

NATIONAL COMMISSION on FAIR HOUSING and EQUAL OPPORTUNITY

Testimony on behalf of ADAPT

www.adapt.org & www.adapt25.org (25th Anniversary Celebration Page)

Houston Hearing, July 31, 2008

Attachments

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HOUSING ADVOCACY GOALS

The following is a summary of our national housing advocacy goals for Affordable, Accessible and Integrated Housing.

In the area of **AFFORDABLE HOUSING** we fight for:

Access Across America

- a) HUD to partner with HHS to provide DI (DeInstitutionalization) housing
- b) advocate at State and local PHAs for DI vouchers

Incremental Vouchers

- a) demand that HUD's NOFAs include incremental vouchers for people with disabilities in PHAs waiting lists

Fair Share Vouchers

- a) demand that HUD's NOFAs award extra points to PHAs that work with state Medicaid waivers for vouchers to get people out of nh.

Recapture Misused Vouchers

- b) Thousands of Vouchers designated for people with disabilities were misused.
- c) We demand HUD assurance that unused vouchers designated to p/w/d are given to p/w/d

In the area of **ACCESSIBLE HOUSING** we fight for:

Advocate for a national modification fund for section 8 holders

· Increase the 5% and 2% in public assisted housing, under 504, to 10% and 5%

Demand that HUD increases 504 evaluations of Public Housing Authorities in all of their services, programs and activities

Increase Enforcement of 504 and the Fair Housing Amendments Act

Pass National Visitability Legislationthe Inclusive Home Design Act

In the area of **INTEGRATED HOUSING** we fight for:

"Access to Integration" the Re-direction of 811 program funds

HR 5772 was introduced in the House April 10, 2008, when passed 5772 will reform the 811 program

We advocate for stronger language in HR 5772:

HR 5772 must indicate that only 50% of its annual funding be used for group homes; put a cap of only four individuals to reside in a group home; mandate that incremental vouchers for people with disabilities should go to people with disabilities.

We demand the integration of all government funded housing silos currently segregating our people

The Hidden Housing Crisis: Worst Case Housing Needs Among Adults With Disabilities

Kathryn P. Nelson

Kathryn P. Nelson retired from the U.S. Department of Housing and Urban Development's Office of Policy Development and Research in 2003, after working there as Research Economist for 25 years. She was the principal author of HUD's first eight reports to Congress on worst case needs for housing assistance.

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The Hidden Housing Crisis: Worst Case Housing Needs Among Adults With Disabilities

Kathryn P. Nelson

In HUD's 2007 report to Congress, *Affordable Housing Needs 2005*, the American Housing Survey (AHS) proxy used to estimate the worst case housing needs¹ of disabled non-elderly very-low-income renters without children was incomplete because it did not incorporate a new 2005 AHS question about disability income.² Moreover, the AHS proxy results were not compared to independent sources of better data on numbers of very-low-income renters with disabilities and increased to agree with these control totals, as had repeatedly been done in previous HUD Worst Case reports.³

This study uses data about households with severe rent burdens from the 2005 American Community Survey (ACS) to overcome these two weaknesses and develop more accurate estimates of worst case needs among households containing non-elderly adult renters with disabilities.⁴ The ACS identifies disabilities through direct questions about six disabling conditions, and thus has better data on persons with disabilities than any AHS proxy could provide. Yet the ACS does not have all the data elements needed to measure worst case needs as well as the AHS does, so the estimates developed here are based on AHS relationships between severe rent burdens and worst case needs. Then, because two other national surveys have better questions about disabling conditions than does the ACS,⁵ the estimates of worst case needs made from the ACS were adjusted to be consistent with control totals from those two other surveys.

The resulting estimates imply that some 1.3-1.4 million childless very-low-income renter households with non-elderly adults with disabilities had worst case housing needs in 2005. This range is more than double the estimate of 542,000 disabled households published by HUD in their 2007 report, and also much higher than the estimate of 694,000 that results from using the expanded AHS proxy that includes the new question on disability income (HUD, 2008).

¹ Worst case needs, a concept intended to measure renters with acute needs for housing assistance, are unassisted renters with income below half of their area's median income ("very-low-income" renters) who pay more than half of their income for housing or live in severely substandard housing. Homeless individuals should be included in this measure, but the necessary data are not available.

² In February, 2008, HUD released *Housing Needs of Persons With Disabilities: Supplemental Findings to the Affordable Housing Needs 2005 Report*. This supplement uses the new AHS question on disability income ("Did [this person] receive any disability payments such as SSDI, worker's compensation, veteran's disability or other disability payments?") in the AHS proxies recommended by this study.

