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FY 2012 Budget Request for Affordable Rental Housing Programs

Effective Date or Deadline

Funding levels in the budget request are proposed for Fiscal Year 2012, which begins on October 1, 2011. The budget request is subject to the approval of Congress.

Background

On February 14, 2011, President Obama submitted his Fiscal Year (FY) 2012 budget request to Congress. Submission of the budget begins a process, which, if it runs smoothly, will be resolved before October 1, with all of the annual appropriations bills signed into law.

The problem is that the budget process almost never runs smoothly. It has now become routine for the new fiscal year to begin without a finalized budget for that year.[1] Congress and the President then fund the government through temporary spending measures known as "continuing resolutions" (CR).

Between now and October, Congress is likely to go through the following exercises:

- Adopt a non-binding "budget resolution" which sets spending caps for the upcoming fiscal year (April);
- Hold hearings on the President's budget (through May);
- Begin the FY 2012 appropriations process (May through September or until completed); and
- Resolve outstanding differences on the House and Senate versions of appropriations bills which are likely to be introduced by the Subcommittee Chairs in late May or early June.

[1] Funding for FY 2011 has been authorized as a CR through March 4, 2011. Funding for all federal programs for the remained of FY 2011 is also likely to be done through a full-year CR, appropriating funding for all government programs at FY 2010 levels unless otherwise specified.

Summary

The Obama Administration has proposed a HUD budget of $48 billion in FY 2012, an increase of $1.9 billion over FY 2010 appropriations and a decrease of $500 million below the FY 2011 Presidential budget request. Funding for government programs is currently being provided through a CR at FY 2010 levels because Congress has yet to enact appropriations legislation for FY 2011.[2]

Funding increases in the FY 2012 budget were provided only for programs that assist the neediest Americans. The FY 2012 budget provides full funding for the Project-Based Section 8 and Tenant-Based Section 8 accounts. The Obama Administration has once again proposed $1 billion for the Housing Trust Fund, since Fannie Mae and Freddie Mac cannot fund the program for the near future.

The FY 2012 budget reduces funding for several grant programs in comparison with FY 2010 appropriations. First, the budget request proposes cutting Section 202 and 811 funding below FY 2010 levels. Nevertheless, the FY 2012 budget proposes keeping some funding for new construction in the Section 202 and 811 accounts. President Obama requested less funding for HUD's Transforming Rental Assistance. For a second time, HUD has requested cutting HOPE VI from the budget and replacing it with the Choice Neighborhoods Initiative. The Administration has requested that CDBG be cut by $300 million when compared with the FY 2010 Appropriations.

HUD has once again proposed LEP be eliminated as a line-item funding account.

HUD and Treasury have proposed two LIHTC reforms in the FY 2012 budget: income averaging and a basis boost for the preservation of public and assisted housing.

For USDA Rural Housing Service (RHS), the Obama Administration has proposed significant spending cuts in FY 2012 from the programs below FY 2010 enacted spending levels. Under the proposed FY 2012 budget, Rural Rental Assistance would receive a $73 million cut below FY 2010 appropriations. The Multifamily Housing Revitalization Program would receive $16 million to only fund vouchers under the request. USDA has not requested funding for the program's rehabilitation and demonstration programs. The White House has suggested eliminating Section 538 Guaranteed Loans. Nevertheless, USDA has proposed increasing the Section 515 account by $25 million, compared to FY 2010 appropriations, to help offset the funding loss to the Multifamily Housing Revitalization Program.

During the Bush Administration, the Office of Management and Budget's (OMB) Program Assessment Rating Tool (PART) scorecards acted as a rating system to examine the effectiveness of every federal program. However, under the Obama Administration, OMB has provided supplemental documentation justifying the termination of and cuts/savings for affected federal programs in the FY 2012 budget request. These justifications have been incorporated into the NAHMAnalysis program summaries below.

