

Congress of the United States
Washington, DC 20515

June 26, 2024

Acting Secretary Adrienne Todman
U.S. Department of Housing and Urban Development
451 7th Street S.W.
Washington DC 20410

Acting Secretary Todman;

We write to express our deep concern regarding the implementation of the Housing Opportunity Through Modernization Act of 2016 (HOTMA) and its impact on rural housing communities. While we appreciate the Department of Housing and Urban Development's (HUD) efforts to streamline affordable housing programs, the new asset limits for Section 8 Project-Based Rental Assistance and Section 202/8 programs have raised significant issues, especially in South Dakota.

Since the implementation of HOTMA, property owners have reported potential adverse effects, including the eviction of long-term tenants who have been deemed eligible for many years. These tenants are now forced to reduce the value of their assets or find alternative housing, creating undue hardship.

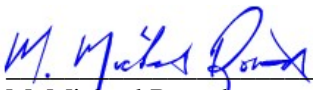
Giving property owners the ability to refrain from enforcing the asset limit restrictions for existing tenants has proven to be helpful. In many of these areas, HUD-funded housing developments serve a vital housing need and sometimes it is the only rental housing option within a community. Therefore, we urge HUD to consider additional options for properties located in rural communities, such as those in South Dakota.

In South Dakota alone, there are 35 public housing authorities (PHAs), 26 of which have low-rent housing units directly impacted by the new asset limitation. Notably, 21 of these PHAs are in communities with populations under 5,000, and eight are in communities with populations under 1,000. Mandatory implementation of the asset limitation for all new tenants will impact the occupancy rates of PHA units in these rural communities. Increased vacancies will, in turn, affect the financial feasibility of these housing authorities.

Therefore, we request that HUD consider waivers or exceptions for low-rent housing units located in rural communities with populations of 5,000 or less. The proposed waivers or exceptions would allow the tenants to reside at the property while being charged market rent, provided there are no eligible tenants available to occupy the unit. This approach would allow small PHAs to maintain a viable housing option in our most rural communities where new development of housing is often not feasible.

By allowing these waivers or exceptions, we can make certain our rural communities maintain access to necessary housing resources, preserving the stability and viability of these critical housing options. Thank you for your attention to this urgent matter. We look forward to your prompt consideration and response.

Sincerely,



M. Michael Rounds
United States Senator



John Thune
United States Senator



Dusty Johnson
United States Representative