

# United States Senate

WASHINGTON, DC 20510

April XX, 2014

Chairwoman Patty Murray  
Transportation, Housing and Urban  
Development Appropriations  
138 Dirksen Senate Office Building  
Washington, DC 20510

Ranking Member Susan Collins  
Transportation, Housing and Urban  
Development Appropriations  
138 Dirksen Senate Office Building  
Washington, DC 20510

Dear Chairwoman Murray and Ranking Member Collins,

As your subcommittee begins its work on crafting the FY 2015 budget for the Department of Housing and Urban Development (HUD), we respectfully urge you to fund the Project-Based Section 8 program at \$10.5 billion to help provide for renewal of existing contracts for full twelve month terms.

As you are aware, the Project-Based Section 8 program provides critical rental assistance to over 1.2 million households across the country, in both urban and rural communities. Over 60% of the residents served by the program are low-income seniors or persons with disabilities. The private entities that entered contractual obligations with the federal government to supply affordable apartments for low-income households rely on rental assistance to maintain a property's financial and physical viability and provide services to residents.

In addition to providing long-term affordable apartments for some of the most vulnerable populations, the Project-Based Section 8 program encourages private investment in housing development, generates local jobs and is a valuable source of tax revenue for communities. Owners are able to leverage rental assistance contracts to secure private financing, enabling them to undertake rehabilitation and preservation projects. Underinvesting in FY 2015 will lead to erosion of lender and investor confidence, resulting in more demanding underwriting, increased transactional costs and limiting access to capital.

Finally, the affordable apartments that are supported by this funding help reduce taxpayer expenditures in Medicaid, Medicare and emergency shelter and healthcare services. With owners providing health-related services, transportation to community amenities and computer training programs, residents are able to access the services they need to remain independent and continue to be an active participant in their local community.

We understand the complexities that go into crafting a fiscally responsible budget that promotes growth and stability and we appreciate the hard choices the Committee must make for this fiscal year. We are concerned that continuous under-funding of this program will leave many owners without the necessary resources needed to maintain properties and provide critical resident services, and will ultimately lead to a reduction in apartments affordable to low-income households.

While the President's budget calls for \$9.746 billion in funding for the Project-Based Section 8 program, we respectfully request that you fund the program at \$10.5 billion for FY 2015.

Sincerely,