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[2] Because the final FY 2011 appropriations levels are not available, NAHMA will be comparing the FY 2012 budget request to FY 2010 appropriations. The FY 2012 budget request also uses the FY 2010 enacted appropriations as the baseline for comparison.

A copy of OMB's "Terminations, Reductions, and Savings" document for the FY 2012 budget can be found here:
http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/trs.pdf

Funding for Specific Multifamily Housing Programs

HUD:

Tenant-Based Section 8: $19.2 billion total funding; $17.1 billion for contract renewals

The FY 2012 Presidential budget request is an $800 million increase over the FY 2010 appropriations. However, it is a $600 million decrease below the FY 2011 budget request for housing choice vouchers. The Obama Administration claims the FY 2012 budget provides new vouchers to make progress on HUD's high priority performance goals by increasing the number of families receiving rental assistance and for reducing the number of homeless veterans. The FY 2012 budget request also includes $114 million to renew 15,000 Section 811 vouchers, which have been statutorily moved from the Section 811 account to the Section 8 account in order save administrative resources.

The HUD budget request proposes to:

- "Design a comprehensive development strategy to improve HUD information technology systems to better manage and administer the Housing Choice Voucher program, including continued assistance to PHAs to better manage funds and increase leasing rates responsibly;
- Develop an improved Section 8 Management Assessment Program with revised indicators that will strengthen oversight (including possible on-site assessments), improve quality control, and establish performance metrics;
- Continue the study to develop a formula to allocate administrative fees based on the cost of an efficiently managed PHA operating the Housing Choice Voucher program;
- Develop a study to evaluate current housing quality standards and improve the unit inspection process; and
- Eliminate the cap restriction imposed by past Appropriations Acts on the number of families that each PHA may serve."

In order to improve HUD's three largest rental assistance programs--Housing Choice Vouchers, Project-Based Rental Assistance, and Public Housing—the Administration has also proposed:

- Broadening the extremely low-income targeting requirement by applying it to families with the higher of 30 percent of AMI or the federal poverty level;
- Increasing the standard deduction for elderly and disabled households from $400 to $675 and raising the deduction for excess medical expenses from 3% to 10% of income;
- Streamlining the program by permitting 3 year annual re-certification for fixed-income families;
- Providing PHAs the authority to approve exception rents for disabled voucher households;

- Producing more timely Fair Market Rent data on an annual basis; and
- Authorizing a rent demonstration project.

Project-based Section 8: $9.4 billion total; $9.1 billion for contract renewals

The Obama Administration has committed to providing full funding for 12-month contracts through a $500 million increase over the FY 2010 appropriations. The FY 2012 budget request includes a $400 million advanced appropriation for FY 2013. This funding will preserve approximately 1.3 million affordable rental units and support 18,000 contracts with private owners of multifamily properties. The budget also provides $289 million for contract administrators and $10 million for tenant capacity building.

Transforming Rental Assistance Initiative (TRA): $200 million

HUD has requested $200 million to for a demonstration program that would offer PHAs and private owners of RAP, Rent Supp, and old Mod Rehab properties the option of converting to long-term project based rental assistance or project-based vouchers. The Administration requested $350 million for similar proposal in FY 2011, which Congress did not fund.

HUD anticipates the next incarnation of TRA to be much more refined and targeted to public housing, RAP, Rent Supp, and Mod Rehab programs than their draft legislation—Preservation, Enhancement, and Transforming Rental Assistance Act (PETRA), introduced in May 2010—and the Rental Housing Revitalization Act—introduced by Rep. Keith Ellison (D-MN) in the 111th Congress in November 2010. The conversions would be done through a voluntary demonstration program. HUD also intends to link the converted contracts to a resident mobility feature.

Although HUD submitted TRA appropriations language in the FY 2012 budge, HUD has not made the new version of the TRA authorization language available yet. NAHMA is still cautious to make any predications as to what it will contain.

