



Campaign for Housing and Community Development Funding

Working to ensure maximum federal resources for housing and community development

December 10, 2019

The Honorable Mike Crapo
Chair
U.S. Senate Committee on Banking,
Housing, and Urban Affairs
Washington, D.C. 20510

The Honorable Maxine Waters
Chair
U.S. House Committee on Financial
Services
Washington, D.C. 20515

The Honorable Sherrod Brown
Ranking Member
U.S. Senate Committee on Banking,
Housing, and Urban Affairs
Washington, D.C. 20510

The Honorable Patrick McHenry
Ranking Member
U.S. House Committee on Financial
Services
Washington, D.C. 20515

To Chairman Crapo, Ranking Member Brown, Chairwoman Waters, and Ranking Member McHenry:

On behalf of the Campaign for Housing and Community Development Funding (CHCDF), we write to bring your attention to gaps in HUD's *Contingency Plan for Possible Lapse in Appropriations 2019* that may have a meaningful impact on HUD-funded programs. While the HUD plan incorporates many of the lessons learned during the 35-day shutdown in fiscal year 2019, it fails to address all the issues that could result from another lapse of federal funding. We urge you to work with HUD to ensure it addresses these remaining concerns and is prepared for any future lapses in funding.

CHCDF is an education, strategy, and action coalition dedicated to ensuring the highest allocation of resources possible to support accessible, affordable housing and community development for lower-income families and communities. The coalition is comprised of over 70 national organizations, with members representing a full continuum of national housing and community development organizations including faith-based, private sector, public sector, and advocacy groups.

The *Contingency Plan* includes many important provisions that will help ensure HUD programs are able to function in the event of an appropriations lapse. We are grateful the plan allows for the continued release of Continuum of Care (CoC) funds, which help CoCs continue their vital work providing services for people experiencing homelessness.

Although the *Contingency Plan* contains this and other important provisions, HUD leaves other urgent issues unaddressed. During last year's shutdown, Public Housing Authorities (PHAs) needed to access their HUD-held reserves to pay landlords who did not receive Housing Assistance Payments (HAP) voucher funds from HUD. However, PHAs were unable to get in contact with representatives from the HUD Financial Management Center (FMC). In addition, private owners of properties utilizing project-based rental assistance were unable to obtain any information from HUD about annual contract renewals for many weeks. HUD's haphazard

communication with external stakeholders was one of the most pressing concerns during the last shutdown. The *Contingency Plan* currently lacks information on how HUD will maintain open lines of communication between the Department and external partners, which is a cause for concern.

Clarification as to whether HUD staff will be able to review and approve requests for repayment during a shutdown is also needed. If HUD reserves are exhausted, PHAs will sometimes use local or internal funds to pay landlords participating in voucher programs in order to prevent termination of leases for voucher-holders. PIH Notice 2013-28 states that HUD needs to pre-approve supplementing voucher program funds with other funding sources, but it is unclear whether PHAs can use HUD money to repay local or internal funds once the government shutdown ends. It is also unclear whether tenants who receive voucher assistance and pay their portion of rent are at risk for eviction if PHAs are unable to pay landlords because of a government shutdown. HUD should issue an amended notice stating requests for repayment during a shutdown are considered exempt under section 5 of PIH Notice 2013-28.

Additionally, the *Contingency Plan* does not fulfill a previous request that HUD add Section 202 Service Coordinator and IWISH demonstration funding to the list of allowable activities during a shutdown. Service Coordinators help residents with referrals to community services, provide hands-on coordination and case management, and help keep older adults independent in their own subsidized apartments with supportive services. During the previous shutdown, funding for Service Coordinators was disrupted because renewal funding was not included as an allowable activity. The potential loss of Service Coordinators dependent on grant funding posed a threat to the health of residents who rely on the programming and assistance they provide. If extending the Service Coordinator grants cannot be prioritized, owners and operators should be able to request and obtain permission to access reserves or residuals to keep Service Coordinator staff employed throughout the duration of a shutdown.

HUD programs provide vital services to vulnerable populations that must be maintained in the event of an appropriations lapse. Extension of Service Coordinator grants, clarification as to whether HUD staff will be available to review and approve repayment requests, and information on communicating with external stakeholders are substantial gaps in the current *Contingency Plan* that need to be addressed to ensure the health and safety of tenants. We urge members of the Authorizing Committees to request HUD update its contingency plan to address these issues.

Sincerely,

American Association of Service Coordinators
B'nai B'rith International
Center for Disability Rights, Inc.
Consortium for Citizens with Disabilities Housing Task Force
Corporation for Supportive Housing
Council of Large Public Housing Authorities
Council of State Community Development Agencies
Enterprise Community Partners
Grounded Solutions Network
LeadingAge

Local Initiatives Support Corporation
National Association for Latino Community Asset Builders
National Center for Housing and Child Welfare
National Housing Conference
National Housing Law Project
National Housing Trust
National Law Center on Homelessness and Poverty
National Low Income Housing Coalition
National Women's Law Center
NETWORK Lobby for Catholic Social Justice
Public Housing Authorities Directors Association
True Colors United