

June 25, 2013

The Honorable Hal Rogers
Chairman
House Committee on Appropriations
United States House of Representatives
Washington, DC 20515

The Honorable Nita Lowey
Ranking Member
House Committee on Appropriations
United States House of Representatives
Washington, DC 20515

Dear Chairman Rogers and Ranking Member Lowey:

As the committee begins to address the Transportation, Housing and Urban Development, and Related Agencies (THUD) FY 2014 spending bill, we are writing to express concerns regarding the funding levels for certain programs. The THUD Subcommittee bill fails to fully fund the Section 8 Project-Based Rental Assistance (PBRA) contracts at a level that is sufficient to fund current contracts for twelve months. Current estimates indicate a need for \$11.5 billion in FY14 to meet the Government's commitments under the PBRA account. In addition, the Subcommittee has also proposed to under fund Tenant-Based Rental Assistance, known as the Section 8 voucher program. The House bill includes \$18.6 billion for a program that needs nearly \$19.9 billion to fund currently allocated vouchers.

The undersigned groups represent for-profit and nonprofit apartment owners, developers, managers and lenders involved in the provision of affordable rental housing. Many assisted apartments are privately owned and are under contract with the federal government through HUD, which enables elderly, disabled and low wage families to afford their rental housing.

We are writing to encourage Congress to fully fund the Section 8 PBRA program and reject a reduction in funding for the voucher program. The current bill approved by the THUD Subcommittee essentially shifts a portion of the funding burden to the next fiscal year. Such a move merely postpones the pain and creates a huge funding gap that if not met, will displace hundreds of thousands of seniors, disabled and working families. This happened several years ago with chaotic results including a \$2 billion shortfall that necessitated a special appropriation in the stimulus bill. Partial year funding for renewals in the Section 8 PBRA contracts may force property owners and managers to make contingency plans for meeting debt obligations and continuing operations if funding is not available to renew contracts and make housing assistance payments. Equally concerning is inadequate funding for the voucher programs which will discourage owners and housing providers from participating in the program and will have a chilling effect on the investment of private capital in affordable housing.

Uncertainty about full funding raises concerns among owners, managers, lenders and residents about the ability of the Federal government to honor its contractual obligations, whether they are through the PBRA program or the voucher program. We urge Congress to finalize the budgets for HUD Section 8 programs at spending levels which enable property owners, both for profit and nonprofit, to properly administer the programs that serve those in need.

Sincerely,

Council for Affordable and Rural Housing
Institute of Real Estate Management
Institute for Responsible Housing Preservation
Leading Age (formerly AAHSA)
Mortgage Bankers Association
National Affordable Housing Management Association
National Apartment Association
National Association of Affordable Housing Lenders
National Association of Home Builders
National Association of Housing Cooperatives
National Association of Realtors
National Leased Housing Association
National Multi Housing Council

CC: Members of the Senate Appropriations Committee