Section 202: $757 million

The Obama Administration has recommended some cuts to the Section 202 program. They have requested a $68 million cut below the FY 2010 appropriations allocation. However, this is a $483 million increase above the FY 2011 budget request.

The FY 2011 HUD budget proposed eliminating new construction funding for Section 202 due to poor performance reviews. After Congress successfully passed S. 118, the Section 202 Supportive Housing for the Elderly Act, last December, the Obama Administration felt sufficient statutory changes to the program had been made to justify including $387 million for capital advances and initial project rental assistance contracts (PRAC) in the budget. The Administration believes developers can create 2,813 new 202 units with the FY 2012 proposed capital advances. The FY 2012 budget also includes $259 million for contract renewals for existing Section 202 housing and $91 million to support service coordinators. Finally, the FY 2012 budget proposes $20 million for converting elderly housing units to assisted living facilities and service-enriched housing.

HUD also included a $25 billion budget request for loan guarantee authority for the General and Special Risk Insurance Fund in the budget request, which will provide an estimated 190,000 units in multifamily housing properties and an estimated 98,000 beds in healthcare facilities, many of which will benefit elderly tenants.

The Obama Administration is seeking additional reforms, both legislative and administrative, for Section 202 new construction to ensure the greatest savings for state and federal health care budgets by reducing institutionalization and emergency room utilization. HUD plans to circulate draft legislation to reform the Section 202 program that would integrate non-federal sources of financing to fund new projects, shift away from PRACs to a project-based Section 8 type contract model, and prioritize projects that would be able to support frail and near frail elderly.

Section 811: $196 million

The Obama Administration has recommended some cuts to the Section 811 program. They have requested a $104 million cut below the FY 2010 appropriations allocation. However, this is a $106 million increase above the FY 2011 budget request. The decrease in funding also reflects the shift of fiscal responsibility of the Section 811 Mainstream Vouchers program to the Tenant-Based Section 8 program between FY 2011 and FY 2012. In FY 2012, the Obama Administration has requested $114 million for 811 vouchers that would be provided by through the Tenant-Based Section 8 account, which is $27 million above the FY 2010 811 voucher funding level.

The FY 2012 budget proposes $85 million to renew and amend operating subsidy contracts for existing Section 811 housing. After Congress successfully passed S. 1481, the Frank Melville Supportive Housing Act, last December, the Obama Administration felt sufficient statutory changes to the program had been made to justify including $111 million for capital advances and initial project rental assistance contracts (PRAC) in the budget. The Administration believes developers can create 647 new 811 units with the FY 2012 proposed capital advances.

The Obama Administration is seeking further reforms, both legislative and administrative, for Section 811 new construction to target populations with the greatest need for disabled housing, while ensuring the greatest savings for state and federal health care budgets by reducing institutionalization and emergency room utilization. HUD plans to circulate draft legislation to reform the Section 811 program that would help leverage non-federal sources of financing to fund new projects and shift away from PRACs to a project-based Section 8 type contract model.

HOME: $1.65 billion

The Obama Administration's funding request for HOME is $200 million below the FY 2010 Appropriations levels but meets the FY 2011 budget request. The funding provided in the FY 2011 Budget is estimated to produce an additional 72,215 units of affordable housing through new construction, rehabilitation, and/or acquisition. HUD has also estimated that communities will use a portion of their funding to support tenant-based rental assistance for over 17,955 units.

The Administration believes increases in affordable rental units can also be achieved through the Housing Trust Fund and the Neighborhood Stabilization Program.

HOPE VI: $0

Despite the inclusion of $200 million in the FY 2010 Appropriations, the Obama Administration feels that the HOPE VI program has accomplished its goal to demolish 100,000 severely distressed public housing units.

Remaining balances of HOPE VI grants will spend out over several years as redevelopment projects are completed. Cumulative results of the HOPE VI program as of September 30, 2010 are as follows: 73,167 households relocated; 96,017 units demolished; 83,951 units (new and rehabilitated) completed; and 82,425 completed units occupied.

