

December 7, 2015

The Honorable Jeb Hensarling
Chairman
House Financial Services Committee
2129 Rayburn House Office Building
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member
House Financial Services Committee
4340 O'Neill Federal Office Building
Washington, DC 20515

Dear Chairman Hensarling and Ranking Member Waters:

The real estate industry expresses its strong support for H.R. 3700, the “Housing Opportunities Through Modernization Act of 2015” (Housing Modernization Act). Our industry believes it is imperative for Congress to pass legislation that will improve the Section 8 Housing Choice Voucher Program (Voucher Program) for both residents and owners alike: maximizing the impact of taxpayer dollars and eliminating inefficiencies are a must.

We appreciate efforts by the Committee to ensure that several key reform provisions originally included in H.R. 3700 were incorporated into the “Fixing America’s Surface Transportation (FAST) Act of 2015.” We strongly support the provisions included in the FAST Act that simplify tenant rent and income calculations, preserve affordable housing by making changes to the “Low-Income Housing Preservation and Resident Homeownership Act of 1990” and also establish an energy demonstration for assisted housing.

Our organizations represent owners, management companies, lenders, builders and developers, housing agencies and housing cooperatives. We have long-supported the Voucher Program, which provides rental subsidies to approximately two million very low-income households who obtain housing in the private rental market. Intended to broaden the range of housing choices for families seeking affordable housing, the Voucher Program has proven to be effective in helping low-income families find decent, safe and affordable housing. In addition, Housing Choice Vouchers can be leveraged to build new or rehabilitate existing affordable housing, a necessity in today’s tight rental markets.

However, in spite of its overall success, the Voucher Program suffers under the weight of too many inefficient and duplicative requirements. The myriad of overlapping and redundant procedures have made it difficult to administer and have deterred many professional owners and operators from participating. As such, we have worked diligently with Congress for several years to formulate common sense legislation to streamline the Voucher Program.

The Housing Modernization Act encourages efficiency within the Department of Housing and Urban Development’s (HUD) rental housing programs and facilitates greater private sector participation in affordable housing overall. An important part of this effort for the Voucher Program, in particular, is the streamlining of federal regulations. Simplifying the rules for program participants will reduce administrative burdens and lower costs, while

increasing local flexibility. This, in turn, will incentivize more owners to participate in the delivery of affordable housing.

The following provisions of the Housing Modernization Act are particularly significant:

• **Streamlining the Property Inspection Process.** Steps have already been taken to eliminate duplicative inspections through the budget process. This provision expands those efforts by permitting immediate tenant occupancy if the unit has been inspected within the past 24 months and has no life-threatening conditions. This is important for both residents and owners alike because it reduces the length of time a unit is vacant and allows tenants to move into the unit without delay.

• **Extending the Contract Term for Project-based Vouchers from 15 to 20 Years.** This section will help facilitate the use of project-based vouchers in Low-Income Housing Tax Credit (LIHTC) properties. The rental subsidies provided by vouchers help LIHTC owners meet the need to serve extremely low-income households. The bill also makes other changes that will advance housing opportunities and ease transactional barriers.

We support H.R. 3700 and urge the Committee to approve the bill.

Sincerely,

Council for Affordable and Rural Housing
Institute of Real Estate Management
LeadingAge
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 Leased Housing Association
National Multifamily Housing Council