

April 23, 2013

The Honorable Patty Murray  
Chairman  
Subcommittee on Transportation, Housing and  
Urban Development and Related Agencies  
Committee on Appropriations  
United States Senate  
Washington, DC 20510

The Honorable Susan Collins  
Ranking Member  
Subcommittee on Transportation, Housing and  
Urban Development and Related Agencies  
Committee on Appropriations  
United States Senate  
Washington, DC 20510

Dear Chairman Murray and Ranking Member Collins:

As the subcommittee begins to address the Transportation, Housing and Urban Development, and Related Agencies (THUD) FY 2014 spending bill, we wanted to make you aware of concerns we have regarding the funding levels included in the Administration's budget proposal. The Administration's proposal fails to fully fund the Section 8 Project-Based Rental Assistance (PBRA) contracts by providing a funding level of only \$10.27 billion. In order to fully fund the contracts currently in place, approximately \$11.5 billion is needed in FY 2014. HUD has acknowledged that such a proposal shifts the funding burden to the next fiscal year. This happened several years ago with chaotic results including a \$2 billion shortfall that necessitated a special appropriation in the stimulus bill.

The undersigned groups represent for-profit and nonprofit apartment owners, developers, managers and lenders involved in the provision of affordable rental housing through the Section 8 PBRA programs. The 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 the Senate to fully fund the Section 8 PBRA program and reject partial year funding for renewals, as short funding would be devastating. The short funding of the Section 8 PBRA contracts may force property owners and managers to make contingency plans for paying the mortgages and continuing operations if funding is not available to renew the contracts or make housing assistance payments. In addition, uncertainty about full funding raises concerns among owners, managers, lenders and residents about the ability of the Federal government to honor its contractual obligations.

We strongly urge the committee to support full funding for PBRA. We urge Congress to finalize the budgets for HUD Section 8 PBRA at spending levels which enable property owners, both for profit and non profit, to properly administer the programs that serve seniors, the disabled and other low income families that rely on rental assistance to afford decent and safe housing.

Sincerely,

Council for Affordable and Rural Housing  
Institute of Real Estate Management  
LeadingAge (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