

April 22, 2013

The Honorable Tom Latham
Chairman
Subcommittee on Transportation, Housing and
Urban Development and Related Agencies
Committee on Appropriations
United States House of Representatives
Washington, DC 20515

The Honorable Ed Pastor
Ranking Member
Subcommittee on Transportation, Housing and
Urban Development and Related Agencies
Committee on Appropriations
United States House of Representatives
Washington, DC 20515

Dear Chairman and Ranking Member:

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 House 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)
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