

HOUSE PASSES BILL TO INCREASE HOUSING OPPORTUNITIES FOR LOW-INCOME SENIORS AND PERSONS WITH DISABILITIES

SCHAKOWSKY PROVISION EXAMINING HUD GRANT FORMULA INCLUDED IN BILL

WASHINGTON, D.C. U.S. Representative Jan Schakowsky (D-IL) today hailed the passage of H.R. 202, a bill designed to increase housing opportunities for low-income seniors and persons with disabilities.

"We have been witnessing a steady decrease in available subsidized housing for seniors and persons with disabilities, and today's action is a very important step in our efforts to avert a looming housing crisis," Schakowsky said.

Twenty-five years ago, the federal government contracted with private landlords to provide affordably priced housing to low and fixed income households. The program is known as Section 8. Two-thirds of the contracts are set to expire in the next five years. Due to a booming economy and other factors, some landlords are dropping out of the program to seek higher rents in the private sector.

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The bill would increase funding for housing programs by \$71 million. The bill would also provide building owners with incentives to stay in the program. In addition, the bill would give "market-level" vouchers for tenants to stay in their homes even if the building no longer participates in the Section 8 program and authorize funds to assist nonprofit organizations in purchasing and maintaining government-subsidized housing.

The bill also included an amendment offered by Schakowsky during last week's Banking Committee markup. The amendment calls on HUD to reexamine its current grant formula to ensure that organizations building senior housing receive adequate funding.

"The current formula is skewed toward large scale projects and puts smaller, more livable housing developments at a disadvantage," Schakowsky said.

Currently, HUD determines grants based on the cost of construction. HUD's formula assumes that large developments are built and that projects receive savings from economies of scale. However, today's projects tend to be smaller and more livable, but do not enjoy financial savings from economies of scale. Consequently, grant awards are sometimes inadequate.

"It's time for a change. This amendment would require HUD to study both the economic and social benefits of smaller and moderate-sized housing development. This would give us the necessary information to develop a new and sufficient grant formula. We should provide the necessary funds to build housing for low-income seniors and persons with disabilities, no matter the size of project," Schakowsky added.

On Sunday, Schakowsky announced more than \$2 million in additional funding for Ebenezer Church to begin a project that was scheduled to start three years ago, but was delayed because of insufficient funds.