities and at least 3% of these vouchers for disabled families covered under a Medicaid Home and Community-Based Services waiver, (2) Mainstream vouchers, (3) Designated Housing vouchers, and (4) Certain Development vouchers.

1. Barrier - The Form HUD-50058 that is utilized by HUD to collect information on families to which vouchers have been issued does not indicate if the voucher is one that is targeted specifically for a person with a disability, e.g. a Mainstream, Certain Developments, Designated Housing, or a targeted Fair Share voucher. Consequently, there is no way to know if these targeted vouchers specifically issued to a PHA for disabled families have been issued to such families. Further, there is no requirement that a PHA report on the number of “general purpose” vouchers that have been provided to disabled families.

PIH will explore the feasibility of making additional revisions to Form HUD-50058 reporting requirements by capturing data for those vouchers targeted solely to disabled families and those “general purpose” vouchers provided by PHAs to disabled families. This would apply to Mainstream, Designated Housing, and Certain Developments vouchers, the vouchers targeted for disabled persons issued as a result of the Fair Share Program, and the “general purpose” vouchers under Fair Share that are given to disabled families. This is possibly the only way to differentiate between vouchers approved for use by the general population, with some portion thereof being issued to disabled families based upon PHA preference categories, etc. for admission, versus vouchers specifically earmarked as being solely for disabled families. This proposed solution would necessitate a Policy change.

## Housing Choice Voucher Family Self-Sufficiency (FSS) Program Coordinators

1. Barrier – Some disabled families with housing vouchers may not be aware of self-sufficiency programs that their local PHAs may be administering. Disabled voucher families that desire to go from welfare to work or are currently in wage jobs may benefit from participation in an FSS Program.

In the NOFA for Housing Choice Voucher FSS Program Coordinators, PIH will encourage PHAs with FSS Programs to conduct outreach to disabled families that might benefit from participation in an FSS Program and to include agencies that work with and provide services for disabled families on their FSS Program Coordinating Committee.

## Public Housing Program: Designation of Public Housing Projects

1. Barrier - Some PHAs are not requesting an adequate number of vouchers to meet the housing needs of non-elderly disabled families affected by designated housing plans.

PIH proposes to review the requirements and practices for the designation process to determine whether PHAs are requesting an adequate number of vouchers to meet the housing needs of non-elderly disabled families affected by designated housing plans. This proposed solution would necessitate Policy and Program changes.

2. Barrier – HUD has approved some PHAs' designation plans that have included accessible units, thus having the effect of reducing the supply of these already scarce units that disabled families may need.

In reviewing a PHA's designation plan, PIH will explicitly take into account whether the units to be designated are accessible for families with disabilities. This proposed solution would necessitate Policy and Program changes.

Public Housing Program: HOPE VI Revitalization Program and Public Housing Capital Fund Program - HUD determined that two barriers exist regarding community integration for persons with disabilities within these two major programs that provide funding for public housing repair and modernization.

1. Barrier - A shortage of "visitable" units exists in public housing developments in many market areas in the nation. This situation can be attributed, in part, to a lack of technical knowledge on the part of PHAs and their engineering and architectural consultants to provide "visitability" in the construction/modernization of units under the Capital Fund Program, so that the first floor of the unit is "visitable" by people with physical disabilities. (Visitability is a design concept that enhances the ability of people with disabilities to interact with their neighbors, friends, and associates in the community and includes such features as a 32-inch clear opening in all bathroom

and interior doorways and at least one accessible means of egress/ingress for each unit.)

HUD will develop a technical bulletin, using the January 2000 HOPE VI booklet on accessibility and visitability as a model. The HOPE VI booklet illustrates grading and housing solutions for providing “visitability” in a variety of situations for use by public housing agencies and their engineering and architectural consultants. This proposed solution would necessitate Policy and Program changes.

2. Barrier - There is a lack of enforcement of Section 504 of the Rehabilitation Act of 1973 and the Fair Housing Act of 1988 at the design review stage of construction of new public housing to insure the provision of accessible and adaptable residences for residents with physical disabilities. Non-compliance is usually discovered after the public housing project is built.

PIH will require a standardized certification on the first sheet of all construction drawings for federally-funded public housing projects, to be signed and sealed by the project architect to certify the number and percentage of accessible units meeting Section 504 requirements and the number of units meeting the Fair Housing Act requirements for multifamily housing, if applicable. No significant budget impact is anticipated. Costs would be related to the notification of PHAs and HUD field offices of this requirement. This proposed solution would necessitate Program and Policy changes.

### **III. Past and current efforts to facilitate community based alternatives for individuals with disabilities**

Following are other HUD programs and activities which may be used to promote community integration, that is, which promote the ability of persons with disabilities to live in home and community-based settings. This section also discusses other actions the Department has taken to help address the housing and community-related needs of persons with disabilities.

#### **A. Office of Community Planning and Development (CPD).**

The Office of Community Planning and Development’s (CPD) Community Development Block Grant (CDBG) program provides grants to jurisdictions to implement a wide variety of activities directed toward neighborhood revitalization, economic development and improved community facilities and services. CDBG-assisted activities are initiated and developed at the local level based upon a community’s perception of local needs, priorities and benefits to the community and its residents. To that end, communities are able to shape their CDBG programs to help meet the needs of persons with disabilities and to remove barriers to community living. CDBG program funds can be used to assist

activities that promote the ability of persons with disabilities to live in home and community-based settings. Such activities may include down payment assistance to support home ownership; public services to expand transportation options; rehabilitation of housing units to enhance accessibility; and providing improved accessibility within the community.

