

# Persons With Disabilities Assisted Under the Section 8 Mainstream Set-Aside Program

---

Deborah Devine  
U.S. Department of Housing and Urban Development

This brief report provides information on the number of Section 8 certificates and vouchers available to low-income persons with disabilities who have been assisted under the Section 8 Mainstream set-aside program during the past 5 years.

The Mainstream program was first authorized by Section 811 of the National Affordable Housing Act of 1990. While authority for the program comes from this legislation, funding for Mainstream was not awarded until FY 1997. The program was created to increase the supply of housing opportunities available to very low-income persons with disabilities by providing them with rental vouchers or certificates to access the private rental market. Thus, the program's name incorporates one of its key goals, access to mainstream rental housing and not just to assisted housing developments. As a result of the 1998 housing legislation merging the certificate into the voucher program, all Mainstream set-asides will be in the form of vouchers beginning with the FY 1999 allocation.

To put the number of those served by the Mainstream set-aside program into context, information is also provided about the extent of the need for low-cost housing by very low-income households with disabilities. In addition, an overview is provided of all resources, including Mainstream set-asides, available to disabled households through the tenant-based Section 8 program. As a result of informal discussions held with the 25 public housing agencies that received FY 1997 Mainstream set-asides, some information about how the program operates is also available.

## The Need

The 1997 HUD report on worst case housing, using Social Security Administration data, estimated that by 1995 there were between 1.1 and 1.4 million low-income adults with disabilities living in households with worst case needs.<sup>1</sup> These are households with incomes falling below 50 percent of median income in their geographic area who were paying more than half of their income for housing and/or living in severely substandard housing. In all, more than 60 percent of unassisted very low-income households in which there is an adult member with a disability have worst case housing needs, one of the highest proportions among the groups having such needs. It is fair to presume that these are all households that could have benefited from a Section 8 voucher.

The worst case housing needs estimate is a lower bound estimate to the extent that it uses the receipt of Supplemental Security Income (SSI) as a proxy for identifying people with disabilities. People are not counted who have disabilities that would make them eligible for the Mainstream program but not for SSI. The estimate is also low because it does not reflect the number of low-income people with disabilities who live in institutional housing because affordable housing and necessary support services are not available to them in the community. Because the worst case housing needs estimate applies only to nonelderly adults with disabilities, the estimate would also be larger if it included low-income renter households with a disabled child or an elderly disabled person.<sup>2</sup> In any case, the estimate makes it clear that the need for housing assistance for low-income, disabled households far exceeds the recent appropriations of the Section 8 program even with the Mainstream allocation.

## Section 8 Resources for Disabled Households

There are three kinds of resources available to disabled households in the Section 8 program: Mainstream set-aside units, designated units, and regular Section 8 units.

The Mainstream set-aside units are awarded to public housing agencies through a competition and are available to both elderly and nonelderly disabled families regardless of type of disability. Over the last five funding cycles, Mainstream awards have been made in all but the 1996 funding cycle, and it is expected that awards will be again be made in FY 2000. While the application process is not burdensome, not all applicants receive awards. Those who do ordinarily receive 5-year awards. However, in FY 1998, funding for Mainstream awards was increased by the addition of unexpended funds appropriated for several other Section 8 programs serving the disabled. These programs had not received sufficient approvable applications, and their unexpended appropriation was transferred to the Mainstream program as 1-year funding. Unlike regular Mainstream funding, this funding can only be used to serve nonelderly disabled households. It is expected that funding available for FY 1999 Mainstream awards will also be increased by the addition of unexpended funding from the other Section 8 programs serving disabled households. Until FY 1999, PHAs have been able to apply for up to 100 certificates and vouchers, but FY 1999 applicants can apply for no more than 75 vouchers.

