



June 23, 2011

The Honorable Judy Biggert  
Chair, House Insurance, Housing & Community Opportunity Subcommittee  
2129 Rayburn House Office Building  
Washington, DC 20515

Dear Madam Chair:

The National Multi Housing Council (NMHC) and the National Apartment Association (NAA) applaud your leadership for holding a hearing on the Section 8 program and offer our support for the concepts contained in the "Section 8 Savings Act of 2011" (SESA) discussion draft. Professional apartment owners, in partnership with housing administrators, have made great strides in helping low-income families find quality affordable rental housing through the Section 8 program – a partnership that helps the community as a whole. NMHC/NAA support the Section 8 program as a means to engage private housing providers in making affordable rental housing available to families who need it.

NMHC and NAA represent the nation's leading apartment firms. Our combined memberships are engaged in all aspects of the industry, including ownership, development, management and finance. NMHC represents the principal officers of the industry's largest and most prominent firms. NAA is the largest national federation of state and local apartment associations, with 170 state and local affiliates comprised of more than 50,000 members. Together we represent approximately six million apartment homes.

NMHC/NAA strongly support the Section 8 housing choice voucher program, which has long served as America's primary rental subsidy program. The program, which provides subsidized rents for low-income families in private rental housing, can be one of the most effective means of addressing the need for affordable housing. It allows families to choose their housing and helps reduce the concentration of poverty.

However, the program has been plagued with inefficiencies and onerous bureaucratic requirements that increase the cost to rent to a Section 8 voucher holder and discourage private owners from accepting Section 8 vouchers. Owners who participate in the program must sign a three-way lease with the resident and the housing authority, and they are subject to (often cumbersome) program restrictions such as repetitive unit inspections, resident eligibility certification and other regulatory paperwork.

The program has also been plagued with a flawed and volatile funding system, which has undermined private sector confidence in the program. With the 112th Congress focused on austerity measures and deficit reduction, insufficient funding is expected to be worse in the near-term budget cycles. With that in mind, it is imperative that Congress streamline the program to utilize available resources.

Recognizing the regulatory burden the program places on private owners, Congress specifically made participation in the program voluntary. However, at the state and federal levels, efforts have been undertaken to make it illegal for a private owner to refuse to rent to a Section 8 voucher holder. While superficially appealing, such mandates are ultimately self-defeating because they greatly diminish private investment in affordable housing and reduce the supply. Increased participation should occur because the program has been reformed, and renting to a Section 8 voucher holder (from the owner's perspective) is comparable to renting to an unsubsidized renter.

If the housing needs of America's low- and moderate-income families are going to be met, it is imperative that we improve the Section 8 program and preserve its voluntary nature.

NMHC/NAA are pleased that the Committee draft legislation, the "Section 8 Voucher Reform Act of 2011," attempts to establish positive reforms in the Section 8 program.

### **Property Inspections**

Streamlining the property inspection process is sorely needed. The current property inspection requirements are time-consuming and expensive. The proposed changes in the draft legislation will eliminate multiple inspections of units that have already been inspected for FHA financing or participation in the Low-Income Housing Tax Credit program or other assisted housing programs. This change will continue to ensure housing quality and avoid costly delays currently associated with unit lease-ups under the voucher program.

### **Reliable Funding Formula**

A reliable funding formula is imperative. Property owners seek reliability and consistency when participating in federal housing programs, particularly when it comes to funding and financing. The draft utilizes Public Housing Agency leasing data from the previous calendar year as a means by which to determine funding levels. We are hopeful that past disruptions in the funding formula will be avoided, as they discourage private market participation and negatively impact residents and owners.

### **Limited English Proficiency**

Broadening access to federal housing programs for persons of limited English proficiency (LEP) is an important goal. It is critical that if the U.S. Department of Housing and Urban Development (HUD) is going to require the translation of "vital" and other documents that HUD also provide the translations, as well as provide access to oral translations. The LEP provision in the draft ensures that persons with limited English proficiency have access to accurate documents and that the provision of these documents and services is cost-effective. We are supportive of the establishment of a task force comprised of stakeholder entities.

Lawmakers should take action to help the Section 8 program truly meet the affordable housing needs of the nation's citizens. Thank you for your commitment to housing; we look forward to working with you to forge a solution.

Sincerely yours,



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