



October 20, 2015

The Honorable Blaine Luetkemeyer
Chairman
Subcommittee on Housing and Insurance
House Financial Services Committee
2440 Rayburn House Office Building
Washington, DC 20515

The Honorable Emanuel Cleaver II
Ranking Member
Subcommittee on Housing and Insurance
House Financial Services Committee
2335 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Luetkemeyer and Ranking Member Cleaver:

The National Multifamily Housing Council (NMHC) and National Apartment Association (NAA) applaud you for holding a hearing on the housing programs at the Department of Housing and Urban Development (HUD) and offer our support for H.R. 3700, the “Housing Opportunity Through Modernization Act of 2015 (Housing Modernization Act).” Of special significance to our members are those elements of the legislation dealing with the Section 8 Housing Choice Voucher Program (Voucher Program). Professional apartment owners and managers, in partnership with housing program administrators, have made great strides in helping low-income families find quality affordable rental housing through the Voucher Program. It is one of the most successful private sector solutions for providing affordable rental housing for families in communities across the country.

For more than 20 years, the National Multifamily Housing Council (NMHC) and the National Apartment Association (NAA) have partnered in a joint legislative program to provide a single voice for America's apartment industry. Our combined memberships are engaged in all aspects of the apartment industry, including ownership, development, management and finance. NMHC represents the principal officers of the apartment industry's largest and most prominent firms. As a federation of nearly 170 state and local affiliates, NAA is comprised of over 68,000 members representing more than 7.86 million apartment homes throughout the United States and Canada.

NMHC/NAA strongly support the Voucher Program, which has long served as America's primary rental housing subsidy. It provides subsidized rents for low-income families in private rental housing and is a successful, scalable, private sector strategy to meet affordable housing needs. Importantly, it allows families to choose their own housing and helps reduce concentrations of poverty.

But the Voucher Program has been plagued with inefficiencies and onerous bureaucratic requirements that increase the cost to rent to voucher holders and discourage private owners from participating. Owners who do participate must sign a three-way lease with the resident and the housing authority. Further, they are subject to often cumbersome program restrictions, such as repetitive unit inspections, resident eligibility certification and other regulatory paperwork.

The Voucher Program overall has also been plagued with a flawed and volatile funding system, which undermines private sector confidence in the program. As Congress continues to focus on austerity measures and deficit reduction, insufficient funding is expected to be worse in near-term budget cycles. We appreciate the reforms included in the Housing Modernization Act and encourage you, as authorizers, to continue to institute reforms that will control costs, improving the program for both renters and property owners. Owners seek reliability and consistency

when participating in federal housing programs, particularly when it comes to funding and financing. Past disruptions in the funding formula have discouraged private sector participation and should be avoided.

NMHC/NAA strongly support the following reforms to the Voucher Program included in the Housing Modernization Act:

Streamlined Property Inspections - Improving the property inspection process is sorely needed. While some progress has been made, this legislation will allow residents immediate access to housing, as long as the property meets stringent federal guidelines. This change will continue to ensure housing quality and avoid costly delays currently associated with unit lease-ups under the voucher program.

Simplifying Income Verifications - Current law requires income verification at move-in and recertification annually. The Housing Modernization Act would effectively utilize limited resources by allowing recertification of income every three years, versus annually, for those on fixed incomes. This would allow reviews to focus on those whose incomes change on an annual basis.

Extending Contract Terms Helps Preserve Housing - Currently the initial contract term for participation in the Project-Based Section 8 program is 15 years. The Housing Modernization Act provides added flexibility for Public Housing Authorities to extend the contract term for project-based vouchers from 15 to 20 years, thereby preserving housing and providing both the resident and the owner with certainty.

Lawmakers should take action to maximize the ability of the Voucher Program to meet the affordable housing needs of the nation's citizens. Thank you for your commitment to this effort. We look forward to working with you to ensure these common sense reforms are enacted into law.

Sincerely,



Douglas M. Bibby
President
National Multifamily Housing Council



Douglas S. Culkin, CAE
President & CEO
National Apartment Association

cc: The Honorable Jeb Hensarling, Chairman, House Financial Services Committee
The Honorable Maxine Waters, Ranking Member, House Financial Services Committee
Members of the House Financial Services Committee