

Rural Multifamily Housing Preservation Working Group

November 8, 2012

Secretary Tom Vilsack
Department of Agriculture
1400 Independence Ave, S.W.
Washington, DC 20250

Undersecretary Dallas Tonsager
USDA, Rural Development
Room 205-W, Mailstop 0107
1400 Independence Ave, S.W.
Washington, DC 20250

Dear Secretary Vilsack and Undersecretary Tonsager,

On behalf of the Rural Multifamily Housing Preservation Working Group, we respectfully request that you issue a Notice of Funding Availability (NOFA) for the money that was appropriated in the FY2012 Minibus for the Multifamily Preservation and Revitalization (“MPR”) Program. The Rural Multifamily Housing Preservation Working Group is a national coalition of owners, developers and state and local housing agencies dedicated to the preservation of existing federally assisted multifamily housing in rural communities.

The FY2012 Minibus Appropriations Act (PL 112-55) provided \$2 million plus approximately \$9 million utilized from the rural voucher program for the MPR program. This program is designed to ensure that affordable rental housing apartments are available for low-income households that live in the nation’s rural areas. The program supports the revitalization and rehabilitation of affordable rental housing by restructuring Section 515 or 514/516 loans and supplying grants to extend affordability requirements. Unfortunately, the Rural Housing Service has failed to issue a NOFA for the FY2012 appropriated funds for this purpose. The money for this program is considered to be “no-year” money and can be spent in future fiscal years. Given the current budget situation facing Congress, this funding may be the only available money that the Department can provide in the next six months that is aimed at ensuring the maintenance of safe, decent and affordable housing options for low-income households. Finally, many State Housing Finance Agencies have rural set-asides in their Low Income Housing Tax Credit allocation plans to preserve existing RD MFH properties. MPR funding is a critical piece to making tax-credit transactions feasible. The longer the delay in the NOFA, the less likely developers and organizations will be able to apply for tax-credits to support housing preservation in rural communities.

To date, the program has supported the rehabilitation of 23,000 units across the country. Preservation tools, such as the MPR program, are critical to maintaining the already limited supply of affordable rental housing that is available for extremely low and low-income households. With the average income of Section 515/514 rural households at \$11,628, the number of available affordable units continues to lag behind demand.

Rural Multifamily Housing Preservation Working Group

We respectfully urge you to issue the NOFA for the FY12 appropriated funds for the MPR program as soon as possible.

Sincerely,

California Housing Partnership
Coastal Enterprises, Inc.
Council of Affordable and Rural Housing
Housing Assistance Council
Housing Preservation Project
Local Initiatives Support Corporation
Maine Affordable Housing Coalition
Mercy Housing
National Council of State Housing Finance Agencies
National Housing Conference
National Housing Law Project
Network for Oregon Affordable Housing
Rural Housing Preservation Associates
Stewards for Affordable Housing

CC: Senator Herb Kohl, Senator Roy Blunt, Rep. Jack Kingston, Rep. Sam Farr