³ Reasons and procedures for adjusting AHS estimates to control totals drawn from more complete data on adults with disabilities are described in Appendix C of HUD's 2003 report, *Trends in Worst Case Needs for Housing, 1978-1999*. The desirability of including "all nonelderly households with adults with significant physical or mental disabilities" is also cited in HUD's 2007 report (on p. 84). These issues, and HUD's previous practice in making such adjustments, are further described in the technical appendix to this study.

⁴ "Non-elderly" adults are between 18 and 61 years old, because persons aged 62 and older are eligible for HUD's rental assistance programs for the elderly such as Section 202 housing. All of the adults considered in this paper are "non-elderly", and all estimates made are for households rather than persons. Elderly households are those in which the head or spouse is 62 or older.

⁵ The Survey of Income and Program Participation (SIPP) and the National Health Interview Survey (NHIS) identify 35% to 54 % more non-elderly adults as having disabling conditions than does the ACS. Cornell Guide to Disability Statistics from the ACS (Weathers, 2005) Table 11.

Direct data on disabilities among non-elderly adults living in families with children, and their severe rent burdens, were also produced from the ACS. With procedures and adjustments similar to those used for non-elderly adults *without* children, this study produces the first estimates of worst case needs among families with children and disabled non-elderly adults ever made. The results reveal that close to one million of the very-low-income renter families with children who had worst case needs in 2005 housed non-elderly adults with disabilities.

These improved estimates of worst case needs for housing assistance among non-elderly adults with disabilities do not question or change HUD's published finding that six million renter households had worst case needs in 2005. They do, however, clearly imply that households with non-elderly adults with disabilities constitute a much larger share of total worst case needs than HUD's published estimates for 2005 imply. Rather than making up 9 to 12% of the total, as the unadjusted AHS proxies suggest, non-elderly adults with disabilities live in 35 to 40% of the 6 million households with worst case needs. Moreover, almost half of the 4.7 million non-elderly renter households with worst case needs for housing assistance have adults with disabilities.⁶

Overview of Study Procedures and Organization.

This study improves measurements of worst case needs among non-elderly adult renters with disabilities by building in three ways on ACS estimates of very-low-income renter households and their rent burdens prepared by the National Low Income Housing Coalition (NLIHC).⁷

1. Because the ACS has essentially the same questions on income sources as the 2005 AHS,⁸ sources of income reported by non-elderly adult renters with disabling conditions were examined to recommend better AHS proxies for identifying non-elderly adult renters with disabilities from AHS data and thus tracking their housing conditions. ACS data allowed evaluation of possible AHS proxies for both households without children and families with children. HUD's *Supplemental Findings* are based on estimates that use both of the AHS proxies recommended by this study.
2. Households with and without non-elderly adult renters with disabilities were identified within each of the household types used by HUD in their Worst Case reports to provide a basis for estimating worst case needs of non-elderly adult renters with disabilities. As detailed below, because the ACS lacks data on rental assistance and severely inadequate housing, worst case needs were then estimated from ACS counts of renter households with housing costs above 50% of income based on AHS relationships between severe rent burden and worst case needs. This approach, previously used by HUD in five worst case reports to adjust AHS estimates to control totals from the SSI Stewardship Review sample,⁹ is appropriate because severe rent burden—paying more than half of household income for housing—is the problem underlying 95% of worst case needs.

⁶ The remaining 1.3 million households with worst case needs in 2005 had elderly heads or spouses. Many elderly persons in these households also had disabling conditions, but this study focuses on how to best estimate worst case needs among households with non-elderly adults.

⁷ Danilo Pelletiere and Keith Wardrip, *Housing at the Half: A Mid-Decade Progress Report from the 2005 American Community Survey*, NLIHC 2008.

⁸ As Susin (2007) discusses, the 2005 AHS adopted "a series of income questions similar to the questions used in the ACS". However, the new AHS question about disability income is more specific than that in the ACS. HUD 2008 gives the exact wording of all these questions.

⁹ As shown in the Technical Appendix, however, many disabled adults do not receive SSI payments, so the SSI Stewardship Review control totals themselves undoubtedly undercounted eligible adults with disabilities.

