

**The National Affordable Housing Management Association**

**FY 2016 APPROPRIATIONS REQUEST SUMMARY**

*Name of Program*: Project-Based Rental Assistance

*Appropriations bill*: Transportation, HUD and Related Agencies

*Senate subcommittee chairman*: Senator Susan Collins

*Senate subcommittee ranking member*: Senator Jack Reed

*House subcommittee chairman*: Representative Mario Diaz-Balart

*House subcommittee ranking member*: Representative David Price

*Department*: United States Department of Housing and Urban Development

*Division:* Office of Multifamily Housing

*Appropriations account*: Project-Based Rental Assistance (includes contract renewals, amendments and performance-based contract administrators)

*Authorization*: (42 U.S.C. 1437 et seq.)

*President’s FY 2016 budget request*: $10,760,000,000 (includes the $10.545 billion cost of contract renewals and amendments and up to $215 million for performance-based contract administrators)

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| **Funding History**  (figures includes $400 million advanced appropriation) | |
| FY 2011 | $9,257,000,000 |
| FY2012 | $9,340,000,000 |
| FY2013 | $8,851,000,000\* |
| FY2014 | $9,917,000,000 |
| FY 2015 | $9,730,000,000 |

\* Includes sequestration reduction

***FY2016 request*: Recommendations based on two funding options for HUD to renew expiring Project-Based Rental Assistance contracts.**

**Option 1\*: $12,415,000,000 ($10.8 billion for contract renewals and amendments, $1.4 billion budget shortfall from FY 2015 and up to $215 million for performance-based contract administrators) to cover the full cost of renewing expiring Project-Based Rental Assistance contracts staggered throughout FY 2016 for a full 12 month term.**

**\*This is the preferred option.**

**Option 2: $11,015,000,000 to realign and shift to calendar year funding method ($10.8 billion for contract renewals and amendments and up to $215 million for performance-based contract administrators) to cover the full cost of renewing expiring Project-Based Rental Assistance contracts beginning on January 1, 2016 for a 12 month period.**

The National Affordable Housing Management Association (NAHMA) requests an appropriation of $12,415,000,000 for the Project-Based Rental Assistance (PBRA) program necessary to renew all expiring contracts for a full 12 month term as they expire throughout the year. This method is the preferred policy. If the Committee continues with the calendar year funding methodology, NAHMA requests an appropriation of $11,015,000,000 for FY 2016. These appropriation levels are necessary to renew the expiring project based contracts for a 12 month period (or 12 month annual increment for multi-year contracts that expire). Approximately 80% of all contracts are funded on an annual basis. The remaining 20% are older multi-year contracts that were forward funded for the length of the contract term. Full funding for the annual contracts is necessary in order to maintain the existing portfolio and not displace tenants or put the portfolio at risk. Currently, the portfolio is leveraging approximately $16 billion in FHA insurance and more than $17 billion in private financing and equity.

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. According to HUD’s fiscal year 2016 budget, PBRA households are comprised of 80% elderly (47%) and persons with disabilities (33%).