The number of PHAs receiving Mainstream set-aside units has greatly increased over the past few years:<sup>3</sup>

- In FY 1995, 737 Mainstream units were awarded to 10 PHAs, but no Mainstream certificates and vouchers were awarded in 1996.
- Funding for 1,756 Section 8 Mainstream units was provided in FY 1997 to 25 housing authorities, making the 1997 allocation more than twice as large as the 1995 allocation. These units were ultimately distributed through a lottery because the number of approvable PHA applications (280) greatly exceeded the amount of funding available. Housing authorities received their allocation in the form of certificates, vouchers, or a combination of the two.
- In FY 1998, 17,262 Mainstream units were funded. Of these, 10,537 were vouchers and 6,725 were certificates. In all, 273 PHAs received awards, a more than 10-fold increase in the number of 1997 award recipients.
- In March 1999 a Notice of Funding Availability was issued for 1,600 units. In the 1999 funding round, eligible applicants have been broadened to include both PHAs and disability nonprofit organizations. All of the 1,600 Mainstream units will be funded as vouchers.

In addition to the Mainstream set-aside units, there are also designated units for nonelderly disabled families who would otherwise have been housed if occupancy in particular public housing developments had not been restricted to elderly households. This restriction resulted from the 1992 Housing and Community Development Act that permitted some public housing developments that had previously provided housing for disabled households to become exclusively elderly developments.<sup>4</sup> Every PHA that files an application receives designated units. However, the application process is more complex than the Mainstream application process because, to be eligible for designated units, PHAs must file a complex statement of need known as the Designated Housing Plan. Not all PHAs have the staff resources to put together such a plan.

Lastly, regular Section 8 vouchers can and often are used to serve households with disabled members. Although regular Section 8 vouchers are not earmarked for households with disabled members, the 1998 Housing Act allows public housing agencies to designate such households as a preferential category for selection.

In addition to the Mainstream set-aside units, 21 PHAs were awarded 1,975 designated units in 1998, and funding for 4,200 designated units is available in 1999.

## Mainstream Program Operations

To gather some information about the level of service provided through the Mainstream set-aside program, informal discussions were held with the 25 housing authorities receiving units in the 1997 allocation. These included Anaheim, California; Anne Arundel County, Maryland; Beaufort, South Carolina; Blair County, Pennsylvania; Butler County, Pennsylvania; Cedar City, Utah; Clarion County, Pennsylvania; Clearwater, Florida; Greensboro, North Carolina; Jersey City, New Jersey; Kansas City, Missouri; KCDC, Tennessee; Keene, New Hampshire; Madison Heights, Michigan; Mesa, Arizona; Mobile Housing Board, Alabama; Morgantown, Wyoming; New Orleans, Louisiana; NYCHA, New York; Riverside County, California; Salem, Oregon; Truth or Consequences, New Mexico; VHDA, Virginia; Westbrook, Maine; and Wilmington, Delaware.

The 25 PHAs received as few as 12 and as many as 100 units, with about half receiving funding for 100 units, the maximum number of units a housing authority could receive. In the majority of cases these units were utilized by single-person households, but families were also among the beneficiaries. In some of the housing agencies, the units will be sufficient to provide for all eligible people on their waiting lists, but in 11 of the 25 PHAs, the Mainstream units will not meet even one-quarter of the need, judging by the number of people with disabilities on their Section 8 waiting lists.

Although all public housing agencies that applied for the Mainstream allocation had to document the need in their community for housing for low-income people with disabilities, there was no requirement to establish the need solely on the basis of the Section 8 waiting list. Indeed, 5 of the 25 public housing agencies awarded Mainstream units in 1997 did not turn to people originally on their Section 8 waiting lists; instead, they chose people who were added to their waiting lists as a result of community outreach efforts to local advocacy groups and public and private agencies whose data they had used in their Mainstream applications. Another eight PHAs chose some people initially on their waiting list as well as some subsequently added as a result of outreach efforts. Twelve of the 25 PHAs did draw people exclusively from their waiting list. Several housing authorities that selected people through a community outreach effort had enough eligible families with disabilities on their waiting list prior to the inclusion of those added as a result of community outreach. However, the latter may have had a higher priority because of homelessness, living in substandard housing, and so forth.