3. Cornell University's Employment and Disability Institute compared ACS disability statistics to those available in five other national data sets in its *Guide to Disability Statistics from the American Community Survey* (Weathers, 2005). This comparison showed that for persons between the ages of 18 and 61, the ACS estimates of numbers of persons with some disability are appreciably below those from the Survey of Income and Program Participation (SIPP) and the National Health Interview Survey (NHIS). SIPP and NHIS "both use a much larger set of survey questions to identify persons with disabilities" (Weathers 2005, p. 28). Following a procedure similar to the one used in five previous HUD worst case reports, this study accordingly adjusts its ACS and AHS based estimates of worst case needs to be consistent with the higher, and presumably more accurate, counts produced by the SIPP and NHIS. Although procedures for accurately counting persons with disabilities continue to be studied, I strongly recommend that HUD similarly adjust future AHS-based estimates to the best available national counts of persons with disabilities.

Recommendations for AHS proxies for non-elderly renters with disabilities.

In HUD's last three reports on worst case needs, the proxy for adults with disabilities used among non-elderly renters without children was income from Social Security, SSI, or public assistance reported by the household head.¹⁰ No attempt was made to proxy the presence of disabled adults among families with children because it was assumed that most of those reporting public assistance income were participating in a program such as TANF rather than being disabled. The new income question added to the AHS in 2005 specifically asks about income from disability payments: "Did [this person] receive any disability payments such as SSDI, worker's compensation, veteran's disability or other disability payments?" Beginning in 2005, all AHS questions about income sources are asked for every adult in each household.

As the first panel of Table 1 shows, ACS tabulations of four income sources reported by very-low-income childless non-elderly adult renter households (hereafter "VLICNEAR" households!) with or without disabilities imply that the corrected AHS disabled proxy definitely should include the new AHS disability income question. Over three-fourths (77%) of those renters reporting such income on the ACS did have disabling conditions. Nonetheless, fewer than 10% of the total 2.2 million VLICNEAR households that contain adults with disabilities report income from retirement, survivor or disability payments. These results imply the corrected AHS proxy should continue to retain income reported from Social Security, SSI, or public assistance as reliable indicators of disabilities among childless adults. Clear majorities of the VLICNEAR households reporting these three income sources on the ACS – from 98% to 69% – did include non-elderly adults with disabilities.

The table also reveals that these four sources of income fail to identify all of the VLICNEAR households that do have adults with disabilities. Because some of these households have income from more than one of these sources, the ACS results imply that only two-thirds (65%) of the childless households with disabled adults may be identified by an AHS proxy based on these four income-source questions. This finding reinforces the importance of comparing, and adjusting, future AHS results from this recommended new proxy to the best available independent data on persons with disabilities.

¹⁰ Appendix C of HUD 2003 discusses the research on which this proxy was based, why it represented an improvement over HUD's earlier proxy, and why it probably still undercounted the total number of adults with disabilities. HUD's new *Supplemental Findings* (HUD 2008) detail the questions underlying this proxy.

The ACS identifies one-fourth of the 6 million very-low-income renter families *with* children as having non-elderly adults with disabilities, including 826,000 households with severe rent burden (Table 1). Among these families, the ACS tabulations confirm that receipt of public assistance income does not reliably indicate the presence of an adult with disabilities, as HUD had assumed in not previously attempting a proxy for disabilities among this household type. Only 37% of the ACS very-low-income family renters reporting public assistance income contained a disabled adult. However, three-fifths or more of those reporting income from Social Security, SSI, or disability benefits do have adults with disabilities. Moreover, those three income sources identify more than half of the very-low-income renter families with children who have non-elderly adults with disabilities in the household. These ACS results imply that an AHS proxy that includes income from Social Security, SSI, or disability benefits, but not from public assistance, could usefully identify those families with children that housed non-elderly adults with disabilities, and thus provide estimates of their worst case needs and other housing problems. I recommend that HUD use this three-income proxy to track housing problems among this important group.

To summarize these recommendations,

- The AHS proxy to identify childless non-elderly adult renters with disabilities should include households that report income from the new AHS disability income question. It should, however, also retain income reported from Social Security, SSI, or public assistance sources because the ACS tabulations show that each of these income sources is a reliable indicator of the presence of non-elderly adults with disabilities in the households. Below, I sometimes refer to this as a “four-income” proxy.
- A new AHS proxy to identify families with children that have non-elderly adult renters with disabilities should include *three* AHS questions on income source: the new AHS disability income question, income reported from Social Security or retirement benefits, and income from SSI payments.

Estimates of worst case needs for renter households with non-elderly adults with disabilities.

