

May 22, 2006

The Honorable Kit Bond  
U.S. Senate  
Washington, DC 20510

The Honorable Joe Knollenberg  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Patty Murray  
U.S. Senate  
Washington, DC 20510

The Honorable John Olver  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairmen and Ranking Members:

In its 2007 budget request for Tenant-Based Rental Assistance, the Administration has proposed a harmful change in policy that would lead to a sharp decline in affordable rental housing resources in many communities. We urge you to oppose this change and to preserve the policy of providing Section 8 vouchers to replace losses of federally-assisted housing units on a one-to-one basis.

Every year, our communities lose tens of thousands of affordable apartments when public housing is demolished or owners of private apartments choose to end their participation in federal subsidy programs. Under current law, HUD is required to issue housing vouchers to replace every unit of federally-assisted housing that is lost through demolition or conversion to market rate. This policy achieves two essential goals. First, these “tenant-protection” vouchers enable some tenants to remain in privately-owned apartments at market rents or help displaced families to relocate to housing that is affordable. Second, replacement vouchers ensure that communities will not suffer an overall reduction in affordable housing resources when federally-assisted housing units are lost to demolition or conversion. In nearly every American community, low-income families face a severe shortage of affordable housing; replacement vouchers make certain that these shortages will not be worsened by the loss of subsidized housing units.

The Administration’s 2007 budget proposes to modify this policy in a way that would sharply reduce the number of “tenant-protection” vouchers that are issued. Under the proposal, HUD would be prohibited from replacing lost subsidized units with “tenant-protection” vouchers on a one-to-one basis. Instead, vouchers could be issued only to replace subsidized units that were occupied just prior to demolition or conversion to market rate. The reduced budget request for this part of the voucher account suggests that, as a result of this policy, the number of “tenant-protection” vouchers issued would fall by about 5,000, or 20 percent, in 2007 alone.

The change in policy would lead to a substantial loss of affordable housing resources in communities that have tremendous needs for affordable housing. In nearly every American community, there are long waiting lists for housing assistance, and subsidized housing units are often vacant for reasons that are unrelated to the local demand for affordable housing. In addition to normal apartment turnover, tenants may relocate months in advance of a demolition, for example, or private owners may leave units vacant in anticipation of making the unit available at market rates immediately after federal subsidies are terminated.

Indeed, the Gulf Coast, which now faces critical shortages of affordable rental housing, would likely be hit particularly hard by the proposed policy change. Thousands of federally-subsidized

apartments were damaged by the storm, and some of these are likely to be demolished or sold. Under the policy proposed by the Administration, few of these units would be eligible for “tenant-protection” vouchers, however, because most were evacuated by tenants displaced by the hurricane damage.

The current policy of providing “tenant-protection” vouchers to replace lost subsidized housing units on a one-to-one basis helps communities to sustain affordable housing resources at a time of growing need. We therefore urge you to reject the Administration’s proposed changes to this policy.

Respectfully,

Center on Budget and Policy Priorities  
Enterprise Community Partners  
Local Initiatives Support Corporation  
National Association of HUD Tenants  
National Housing Conference  
National Housing Law Project  
National Housing Trust  
National Low-Income Housing Coalition

cc: Chairman Lewis  
Ranking Member Obey  
Rep. Wolf  
Rep. Rogers  
Rep. Tiahrt  
Rep. Northup  
Rep. Aderholt  
Rep. Sweeney  
Rep. Culberson  
Rep. Regula  
Rep. Olver  
Rep. Hoyer  
Rep. Pastor  
Rep. Kilpatrick  
Rep. Clayburn  
Rep. Rothman  
Chairman Cochran  
Ranking Member Byrd  
Sen. Shelby  
Sen. Specter  
Sen. Gregg  
Sen. Bennett  
Sen. Hutchinson  
Sen. DeWine  
Sen. Brownback  
Sen. Stevens  
Sen. Domenici  
Sen. Burns  
Sen. Mikulski  
Sen. Reid  
Sen. Kohl  
Sen. Durbin  
Sen. Dorgan  
Sen. Leahy  
Sen. Harkin