October 24, 2016

The Honorable Thad Cochran  
Chair, Committee on Appropriations  
U.S. Senate  
Washington, DC 20510

The Honorable Barbara Mikulski  
Vice Chair, Committee on Appropriations  
U.S. Senate  
Washington, DC 20510

The Honorable Harold Rogers  
Chair, Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Nita Lowey  
Ranking Member, Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Cochran, Vice Chairwoman Mikulski, Chairman Rogers, and Ranking Member Lowey:

The undersigned national organizations support eligibility for Section 202 senior affordable properties with Project Rental Assistance Contracts (PRACs) to participate in the Rental Assistance Demonstration (RAD) program, as approved by the Senate in its Fiscal Year 2017 appropriations bill for the Department of Housing and Urban Development (HUD).

RAD for PRAC will help the nation ensure PRAC-assisted homes are preserved to meet the needs of today’s and tomorrow’s lowest income seniors.

More than 131,000 seniors live in the affordable apartments served by this program, but many of the properties are over 20 years old and in need of repairs and upgrades to serve an aging population. On average, these seniors have annual household incomes of $13,300 and pay $297 a month toward their housing costs. If it weren’t for the housing made available by the 202/PRAC program, these seniors would not have access to decent, affordable housing. Severely cost burdened senior households spend much less on health care, food, transportation, and other critical needs than their non-cost burdened peers, and are at great risk of becoming homeless.

Unlike Section 8-assisted housing developments, PRAC communities are unable to access the resources needed for renovation and preservation of these homes well into the future. Currently, PRAC properties cannot take on debt and leverage external financing to meet capital needs. Through the RAD program, a PRAC sponsor could leverage needed preservation financing to replace building systems and update interiors.

Existing PRAC properties are urgently in need of recapitalization, and the RAD program is a proven platform for allowing HUD-assisted affordable properties to access commercial capital for upgrades. Early users of the RAD program have already leveraged over $2.5 billion to replace outdated kitchens and baths, install energy and water efficient appliances, and make other critical improvements to preserve aging public housing resources.
We urge inclusion of the RAD for PRAC expansion, and the Senate bill’s $4 million to facilitate preservation of PRAC properties after RAD conversion, in the final Fiscal Year 2017 HUD appropriations bill.

Sincerely,

Aging Life Care Association™
AHEPA Management Company, Inc.
American Hellenic Educational Progressive Association
BRIDGE Housing
California Housing Partnership
Coalition for Affordable and Rural Housing
CSH
Daughters of Penelope
Enterprise Community Partners
Evangelical Lutheran Church in America
Grounded Solutions Network
Institute of Real Estate Management
Justice in Aging
LeadingAge
Local Initiatives Support Corporation
National Affordable Housing Management Association
National Apartment Association
National Association For Hispanic Elderly
National Association of Area Agencies on Aging (n4a)
National Association of Housing Cooperatives
National Association of Social Workers (NASW)
National Church Residences
National Coalition for the Homeless
National Committee to Preserve Social Security and Medicare
National Community Reinvestment Coalition (NCRC)
National Development Council
National Health Care for the Homeless Council
National Housing Conference
National Housing Law Project
National Housing Trust
National Leased Housing Association
National Low Income Housing Coalition
National Multifamily Housing Council
Network for Oregon Affordable Housing
Preservation of Affordable Housing, Inc.
Retirement Housing Foundation
Stewards of Affordable Housing for the Future
The Association of Jewish Family and Children's Agencies
The Jewish Federations of North America
The National Consumer Voice for Quality Long-Term Care
The Salvation Army, National Headquarters
Union for Reform Judaism
Volunteers of America
Women’s Institute For A Secure Retirement