

Housing and Individuals with Developmental Disabilities

Terms:

Affordable Housing- is commonly defined as housing that costs no more than 30% of household income for households earning 80% or less of the region's median income.

A Housing Wage- is the amount a full time (40 hours per week) worker must earn per hour in order to afford a two-bedroom unit at the area's fair market rent. The housing wage in New Jersey is \$20.35.

Area Median Income (AMI) - The U.S. Department of Housing and Urban Development (HUD) calculates each year the median (middle) of each state and/or region. This calculation is then used to determine which individuals and families will qualify for federal housing assistance. New Jersey has an area median income of \$75,701 in 2004.

Extremely Low Income- 0 to 30% of AMI. 30 % of the AMI in New Jersey is \$22,710.

Very Low Income- 31% to 50% of AMI

Low Income- 51% to 80% of AMI

Fair Market Rent- The amount determined by HUD in each state and/or region that is required to rent a modest and standard apartment.

Housing Cost Burden- This term means the household pays over 30 percent of its income on housing and utilities. 31% to 50% is concerned moderate housing cost burden; over 50% is concerned severe.

Section 8- This program requires a participant pay 30 to 40 percent of their income to rent and utilities and the remaining rental is covered by a federal subsidy known as a voucher. 250,000 vouchers exist nationwide, estimated 55,000 used by people with disabilities (50,000 are set aside exclusively for people with disabilities). In New Jersey 65,000 vouchers exist.

State Rental Assistance Program- \$10 million program set up to help low income New Jerseyans afford rental housing. Some individuals hope it will offset the 7,000 to 8,000 households that might lose Federal Section 8 funding in New Jersey.

Regional Contribution Agreements- Allows municipalities to shift up to 50% of the affordable housing units they are required to build or develop to other municipalities. Under the Council on Affordable Housing (COAH) guidelines municipalities must create 1 affordable home for every 8 market rate homes built and 1 affordable home for every 25 new jobs created.

Facts:

- People with disabilities continued to be the poorest people in the nation. As a national average, SSI (Supplemental Security Income) benefits in 2000 are equal to only 18.5% of the one-person median household income, and fell below 20% of median income for the first time in over a decade.
- 3.5 million non-elderly people with disabilities receive federal SSI benefits.
- An SSI recipient (receiving \$595 monthly) can afford monthly rent of no more than \$179, while the fair market rent for a one-bedroom unit is \$905 in New Jersey.
- Published data from the HUD Office of Policy Development and Research indicates that people with disabilities between the ages of 18 and 62 represent approximately 13% of the total households that currently receive federal housing assistance, even though they make up over 25 percent of the 4.9 million households with “worst-case” housing needs.
- The Division of Development Disabilities’ Waiting List for Community Residential services currently totals 7,443 individuals.
- 95 million people, one third of the nation, had housing problems (high cost burden, overcrowding, poor quality, or homelessness) in 2001.
- More 900,000, or one third of all New Jersey families live in homes that are excessively expensive, overcrowded, or substandard. 288,000 families or 10% pay more than half their income for housing (1990 US Census).
- In New Jersey, 73% of low-income families pay more than the recommended cap of 30% of their income to provide a home for their children.
- In New Jersey there are approximately 9,640 families on the Public Housing Authority’s (PHA) Section 8 waiting list statewide. 20 percent are families/individuals with disabilities of whom approximately 6 percent are both elderly and disabled.
- In New Jersey, an extremely low-income household (earning \$22,710, which is 30% of the area median income of \$75,701) can afford monthly rent of no more than \$568, while the fair market rent for a two-bedroom unit is \$1,058.
- A New Jersey family needs to earn over \$41,000 a year to afford the fair market rent of a two-bedroom apartment.

- A minimum wage earner (earning \$5.15 per hour) can afford monthly rent of no more than \$268.
- A minimum wage worker, earning \$5.15 per hour, would need to work 158 hours per week in order to afford the fair market rent for a two-bedroom apartment. New Jersey is the most expensive place in the nation for a minimum wage worker to rent.
- The New Jersey Department of Labor projects that for 2006, four out of every 10 jobs will pay less than \$25,000 per year.
- Half of the state's existing affordable housing is concentrated in 12 cities. Most of the communities where job growth is occurring do not have accompanying supplies of affordable housing.
- There are more than 23,000 families on the state waiting list for Section 8 housing subsidies.

Sources: National Low Income Housing Coalition, *Out of Reach*, December 2004
www.nlihc.org.

Varies articles from the Housing and Community Development Network of New Jersey
www.hcdnnj.org.

US Census 1990 and 2000
www.census.gov

Technical Assistance Collaborative Inc. and the Consortium for Citizens with Disabilities
 Housing Task Force, *Opening Doors: Issue 24, March 2004*
www.tacinc.org