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January 10, 2019

The Honorable Nancy Pelosi
Speaker of the House of Representatives
US House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
US Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
US House of Representatives
Washington, DC 20515

The Honorable Charles Schumer
Minority Leader
US Senate
Washington, DC 20510

Dear Speaker Pelosi, Leader McCarthy, Leader McConnell, and Leader Schumer:

On behalf of the National Affordable Housing Management Association (NAHMA), I strongly urge you to protect vulnerable Americans by ending the government shutdown and passing full-year spending bills for housing and community development programs.

NAHMA is the leading voice for affordable housing management, advocating on behalf of multifamily property managers and owners whose mission is to provide quality affordable housing. Our members work in partnership with the U.S. Dept. of Housing and Urban Development (HUD) and U.S. Dept. of Agriculture (USDA) to provide housing to the nation's most vulnerable families, most of which are elderly and disabled residents. Rental Assistance and other housing and community development programs play a critical role in supporting local economies and providing access to housing for over five million low- and moderate-income households across the country.

Although the spending bills for both agencies are non-controversial and have the necessary bi-partisan support from Congress, appropriation bills for HUD and USDA have been caught up in the partial government shutdown. We are gravely concerned about the immediate and long-term impacts of the lapse in HUD and USDA appropriations, including:

- **Housing Instability for Families, Seniors, and People with Disabilities**
Both the affordable housing management industry and the communities they serve have been destabilized by the partial government shutdown. Since the beginning of the shutdown, over 1,100 affordable multifamily housing contracts affecting roughly 70,000 to 85,000 households have not been renewed by HUD, leaving many owners and managers to draw on limited reserve funding – set-aside for critical building repairs – to continue to serve their residents. If the shutdown is not resolved soon, many of HUD's remaining affordable housing contracts will run out of essential operating funds, threatening the housing of millions of families, seniors, and people with disabilities.
- **Low-Income Seniors and Service Coordinators**
HUD's non-renewed contracts include hundreds of Section 202 Supportive Housing for the Elderly properties with very little cash flow and few options for maintaining access to housing for their

elderly, low-income residents. In addition, many senior housing communities have service coordinators under the Section 202 Service Coordinator Grant program. The coordinators are essential in serving residents who rely on home and community-based services to age in place; however, 2019 calendar year grant renewals are not being processed during the shutdown and job and services losses may result if the grant funding is not finalized.

- **Rural Loans, Rental Assistance, and Developments**

In rural America, the USDA direct loan program will not issue any additional funds, and banks are unlikely to close on loans until the shutdown ends; developers participating in USDA programs may experience construction delays and increased fees and interest due to the lack of inspectors and mortgage funds. It is also not clear if USDA will be able to continue paying rental assistance or vouchers for vulnerable residents in rural communities.

- **Public Housing and Voucher Funding**

Other HUD programs, such as the Public Housing and the Housing Choice Voucher program, will also face dire circumstances if the shutdown is not resolved soon. For example, without the Public Housing Operating Fund, which allows PHAs to run public housing efficiently, conduct routine and emergency maintenance to units, process tenant applications, and prepare units for occupancy, PHAs may not be able to provide safe and affordable housing for their residents. Likewise, PHAs will be unable to approve families on the wait list for vouchers, causing further delays in families accessing stable housing and causing vouchers to go unused.

- **Housing Finance Uncertainty**

The shutdown is also causing widespread financial uncertainty for affordable housing investors and lenders, further constraining the stability of affordable housing access for families across the country. In addition, the Federal Housing Administration (FHA) is not accepting or processing applications for multifamily mortgages during the shutdown.

Owners, managers, and residents of affordable housing properties continue to be destabilized by the lapse in appropriations for parts of the federal government. Affordable housing is essential for millions of families across the country, many of whom are already among our most vulnerable neighbors. Again, we urge Congress to enact robust, full-year funding bills for the critical housing and community development programs at HUD and USDA to restore housing stability in our communities.

We thank you for your urgent consideration of this matter, and we look forward to working together to advance our shared goal of improving economic opportunity for all Americans. Please do not hesitate to reach out with questions.

Sincerely,



Kris Cook, CAE

Executive Director