January 15, 2019

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

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

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

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

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

The National Association of Local Housing Finance Agencies (NALHFA) is calling on Congress and the White House to protect American families and local economies by ending the government shutdown and signing into law full year spending bills to provide strong funding and support for the U.S. Department of Housing and Urban Development (HUD) and other important government agencies.

We are gravely concerned of the shutdown’s immediate and long-term impacts on HUD’s housing programs and the low- and moderate-income families they serve. The government shutdown is stopping communities from pursuing development activities that will promote local economic growth through the creation of affordable housing for families while also creating widespread uncertainty for affordable housing investors.

As a result of the government shutdown, local housing finance agencies (HFAs) are experiencing harmful delays and interruptions in completing and supporting affordable housing deals due to the furlough of HUD staff. Local HFAs and other entities rely on consistent contact with HUD in order to ensure timely transactions for their housing programs. Since the start of the government shutdown, HFAs have reported delays in closings, time sensitive endorsement letters for the issuance of bonds, approval of important plans and documents necessary for construction, and more. Critical deadlines are being missed at the local level due to inaction from HUD at great cost to local governments, local HFAs, developers, nonprofits, and other entities involved in affordable housing development.

While local HFAs and their partners have read HUD’s contingency plan, it is unclear who is still available to work with affordable housing practitioners on these issues or what steps need to be taken in the interim. Additionally, local HFAs are reporting significant delays working with HUD and other federal agency staff who are responsible for responding to inquiries during the shutdown. At a time when our federal agencies are chronically understaffed, a prolonged shutdown is going to create a backlog for federal employees that will take years and significant taxpayer resources to repair.

It is essential that both the Administration and Congress understand the important role that housing programs have in supporting local economies and improving the lives of families across the country. Congress and the White House should act quickly to open the government and pass and sign into law full-year spending bills to fund HUD and other important government agencies.

Sincerely,

Jonathan M. Paine, CAE
NALHFA Executive Director