The CDBG program requires citizen participation, including involvement of persons with disabilities, during development of the jurisdiction's consolidated plans, in a number of ways. For example, the jurisdiction must consider the needs of persons with disabilities and encourage their participation during the development of the consolidated plan. In addition, CDBG regulations require consultation with agencies that address the needs of persons with disabilities during the consolidated plan development process. CDBG regulations also require jurisdictions to describe and address priority housing and supportive service needs of persons with disabilities. Consolidated Annual Performance and Evaluation Report (CAPER) guidance requires jurisdictions to assess their performance in addressing the needs of persons with disabilities. Finally, CDBG regulations require each jurisdiction to assume responsibility for fair housing planning by conducting an analysis of impediments to fair housing choice and to take actions to remove those impediments.

CPD is also committed to reforming the consolidated planning process to develop more meaningful methods for citizen participation by 2003. HUD will work with local stakeholders to make the process more results-oriented and useful to communities in assessing their own progress. A more citizen-centered process will enhance the ability of individuals with disabilities to participate in the development of the consolidated plan.

The Home Program, an affordable housing block grant program that provides allocations to nearly 600 states and local governments annually, can be used to develop rental units and group homes, tenant-based rental assistance, and homeownership opportunities to develop units for persons with disabilities. The ability to target Home funds to disabled populations identified in their consolidated plans permits state and local participating jurisdictions to facilitate community-based housing options, both rental and homeownership, for disabled persons.

The Supportive Housing Program, the federal government's largest targeted homeless assistance program, as a whole promotes community-based housing, and the supportive services needed to enable people with disabilities to live as independently as possible. Program applicants are required to explain specifically how they will assist participants to live independently. Applicants must also demonstrate that their housing projects will meet all applicable requirements for accessibility and that basic community amenities are available and readily accessible.

The Department's Safe Havens Program is a program designed to provide supportive housing for the most difficult to reach persons with mental disabilities who are either unwilling or unable to participate in services. A component of the Supportive Housing Program, Safe Havens are an entry point where, once an individual is stabilized, it is hoped the individual will be willing to participate in services and referrals.

HUD has taken other actions to help address the needs of persons with disabilities. In 1998, HUD issued a letter to CDBG Entitlement Grantees and HOME Participating Jurisdictions to encourage communities to assess the need for housing modification funds to help improve accessibility for homeowners and renters with disabilities. More recently, in December 2000, CPD issued two accessibility notices. The purpose of the first notice, CPD-00-9, was to remind CDBG program and HOME program recipients of their obligation to comply with Section 504 of the Rehabilitation Act of 1973, the Fair Housing Act, and HUD's implementing regulations, which prohibit discrimination based on disability and establish requirements for program accessibility and physical accessibility in connection with housing programs. The second notice, CPD-00-10, addresses non-housing programs and facilities assisted under the CDBG program. This notice addresses the responsibility of CDBG program recipients to comply with Section 504, the ADA, and the Architectural Barriers Act in connection with recipients' non-housing programs. In addition, CPD is drafting a fair housing guide for home program participants. The guide will provide practical advice on compliance with fair housing requirements, including those of Section 504 and ADA.

**B. Office of Fair Housing and Equal Opportunity (FHEO).**

The following are some efforts the Office of Fair Housing and Equal Opportunity (FHEO) undertook in its fair housing enforcement role to facilitate community-based alternatives for individuals with disabilities:

FHEO and DOJ have recently completed training of Field staff on conducting Title VI and Section 504 compliance reviews. The training included on-site work and conducting compliance reviews under the supervision of experienced staff. In FY 2001, FHEO's committed to increasing the number of compliance reviews it conducts pursuant to Section 504 and Title VI of the Civil Rights Act of 1964 by at least 25%, and has included a specific goal for this purpose in its Business and Operating Plan (BOP).

HUD opened a new Section 504 Web Site on January 18, 2001. This Web site provides guidance to persons with disabilities about their rights under Section 504 and information for recipients on their obligation to comply with Section 504. The Web Site includes information on the law's regulatory requirements, how to file a complaint, additional resources, and answers to frequently asked questions.



HUD recently issued three Notices—two from CPD and one from Housing—to remind recipients of their obligation to comply with Section 504 and other related laws.

FHEO has two education and outreach and technical guidance efforts underway that will assist in assuring greater compliance with the Fair Housing Act's accessible design and construction requirements, thereby increasing the available accessible housing options for persons with disabilities.

The first project, Project for Accessibility Training and Technical Guidance, will provide training and direct technical guidance to the builders, architects and other design professionals, and other building industry groups, as well as organizations representing persons with disabilities and other interested persons.

The second project, which is currently being awarded through a competitive grant under the Department's Fair Housing Initiatives Program (FHIP) Education and Outreach, National Component, will provide focused technical guidance to assist states and units of local government in adopting building codes, or revising existing building codes, to adopt codes that are consistent with the accessibility requirements of the Fair Housing Act.

The Department will have numerous FHIP activities underway that focus on addressing the fair housing needs of persons with disabilities.

**C. Office of Housing-Federal Housing Administration (FHA).**

On July 25, 2001 the Office of Housing-Federal Housing Administration (Office of Housing) issued a mortgagee letter regarding increasing homeownership rates for persons with disabilities. This letter encouraged lenders to be flexible in the use of compensating factors and other underwriting considerations when reviewing applications of the disabled. When including income from sources not subject to Federal tax, lenders may add tax savings or "gross up" income. The letter advises that lenders should examine the overall pattern of credit behavior of applicants with disabilities. A previous period of financial difficulty, if related to the disabling condition, is not an absolute bar to extending credit.

Many individuals and families with disabilities have limited resources for purchasing a home. The Office of Housing proposes to issue a mortgagee letter advising lenders of the manner in which they may treat Section 8 subsidies as income in determining a homebuyer's qualifying ratios for underwriting purposes.

The current Section 811 Housing Opportunities for Persons with Disabilities program requires project sponsors to have an intensive component. The program should provide for more flexibility and provide for a Service Coordinator to coordinate the delivery of existing services for the residents.