At a majority of the PHAs that were awarded Mainstream certificates and vouchers, the housing needs of targeted households will be met much sooner than would otherwise be the case. At 15 of the 25 housing agencies, the average wait for persons with disabilities would have been at least a year, and in several cases it would have been 4 or more years. Nationally, the average wait to receive Section 8 voucher assistance is 28 months for all households and 27 months for households with disabilities.<sup>5</sup> Yet, at some of the 25 housing authorities, households with disabilities on the Section 8 waiting list would have received certificates or vouchers almost as quickly as they would have by participating in the Mainstream program. These are housing authorities that have established a preference category for households with disabilities, pushing such households to the top of the waiting list. Furthermore, some housing authorities are able to continually draw down their waiting list to reach families in need of assistance because there is a balance between their Section 8 allocation and the level of need in the community.

Households receiving the Mainstream units also benefit by being referred by housing agencies to community services providers who can help them with nonhousing needs arising from disability. These referrals have worked both ways: Some community service providers have referred people to the housing authority to apply for the Mainstream units. Therefore, some disabled households are now having both housing and other needs met for the first time.

## The Disabled Population Served Through the Section 8 Program

Disabled family members served under the Section 8 program are identified within HUD's Multifamily Tenant Characteristics System, an automated database of households assisted by tenant-based Section 8 certificate and voucher programs, the public housing program, and other programs administered by HUD's Office of Public and Indian Housing. The database does not provide information on those served through specific set-asides like the Mainstream Program, but it does provide a general picture of service levels to persons with disabilities who use Section 8 certificates and vouchers to obtain private market housing.

In the tenant-based Section 8 program as a whole, about 452,000 family members with disabilities are being served, constituting 11 percent of all family members served by the program (exhibit 1). Of the disabled family members being served, about 379,000 (more than 80 percent) are household heads. In terms of age distribution, those under 18 constitute 6 percent and those over 62 constitute close to one-quarter of disabled families members who are Section 8 beneficiaries. The great majority of beneficiaries are nonelderly adults.

### Exhibit 1

Disabled Persons in Relation to All Persons Served by the Tenant-Based Section 8 Program

The Tenant-Based Section 8 Program	Approximate Number of Persons Served
All household members	4,109,000
Disabled household members	452,000
Disabled household heads	379,000

## Author

Deborah Devine has worked for the Office of Policy Development and Research at HUD for the past 25 years. She has worked on studies covering a wide range of areas and issues important to the department, including homelessness, welfare reform, economic development, and the public housing and Section 8 programs. Devine has a Ph.D. in urban sociology from the University of Maryland. She is currently a staff member in the Division of Program Monitoring and Research.

## Notes

1. *Rental Housing Assistance—The Crisis Continues, The 1997 Report to Congress on Worst Case Housing Needs*, Office of Policy Development and Research, U.S. Department of Housing and Urban Development, April 1998. The estimate is an extrapolation that assumes the continuation of the relationship between the number of persons reporting SSI in the American Housing Survey in 1993 and the number reporting SSI in the Social Security Administration in 1994.
2. The authors of *Rental Housing Assistance—The Crisis Continues* support the interpretation of their estimate as a lower bound estimate because it relies on the receipt of Supplemental Security Income as a proxy for identifying people with disabilities.
3. This information is available from the annual notices of funding availability and awards provided in the *Federal Register*.
4. In a 1997 report to the Committee on Appropriations—*Impact of Designated Public Housing on Persons With Disabilities*—the General Accounting Office (GAO) found no substantial negative effect on disabled families living in public housing stemming from the 1992 Act because, at the time of the GAO study, so few housing agencies had taken the step of designating units as elderly only. There is a grandfather clause protecting current tenants of newly designated developments. In addition, the special designation of some Section 8 certificates and vouchers for nonelderly disabled families is intended to compensate for the units lost of elderly designated buildings. However, as a result of the continuing drop in the number of public housing units available to the disabled as “grandfathered” units are vacated, interest groups including the Consortium for Citizens with Disabilities Housing Task Force have said that the backlog of disabled families on public housing and Section 8 waiting lists could increase in the future.
5. *Waiting in Vain: An Update on America’s Rental Housing Crisis*, March 1999. Note that this statistic is based on households with nonelderly heads in which the head or spouse has disabilities.