

December 10, 2012

The Honorable Tim Johnson
Chair
Senate Banking, Housing and Urban Affairs Committee
Washington, DC 20151

The Honorable Richard Shelby
Ranking Member
Senate Banking, Housing and Urban Affairs Committee
Washington, DC 20151

Dear Chairman Johnson and Ranking Member Shelby:

The real estate industry is pleased that you are continuing to address Section 8 voucher reform by holding a hearing on "Streamlining and Strengthening HUD's Rental Housing Assistance Programs." Our industry believes it is imperative for Congress to pass legislation that will improve the voucher program for both residents and owners alike: saving taxpayer dollars and eliminating inefficiencies are a must. We support the concepts contained in the Discussion Draft of the Affordable Housing and Self-Sufficiency Improvement Act of 2012 (AHSSIA) approved by the House Financial Services Housing Subcommittee earlier this year.

Our organizations represent owners, management companies, lenders, builders and developers and housing agencies. We have long-supported the Section 8 Housing Choice Voucher program, which provides rental subsidies to approximately two million very-low income households who obtain housing in the private rental market. The program, which is intended to broaden the range of housing choices for families seeking affordable housing, has proven to be effective in helping low income families find decent, safe and affordable housing. In addition, the rental 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 overlapping and redundant procedures have made the program difficult to administer and deterred many professional landlords from participating in the program. As such, we have worked diligently with Congress for several years now to formulate common sense legislation to streamline the Housing Choice Voucher Program.

We support the AHSSIA bill because it reduces taxpayer costs within the Department of Housing and Urban Development's (HUD) rental housing programs and facilitates greater private sector participation in affordable housing. An important part of this effort for all the various participants involved is the streamlining of federal regulations. Streamlining the program will reduce administrative burdens and lower program costs, while increasing local flexibility. This in turn will mean that more owners will want to participate in delivering affordable housing to those who need it. Notably, the FY2013 HUD Budget requests many similar provisions to the House draft, which carry substantial savings. On April 28, 2012, HUD Secretary Donovan testified before the Senate Banking, Housing and Urban Affairs Committee, and endorsed many of the reforms in the House Draft as "common sense."

We wish to highlight several provisions of particular significance that we support in the House bill and encourage the Senate to include these provisions in future proposals:

- **Streamlining the Property Inspection Process.** First, AHSSIA allows housing authorities to perform unit inspections every other year rather than annually and eliminates the need for

duplicative inspections, which currently occur when a property is financed with multiple government housing programs such as FHA mortgage insurance, Low Income Housing Tax Credits (LIHTCs), or HOME. Multiple inspection requirements increase operating costs to property owners and cause significant inconvenience to tenants and are not necessary to ensure good quality maintenance.

Second, the bill permits immediate tenant occupancy if the unit has been inspected within the past year and as long as there are no life-threatening conditions. This is important for both tenants and owners alike because it reduces the length of time a unit is vacant and allows tenants to move into the unit without delay.

- **Simplifying Rent and Income Calculations.** This provision significantly reduces administrative burdens by allowing for the recertification of rent and income to occur every three years rather than annually for those on fixed incomes and allows determinations made for other federal means-tested programs to be used in the verification process. Importantly, these changes will apply to all rental assistance and other HUD assisted housing programs, not just the voucher program.
- **Reducing Costly Limited English Proficiency (LEP) Translation Burden.** Current HUD Guidelines require the translation of all “vital” documents into multiple languages. AHSSIA would ensure that HUD is responsible for such translations rather than private owners/managers and PHAs, thus eliminating the burden for owners and centralizing the translation process. The provisions in the bill ensure that persons with limited English proficiency will have access to accurate documents and that the provision of these documents and services is cost-effective.
- **Extending the Contract Term for Project-based Vouchers from 15 to 20 Years.** These provisions will help facilitate the use of project-based vouchers in LIHTC properties. The rental subsidies provided by vouchers help LIHTC owners meet the need to serve extremely low-income households. The bill also provides other logistical changes to the programs that will advance housing opportunities and ease transactional barriers.

We applaud the Senate for holding this hearing. We look forward to continuing to work together as efforts to address this issue move forward.

Sincerely,

Council for Affordable and Rural Housing
Institute of Real Estate Management
Institute for Affordable Housing Preservation
LeadingAge
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: Senate Banking, Housing and Urban Affairs Committee