HUD has proposed no additional funds for this account. Instead, the Administration will focus on the Choice Neighborhoods Initiative.

Choice Neighborhoods Initiative: $250 million

The Choice Neighborhoods Initiative is a program the Obama Administration first requested in its FY 2010 budget. The Initiative expands the HOPE VI program beyond public housing by including assisted and private distressed housing as eligible projects for funding and allowing public, private, and non-profit partners to become eligible grant recipients. It is also intended to expand the scope of the program's initiatives beyond the demolition of distressed housing and improve school, transportation, and community programs; provide access to jobs; and help alleviate concentration of poverty in urban areas.

The FY 2010 Consolidated Appropriations Act provided $65 million for a demonstration of the Choice Neighborhoods Initiative through the HOPE VI account. HUD expects to award its first Choice Neighborhoods planning and implementation grants in March and September 2011, respectively.

Authorizing language for this program has been introduced the House in the 112th Congress.

Community Development Fund: $3.7 billion for the Community Development Block Grant (CDBG)

The 2012 Budget funds the CDBG formula grant program at $3.7 billion to assist state and local governments address local priorities and needs. This amount is $300 million below FY 2010 appropriations and $300 million below the FY 2011 budget request. The reduced program account reflects the need to balance Federal budget constraints with the difficult fiscal conditions confronting State and local governments.

The Obama Administration plans to work with state and local government to better utilize CDBG funds to maximize economic growth in the coming years.

Limited English Proficiency (LEP) Program: $0

The Obama Administration has once again recommended eliminating LEP as an individual line-item account within Fair Housing and Equal Opportunity.

Affordable Housing Trust Fund: $1 billion

Because of the financial troubles and economic meltdown, the Federal Housing Finance Agency has indefinitely suspended contributions from Fannie Mae and Freddie Mac that were intended as a funding stream to the Housing Trust fund. The Obama Administration has once again recommended providing $1 billion to increase and preserve the supply of rental housing and housing ownership for extremely low-income and very low-income families. Although no dedicated funding source has been specified, Secretary Donovan has stated HUD will seek a mandatory, non-appropriated source for the trust fund. Funding for the Housing Trust Fund was not included in any legislation signed into law by President Obama in 2011. According to HUD, the funding provided for the Housing Trust Fund is expected to produce approximately 36,000 affordable units.

General HUD Budget Provisions

Section 209 extends HUD's authority to transfer project-based Section 8 rental assistance between properties in FY 2012 and 2013.

The general provision also proposed a limited number of reforms from the Section 8 Voucher Reform Act. Section 222 would increase the standard deduction for elderly and disabled households from $400 to $675 and raising the deduction for excess medical expenses from 3% to 10% of income. The provision would changes the FMR notice and publication requirements. However, the LEP guidance language that NAHMA supports was not included in the FY 2012 budget legislative language.

Section 223 would give Public Housing Authorities the authority to conduct limited rent policy demonstrations in order to determine the effectiveness of different rent policies.

Section 224 would extend Mark to Market restructuring authority from October 1, 2011 to October 1, 2015.

IRS/Treasury:

LIHTC Reforms

The FY 2012 budget request proposes making two reforms to the LIHTC program to work in conjunction with HUD's preservation agenda. The income averaging proposal would allow new LIHTC projects to be occupied by individuals or families earning up to 80 percent of the AMI, so long as they are offset by units occupied by individuals or families earning less than 60 percent of AMI, resulting in an average of 60 percent of AMI.

HUD and Treasury claim replacing the AMI cap for new LIHTC projects will:

- Allow greater income-mixing at the project level, creating opportunities for workforce housing;
- Align LIHTC with HUD's and USDA's affordable housing programs, which define low-income at 80 percent of AMI); and
- Help create and preserve more units targeted to the lowest income households.