**D. Office of Policy Development and Research (PD&R).**

The Office of Policy Development and Research (PD&R) has plans for one study, and another study already underway, both of which will assist in addressing certain aspects of the housing needs of persons with disabilities.

The first study, “Assessment and Analysis of Multifamily Buildings’ Conformity with Fair Housing Accessibility Provisions,” is almost complete. This research project is intended as (1) a quantitative assessment of the extent of conformity with the accessibility provisions of the Fair Housing Act (the Act), as amended in 1988, and (2) an examination of the reasons for the extent of conformity, including explanations for patterns of non-conformity. The Act’s accessibility requirements apply to a broad number of dwelling units—all dwelling units in buildings having four or more units—regardless of whether they are federally assisted or privately owned. Along with other provisions of the Act, the accessibility requirements are designed to give persons with disabilities greater freedom to choose the neighborhoods in which they wish to live.

Under the second study, HUD will conduct a “Housing Choice Voucher Tenant Accessibility Study”, which will: (1) assess the feasibility of conducting an ongoing nationwide mail survey of successful voucher program enrollees with physical disabilities about their experiences in searching for accessible units, and (2) examine the quality of the experiences that these enrollees have in their search for accessible units. As a result, HUD (via periodic nationwide surveys) can gain an ongoing capacity to monitor the accessibility needs of these enrollees, and can learn how the voucher program is meeting these accessibility needs.

**E. Office of Public and Indian Housing (PIH).**

All Public and Indian Housing (PIH) Programs

PIH issued a Notice (PIH 99-52) in December 1999, to remind recipients of Federal PIH funds, including PHAs, Indian housing authorities, and resident management corporations, of their obligation to comply with pertinent laws and implementing regulations which provide for non-discrimination and accessibility for people with disabilities in Federally-funded housing and non-housing programs and to employment training programs at these entities. The Notice also provides information on key compliance elements of relevant regulations and examples and resources to enhance recipients’ compliance efforts. PHAs and other recipients of Federal PIH funds are responsible for providing the notice to all current and future contractors, agents, and Section 8 owners participating in covered programs, activities or performing work covered under relevant legislation and regulations. The Notice specifically addresses the applicability of the following specific laws and regulations to PIH programs and activities:

Section 504 of the Rehabilitation Act of 1973, the ADA, the Architectural Barriers Act of 1968, and the Fair Housing Act of 1988.  
The Notice is currently being modified for reissuance.

### Housing Choice Voucher Program

In September 2001, PIH drafted technical corrections to the January 19, 2001 final rule entitled “Determining Adjusted Income in HUD Programs Serving Persons with Disabilities: Requiring Mandatory Deductions for Certain Expenses; and Disallowance for Earned Income.” The technical corrections are aimed at clarifying the portion of the rule addressing earned income disregards. Rather than defining “qualified family” as a family whose head, spouse, or sole member is a person with disabilities, this definition is being changed to clarify that a qualified family is any family with a disabled adult member. Further, the final rule is being revised to clarify that only families that are already receiving assistance under one of the HUD programs identified in the rule are covered, and not applicants for such assistance.

On August 16, 2001, PIH issued a contract for technical assistance to be provided, as necessary, to PHAs and non-profit organizations that have had difficulty in utilizing housing vouchers that have been allocated specifically for persons with disabilities and in developing relationships with other organizations. Technical assistance to be provided includes (1) the preparation and distribution of written materials, including information on the Medicaid Home and Community-Based Waiver Program, (2) voucher training workshops for non-profits and PHAs that are administrating voucher programs for the first time, and (3) assistance with outreach to facilitate the formation of partnerships with non-profit disability organizations.

During Fiscal Years 2000 and 2001, several hundred public and assisted housing administrators, resident leaders and HUD staff were trained at a series of 9 major industry training conferences implemented and conducted by PIH on Section 504 of the Rehabilitation Act of 1973, the ADA, the Architectural Barriers Act, and requirements for accessibility in the Housing Choice Voucher program and conventional public housing.

On July 19, 2001, HUD announced the PHAs that were selected to participate in “Project Access,” a pilot program that is designed to facilitate the successful transition of non-elderly persons with disabilities from nursing homes to community living. HUD and the Department of Health and Human Services (HHS) are partnering to carry out this initiative, which will provide 400 HUD Housing Choice vouchers and necessary supportive services through Health and Human Services Nursing Home Transition grants, Medicaid funds, and other resources to non-elderly persons with disabilities transitioning out of nursing homes. PHAs and State Medicaid Agencies in 11 states will coordinate and work with one another and with other resources—both public and private—within their

communities to facilitate the use of the initiative's vouchers. Technical assistance will be provided to the PHAs and other organizations participating in Project Access in order to ensure the success of the initiative.

On July 11, 2001, HUD issued its Housing Search Assistance Program (HSAP) NOFA in the Federal Register announcing the availability of \$10 million for the provision of housing counseling and supportive services funding for PHAs operating in particularly difficult rental markets regarding the ability of housing choice voucher holders to locate affordable, decent and safe housing at an affordable price. The NOFA identifies families with a voucher as receiving first consideration for these services. Disabled families (includes individuals) are specifically identified as being in the first-tier priority group.

On June 22, 2001, HUD issued an interim rule that established regulations to implement a three-year homeownership pilot program for disabled families authorized by Section 302 of the American Homeownership and Economic Opportunity Act of 2000. Under the "Pilot Program for Homeownership Assistance for Disabled Families," a PHA may provide tenant-based homeownership assistance to a disabled family residing in a home purchased and owned by one or more members of the family. The pilot program provides disabled families with certain benefits in comparison with the basic homeownership option under the Housing Choice Voucher Program, such as admitting disabled families whose annual income is greater than 80 percent of the area median into the pilot program.

