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U.S. House of Representatives

Committee on Financial Services

Subcommittee on Housing and Community Opportunity

“H.R. 5772 – The Frank Melville Supportive Housing
Investment Act of 2008”

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“Advocates for Change”

Madam Chairwoman, Representative Biggert, and other members of the Subcommittee, thank you for holding this important hearing and giving me the opportunity to testify.

My name is Tony Paulauski. I am the Executive Director of The Arc of Illinois.

I urge you to support and pass H.R. 5772.

The Arc of Illinois is a major public policy organization advocating for the rights and community supports/services for over 220,000 infants, children and adults who have developmental disabilities in Illinois. We are the organization families look to in Illinois.

I would like to point out for the record that we do have two local chapters in The Arc of Illinois that I know of that have Section 811 grants.

People with disabilities face a dramatic housing crisis in this country that is escalating by the day. Many still live in large congregate facilities which are very costly and deny individuals the independence and ability to reach their full potential. This is very true in Illinois.

In fact, Illinois ranks last, 51 out of 51, in the development of small community living settings of six people or less. Housing for people with developmental disabilities is a major crisis in Illinois.

In order to access out of home community living in Illinois, the individual with a developmental disability or the family must be in a crisis situation.

Let me tell you a true story about a situation we refer to as “How Terminal is Terminal?” There was a single mother, Melanie, in her early 50’s, the primary caregiver of her adult daughter, Sara. Melanie and Sara lived in Orland Park. Melanie was working with one of our local chapters because she was in the final stages of cancer and needed to know her daughter would be taken care of after her death. The state was considering the placement of Sara in a community living setting but needed to document that this was truly a crisis situation. The state needed to ask when the mother was going to die and wanted documentation from the Mayo Clinic. At the last minute, Sara did find a spot in a group home and her mother passed a few months later. This is the situation in Illinois.

We need to pass H.R. 5772 and develop more community living options for people with developmental disabilities across our nation like Section 811.

People with developmental disabilities are very poor and experience a 90% unemployment rate. In Illinois, according to 2006 data, people with developmental disabilities rely on a monthly SSI benefit of \$603 – which puts them, on a state average, at 15.5% of area median income.

As of 2008 the majority of people with developmental disabilities in the United States reside at home with aging caregivers (Braddock: *The State of the States in Developmental Disabilities: 2008*, pp. 60-62). Over 715,000 people with developmental disabilities across the country live with aging parents – one of whom is over age 60. In

Illinois, the estimates exceed 30,000. These aging caregivers, all of whom have made enormous sacrifices for their children throughout their lives are at the point where they should be receiving care, not providing it. In addition, it's important to underscore that these parents, by keeping their offspring at home, have helped federal, state and local governments avoid the major costs of institutional services.

On the other hand, there are some success stories, thanks to Section 811. Wayne is a 47 year old adult with developmental disabilities who, up until last year resided, with his parents in Bolingbrook. Wayne's father is 75 years old and mom is 67. Both parents have numerous serious health issues. Because of the parent's health issues, Wayne was able to move into Section 811 housing last year and receive 24 hour support services from Cornerstone Services. While Wayne's parents continue to have serious medical needs, they can now maintain their relationship with their son. Wayne's life is much fuller because he now attends day services and recreational activities. Wayne's life has improved and now his parents can rest easier knowing Wayne has services in place.

Most are not as fortunate as Wayne. As you have heard, Section 811 is a very small program (currently funded at \$237 million) and in no way meets the needs of people with developmental disabilities, or those with severe mental illness or physical disabilities.

The program, in its current form, simply does not produce a sufficient number of new units to meet the need. In HUD's 2007 competitive funding round, only 1,008 new

Section 811 units were awarded across the entire country. Illinois only received funding for 33 new units – a miniscule amount compared to the overall need.

H.R. 5772's new PRAC ("Project Rental Assistance Contract") demonstration program will triple the number of units the 811 program produces every year. It will do so by providing an operating subsidy (PRAC) to fill the gap between what the tenant can afford (paying 30% of their SSI monthly benefit – usually \$200) and what it costs to operate the unit. The construction costs of the unit will be paid for by leveraging other federal, state, or local funds – such as the low income housing tax credit – rather than Section 811 Capital Advance funding. The PRAC Demonstrations will make these units affordable to people with disabilities on SSI and also stretch scarce Section 811 funding.

H.R. 5772 has other important provisions which will help increase production. The traditional Section 811 Capital Advance/PRAC program – which has produced so few units in the past decade – is very difficult to combine with federal tax credits. H.R. 5772 creates a new approach for non-profits to use Capital Advance/PRAC funds combined with federal tax credits to create integrated rental projects that provide supportive housing for people with disabilities as well as other affordable housing units. By streamlining HUD processes and removing many bureaucratic barriers, the development process for 811 grants will also move much more quickly and save program funding.

From the supportive services perspective, improvements in the Section 811 program are long overdue. During the past twenty years, there have been many advances in the approaches and models which provide community-based supports to people with developmental disabilities. Service policies now emphasize person-centered planning, choice and community integration, not supervision and segregation and a “one-size fits all” housing model. But that model – the single purpose Section 811 project – is still the main policy within Section 811. Non-profit disability organizations working with Medicaid 1915 waiver policies have been advocating for years to make the Section 811 program more flexible, so that people with disabilities can choose to have housing “just like everyone else” in the community. Now is the time to make that choice a reality!

I urge you to support and pass H.R. 5772.

Thank you.

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