

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