

June 25, 2013

Chairwoman Patty Murray
Transportation, Housing and Urban
Development Appropriations
138 Dirksen Senate Office Building
Washington, DC 20510

Ranking Member Susan Collins
Transportation, Housing and Urban
Development Appropriations
138 Dirksen Senate Office Building
Washington, DC 20510

Chairman Tom Latham
Transportation, Housing and Urban
Development Appropriations
2358A Rayburn House Office Building
Washington, DC 20515

Ranking Member Ed Pastor
Transportation, Housing and Urban
Development Appropriations
1016 Longworth House Office Building
Washington, DC 20515

Dear Chairwoman Murray, Chairman Latham, Ranking Member Collins and Ranking Member Pastor,

We are writing to express our concern about the budgetary stress under which the Project-Based Section 8 program is currently operating and urge Congress to restore full annual funding for Project Based Section 8 contracts for FY' 14.

As you know, the Project-Based Section 8 program provides affordable rental housing to over one million very low-income households. According to the 2010 American Community Survey data, nearly 50% these apartments are occupied by minority households.

Black and Hispanic families are much more likely to have acute housing costs burdens compared to white households, with almost half of minority households earning insufficient incomes to afford a two bedroom apartment at fair market rent (National Low Income Housing Coalition). Indeed, 90% of Black and Hispanic families residing in Project-Based Section 8 housing have incomes of less than \$20,000 a year. Over half of the families residing in project based Section 8 housing are minority households. Retaining the apartments that are supported through Project-Based Section 8 is critical to ensuring that low-income minority households are able to live in safe and decent housing. Continuous short funding of project based Section 8 will result in the loss of subsidized apartments, the burden of which will disproportionately affect minority households. Finally, anything less than full 12 month funding of Project-Based Section 8 contracts will limit a property owner's ability to provide supportive services to their tenants, increase rent burdens on fixed-income populations, and delay critical rehabilitation

When testifying before both the House and Senate THUD Appropriations subcommittees, HUD Secretary Donovan and FHA Commissioner Carol Galante have made clear that HUD will need a total of \$11.4 billion to fully fund contracts for 12 months in FY2014.

The current short-funding strategy is not a viable long-term solution to preserve and maintain existing rental housing. The uncertainty of funding makes it difficult for owners to create long-term capital needs plans for properties and maintain the existing level of resident services.

Further, short-funding does not save the federal government any money; instead it shifts costs to future fiscal years.

We respectfully urge you to include funding necessary for the Project-Based Section 8 in FY2014 to help preserve and maintain affordable apartments for low-income minority households.

Sincerely,

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Washington, D.C.

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