On June 13, 2001, HUD published a proposed rule that would implement Section 301 of the American Homeownership and Economic Assistance Act of 2000 (enacted December 27, 2000), which amends the statute authorizing the "homeownership option" under the Housing Choice Voucher Program. Under Section 301, a PHA may, in lieu of paying a monthly homeownership assistance payment on behalf of a family, provide homeownership assistance for a family in the form of a single grant to be used toward the downpayment required in connection with the purchase of a home. The proposed rule would amend HUD's regulations for the homeownership option (located at 24 CFR Sections 982.625-982.641 of subpart M of Part 982) to implement the downpayment assistance authority and would clarify and streamline several regulatory requirements applicable to both downpayment grants and monthly homeownership assistance payments provided under the homeownership option.

On January 19, 2001, HUD issued a final rule that disregarded certain increases in earned income to persons with disabilities served by several different HUD programs, including the Housing Choice Voucher Program. HUD made these benefit extensions for persons with disabilities because HUD believes that these deductions and the disregard of earned income constitute an important step in helping persons with disabilities find and retain employment.

On September 12, 2000, HUD published a final rule implementing the “homeownership option” under Section 8(y) of the United States Housing Act of 1937, as amended by the Quality Housing and Work Responsibility Act of 1998. Under the Section 8(y) homeownership option, a PHA may choose to provide monthly tenant-based assistance to an eligible family that purchases a dwelling unit that will be occupied by the family. The September 12, 2000 final rule implemented the Section 8(y) homeownership option by adding a new “special housing type” under subpart M of HUD’s regulations for the Housing Choice Voucher Program at 24 CFR part 982.

The “Resident Characteristics Report” for the Housing Choice Voucher Program, which is a report produced by HUD’s Multifamily Tenant Characteristics System (MTCS), is currently available on HUD’s Internet web site. Until recently, this report depicted data only on the percentage of non-elderly disabled families/households that are utilizing vouchers, and did not contain similar data on elderly disabled families/households that use vouchers. In January 2002, PIH improved the report to show the percentages of non-elderly and elderly families/households that utilize vouchers.

## **Public Housing Program**

### *Resident Characteristics Report (MTCS)*

The “Resident Characteristics Report” for the Public Housing Program, which is a report produced by HUD’s Multifamily Tenant Characteristics System (MTCS), is currently available on HUD’s Internet web site. Until recently, this report depicted data only on the percentage of non-elderly disabled families/households that are residing in public housing, and did not contain similar data on elderly disabled families/households that live in public housing. In January 2002, PIH improved the report to show the percentages of non-elderly and elderly families/households that reside in public housing.

### *HOPE VI Program and Public Housing Capital Fund Program*

Disability advocates participate on planning, policy, and design panels at the annual HOPE VI Revitalization Program conference.

In January 2000, HUD published a booklet entitled “Strategies for Providing Accessibility & Visitability for HOPE VI and Mixed-Financed Homeownership”. This publication provides technical and graphic illustrations for providing accessibility in the context of existing neighborhood architectural styles for homeownership units. It can also be downloaded from the HOPE VI web site.

Information on accessibility and “visitability” is provided on the HOPE VI and Housing Research Foundation web site with links to the web sites of HUD’s FHEO Office, and to the web sites of certain disability advocacy organizations.

A representative of a disability advocacy organization participates in all HOPE VI/Mixed-Finance Design Training seminars for PHAs and HOPE VI grant managers. This organization provides information on the design and development of “visitable” residences that benefit the integration of disabled people into the community.

HUD staff members participate in ongoing meetings and conference calls with accessibility advocates to maintain direct links with office programs.

HUD provides review and technical assistance on compliance with accessibility, “visitability”, Section 504 of the Rehabilitation Act of 1973, and the Fair Housing Act for HOPE VI grant managers, PHAs, architects, and developers working on HOPE VI/Mixed-Finance projects.

The FY 2001 HOPE VI Revitalization Program NOFA addresses persons with disabilities under two of its rating factors. Under one rating factor, PIH evaluates and assigns points based on the applicant having an achievable plan for including minorities, women, and/or individuals with disabilities in the overall planning, development, and management team that will be involved in the HOPE VI revitalization effort. Also, under another rating factor, points are given to an applicant according to: (1) the quality of its proposed Community and Supportive Services plan and activities that are designed to help all residents, including those with disabilities, achieve self-sufficiency, upward mobility, and economic independence with sustainable “living wage” jobs; (2) whether the applicant proposes operation and management principles and policies that are promoting economically and demographically diverse living patterns that include all types of persons, including those with disabilities, by “reaching out” to persons with disabilities; and (3) whether the applicant is affirmatively furthering fair housing through accessibility, adaptability, visitability, and diversity regarding the revitalized units and through working with local advocacy groups, which represent persons with disabilities and other special needs populations.

The HOPE VI Revitalization Program encourages the use of funds for accessibility modifications, where necessary, to Housing Choice Voucher units.

A video on Visitability was produced recently for a PIH conference. It is proposed that this 25-minute video be distributed to all PHAs and the Public Housing and Fair Housing divisions of HUD Field Offices to encourage the implementation of the concept of Visitability and further educate the industry on the benefits of Visitability (where practical, provide at least one accessible means of egress/ingress and provide a 32-inch clear opening in all bathroom and interior doorways for all units when altered or constructed), in addition to the requirements that at least 5% of the units in a project be accessible and 2% of the units in a project be accessible for persons with hearing and vision impairments.

## **Appendix – Information on HUD Programs Discussed in this Report.**

### **Office of Community Planning and Development (CPD).**

#### Homeless Assistance Programs

HUD funds for competitive homeless assistance grants made under the Supportive Housing Program, the Shelter Plus Care Program, and the Section 8 Moderate Rehabilitation Single-Room Occupancy (SRO) Program are announced annually through a NOFA published in the Federal Register. Projects under all 3 programs are reviewed to determine that they are appropriate to the needs of the persons to be served i.e., the type and scale of the housing or services proposed fit the needs of the proposed participants, transportation and community amenities are available and accessible, housing accessibility for persons with disabilities is provided as required by applicable laws, and participants will be helped to access permanent housing and achieve self-sufficiency. In addition, the Shelter Plus Care Program and the permanent housing component of the Supportive Housing Program are specifically targeted to persons with disabilities. The three programs are authorized under the McKinney-Vento Homeless Assistance Act of 1987.

