

NAHMANews

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

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Congress Urged to Restore Rural Housing Funds

July 16, 2003, Alexandria, Va. -- The rural poor, elderly and disabled could be severely affected by reduced federal funding for affordable housing programs without action from Congress, according to affordable housing industry leaders who have launched a campaign to resist funding cuts proposed by the Administration to the 2004 federal budget.

Without Congressional action, funding for the USDA rural rental housing loan program, Section 515, will be reduced by more than 38 percent from 2003 levels. The Administration's request for just \$71 million of the \$115 million appropriated this year would eliminate Section 515 loans for new construction at a time of great need for affordable housing resources in rural areas. The National Affordable Housing Management Association (NAHMA), which advocates on behalf of quality, affordable multifamily housing, commends the House Appropriations Committee for reporting out a bill (HR 2673) that provides \$116.5 million for Section 515 in 2004. NAHMA is now seeking Senate support for maximizing funds for USDA Rural Housing Service (RHS) programs. The House approved HR 2673 on July 14 by a vote of 347-64.

"These loan and subsidy programs fill a critical continuing need for affordable multifamily housing in rural areas, and we are confident that Congress will recognize their importance when it is brought to their attention," said Wayne Fox, president of NAHMA.

NAHMA is also urging increased funding for the Rural Rental Housing Assistance program, Section 521, a key RHS program that subsidizes rent payments for the poor by paying owners the difference between rental costs and 30 percent of the tenant's adjusted annual income. According to NAHMA, this program is extremely important both in helping tenants limit their housing costs and ensuring that projects remain financially viable. The 2004 appropriation should be increased to continue fully funding existing contracts, as well as provide rent subsidy assistance for new Section 515 construction projects, NAHMA says.

Production of affordable rural multifamily housing is also stimulated through RHS loan guarantees to lenders who underwrite and originate loans for construction, acquisition or rehabilitation projects. NAHMA urges full funding of the Administration's request for RHS Section 538 loan guarantees. Tenants served by this program are very-low to moderate-income families, elderly households, and handicapped or disabled individuals whose income cannot exceed 115 percent of area median income (AMI).

In addition to appropriations concerns, NAHMA leaders and its members are urging Congress to give RHS authority to protect tenants from displacement when owners prepay their mortgages and remove their properties from RHS programs. HUD tenants have been offered “enhanced vouchers” protecting them from displacement for several years. NAHMA is asking that similar rights be extended to tenants in RHS programs.

NAHMA is a leading voice for affordable housing, advocating on behalf of multifamily property owners and managers whose mission is to provide quality affordable housing. NAHMA holds a unique position in the industry as the advocate for professional standards. It supports legislative and regulatory policies that promote the development and preservation of decent and safe affordable housing, is a vital resource for technical education and information, fosters strategic relations between government and industry and recognizes those who exemplify the best in affordable housing. Founded in 1990, NAHMA’s membership today includes some of the industry’s most distinguished multifamily owners and management companies. For more information visit: www.nahma.org.

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