The basis boost proposal would make the 4% credit a more viable source of funding for the affordable housing preservation by giving qualifying properties a 30% basis boost in the context of preserving, recapitalizing, and rehabilitating existing affordable housing. This would increase the equity that could be raised by the credits by providing higher yields, which HUD and Treasury believe will generate more interest in LIHTC preservation deals.

HUD and Treasury/IRS plan to work with Congressional Legislative Counsel to draft legislative language for these proposals.

USDA-RHS:

Multifamily Housing Revitalization Program: $16 million

The Obama budget proposes terminating the Multifamily Housing Revitalization Program, with the exception of $16 million for housing vouchers for residents of projects whose sponsors prepay their USDA Section 515 mortgages and leave the program. The funding level represents a $27 million decrease below the FY 2010 Appropriations and a $2 million decrease below FY 2011 budget request for this particular line-item.

The proposal terminates funding for the revitalization and demonstration programs. The program, according to OMB, has already achieved the most cost-effective and justified repairs since its 2006 inception. OMB has justified the termination in the FY 2011 by saying, "At this point, additional funding in the demonstration program could be seen as over-subsidizing the multifamily housing property owners" and not serving the low to very low-income tenant base.

Section 515 Multifamily Housing Direct Loans: $95 million

The Obama Administration has requested a $25 million increase to the Section 515 loan program over the FY 2010 Appropriations. This proposal equals the FY 2011 budget request. The program received an increase in funding due to the shifting focus of the Multifamily Revitalization program from rehabilitation and demonstration programs to housing vouchers. USDA said, "The increase in funding will help ensure adequate funding for new and existing low-income rural rental housing."

Rural Rental Assistance: $907 million

The FY 2011 Obama Administration budget request represents a $59 million decrease below the Obama Administration's FY 2011 budget request and $73 million decrease below the FY 2010 Appropriations for the one-year rural rental assistance contracts. Nevertheless, RHS has indicated that this is the amount necessary to fund all existing rural rental assistance contracts for their one-year terms.

Section 538 Multifamily Housing Loan Guarantees: $0 million

The Obama Administration has suggested eliminating Section 538 in the FY 2012 Budget. OMB believes this program's purpose is redundant in comparison to other HUD programs that guarantee loans for multifamily housing. In addition, OMB has cited that the program has suffered from larger than expected defaults in recent years, unexpectedly raising the cost of the program.

<u>Positive Aspects of This Budget Request</u>

NAHMA is pleased that HUD has included one of their strategic goals of improving inter-agency collaboration in the FY 2012 budget. Examples of inter-agency collaboration in the budget include the LIHTC proposals, efforts to serve homeless veterans, and meeting the needs of elderly households.

NAHMA is heartened that Obama Administration has requested full funding for tenant-based Section 8, project-based Section 8, Section 202 and 811 PRACs, and Section 521 rural rental assistance contract renewals. Providing full funding for these programs ensures consistent, timely payments, which contribute to the stability of program operations and ensure current assistance recipients, who are often very-low income or are part of a vulnerable population, remain in their homes. We continue to support HUD and RHS's efforts to improve budget forecasting and to evaluate the needs of their respective programs.

NAHMA was also pleased to see that, even though HUD proposed cuts to the Section 202 and 811 programs, the Administration has requested funding for new construction in FY 2012. After Congress successfully passed S. 118, the Section 202 Elderly Supportive Housing Act, and S. 1481, the Frank Melville Supportive Housing Act, last December, the Obama Administration indicated sufficient statutory changes to the programs had been made to justify including funding for capital advances and initial project rental assistance contracts (PRAC) in the FY 2012 budget.

NAHMA was also pleased to see the Administration had included some provisions from the Section 8 Voucher Reform Act (SEVRA) in HUD's general provisions request. These included PHA rent policy demonstrations, increases to elderly and disabled household standard deductions, and extending the Mark-to-Market restructuring authority. While these requests were positive first steps, we wished they had included the entire revised SEVRA legislation, which provides a cost savings to the federal government of $731 million over five years.

