

United States Senate

WASHINGTON, DC 20510

April 22, 2004

The Honorable Alphonso Jackson
Secretary
U.S. Department of Housing and Urban Development
451 Seventh Street, SW
Washington, D.C. 20410

Dear Secretary Jackson:

We understand that the U.S. Department of Housing and Urban Development (HUD) has plans to publish guidance on FY04 voucher renewals which could lead to the under-funding of many Public Housing Authorities (PHAs) around the country resulting in thousands of families losing their housing assistance. We urge you to reconsider your decision to publish this guidance and to work to make sure that whatever system of voucher renewals is adopted by HUD does not result in any families losing housing assistance.

The housing voucher program, one of the most successful housing programs, assists almost 2 million low-income households in finding and retaining decent, safe, and stable housing. This program is a public-private partnership where private landlords and the government work together to provide housing opportunities for the elderly, disabled and working families.

Last year, we spearheaded a bipartisan effort to ensure that all utilized vouchers were funded in the FY04 appropriations bill. The full Senate adopted our Sense of the Senate amendment which provided that:

“(1) housing vouchers are a critical resource in ensuring that families in America can afford safe, decent and affordable housing;

“(2) public housing agencies must retain the ability to use 100 percent of their authorized vouchers to help house low-income families; and

“(3) the Senate expects the Department of Housing and Urban Development to take all necessary actions to encourage full utilization of vouchers and to use all legally available resources as needed to support full funding of housing vouchers in fiscal year 2004, so that every voucher can be used by a family in need.”

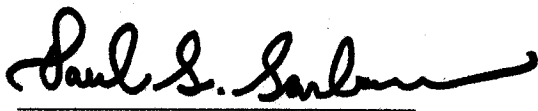
Not only did the Senate adopt this language, but an additional \$1 billion was appropriated for the voucher program in the FY04 appropriations bill to make sure that HUD has the resources to meet our expectation that all utilized vouchers continue to be fully funded. We are confident that enough funding was provided to HUD to ensure this result.

Unfortunately, we recently learned that HUD plans to publish guidance which will underfund PHAs, undermining their ability to continue providing housing assistance to currently assisted families. HUD is interpreting the FY04 appropriations bill to only allow PHAs to be funded for the cost of a voucher as of August 1, 2003 plus a modest inflation factor. While this provides adequate funding to some PHAs, we have heard from many housing agencies that this system of renewal will provide fewer funds than needed to renew all vouchers due to rising voucher costs in some areas of the country. We are concerned that with inadequate funding, housing agencies will be forced to halt issuance of vouchers, raise rents, or terminate assistance for current recipients.

We believe that HUD's guidance applies the law inappropriately, and that HUD has the ability, within the statutory framework, to provide adequate funding for all housing vouchers in use. It is clear that the intent of Congress was to ensure that the voucher program was sufficiently funded so that no family would lose assistance, and we hope that you will work with us to carry out Congress' intent.

We appreciate your understanding of the seriousness of this situation and look forward to working with you to ensure that no family currently assisted under the voucher program is forced to pay more in rent or forced out of the program, and out of their housing. Thank you for your attention to this critical matter.

Sincerely,



Senator Paul S. Sarbanes



Senator Susan M. Collins