

November 3, 2014

The Honorable Barbara Mikulski
Chair
Committee on Appropriations
U.S. Senate
Washington, DC 20510

The Honorable Richard Shelby
Vice Chair
Committee on Appropriations
U.S. Senate
Washington, DC 20510

The Honorable Patty Murray
Chair
Appropriations Subcommittee on
Transportation, Housing and Urban
Development
U.S. Senate
Washington, DC 20510

The Honorable Susan Collins
Ranking Member
Appropriations Subcommittee on
Transportation, Housing and Urban
Development
U.S. Senate
Washington, DC 20510

The Honorable Tim Johnson
Chair
Senate Banking Committee
U.S. Senate
Washington, DC 20510

The Honorable Mike Crapo
Ranking Member
Senate Banking Committee
U.S. Senate
Washington, DC 20510

Senator Jeff Merkley
313 Hart Senate Office Building
Washington, DC 20510

Senator Elizabeth Warren
317 Hart Senate Office Building
Washington, DC 20510

Dear Chairwoman Mikulski, Vice Chair Shelby, Chairwoman Murray, Ranking Member Collins, Chairman Johnson, Ranking Member Crapo, Senator Merkley, and Senator Warren,

The undersigned members of the National Preservation Working Group (PWG) respectfully request that you include an extension of the Rent Supplement, Rental Assistance Payment (RAP) and Section 8 Moderate Rehabilitation (Mod Rehab) conversion authority in the Fiscal Year (FY) 2015 Transportation, Housing and Urban Development Appropriations bill or whatever spending bill Congress considers for the remainder of the fiscal year. PWG is a national coalition of housing owners, developers, tenant associations, and state and local housing agencies dedicated to the preservation of multifamily housing for low-income families.

This conversion authority, first established in the FY 2012 THUD Appropriations bill as part of Component 2 of the Rental Assistance Demonstration (RAD), expires at the end of 2014. Extending it is critical for owners with contracts expiring in 2015 and 2016 to preserve the affordable apartments that are currently home to low-income households. Such an extension will not require an increase in funding.

As you are aware, the Rent Supplement, RAP and Mod Rehab programs are the predecessors to today's rental assistance programs. These project-based contracts have no option for long-term renewal, except under this limited authority that enables an owner to convert Tenant Protection Vouchers (TPVs), issued upon termination, to a Project-Based Voucher (PBV) contract. The Mod Rehab program has limited options for renewal that preclude long-term preservation efforts.

In a short time, this authority has been used to preserve and improve thousands of homes nationwide. As of July 2014, HUD had closed 7,168 units in 72 projects under RAD Component 2. The Department also had approved, but not yet closed, 4,077 units in 18 projects and had an additional 3,588 units in 24

projects under review. With the continuation of a long-term rental assistance contract, owners have been able to leverage financing to undertake rehabilitation to preserve the physical integrity of the project and better serve residents.

The specific language we are requesting is as follows:

SEC. ____. The language under the heading Rental Assistance Demonstration in the Department of Housing and Urban Development Appropriations Act, 2012 (Public Law 112–55) is amended in the penultimate proviso by striking “and 2013,” and inserting “through December 31, 2016”.

As mentioned above, this request will not require additional funding. Extending this authority is critical to retaining affordable apartments that serve low-income households across the country. Over 9,000 units of Rent Supplement and RAP apartments across the country, primarily serving seniors and persons with disabilities, have contracts that expire in the next two years. In addition, like the FY 2014 Senate Appropriations Committee bill, it would be more efficient to also authorize direct conversion to project-based Section 8, the typical program used for preservation.

We respectfully request that you provide this language in the FY 2015 Transportation, Housing and Urban Development Appropriations bill or whatever spending bill Congress considers for the rest of the fiscal year. Please let us know if you have any questions or would like additional information.

Sincerely,

Emily Achtenberg

Action Housing

California Housing Partnership

CEI Maine

Coalition for Economic Survival, Los Angeles

Coalition on Homelessness and Housing in Ohio

Community Economic Development Assistance Corporation

Community Housing Partners

Community Service Society of New York

Crossroads Urban Center, Salt Lake City

CSH

Florida Housing Coalition

Housing Partnership Network

LeadingAge

Madison Park Development Corporation

Maria Maffei

Mercy Housing

Minnesota Housing

National Alliance of HUD Tenants

National Church Residences

National Council of State Housing Agencies

National Housing Conference

National Housing Law Project

National Housing Trust

National Low Income Housing Coalition

Network for Oregon Affordable Housing

NHP Foundation

Ohio Capital Corporation for Housing

Preservation of Affordable Housing, Inc.

Rural Housing Preservation Associates

Stewards of Affordable Housing for the Future

Tenants and Neighbors

The Caleb Group

The Community Builders