

Ensuring NAHMA Members Receive the Latest News and Analysis of Breaking Issues in Affordable Housing

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E-NAHMA Analysis 2010-1209

H.R. 3082: Full-Year Continuing Appropriations Act for FY 2011

Background

Yesterday, the House passed legislation that would freeze FY 2011 discretionary appropriations at the FY 2010 level; providing \$45.9 billion less than the Obama Administration's budget request for the year. The legislation would also eliminate all Congressional earmarks in FY 2011.

The legislation essentially is a continuing resolution, funding government programs at FY 2010 levels, for FY 2011 in its entirety. However, it does provide specific funding adjustments for certain programs. In terms of multifamily housing programs, both the tenant-based and project-based Section 8 accounts received increases in funding. NAHMA has been advocating for the full 12-month funding for project-based Section 8 contracts in FY 2011. We are pleased the House has included an adjustment for this account, despite the funding freeze.

The legislation will now be transferred to the Senate for consideration. Senate Appropriations Committee Chairman Daniel Inouye (D-HI) has indicated his interest in substituting an omnibus appropriations bill, which would include all 12 appropriations acts, for the House passed language. The Senate Appropriations Committee has crafted omnibus language that would be \$26 billion below the Administration's FY 2011 budget request, but \$18 billion above FY 2010 due to increases for the Defense and State Departments. It remains to be seen whether the Senate will accept the House language or substitute the omnibus language.

Summary

Agricultural Appropriations

The bill would provide \$22.6 billion for USDA programs, including the Rural Housing Service. This is \$724 million below the FY 2010 funding level.

FY 2011 multifamily program funding levels specified by H.R. 3082 include:

- Rural Rental Assistance: \$972 million
 - Budget Request: \$966 million
 - FY 2010 Appropriation: \$980 million

Transportation-HUD Appropriations

The legislation would provide \$64.9 billion for programs in the Departments of Transportation and Housing and Urban Development and related agencies, \$3 billion below the FY 2010 funding level.

FY 2011 multifamily program funding levels specified by H.R. 3082 include:

- Tenant-Based Rental Assistance: \$18.86 billion (total); \$16.99 billion (contract renewals) and \$4 billion as an FY 2012 Advanced Appropriation available October 1, 2011
 - Budget Request: \$19.6 billion (total); \$17.3 billion (contract renewals)
 - FY 2010 Appropriation: \$18.2 billion (total); \$16.339 billion (contract renewals)
- Project-Based Rental Assistance: \$9.28 billion (total); \$8.88 billion (contract renewals) and \$400 million as an FY 2012 Advanced Appropriation available October 1, 2011
 - Budget Request: \$9.4 billion total; \$9.04 billion (contract renewals) and \$400 million as an FY 2012 Advanced Appropriation available October 1, 2011
 - FY 2010 Appropriation: \$8.5 billion (total); \$8.325 billion (contract renewals) and \$393 million as an FY 2011 Advanced Appropriation available October 1, 2010
- CDBG: \$4.25 billion; \$3.99 billion for grants
 - Budget Request: \$4.38 billion; \$3.99 billion for grants
 - FY 2010 Appropriation: \$4.45 billion; \$3.99 billion for grants
- Energy Innovation Fund: \$0
 - Budget Request: \$0
 - FY 2010 Appropriation: \$50 million; \$25 million for an Energy Efficient Mortgage pilot program and \$25 million for a Multifamily Energy Pilot program

The House Appropriations Committee statement specifies that the funding provided in the tenant-based Section 8 account will be enough to ensure that no low-income family will lose their assistance in FY 2011. The tenant-based Section 8 account also provides \$25 million for tenant protection vouchers to ensure that low-income tenants will not lose rental assistance at the maturity date of a HUD-held mortgage or use agreement.

The language also allows for one-year extensions of Rent Supp/RAP contracts and provides \$40 million for such purposes.

The project-based Section 8 funding levels for FY 2011 also reflect HUD's recalculation of the actual costs to fulfill all project-based Section 8 contracts for their full 12-month terms in FY 2011 since the Administration's original submission of their budget request.

Positive Aspects

NAHMA is pleased that the House has passed legislation that increases both tenant-based and project-based Section 8 funding to ensure all vouchers and contracts are funded for their full

terms in FY 2011. FY 2010 appropriations levels would not have been enough to completely fund the vouchers and contracts for their full terms during the coming fiscal year.

NAHMA has been meeting with both House and Senate Appropriations Committee members and their staffs to ensure full funding for all 12-month project-based Section 8 contracts in FY 2011. We believe that the increase for the project-based Section 8 included in H.R. 3082 is a good indication all 12-month contracts will be fully funded by the final FY 2011 appropriations legislation.

NAHMA Concerns

NAHMA would have liked the House to include an amendment to H.R. 3082 that would have authorized several elements of H.R. 3045, the Section Voucher Reform Act (SEVRA). NAHMA has been working with HUD, the House Financial Services Committee, and our industry partners on a slimmed down version of SEVRA to be added to the appropriations bill or other must-pass legislation that would include:

- Reforms to inspection procedures;
- Rent reform and income reviews;
- Approval of voucher renewals funding;
- Additional enhanced vouchers for tenants in properties with maturing mortgages; and
- LEP authorization language

We urge our members to contact your Senators and Representatives and let them know you support the inclusion of the SEVRA language on the first available legislative vehicle. SEVRA provides a cost savings of \$731 million to the federal government and could be used as an offset for either the appropriations legislation or the tax extenders act.

Even if the Section 202 and 811 programs are flat funded for FY 2011, the costs associated with PRACs have increased this year, reducing funding available for new construction. NAHMA will request clarification on these and other funding levels for unspecified programs in H.R. 3082.

NAHMA Position

NAHMA urges our members to contact your representatives and let them know you support:

- Full funding for all multifamily housing programs, including:
 - Full funding for all 12-month project-based Section 8 contracts;
 - Continued funding for new construction for the Section 202 and Section 811 programs; and
 - \$500,000 for LEP translations; and
- The inclusion of the SEVRA language on the first available legislative vehicle.

If you would like to contact your Senators, please visit:

http://www.senate.gov/general/contact_information/senators_cfm.cfm

If you would like to contact your Member of the House of Representatives, please visit:
<http://www.house.gov/writerep/>

We would also encourage you to use the NAHMA Maps program to help educate your representatives about affordable housing and the impact of appropriations levels on these programs in their Districts and States. NAHMA Maps can be accessed by visiting
<http://nahma.apartmentsmart.com>.

For additional information on contacting your representatives and discussing affordable housing issues at: <http://www.nahma.org/content/grassroots.html>