The revised SEVRA is draft legislation Representative Barney Frank (D-MA) circulated late last year. It was written with input from NAHMA, other industry partners, and HUD. The legislation language makes several important changes to the housing choice voucher program including: streamlining inspections of housing units, stabilizing voucher funding, simplifying the rules for determining a family's rent and income, authorizing enhanced vouchers, and allowing PHAs greater flexibility to project-base some of their vouchers. The revised SEVRA language legislation also authorized to HUD to provide Limited English Proficiency (LEP) technical assistance, which NAHMA strongly supports. NAHMA will continue to work with HUD, industry colleagues, and Congress to ensure all provisions from SEVRA are enacted in the 112^{th} Congress.

Last year, the bipartisan National Commission on Fiscal Responsibility and Reform and the President's Economic Reform and Accountability Board[3] both proposed eliminating corporate tax breaks in order to simplify the tax code. The proposal called for eliminating several tax credits that help the multifamily housing industry, including the LIHTC. The inclusion of proposals to reform the LIHTC program to help facilitate occupancy and preservation in the FY 2012 budget is a good sign that the Administration remains supportive of the program. The LIHTC proposals originated from the White House's rental policy harmonization working group, which NAHMA participates in, indicating the Administration is listening and seriously considering feedback from the industry on how to improve multifamily housing programs across departments. These proposals would increase income-mixing at the project level, allowing owners to accept lower-income tenants for tax credit properties than they have in the past. These proposals also make the LIHTC program more user-friendly with other federal rental programs.

Although these are innovative ideas, NAHMA believes further discussion is necessary in order to make these proposals work in practice For example, extremely low-income households often cannot afford to live in tax credit properties unless they have rental assistance, like a housing choice voucher. In addition, the Administration has admitted that the basis boost change for 4 percent bond credits will have little impact in small states. Nevertheless, NAHMA is heartened by the Administration's support for the LIHTC program and we look forward to examining the proposals and sharing them with NAHMA members for feedback.

Issues of Concern to NAHMA

Several controversial policy changes HUD proposed in the FY 2011 budget have been reintroduced in the FY 2011 budget. HUD continues to support the Transformation of Rental Assistance (TRA) proposal from the FY 2011 budget request last year. Both HUD's draft TRA proposal—the Preservation, Enhancement, and Transforming Rental Assistance (PETRA) Act—and Rep. Keith Ellison's (D-MN) legislation—H.R. 6468, the Rental Housing Revitalization Act—were panned by industry and Congressional members alike. NAHMA was extremely concerned that these legislative proposals would have given HUD the authority to make broad and far-reaching decisions that could destabilize existing programs that work well, like project-based Section 8. Furthermore, we believed the legislative proposals did not offer enough incentives for project-based Section 8 properties to convert to the new assistance and no efficiencies could be achieved through the conversion program.

Nevertheless, HUD insists that it has downsized the TRA proposal considerably and will focus on a demonstration program to preserve and recapitalize public housing projects and private owners of RAP, Rent Supp, and old Mod Rehab properties. The demonstration program would give public housing and orphan multifamily projects the option of converting to long-term

[3] The National Commission on Fiscal Responsibility and Reform was charged with identifying policies to improve the fiscal situation in the medium term and to achieve fiscal sustainability over the long run. It is made up of both Democrats and Republicans appointed by President Obama. The President's Economic Reform and Accountability Board is an advisory panel outside of the Obama Administration that provides counsel to the President on economic recovery and enhancing the strength and competitiveness of the Nation's economy.

project based Section 8 rental assistance contracts with a mobility feature or the project-based voucher program. NAHMA supports converting these capital-deprived, backlogged programs to the long-term, project-based Section 8 contracts. However, we continue to oppose HUD's resident mobility proposal because it is unfair to those households already on a waitlist for a voucher. We are also unsure if HUD will propose any changes to the project-based Section 8 program in conjunction with their revised TRA proposal. NAHMA will evaluate the new authorization language and provide it to our members for additional feedback when it becomes available in the coming months.

