

Resolution No: 4

Date: September 19, 2003

City: Boston, MA

NAHB Resolution

Title: Federal Versus State Administration of Rental Housing Assistance
Original Sponsor: Multifamily Finance Subcommittee of the Housing Finance Committee

WHEREAS, federal housing assistance for very low- and low-income families and individuals is essential in providing decent and safe environments in which to live;

WHEREAS, the government should provide a variety of programs that are designed to address the affordable housing needs in the country, including rental assistance;

WHEREAS, the federal Section 8 Housing Choice Voucher program provides rental assistance to very low- and low-income residents through tenant-based and project-based assistance and is intended to allow very low- and low-income families access to affordable housing in the private rental market;

WHEREAS, the program currently is administered by the U.S. Department of Housing and Urban Development (HUD), which provides funding to local public housing authorities (PHAs) and to some state housing finance agencies to allocate rental assistance vouchers to eligible families and to enter into contracts with property owners to provide affordable housing to such families;

WHEREAS, the National Association of Home Builders (NAHB) has consistently supported adequate funding for the Section 8 program and has worked with HUD over the years to insure that the program works efficiently for owners and tenants by bringing significant issues to HUD's attention and by offering suggestions for improving the administration of the program;

WHEREAS, the Housing Assistance for Needy Families Act of 2003 (HANF), which would convert the federally administered Section 8 Housing Choice Voucher program into a block grant administered by the states, as proposed in the President's FY 2004 budget, has been introduced in Congress;

WHEREAS, NAHB believes that if the program is converted to a block grant to be administered by the states, the following problems could occur:

- The program could suffer federal budget cuts, and the states do not have the resources to make up funding deficiencies;

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- States may be forced to take resources away from other housing programs, such as HOME, to make up funding shortfalls, which would significantly affect the production of new affordable housing units;
- Tenants could have to shoulder increased rent burdens because the proposed legislation requires them to pay a higher portion of their income for rent and because states may have to require tenants to pay more in order to serve the same number of families;
- Owners may be in danger of having Housing Assistance Payments (HAP) contracts terminated early because the grandfathering provisions in the proposed legislation do not provide adequate protection to owners;
- Owners and tenants may have to abide by two sets of rules for a period of up to five years because the grandfathering provisions allow families to continue to receive assistance under existing rules, but new participants have to follow the new rules. This situation will create even more confusion.
- Granting flexibility to states would result in 50 or more different programs with different rules, making it more difficult for both tenants and owners to participate; and

WHEREAS, NAHB believes that while HUD should continue to find ways to improve the administration of the program and eliminate unnecessary rules and regulations, it is in the best interests of tenants and owners if the Section 8 Housing Voucher program stay with HUD at the federal level rather than be converted to a state-administered block grant program,

NOW, THEREFORE, BE IT RESOLVED that the National Association of Home Builders urge Congress to maintain the Section 8 Housing Choice Voucher program within the Department of Housing and Urban Development as a federally administered program and that the program not be converted to a block grant administered by the states or other entities within the states, as proposed in the Housing Assistance for Needy Families Act of 2003;

BE IT FURTHER RESOLVED that NAHB continue to urge Congress to provide adequate funding for the program, including funding for incremental vouchers, and

BE IT FURTHER RESOLVED that NAHB urge HUD to work with the housing industry to identify and implement improvements that could be made to the program within its current context.

Board of Directors Action:	Approved
Joint Executive/Resolutions Committee Action:	Recommends Approval
Resolutions Committee Action:	Recommends Approval
Federal Government Affairs Committee Action:	Recommends Approval
Housing Finance Committee Action:	Recommends Approval
Multifamily Board of Trustees:	Recommends Approval
Multifamily Finance Subcommittee of the Housing Finance Committee Action:	Recommends Approval