

December 15, 2014

Lauryn Alleva
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Multifamily Housing, Program Administration Office
U.S. Department of Housing and Urban Development
451 7th Street, S.W.
Washington, DC 20410

Via Email: Lauryn.K.Alleva@HUD.gov

Dear Ms. Alleva:

On behalf of the National Multifamily Housing Council (NMHC) and the National Apartment Association (NAA), we applaud the U.S. Department of Housing and Urban Development's (HUD) recently released criteria for transferring budget authority for Project-Based Section 8 Housing Assistance Payment (HAP) contracts. We support HUD's efforts to develop standards to protect at-risk housing and are pleased to have been asked to provide input on an issue of importance to the apartment industry.

For more than 20 years, NMHC and 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 more than 170 state and local affiliates, NAA is comprised of over 67,000 members representing more than 7.6 million apartment homes throughout the United States and Canada. One-third of Americans rent their housing and 35 million people live in an apartment home.

NMHC/NAA members support the concepts contained in the guidance and view the document as a valuable step toward providing a tool for preserving affordable properties. In fact, to meet existing demand for apartments, the market requires at least 300,000-400,000 new apartments to be built every year. Potentially up to 125,000 of those needed units are to replace units lost to obsolescence and other factors. Most of those units are at the lower end of the market, disproportionately hurting the affordable portfolio. This makes the preservation efforts outlined in the notice especially important

In an effort to provide the department with detailed information that will assist staff in developing educational materials, the following outlines NMHC/NAA members' questions and concerns:

- How will owners learn of available budget authority?
- When should the owner submit the renewal request to the Performance Based Contract Administrator?
- How are rents determined at Project B when there is no assistance or subsidy at that property?
- What happens when owner A opts out of the Section 8 contract?

In addition, NMHC/NAA members commend HUD on issuing the guidance and are pleased that it provides flexibility to move a contract to a new project, neighboring project requiring repair or from a building to be demolished to an existing building. While in the past combining Section 8 contracts was administratively burdensome, this notice helps to streamline the process and recapitalize the portfolio. We also believe that eliminating repetitive requests for waivers of program requirements will have a positive result on the efficiency of the transfer process.

Given the widespread need for more apartments, it is critical that housing providers and regulators in all agencies work together to develop programs to preserve affordable housing. NMHC/NAA are pleased that HUD has developed standards to protect the budget authority for Project-Based Section 8 housing. We look forward to continuing to work together. Please do not hesitate to reach out to Lisa Blackwell, NMHC's Vice President of Housing Policy, at lblackwell@nmhc.org, should you have further questions.

Sincerely,



Cindy V. Chetti
Senior Vice President of Government Affairs
Affairs
National Multifamily Housing Council



Gregory Brown
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