According to HUD staff, the Administration has made substantial changes to the Section 202 and 811 draft reform bills circulated in October 2010 for comment. However, NAHMA is concerned that HUD's FY 2012 legislative proposals to reform the programs would shift new Section 202 and 811 assistance away from PRACs to a new project-based Section 8 rental assistance contract model. NAHMA opposed this proposal in HUD's draft Section 202 Reform Act and Section 811 Reform Acts, which would have brought the programs into contracts authorized by HUD's transforming rental assistance (PETRA) legislation. Nevertheless, we are interested in seeing their new reform proposals for the program and getting feedback from our members on the new language.

NAHMA is very troubled that HUD has again proposed eliminating the Limited-English Proficiency (LEP) Program as a line-item account. HUD has not specified if LEP translation funding would be funded under Fair Housing and, if so, from which account the translations would be funded. NAHMA is concerned that without the line-item the money may be used for other purposes. We have worked tirelessly to secure funding from Congress for LEP translations of multifamily documents. NAHMA will continue to advocate for comprehensive LEP authorization language that will:

- Create a task force of industry and civil rights stakeholders to identify vital documents;
- Require HUD to translate the vital documents;
- Create a HUD-administered 1-800 hotline to assist with oral interpretation needs; and
- Authorize appropriations.

The FY 2012 budget request decreases to the CDBG, HOME, and the RHS Multifamily Housing Revitalization programs below FY 2010 appropriations levels are also troubling. These programs provide funding for construction of additional units and rehabilitation for existing affordable rental housing units, as well as much needed job opportunities in America. CDBG and HOME are also important sources of gap financing for affordable housing programs. We will continue to push for adequate funding for the CDBG, HOME, and RHS Multifamily Housing Revitalization accounts.

NAHMA was also disappointed with the Obama Administration's decision to zero out of the Section 538 program. While we understand the Administration's concerns over the high number of mortgage defaults and increasing costs of the program, there is very little financing available for new construction and rehabilitation in rural areas due to economic realities. We would encourage the Obama Administration to reform the Section 538 program and maintain this source of financing for rural housing new construction and rehabilitation rather than zero out the program.

NAHMA's Position

With the levels recommended in the FY 2012 Budget, the tenant-based Section 8, project-based Section 8, Section 202 and 811, and Section 521 rural rental assistance programs should continue to receive full funding for 12-month contracts. Nevertheless, we encourage members to keep us informed if there are disruptions in the housing assistance payment (HAP) and PRAC processes or other ongoing problems. We also recommend that members promptly communicate problems with late or short-funded contract payments to their Congressional delegations. NAHMA will work to ensure the necessary appropriations to fully fund all affordable housing rental assistance contracts in the FY 2012 appropriations legislation.

We support the inclusion of provisions from SEVRA in the FY 2012 budget. NAHMA will continue to work with HUD, the industry, and Congress for the full bill's passage in 2012.

NAHMA continues to oppose funding cuts to the Section 202, Section 811, HOME, CDBG, and rural housing programs. We will work with Congress to ensure adequate funding for all multifamily housing programs in the FY 2012 appropriations.

Although we support the opportunity for public housing and orphan multifamily projects to convert to the current project-based Section 8 program, we remain wary of taking a position on HUD's revised legislative language for the TRA initiative until the new draft is publically available. For now, we would encourage HUD to focus on other legislative and regulatory actions to help improve the housing choice voucher program, such as SEVRA, and to preserve affordable rental housing.

In the meantime, we encourage members to continue communicating with NAHMA and their elected officials about multifamily affordable rental housing concerns, including funding levels, so that our members can continue to provide an exceptional quality of living for low-income families.

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/

You may also visit NAHMA's grassroots page for more information meeting with your representatives and for additional information on affordable housing issues at:
http://www.nahma.org/content/grassroots.html