

March 30, 2017

Senator Susan M. Collins
Chairwoman, Appropriations Subcommittee
on Transportation, Housing and Urban
Development and Related Agencies
SD-142 Dirksen Senate Office Building
Washington, DC 20510

Congressman Mario Diaz-Balart, Florida
Chairman, Appropriations Subcommittee on
Transportation, Housing and Urban
Development and Related Agencies
440 Cannon House Office Building
Washington, DC 20515

Senator John F. "Jack" Reed
Ranking Member, Appropriations
Subcommittee on Transportation, Housing
and Urban Development and Related
Agencies
SD-142 Dirksen Senate Office Building
Washington, DC 20510

Congressman David E. Price
Ranking Member, Appropriations
Subcommittee on Transportation, Housing
and Urban Development and Related
Agencies
2108 Rayburn House Office Building
Washington, DC 20515

Dear Chairwoman Collins, Ranking Member Reed, Chairman Diaz-Balart and Ranking Member Price:

The undersigned national associations represent for-profit and non-profit owners, developers, managers, lenders, housing cooperatives and housing agencies involved in the provision of affordable rental housing for the elderly, families and veterans. As the Congress considers the Fiscal Year (FY) 2017 budget request from the U.S. Department of Housing and Urban Development (HUD), we are writing to request your consideration regarding the funding of the Section 8 Project-Based Rental Assistance (PBRA) and the Housing Choice Voucher programs. In light of the Administration's recently proposed cuts to the FY17 budget, our organizations remain concerned that funding for these important programs is inadequate.

The PBRA program provides housing for 1.2 million households through public-private partnerships, and has consistently delivered quality affordable housing by leveraging private sector investment and expertise. The PBRA portfolio is leveraging approximately \$16 billion in Federal Housing Administration insurance and more than \$17 billion in private financing and equity. Further, this housing often provides important services to residents, 56 percent of whom are poor or low-income elderly and disabled, allowing them to live independently and avoid a premature move to a nursing home and astronomical costs to the Federal Government through Medicaid.

Full funding for the annual contracts is necessary in order to maintain the existing portfolio and not displace tenants or put at risk scarce affordable housing and private capital that was provided in good faith. In recent years, HUD has delayed payments, shortened the contract terms and reduced the Housing Assistance Payments (HAP) to owners in order to push a portion of the total annual costs into the next fiscal year. The impact of these actions have forced owners to draw from their replacement reserve accounts, scale back critical tenant services, delay tax and other

payments for vital services and subsequently reduced the confidence of private investors. Full funding for annual contracts will prevent PBRA property owners from having to make these difficult choices, and will ensure that the multifamily properties backed by FHA mortgages will not default.

We also urge sufficient funding to renew all Housing Choice Vouchers that are currently under lease to prevent the displacement of elderly, disabled, veterans or family households. The Housing Choice Voucher program enables nearly two million households of low- and very low-income families access to decent, safe and affordable housing.

We look forward to working with Congress and HUD to ensure the PBRA program and the Housing Choice Voucher program receives the necessary appropriations for the federal government to continue its public-private partnership with private multifamily owners, and to protect the investment in this vital portfolio.

Thank you in advance for your consideration of this request. Questions about the issues raised in this letter may be directed to Denise B. Muha, Executive Director of the National Leased Housing Association at dmuha@hudnlha.com.

Sincerely,

Council for Affordable and Rural Housing
Institute for Responsible Housing Preservation
Institute of Real Estate Management
Mortgage Bankers Association
National Affordable Housing Management Association
National Association of Affordable Housing Lenders
National Apartment Association
National Association of Home Builders
National Association of Housing Cooperatives
National Leased Housing Association
National Multifamily Housing Council

cc: Senate Appropriations Committee
House Appropriations Committee