

ABCD Policy Brief: NJ State Rental Assistance Program

Governor McGreevey signed the \$10 million rental assistance bill (A2476) into law on September 9, 2004. A2476 (now Public Law 2004, Chapter 140) is intended to help very low-income New Jersey residents, including people with disabilities, afford housing.

A commitment was made to allocate an additional \$15 million from the General Fund for this program when the Legislative session resumes in the fall. **Action needs to be taken to ensure this occurs.**

The New Jersey State Rental Assistance Program (NJSRAP):

- Establishes a statewide program under the jurisdiction of the Department of Community Affairs (DCA), patterned after the federal Section 8 rental assistance program.
- Directs DCA to design the program to function as a bridge to the federal Section 8 program. To achieve this goal, the program will provide grants comparable to Section 8 vouchers.
- Requires the DCA to set aside \$3 million of the \$10 million to assist senior citizens with housing. The legislation states that the remaining \$7 million should be allocated to “other eligible program participants.”

Federal Section 8 Housing:

- Assists very low-income persons with housing in the private rental market by helping to pay a portion of the monthly rent.
- Section 8 participants pay between 30% and 40% of their adjusted monthly income for rent. The federal Section 8 program pays the balance of the rent to the landlord.
- Sets the maximum monthly rental amount at a level no higher than 110% of the applicable fair market housing rent in the area.

Importance of the New Jersey State Program for People with Disabilities:

There are more than 100,000 households in New Jersey that would qualify for Section 8 housing assistance. Many of these households pay over 50% of their income in rent.

Families with children make up 61% of households with Section 8 vouchers. Nearly 17% of these households with children are headed by a person who is elderly or has a disability.

Section 8 voucher households headed by a person with a disability comprise 22% of the total number of voucher households.

For many individuals with disabilities, their primary or sole source of income is Supplemental Security Income (SSI) which provides cash benefits of up to \$576 a month. New Jersey SSI recipients must spend the equivalent of 142% of their monthly SSI benefit payment to rent a one-bedroom apartment at the fair market rate of \$810 a month.

Currently, no Public Housing Authority in New Jersey has an open waiting list for the Section 8 program, meaning that individuals cannot even be placed on a waiting list for affordable housing.

The proposed 2005 federal budget would cut the Section 8 voucher program by \$1.6 billion which includes a decrease of \$64 million in Section 8 funds for New Jersey. This means that up to 7,500 households in New Jersey (including many individuals with disabilities) will not have adequate funding for safe, affordable and accessible housing.

Implementation Steps for NJSRAP:

ABCD supports an ongoing stable, dedicated funding source of at least \$50 million a year for the state rental assistance program. Even if NJSRAP is funded with the proposed \$25 million it will only create a maximum of 4,000 vouchers. This would leave 3,500 households without any housing assistance.

The Department of Community Affairs needs to hear from all interested stakeholders, including the disability community, on implementing this important program. The following overarching principles were constructed from the collective proposals of the majority of the participating organizations in the New Jersey Anti-Poverty Network.

- **A Parallel Program:** The state program should closely track all key elements of the federal Section 8 program. The statutory language requires this adherence, stipulating that the state program be comparable to the federal program.
- **A Bridge Program:** The state program should be a bridge to the federal Section 8 program, providing critical assistance for stable housing until tenants can begin to receive federal Section 8 vouchers. The state program must not replace, nor be an excuse for eliminating, the federal program.
- **A Centralized Program:** DCA should function as a centralized source for both administrative oversight and program information. There should be only one application process, a single adjudication procedure, and one waiting list. The statewide application process should be streamlined and applications taken at conveniently located accessible offices in each county, by telephone, text telephones (TTY), and on-line. The application forms should be available in several languages, Braille, and large print.
- **Maximize the Number and Amount of Vouchers:** Every effort must be made to maximize the proportion of the state appropriation going to actual rental assistance; administrative expenses must be kept to an absolute minimum.

- **Immediate Implementation:** The program must be implemented immediately to achieve the legislative intent of assisting people in need and to avoid any doubt that the need itself is overwhelming.
- **Available to All in Need:** The program should carefully document, and not obscure the overwhelming need for rental assistance in this state. Consistent with this goal, the program should be open to the maximum number of people avoiding additional preferences beyond the \$3 million statutory set-aside for seniors.
- **Equality in Housing:** The program should facilitate housing choice and avoid policies and procedures which would have the effect of furthering housing segregation by race, ethnicity, class, income, or disability.
- **Universal Design:** Ensure that all the project-based funds are tied to construction projects or previously constructed housing that meets all universal design requirements. Participation in the program should be reliant on a commitment to adapting housing to reasonable accessibility standards.

ABCD supports these overarching principles and proposes two other principles that would enhance the program for all individuals, including those with disabilities. These additional principles are:

- **Link Affordable Housing to Services and Supports:** DCA should work with the Departments of Human Services and Health and Senior Services to link participants with services and supports to meet their individual needs. DCA should also connect interested participants with community-based nonprofit support agencies. This would increase the chances of sustained independent living for not only individuals with disabilities but all participants of the rental assistance program.
- **Annual Survey:** Review the program through a yearly independent non-DCA survey process to verify administrative costs, voucher availability, and use. The survey will also determine if voucher dispersion rates match a percentage breakdown of housing needs by economic, sociological, and health groupings (the percentage breakdown is to be determined by evaluating the program's waiting list population). Voucher distribution should be adjusted on the basis of the survey's findings. The information gained through the examination of the survey data should be used to alter the yearly administrative plan. The results of the survey should be published yearly for public review.