

United States Senate

WASHINGTON, DC 20510

April 22, 2010

The Honorable Patty Murray
Chairman
Subcommittee on Transportation,
Housing and Urban Development,
and Related Agencies
131 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Christopher Bond
Ranking Member
Subcommittee on Transportation,
Housing and Urban Development,
and Related Agencies
128 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairwoman Murray and Ranking Member Bond:

We are writing to respectfully urge you to fund the Department of Housing and Urban Development's Section 202 program at \$825 million and the Section 811 program at \$300 million in fiscal year (FY) 2011. The two programs provide needed grant funding for the development of supportive housing and rental assistance for very low-income seniors and disabled individuals.

The nation's need for affordable housing for seniors and people with disabilities is significant. Currently, there are at least 10 seniors vying for every available Section 202 unit. By 2020, an additional 730,000 senior housing units will be needed to address the growing housing needs of low-income seniors. In addition, according to a recent study, over 1.3 million very low-income, non-elderly disabled households pay over half of their incomes toward rent. The only alternative for many thousands of these individuals is to live in high cost restrictive settings such as nursing homes and public institutions. Supportive housing created through the Section 811 program is essential to address these critical needs.

However, the administration's budget calls for a suspension of Section 202 and 811 capital advance funding for new development of supportive housing units while programmatic reforms are made. While we support efforts to reform the Section 202 and 811 programs, we strongly believe that the changes to the programs can be made while maintaining funding in the coming year. Without adequate funding for Section 202 and 811 housing, low-income seniors and adults with disabilities will face homelessness, substandard housing, inappropriate and premature placement in nursing homes, or having to choose between paying for housing or other basic needs.

The Administration has also included proposals that would make it easier for grantees to take advantage of low-income housing tax credits (LIHTCs) to cover financial gaps in the construction of new Section 202 and 811 properties. Although we are supportive of this effort, it is important to point out that tax credit properties do not have funding sources for deeper subsidies and without an additional subsidy from the Section 202 or 811 programs the units will remain unaffordable for extremely low income households. In fact, the average annual income of

a senior living in Section 202 housing is \$10,000 and currently 4.2 million adults with severe disabilities living in Section 811 housing exist on Supplemental Security Income equal to only 18 percent of the area median income.

These two critical housing programs provide individuals with safe, accessible and affordable housing that promotes an independent lifestyle. It is important for Congress to recognize that affordable supportive housing, linked with the growing array of federal and state funded home and community based services is an essential part of the continuum of care. We hope that Congress will continue to support these valuable programs.

Sincerely,



Herb Kohl



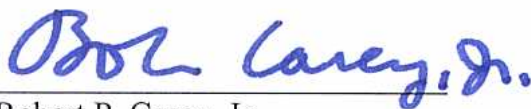
Charles E. Schumer



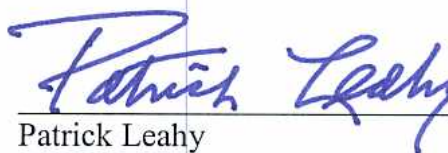
Robert Menendez



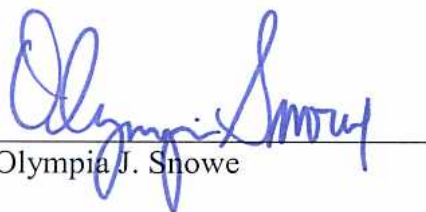
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Jack Reed



Benjamin Cardin



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Sherrod Brown



Joseph Lieberman



Tom Harkin



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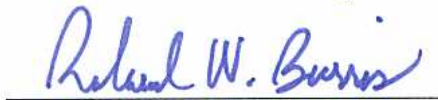
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Kirsten E. Gillibrand



Roland Burris



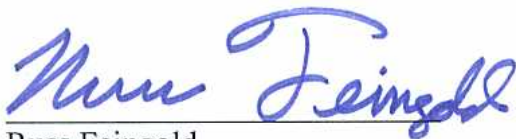
Sheldon Whitehouse



Jeff Merkley



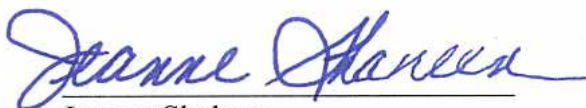
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