Childless adult renters with disabilities. ACS data show that almost three-fifths (57%) of the 2.2 million VLICNEAR households with adults with disabilities had severe rent burdens in 2005 (Table 2, third column). As the first two columns of Table 2 show, this prevalence rate is quite similar to the 54% with severe rent burdens found when recommended four-income source proxy identifies 1.8 million likely childless renters with disabilities from the AHS.¹¹

Because worst case needs were originally defined to identify renters most in need of housing assistance, the concept has from its start excluded renters reporting rental assistance.¹² The 694,000 childless disabled renter households counted by the AHS new proxy as having worst case needs, therefore, include only 664,000 unassisted renters with severe rent burden plus more than 30,000 unassisted renters living in severely substandard housing.¹³ The new four-income

¹¹ The AHS estimates in these tables are drawn from HUD’s new *Supplemental Findings*.

¹² As Shroder has shown, the AHS questions used to measure receipt of rental assistance do not do so accurately in all cases. Mark Shroder, “Does Housing Assistance Perversely Affect Self-Sufficiency?” *Journal of Housing Economics*, Volume 11: 4, December 2002, Pages 381-417.

¹³ Among these disabled renters as among all with worst case needs, severe rent burdens characterize 95% or more of those with worst case needs. The remainder live in severely inadequate housing without a severe rent burden, and a small fraction have both severe rent burdens and severely inadequate housing.

AHS proxy, therefore, shows 39% of childless disabled renter households as having worst case needs.

As the 'NA's in the ACS column of Table 2 suggest, the ACS asks no questions about rental assistance. The ACS does record whether a household lacks complete kitchen or plumbing facilities, but can not measure severely inadequate housing as defined in the AHS. To estimate how many of the ACS's 2.24 million very-low-income childless disabled renters had worst case needs, therefore, this study assumes that the new AHS proxy's relationship between severe rent burden and worst case needs among VLICNEAR households with disabilities holds for the equivalent households identified from the ACS. This is the same assumption used in HUD's previous worst case reports to estimate worst case needs for this group based on data and control totals from the SSI Stewardship Review Sample (HUD 2003, Exhibit C-2). This assumption implies that 932,000 of these renter households, 42% of the VLICNEAR group with disabilities, had worst case needs in 2005.

Family renters with children who have non-elderly adults with disabilities in the household. As Table 1 showed, the ACS identifies one-fourth of the 6 million very-low-income renter families with children as having non-elderly adults with disabilities. As the right side of Table 2 repeats, this represents 1.46 million households, 826,000 of them (57%) with severe rent burden. Using the three income sources recommended above as an AHS proxy for disabled families with children, 49% of the one million such families identified by the AHS have severe rent burdens, and 37% have worst case needs. Assuming that the relationship between severe rent burdens and worst case needs shown by the AHS for such families with children also holds for equivalent ACS families, some 620 thousand of the very-low-income renter families with children who have worst case needs have adults with disabilities in the household.

Should AHS estimates of very-low-income renters with disabilities and their worst case needs be compared to control totals from better data sources and adjusted if appropriate?

For reasons discussed in more detail in the Technical Appendix, not least of which is HUD's history of doing this over more than a decade, I judge that AHS estimates derived from proxies indicating the presence of non-elderly adults with disabilities should continue to be compared to national data sources with better data on persons with disabilities and adjusted to conform to those data. Even the improved AHS proxies that I recommend above can not pretend to accurately identify all households with disabled non-elderly adults.

At the very least, estimates derived from the new AHS proxies should be adjusted to be consistent with the better counts of adults with disabilities that are available from the ACS through its six questions on disabling conditions. Adopting the approach pioneered by HUD in conforming AHS estimates to control totals from the 1994-1999 SSI Stewardship Review samples, Table 2 used 2005 AHS relationships between worst case needs and severe rent burdens to estimate worst case needs among the households with disabled adults identified by the ACS. Compared to AHS estimates made with my recommended proxy, the results raise estimates of worst case needs among non-elderly childless adult renters with disabilities in 2005 by a third, from 694 to 922 thousand. Worst case needs among renter families with children and non-elderly adults with disabilities increase by 70%, from 365 to 622 thousand.¹⁴

¹⁴ In this regard, it is highly pertinent that the ACS evidence that the four income sources only count 65% of VLICNEAR disabled also implies that AHS proxy results should be increased. Multiplying the AHS results by 1/0.65, for example, would imply that 1.07 million non-elderly childless adult households had worst case needs.