#### Supportive Housing Program (SHP) (24 CFR Part 583)

The Supportive Housing Program (SHP) is designed to develop supportive housing and services that help homeless persons transition from homelessness to living as independently as possible.

Eligible applicants are states, units of local government, other governmental entities such as PHAs, and private nonprofits. Eligible beneficiaries are homeless persons.

Eligible activities include: acquisition, rehabilitation, new construction, leasing, supportive services, operations and administration. Supportive services include child care, employment assistance, outpatient health services, case management, help in getting permanent housing, nutritional counseling, and help in obtaining other assistance. These activities can be carried out through the following components: (1) transitional housing (generally used for 24 months or less as a steppingstone to permanent housing); (2) permanent housing for homeless persons with disabilities; (3) supportive services for homeless people not living in supportive housing; (4) Safe Havens (low-demand supportive housing for hard-to-reach homeless persons with severe mental illnesses); and (5) other types of innovative supportive housing for homeless people. HUD funds new and renewal projects; a funding match is required for certain activities.

FY 2000 SHP funds in the amount of \$784,052,582 were awarded to 2,402 projects.

## Shelter Plus Care (S+C) (24 CFR Part 582)

Shelter Plus Care (S+C) provides rental assistance that, when combined with social services, supplies supportive housing for homeless people with disabilities and their families. Homeless people with disabilities often need more than shelter to live independently, such as medical care or other social services. S+C provides for a variety of housing choices such as group homes or individual units, coupled with a range of supportive services (which are funded by other sources). Grantees must match the rental assistance with supportive services that are at least equal in value to the amount of HUD's rental assistance.

Eligible applicants are states, local governments, and PHAs. Eligible beneficiaries are homeless persons with disabilities and their families. (Families are not eligible for the SRO component of the program).

Eligible activities include four types of rental assistance: (1) Tenant-Based Rental Assistance (contracted directly with the low-income tenant); (2) Project-Based Rental Assistance (contracted with a building owner); (3) Sponsor-Based Rental Assistance (contracted with a nonprofit organization); and (4) SRO-Based Rental Assistance (SRO contracted with a PHA). Certain allowable administrative costs may be paid (excluding the costs of administering the supportive services or the grant itself). Applicants may apply for new or renewal grants. For tenant-, sponsor-, and project-based units without rehabilitation, the rental assistance may be provided for up to 5 years; SRO rental assistance may be provided for up to 10 years. If the project-based units are being rehabilitated, S+C will fund up to 10 years of rental assistance. A total of \$95,524,380 was awarded in FY 2000 for 229 projects.

## Single-Room Occupancy Program (24 CFR 882)

The Single-Room Occupancy (SRO) program provides Section 8 rental assistance for moderate rehabilitation of buildings with SRO units - single-room-dwellings designed for the use of an individual, that do not contain both food preparation and sanitary facilities. SRO units, while less expensive to rent, are in short supply since they yield little profits for building owners. The SRO program keeps some of these units available by providing rental assistance to owners for the cost of some of the rehabilitation, ownership, and maintenance of the units. The rental assistance payments cover the difference between the tenant's rental payment (generally 30% of the tenant's adjusted income) and a unit's rent, which must not exceed the fair market rent for the area.

Eligible applicants are PHAs and private nonprofit organizations. Nonprofit organizations are required to subcontract with PHAs to administer the rental assistance. Eligible beneficiaries are homeless individuals.

The only eligible activity is rental assistance. A unit must require at least \$3,000 in rehabilitation that can be amortized by the rental assistance. One-quarter of the units



proposed for assistance must be vacant at the time of application. The initial lease between the homeless person and the owner must be at least a year. A total of \$19,625,520 was awarded in FY 2000 to 12 projects.

### Community Development Block Grant Program

The Community Development Block Grant (*CDBG*) program provides annual grants on a formula basis to entitled cities and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate income persons. HUD awards grants to states and units of local government (metro cities and urban counties) to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services. These activities are developed and initiated at the local level based upon a community's perception of its local needs, priorities, and benefits to the community, although each activity must meet certain requirements, including that it is eligible and meets one of the following broad national objectives: benefit persons of whom at least 51 percent are low and moderate income; aid in the prevention or elimination of slums or blight; or meet other community development needs of a particular urgency that the grantee is unable to finance on its own. CDBG funds may be used for activities that include, but are not limited to:

- acquisition of real property;
- demolition;
- rehabilitation of residential and non-residential structures;
- construction of public facilities and improvements;
- public services, within certain limits;
- activities relating to energy conservation and renewable energy resources; and
- provision of assistance to profit-motivated businesses to carry out economic development and job creation/retention activities.

Communities can shape their CDBG programs to help meet the needs of persons with disabilities and to remove barriers to community living. CDBG funds may be used to assist activities that promote the ability of persons with disabilities to live in home and community-based settings. Examples of CDBG-supported activities may include down payment assistance to support home ownership for persons with disabilities; public services to expand transportation options for persons with disabilities; and assistance for accessibility improvements in the community.

The CDBG program is authorized under Title I of the Housing and Community Development Act of 1974, as amended. For FY2001, funding for entitlement communities was \$3.08 billion. Total CDBG funding was \$5.113 billion.

