

United States House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

January 18, 2019

The Honorable Ben Carson
Secretary
U.S. Department of Housing and Urban Development
451 Seventh Street, SW
Washington, DC 20410

Secretary Carson:

I am thoroughly disgusted with the Department of Housing and Urban Development's (HUD's) failure to follow its own *Contingency Plan for Possible Lapse in Appropriations*, thereby unnecessarily accelerating some of the most painful impacts of the shutdown on HUD-assisted families as well as homeless assistance providers and private landlords that participate in HUD programs. Specifically, HUD has failed to renew hundreds of project-based rental assistance contracts and does not appear to have any plans to make FY 2018 funding available for HUD's largest homeless assistance grant program despite clear language in the Contingency Plan to the contrary. This is particularly concerning in light of press reports that the White House is making politically motivated decisions to get certain parts of the government moving again.¹ This Administration has chosen to hold our government hostage for the sake of a senseless border wall, but even under these unfortunate circumstances, it remains the duty of HUD to ensure that essential employees are responding appropriately to emergencies and other urgent conditions as outlined in its Contingency Plan. As Chairwoman of the Committee on Financial Services, I urge you to immediately take steps to bring HUD into compliance with its Contingency Plan.

HUD's Contingency Plan clearly states that project-based rental assistance contracts will continue to receive funding during the shutdown as long as HUD has carryover funding to do so.² However, according to press reports, HUD has failed to renew over 1,150 project-based rental assistance contracts that expired in December, which affects properties that are home to tens of thousands of families. Hundreds more project-based rental assistance contracts are expected to expire later this month and will also fail to be renewed if HUD does not address this issue. These are private property owners that have chosen to participate in HUD programs to provide affordable housing, and without a renewal of their contracts, they will have to dip into their reserves to pay for ongoing operating costs for as long as possible in order to avoid displacement of residents. Some of the affected owners are small nonprofits that may have little to no additional resources to tap when reserves are depleted. Further, two-thirds of households that live in project-based rental assistance properties are elderly or have disabilities, and on average have incomes of less than \$13,000 per year.³ If HUD were to follow its Contingency Plan, these property owners and residents would likely not begin to experience such dire consequences until the end of next month. HUD's inability or unwillingness to follow its own Contingency Plan

¹ Katie Rogers and Alan Rappoport, "White House Redefines Who Is Essential to Get Parts of the Government Moving Again," NY Times, January 16, 2019.

² See e.g. FAQs in HUD's Contingency Plan, which state: "Q: Will HUD make payments under Section 8 contracts, rent supplement, section 236, or PRACS where there is a permanent or indefinite authority or multi-year funding?"

A: For Section 236's, interest reduction payments will continue based and Rent Supplement payments from prior year funding and recaptures will continue. The Department will make payments under Section 8 and Project Rental Assistance Contracts where there is a permanent or indefinite authority or multi-year funding, or where there is budget authority available from prior year appropriations or recaptures. *This includes processing Section 8 and PRAC renewals for expiring contracts and processing amendment funds for non-expiring Section 8 contract renewals.* (emphasis added)

³ Impacts of Government Shutdown on Affordable Housing Programs. January 15, 2019. National Low-Income Housing Coalition, Campaign for Housing and Community Development Funding (CHCDF).

is unnecessarily exacerbating the already painful impacts of this senseless shutdown and punishing low-income families and private property owners.

HUD's Contingency Plan also clearly states that "to ensure the safety of life, HUD homeless assistance grants... will continue to be funded." However, I understand that HUD has no plans to make FY 2018 funding for the Continuum of Care (CoC) program available during the shutdown and recipients are expected to run out of prior year funding as early as this month. Further, organizations that rely on the CoC program to provide housing for victims of domestic violence have reported that some providers are already experiencing a loss of CoC funding due purely to technical issues that are going unaddressed during the shutdown. The CoC program is HUD's largest homeless assistance grant program and recipients of CoC funding are generally nonprofits that provide housing and supportive services for homeless individuals and families, including victims of domestic violence, veterans, and persons with disabilities. HUD's own Contingency Plan acknowledges that continuing this funding is necessary to ensure the safety of human life. It is imperative that HUD immediately take steps to make this funding available to ensure that lives are not lost as a result.

During this time of great uncertainty, it is critical that HUD follow its Contingency Plan. Failure to do so is not only irresponsible, it is literally risking the loss of human lives.

Sincerely,

A handwritten signature in blue ink that reads "Maxine Waters". The signature is fluid and cursive, with a large initial "M" and "W".

MAXINE WATERS