

**Testimony of Representative Christopher Murphy (CT-5) before the  
Subcommittee on Housing, Transportation, and Community Development**

**“Modernizing Affordable Housing for Seniors and People with Disabilities”  
Thursday, October 29, 2009  
538 Dirksen Senate Office Building**

Chairman Menendez, Ranking Member Vitter and Members of the Subcommittee, it’s my pleasure to be before you today to speak to an issue of tremendous importance to elderly and disabled Americans.

As the main House proponent of legislation to reauthorize HUD’s Section 811 program, it is a pleasure to be here to add my voice to why action to modernize the program is so greatly needed. At the outset, let me thank Chairman Menendez for his efforts here in the Senate. I believe the legislation that we have both introduced to revitalize this important program will result in the production of hundreds of thousands more units of permanent supportive housing across the nation and will ensure that America’s very low-income disabled population will have safe and affordable places to live.

As the experts on the next panel will tell you, HUD’s 811 program is not currently doing enough to meet the enormous demand. There are approximately 1.3 million non-elderly disabled households with what HUD defines as “worst case needs” – meaning they are very low income, pay more than 50% of their income in rent and they live in substandard housing. While the need is obviously great, only a trickle of affordable units come on line each year and as we heard in testimony before the House Financial Services Committee, even a small supportive housing project can take up to eight years to complete.

By all accounts, the program is overly bureaucratic and has not been adapted to compliment the good, innovative work of hundreds of organizations across the country that are trying desperately to provide quality, permanent supportive housing to combat the unrelenting housing crisis faced by millions of extremely low-income individuals with disabilities.

My home state of Connecticut offers a good example of how improvements to the program will complement the work already being done by state governments and housing advocacy organizations. In Connecticut these partnerships have led to a commitment to create 10,000 units of permanent supportive housing over the next ten years. By using the Low Income Housing Tax Credit with a state provided set-aside for rental assistance, we have been able to secure permanent supportive housing for disabled, severely low-income Connecticut residents. This same financing mechanism has been used in states like North Carolina and Louisiana to tremendous results.

This approach, a public-private partnership leveraging existing tax credits for expanded use, is included, on a national scale, in both the Chairman’s legislation, S. 1481, the Frank Melville Supportive Housing Investment Act, and my legislation, H.R. 1675 which passed the House in July.

This approach, Mr. Chairman, of public-private partnerships, will derive more units of permanent supportive housing using the same funding we use today – more bang for our buck. Currently, the average capital cost of an 811 project is about \$100,000 per unit plus a monthly rental payment equal to about \$6,000 a year. Under our legislation, the capital investment is wiped out because the units are being built through existing credits and programs and because they are already affordable units, the rent subsidy will be less than the \$6,000 a year average.

As you know, Mr. Chairman, we fund this change by using the funds currently set aside for 811 Mainstream Vouchers. HUD has done a less than adequate job in ensuring these vouchers are used to support people with disabilities – they don't monitor or track them – and while there is a great need for Mainstream Vouchers generally, these funds would be better used to ensure that 811 eligible individuals have access to permanent supportive housing.

Beyond this change, Mr. Chairman, the legislation also allows States and state housing agencies to do much of the bureaucratic paperwork involved in these applications, which will greatly expedite the applications process. These are but a few, I believe, of the refinements outlined in the two bills that will make the 811 program more efficient and less bureaucratic using federal dollars in a way that produces truly produces permanent supportive housing.

Mr. Chairman, I know you will hear from the next panel, what we heard across the Capital last year and earlier this year. The Section 811 program is worth preserving but must be reformed if we hope to meet its overwhelming demand.

Thank you Mr. Chairman for your generous allotment of time and I am happy to any questions your or the other Members of the Committee may have.