

November 1, 2013

Paul Ryan, Chair  
Chris Van Hollen, Ranking Member  
House Budget Committee  
207 Cannon House Office Building  
Washington DC 20515

Patty Murray, Chair  
Jeff Sessions, Ranking Member  
Senate Budget Committee  
624 Dirksen Senate Office Building  
Washington DC 20510

Dear Chairwoman Murray, Chairman Ryan, Ranking Member Sessions and Ranking Member Van Hollen:

As the Budget Conference Committee works to craft a joint budget resolution, we are writing to express our strong support for affordable rental housing opportunities for America's most vulnerable households. Both HUD and USDA's rental assistance programs provide millions of low-income families and individuals with the opportunity to live in safe, decent and affordable apartments.

The undersigned organizations are housing providers, apartment owners, developers, state housing agencies and affordable housing advocates that are concerned about continuous cuts to HUD and USDA's rental assistance programs, in particular to Project-Based Section 8 (PBRA) and 521 Rental Assistance (RA), and the negative impact underfunding will have on low-income seniors, persons with disabilities and families with children in need of affordable housing.

Shrinking resources for HUD's rental assistance programs have increasingly threatened the viability of the Project-Based Section 8 program. This program supports over one million low-income households, over 50% being seniors or persons with disabilities. Funding in FY13 was insufficient to provide full 12-month funding to all existing contracts. Without adequate funding in FY14, HUD may be forced to terminate assistance to properties and displace thousands of vulnerable residents for the first time since the program's inception. Such a development would severely undermine the confidence of owners, lenders, and investors that have partnered with HUD to make this program successful over the past four decades, while threatening defaults and claims on HUD-insured mortgages. We urge the conference committee to allocate funding for Project-Based Section 8 sufficient to fund contracts for a full 12 months, or at least the \$10.7 billion provided in S. 1243.

USDA's 521 Rental Assistance program provides similar rental support to low-income renters, allowing owners to maintain affordable apartments in rural communities. RA payments are critical for the financial and physical stability of rural apartments. The final FY13 funding was insufficient to renew contracts expiring in September 2013, forcing owners to take extraordinary measures to protect the financial and physical stability of the properties and to maintain affordable rents for thousands of low-income tenants. The final FY14 budget for USDA's rental housing programs should include funding that would restore the loss of RA to owners in FY13 and ensure that all contracts can be renewed.

The successes of the PBRA and RA programs rely on a public-private partnership. The operating assistance provided by the federal government coupled with tenant rent contributions enables owners to service debt, undertake renovation projects and provide resident services. Without the federal government's commitment, the physical and financial viability of these properties will erode and could leave hundreds of thousands of households without affordable rental housing in their communities.

We understand the complexities that go into crafting a budget that promotes long-term economic stability and growth and urge you to consider the needs of the most vulnerable households as you make decisions on the final FY2014 budget.

Sincerely,

California Housing Partnership  
Council for Affordable and Rural Housing  
Enterprise Community Partners  
Housing Partnership Network  
Institute of Real Estate Management  
Institute for Responsible Housing Preservation  
LeadingAge  
Local Initiatives Support Corporation/ National Equity Fund  
Low Income Investment Fund  
National Affordable Housing Management Association  
National Association of Home Builders  
National Association of Housing Cooperatives  
National Association of State and Local Equity Funds  
National Council of State Housing Agencies  
National Housing Conference  
National Housing Law Project  
National Housing Trust  
National Leased Housing Association  
National Low Income Housing Coalition  
Stewards of Affordable Housing for the Future