## **Office of Fair Housing and Equal Opportunity (FHEO).**

The Office of Fair Housing and Equal Opportunity (FHEO) has determined that the following programs, activities, or regulations present barriers for individuals with disabilities to be successfully integrated into the community. The following are descriptions of these specific programs, activities or regulations:

### Fair Housing Assistance Program.

The Fair Housing Assistance Program (FHAP) is authorized by the Fair Housing Act, which permits the Secretary to use the services of responsible state and local agencies in the enforcement of fair housing laws, and to reimburse these agencies for services rendered to assist HUD in carrying out the Fair Housing Act.

Eligible grantees are state and local fair housing enforcement agencies administering laws that HUD has found to be substantially equivalent to the Federal statute. The Fair Housing Act does not prescribe in any detail the methods to be employed by the Secretary in "reimbursing" local enforcement agencies.

Funding is provided to substantially equivalent state and local agencies under FHAP to assist them in carrying out activities related to the administration and enforcement of their fair housing laws and ordinances. Such activities include complaint processing, training, implementation of data and information systems and other special projects specifically designed to enhance the agency's administration and enforcement of its fair housing law or ordinance.

### Fair Housing Initiatives Program

The Fair Housing Initiatives Program (FHIP) was established by the Housing and Community Development Act of 1987 (HCD) and was amended by the HCD Act of 1992. FHIP provides funding to public and private entities formulating or carrying out programs to prevent or eliminate discriminatory housing practices.

Through four distinct categories of funding, FHIP supports projects and activities designed to enhance compliance with the Act and substantially equivalent state and local laws prohibiting housing discrimination. These activities include programs of enforcement, providing assistance to other fair housing organizations, and education and outreach. The program provides a coordinated approach to further the purposes of the Fair Housing Act, guarantee the rights of all Americans to seek housing in an open market free of discrimination; and inform the American citizenry of its rights and obligations under the Fair Housing Act.

The Section 504 of the Rehabilitation Act of 1973 is implemented by HUD's regulations at 24 CFR Part 8. Section 504 states that no otherwise qualified individual with a disability shall, solely by reason of his or her disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any

program or activity receiving Federal financial assistance. Section 504 applies to all applicants for, and recipients of, HUD financial assistance in the operation of programs or activities receiving such assistance. A recipient does not necessarily include an entity or person receiving housing assistance payments from a recipient on behalf of eligible families under a housing assistance payments program (i.e. Section 8 Housing Choice Voucher Program).

### **Government National Mortgage Association (Ginnie Mae).**

The Government National Mortgage Association (Ginnie Mae), through its full faith and credit of the United States guaranty has helped finance homeownership opportunities for 25.5 million American families. Through its mortgage-backed securities program Ginnie Mae guarantees the timely payment of principal and interest on securities issued by private institutions and backed by pools of Federally-insured or guaranteed mortgage loans. In fiscal year 2000, Ginnie Mae-guaranteed securities financed 86.2 percent of all eligible loans insured or guaranteed by the Department of Housing and Urban Development (HUD), the Federal Housing Administration (FHA), the Department of Veterans Affairs (VA), the Rural Housing Service (RHS), and the HUD Office of Public and Indian Housing (PIH). Ginnie Mae receives no funds from general tax revenues. Operations are financed by a variety of fees, including Guaranty Fees, New Issuer Fees, Commitment Fees, Handling Fees, and Transfer of Servicing Fees. Over 95 percent of Ginnie Mae's fee income is generated by its Guaranty and Commitment Fees that are paid by participating issuers.

Through a 1968 amendment to Title III of the National Housing Act, Ginnie Mae was established as a wholly owned government corporation within HUD to promote access to mortgage credit throughout the nation. Ginnie Mae is administered by the Secretary of HUD and the President of Ginnie Mae, who are both appointed by the President of the United States and confirmed by the United States Senate. Ginnie Mae serves the American public and the housing industry by helping to ensure a stable lending environment that leads to affordable rates and increased opportunities for more Americans to own their own home. Ginnie Mae provides liquidity to the secondary mortgage market by attracting capital from the nation's capital markets into the residential mortgage markets. This activity helps to keep mortgage rates lower and to make more mortgages available.

From its dynamic beginning, Ginnie Mae emerged as the pioneer in the development of the Mortgage-Backed Securities (MBS) program. The MBS program provides a vehicle to efficiently and effectively generate capital by providing lenders with the liquidity to maintain a steady supply of credit available for housing. This availability of capital, backed by the full faith and credit guaranty of the U.S. Government, has directly contributed to the nation's record high homeownership.

The Ginnie Mae web site provides issuers, homebuyers, mortgage finance industry participants, securities investors and other interested parties with important and timely

information about the Ginnie Mae MBS program. The web site also provides a variety of information about Ginnie Mae, its mission, organization and goals. A search engine has been added to the site to facilitate keyword searches. Important web resources include:

Ginnie Mae annual reports; All Participants Memos; Ginnie Mae Mortgage-Back Securities Guide 5500.3; Ginnie Mae Multiclass Securities Guide; Ginnie Mae Mortgage-Backed Securities Accounting Manual; Ginnie Mae REMIC Prospectus (Offering Circular Supplements); On-line training materials for Single Family and Multifamily Issuers and Prospective Issuers; Targeted Lending Inquiries; and the Multifamily MBS database. In addition, Ginnie Mae has added a section on its web site for children and teens. These pages are designed to teach young people, in an entertainment way, about the benefits of homeownership, thrift, and savings. The web site is located at [www.ginniemae.gov](http://www.ginniemae.gov). Ginnie Mae strives to make these important communications tools available and accessible to all people. As technology becomes available to make using the site easier Ginnie Mae will implement the technology.

### **Office of Housing – Federal Housing Administration (FHA).**

The Section 811 program provides grants to nonprofit organizations to develop and construct or rehabilitate rental housing with supportive services for very low-income families whose head, spouse, or sole member is a person with a disability. The Section 811 program allows persons with disabilities to live independently by increasing the supply of rental housing with supportive services and related facilities. The program also allows the sponsor to get project rental assistance, which can cover any part of the HUD-approved operating costs of the facility that is not met from project income. The program is similar to Supportive Housing for the Elderly (Section 202).

