



April 9, 2018

The Honorable Mario Díaz-Balart  
Chair  
Appropriations Subcommittee on  
Transportation, Housing and Urban  
Development  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable David Price  
Ranking Member  
Appropriations Subcommittee on  
Transportation, Housing and Urban  
Development  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Susan Collins  
Chair  
Appropriations Subcommittee on  
Transportation, Housing and Urban  
Development  
U.S. Senate  
Washington, D.C. 20510

The Honorable Jack Reed  
Ranking Member  
Appropriations Subcommittee on  
Transportation, Housing and Urban  
Development  
U.S. Senate  
Washington, D.C. 20510

Dear Chairman Díaz -Balart, Ranking Member Price, Chairwoman Collins, and Ranking Member Reed:

On behalf of our member state Housing Finance Agencies (HFAs), the National Council of State Housing Agencies (NCSHA) thanks you for your leadership in securing important affordable housing victories in the recently passed Fiscal Year (FY) 2018 Consolidated Appropriations Act (omnibus).

NCSHA is encouraged by the strong outcome for HUD programs in this legislation and the opportunity for HFAs to maximize these additional resources in their affordable housing work. We especially thank you for providing \$1.362 billion for the HOME Investment Partnerships Program (HOME), and renewing all project-based rental assistance contracts and Housing Choice Vouchers, while also increasing funding for their administration. NCSHA also appreciates your support of HUD's recent cancellation of its proposed procurement plans for the Performance Based Contract Administration (PBCA) program.

NCSHA is a national nonprofit, nonpartisan organization created by the nation's state HFAs more than 40 years ago to coordinate and leverage their federal advocacy efforts for affordable housing. HFAs are state-chartered housing agencies that operate in every state, the District of Columbia, New York City, Puerto Rico, and the U.S. Virgin Islands. HFAs administer a wide range of affordable

housing and community development programs, including HOME, Section 8, homelessness assistance, down payment assistance, state housing trust funds, tax-exempt Housing Bonds, and the Low Income Housing Tax Credit (Housing Credit). HFAs effectively employ these resources to advance their common public-purpose mission of providing affordable housing to the people of their jurisdictions who need it.

HUD programs are critical to the affordable housing work HFAs perform and HFAs use them to achieve tangible results. As you know, funding for these programs has fallen far behind housing needs in recent years and in the case of HOME has been severely cut. NCSHA is hopeful that the FY 2018 omnibus will be a turning point for these critical programs and we look forward to working with you to achieve this goal.

### HOME Investment Partnerships Program

NCSHA thanks you for providing \$1.362 billion for HOME in FY 2018, 43 percent more than HOME's FY 2017 enacted level, representing the highest funding level for the program in seven years. The FY 2018 HOME appropriation is a significant step toward restoring the HOME program, which has suffered severe funding cuts over the past several years and directly resulted in a 60 percent drop in affordable housing units preserved and created by the program.

States will be able to use their higher FY 2018 HOME allocations to more adequately address their urgent affordable housing challenges, from new production, rehabilitation, rental assistance, to homeownership assistance. We also anticipate that states will use HOME funds to strengthen Low Income Housing Tax Credit (Housing Credit) developments impacted by the recently lowered corporate tax rate and rebuild communities impacted by natural disasters.

### Project-Based Rental Assistance

Thank you for providing enough funding to renew all existing project-based rental assistance (PBRA) contracts in FY 2018, and providing up to \$285 million for contract administration. This funding is vital to the 1.2 million low- and very-low income households who depend on this rental assistance, and helps to ensure lender and investor confidence in the program.

NCSHA also appreciates your support, as detailed in the *Joint Explanatory Statement*, of HUD's decision to cancel its December 2017 solicitations for PBCA program given the "overwhelming critical responses from industry and stakeholders." HUD's draft Request for Proposals (RFPs) were deeply flawed and if HUD had proceeded with that procurement approach, they would have added undue risks to HUD and potentially shut out the most highly qualified bidders. It would also have negatively impacted households relying on PBRA and endangered affordable housing preservation efforts throughout the country.

As NCSHA has repeatedly communicated to HUD, it is critical that, if the Agency proceeds with procurement, it contract only with Public Housing Agencies (PHAs), pursuant to the Housing Act; ensure

applicants have the legal authority to administer federal rental assistance contracts in and throughout each state they propose to serve; and continue to define the PBCA scope of work and required tasks to encompass a comprehensive set of responsibilities.

NCSHA was also encouraged by Congress' directive that HUD report to the House and Senate Appropriations Committees on the "staffing and funding requirements in the Office of Multifamily Housing Programs and the Office of the Chief Procurement Officer that would be necessary to undertake and oversee a state-by-state contracting methodology, as compared to the cancelled proposals." HUD would achieve the best results if it encourages that the PBCA work be done on a state-by-state basis that leverages the substantial expertise and resources of state housing agencies.

Thank you again for your leadership in securing affordable housing victories in the FY 2018 omnibus. We stand ready to work with you to ensure that FY 2019 builds on these successes.

Sincerely,



Stockton Williams  
Executive Director