

April XX, 2019

The Honorable Susan Collins
Chairman
Subcommittee on Transportation,
Housing, and Urban Development
Committee on Appropriations
United States Senate
Washington, D.C. 20510

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

Dear Chairwoman Collins and Ranking Member Reed,

As your subcommittee begins its work on crafting the Fiscal Year 2020 appropriation for the Department of Housing and Urban Development (HUD), we respectfully urge you to fund the Project-Based Section 8 program at \$12.8 billion in order to fund the renewal of existing contracts for a full twelve-month term.

As you are aware, the Project-Based Section 8 program provides critical rental assistance to over 1.2 million households across the country, in both urban and rural communities. Nearly half of the households served by the program are headed by low-income seniors, over one-quarter by women with children, and nearly one-fifth by persons with disabilities. The private entities that entered contractual obligations with the federal government to supply affordable apartments for these low-income households rely on Project-Based Section 8 rental assistance to maintain a property's financial and physical viability and provide services to residents.

In addition to providing long-term affordable apartments to vulnerable populations, the Project-Based Section 8 program encourages private investment in housing development, generates local jobs, and is a valuable source of tax revenue for communities. Owners are able to leverage rental assistance contracts to secure private financing, enabling them to undertake rehabilitation and preservation projects. Underinvesting in this program in FY20 will lead to erosion of lender and investor confidence, resulting in more demanding underwriting, increased transactional costs and limited access to capital.

Finally, the affordable apartments supported by this funding help reduce taxpayer expenditures in Medicaid, Medicare, and emergency shelter and healthcare services. With owners providing health-related services, transportation to community facilities, and computer training programs, residents are able to access the services they need to remain independent and continue to be an active participant in their local community.

We understand the complexities that go into crafting a fiscally responsible budget that promotes growth and stability and we appreciate the hard choices the Committee must make for this fiscal year. We are concerned that continuous under-funding of this program will leave many owners

without the necessary resources needed to maintain properties and provide critical resident services, and will ultimately lead to a reduction in affordable apartments for low-income households. For these reasons, we respectfully request that you provide \$12.8 billion for the Project-Based Section 8 program in the FY20 Department of Housing and Urban Development Budget.

Sincerely,

Jeffrey A. Merkley
United States Senator

Robert Menendez
United States Senator