The Federal Housing Administration (FHA), which is part of the Department of Housing and Urban Development (HUD), administers various single family mortgage insurance programs. These programs operate through FHA-approved lending institutions that submit applications to have the property appraised and have the buyer's credit approved. These lenders fund the mortgage loans that the Department insures. HUD does not make direct loans to help people buy homes.

The Section 203(k) program is the Department's primary program for the rehabilitation and repair of single family properties. As such, it is an important tool for community and neighborhood revitalization and for expanding homeownership opportunities. Since these are the primary goals of HUD, the Department believes that Section 203(k) is an important program and we intend to continue to strongly support the program and the lenders that participate in it.

Many lenders have successfully used the Section 203(k) program in partnership with state and local housing agencies and nonprofit organizations to rehabilitate properties. These lenders, along with state and local government agencies, have found ways to

combine Section 203(k) with other financial resources, such as HUD's HOME, HOPE, and Community Development Block Grant Programs, to assist borrowers. Several state housing finance agencies have designed programs, specifically for use with Section 203(k) and some lenders have also used the expertise of local housing agencies and nonprofit organizations to help manage the rehabilitation processing.

HUD also believes that the Section 203(k) program is an excellent means for lenders to demonstrate their commitment to lending in lower income communities and to help meet their responsibilities under the Community Reinvestment Act (CRA). HUD is committed to increasing homeownership opportunities for families in these communities and Section 203(k) is an excellent product for use with CRA-type lending programs.

### **Office of Public and Indian Housing (PIH).**

#### 1. Housing Choice Voucher Program

The Housing Choice Voucher Program provides affordable housing choices for low-income households by allowing eligible families to choose privately owned rental housing. Currently, the Housing Choice Voucher Program serves approximately 1.4 million families nationwide. HUD data currently shows that approximately 23 percent of the families participating in the voucher program have a disabled head or spouse, and 32 percent of all voucher families have at least one disabled family member.

Housing Choice vouchers are currently provided to low-income families under several different voucher programs. Two of these voucher programs--the *Fair Share Allocation of Incremental Voucher Funding Program* and the *Family Unification Program* are considered "general purpose" voucher programs. The Fair Share Program, which awarded approximately \$448 million in new vouchers to PHAs in July 2001, allocates vouchers to PHAs by a fair share formula allocation process for use by families on the PHAs' voucher waiting lists. The Family Unification Program, which had \$11.47 million in funding available for FY 2001, provides vouchers (1) to families for whom the lack of adequate housing is a primary factor in the separation of children from their families, and (2) to youths 18 to 21 years old who left foster care at age 16 or older and lack adequate housing. For these two voucher programs, PHAs may establish a system of local preferences for the admission of families, including a preference for admission of families that include a person with a disability.

In addition to the general purpose vouchers provided under the Fair Share and Family Unification Programs, there are other voucher set-asides and programs under the umbrella of the Housing Choice Voucher Program that specifically target families with disabilities. These programs are:

- *Set-Aside under Fair Share Allocation of Incremental Voucher Funding Program*- In the FY 2001 Fair Share Voucher Program NOFA, rating points were assigned to PHAs that stated in their applications that at least 15% of the vouchers being requested (or that are funded by HUD) will be used to house disabled families, and rating points were also assigned to applications which stated that the PHA will use not less than 3% of the requested/funded vouchers to house voucher-eligible, disabled families covered under a Medicaid Home and Community-Based Services waiver.
- *Mainstream Housing Opportunities for Persons With Disabilities (“Mainstream Program”)*--makes vouchers for non-elderly and elderly persons with disabilities available to not only PHAs, but to nonprofit disability organizations. In FY 2001, funding of \$54.1 million was available to PHAs and non-profit disability organizations.
- *Rental Assistance for Non-Elderly Persons With Disabilities in Support of Designated Housing Plans (“Designated Housing”)*-- provides vouchers to PHAs for non-elderly persons with disabilities in instances where PHAs have designated certain public housing developments as “elderly only.” Any funding remaining unobligated and not needed to fund approvable applications under this program is added to the funding available for the Mainstream Program each year. In FY 2001, funding of \$20 million was available to PHAs for this program.
- *Rental Assistance for Non-Elderly Persons With Disabilities Related to Certain Types of Section 8 Project-Based Developments and Sections 202, 221(d)(3) and 236 Developments (“Certain Developments”)*--provides vouchers to PHAs for non-elderly persons with disabilities in instances where a private multifamily housing owner has designated his development as “elderly only.” Any funding remaining unobligated and not needed to fund approvable applications under this program is added to the funding available for the Mainstream Program each year. In FY 2001, funding of \$20 million was available to PHAs.

The Housing Choice Voucher program is authorized by Section 8(o) of the United States Housing Act of 1937, as amended by the 1998 Public Housing Reform Act. HUD regulations for this program are found at 24 CFR Part 982.

#### Housing Choice Voucher Family Self-Sufficiency (FSS) Program Coordinators

The Family Self-Sufficiency (FSS) Program, which is administered locally by PHAs, encourages communities to develop local strategies to help assisted families obtain employment that will lead to economic independence and self-sufficiency. PHAs work with welfare agencies, schools, businesses, and other local partners to develop a comprehensive program that gives participating FSS family members the skills and experience to enable them to obtain employment that pays a living wage. Currently, families who receive vouchers under the Housing Choice Voucher Program are eligible to participate in the FSS program. FSS program services include transportation, job

training and employment counseling, education, substance/alcohol abuse treatment or counseling, and household skill training.

Generally, PHAs must rely on their own or other local resources to operate FSS programs. However, under authority of annual appropriations acts, HUD has been able to provide funding for some FSS program coordinators, through NOFAs, to assist PHAs in operating housing choice voucher FSS programs. Funding under these NOFAs, however, is not available to pay the salaries of FSS program coordinators for any FSS program operated by PHAs for public housing residents. Operating subsidy may be used by a PHA to fund the salary of a public housing FSS coordinator.

### Public Housing—Programs and Activities

Approximately 1.3 million low-income families reside in public housing developments operated by PHAs throughout this country. HUD data currently shows that approximately 18 percent of families/households residing in public housing have a disabled head or spouse. PHAs may establish a system of local preferences for the selection of families admitted to public housing developments, including a preference for the admission of families that include a person with a disability. Although PHAs are provided with funding for making alterations to their public housing stock for accessibility purposes, the design of older public housing units makes rehabilitation of many of these units for accessibility structurally and financially infeasible.

PIH administers a variety of public housing programs and activities, including:

#### Designation of Public Housing Projects

Section 7 of the U.S. Housing Act of 1937 provides public housing agencies with the option to designate public housing projects, or portions of public housing projects, for occupancy by disabled families, elderly families, or mixed populations of disabled families and elderly families. PHAs interested in designating their housing are required to submit housing plans to HUD that establish the need to designate while ensuring that the affordable housing needs of the whole community would be met. Housing Choice Vouchers help meet the housing needs of non-elderly, disabled families affected by designated housing plans through the program, mentioned above, entitled *Rental Assistance for Non-Elderly Persons With Disabilities in Support of Designated Housing Plans* (“Designated Housing”).

#### Hope VI Revitalization Program

The *HOPE VI Revitalization Program* awards competitive grants to PHAs for the comprehensive revitalization of severely distressed public housing developments. HOPE VI also provides demolition-only grants. Unlike traditional modernization programs, HOPE VI requires PHAs to focus on the economic and social needs of

residents, as well as the physical conditions of the development. Under the FY 2001 HOPE VI NOFA, certain rating factors address workforce development and job creation for persons with disabilities. Under one rating factor, points are assigned based on the applicant having an achievable plan for including minorities, women, and/or individuals with disabilities in the overall planning, development, and management team that will be involved in the HOPE VI revitalization effort. Also, under another rating factor, points are given to an applicant according to the quality of its proposed Community and Supportive Services plan and activities that are designed to help all residents, including those with disabilities, achieve self-sufficiency, upward mobility, and economic independence with sustainable "living wage" jobs. These activities may include literacy training; job readiness and retention programs; employment training programs that include job training, preparation, counseling, development, placement, and follow-up assistance; and economic development activities.

The HOPE VI Program is authorized by Section 24 of the United States Housing Act of 1937, as amended. In FY 2001, funding of \$574 million was available to PHAs for this program.

#### Public Housing Capital Fund Program

Through the Public Housing Capital Fund Program, which is formula-based, HUD makes assistance available to PHAs to carry out capital and management improvement activities in public housing developments. While the amount of funding a PHA receives is determined by formula, a PHA qualifies to receive its capital fund assistance each Federal Fiscal Year on the basis of submitting a PHA Plan. Eligible activities include financing and modernization of public housing projects, including the redesign, reconstruction, and reconfiguration of public housing sites and buildings (including accessibility improvements), as well as capital expenditures to facilitate programs to improve the empowerment and economic self-sufficiency of public housing residents and to improve resident participation.

The Public Housing Capital Fund Program is authorized by Section 9 of the United States Housing Act, as amended. In FY 2001, funding of \$2.9 billion was available to PHAs for this program.

#### Resident Opportunities and Self-Sufficiency (ROSS) Program

The ROSS Program, which provides grants to PHAs, resident organizations, and nonprofit entities, links public housing residents with supportive services, resident empowerment activities, and assistance in becoming economically self-sufficient. ROSS' goal is to focus resources on welfare-to-work and on independent living for the elderly and persons with disabilities. Two of the funding categories under ROSS are targeted specifically to the elderly and persons with disabilities--*Resident Service Delivery Models for the Elderly and Persons with Disabilities* and *Service Coordinator*



*Renewals.* Grants under *Resident Service Delivery Models for the Elderly and Persons with Disabilities* provide supportive services for the elderly and persons with disabilities to help them maintain independent living. Eligible activities under this funding category include: (1) providing personal assistance with daily activities; (2) transporting residents to medical appointments, shopping, etc.; (3) providing nutritional meals, wellness programs, health education, and referrals to community resources; and (4) implementing physical improvements in order to provide space for supportive services. *Service Coordinator Renewal* grants are provided to PHAs to address the needs of elderly and disabled public housing residents by paying for the salary, fringe benefits, and related administrative costs for employing a Service Coordinator. Service Coordinators help residents obtain supportive services that are needed to maintain independent living. Funds may only be used for renewals of prior FY 1995 Public Housing Elderly and Persons with Disabilities Service Coordinator grants, in keeping with the Congressional intent to renew all Service Coordinator and congregate services grants.

In FY 2001, \$24 million was available for the ROSS *Resident Service Delivery Models* funding category and \$20 million was available for the *Service Coordinator Renewals* funding category.

#### Housing Choice Voucher Family Self-Sufficiency (FSS) Program Coordinators

The FY 2001 FSS Program Coordinator NOFA gives funding priority to applications from PHAs according to (1) PHAs that received FSS funding in fiscal years 1999 and 2000, (2) PHAs that had applied in these years but had not received any funding, and (3) PHAs that apply for one or more additional FSS Coordinators for those FSS programs of 100 or more slots. Further, HUD regulations for this program at 24 CFR Part 984 state that a PHA can give a selection preference for up to 50 percent of its FSS slots to families that have one or more family members currently enrolled in an FSS-related service program or on the waiting list for such a program.

In FY 2001, \$45 million was available to PHAs to fund Housing Choice Voucher FSS program coordinators.