

Statement of Chairman Tim Johnson  
BHUA Hearing Entitled “Legislative Proposals in the U.S.  
Department of Housing and Urban Development’s FY 2012  
Budget”  
May 5, 2011

I will now call the Committee to order.

I am pleased to once again welcome HUD Secretary Shaun Donovan to the Committee to discuss the Administration’s budget request and HUD’s legislative agenda. Secretary Donovan, you come to us at a challenging time. Our families and our state and local government partners continue to struggle during this economic downturn.

HUD administers programs that aim to provide access to quality, affordable, and safe housing for homeowners and renters. These programs often provide a needed lifeline to our most vulnerable citizens, and in today’s economy they are more important than ever.

Far too many American families and communities still face the threat of foreclosure, and millions more have seen their property values fall in a fragile housing market.

And, although it may seem counterintuitive, housing has become less affordable for lower-income families even as housing values have plummeted. Recent studies by your Department have shown dramatic increases in “worst-case” housing needs among very-low income renters and even homelessness among families. As you saw during your visit to South Dakota last year, many tribal communities continue to struggle with a shortage of economic opportunities and a lack of housing choices.

As our need for affordable housing rises, HUD and local providers face increasing difficulties in preserving the resources we have, due to aging buildings and expiring affordability contracts.

Meanwhile, states and local governments are slashing services and job-creating investments.

As the country faces these daunting challenges, the federal government must ensure that we make wise investments and preserve important programs that help those most in need..

At the same time we must also be mindful of our budget constraints and be certain that we get the most value for our dollar. These times make the effective use of federal housing and community development resources all the more important.

As you have said, you have made a number of hard choices in your FY 2012 budget, cutting funding for several programs that you otherwise support in order to meet fiscal goals. I am concerned – as you may be - that a number of these cuts could halt our progress in addressing the needs of vulnerable citizens.

But your budget also contains a number of proposals intended to increase HUD's effectiveness, including those to:

- improve HUD's administration and oversight of \$48 billion in programs;
- strengthen the management and financial standing of the FHA insurance programs as they provide critical countercyclical financing to the housing market;
- empower communities;
- provide new tools to help create and preserve public and assisted housing; and
- streamline our public housing and Section 8 programs to make them more effective for grantees and families.

HUD provides vital resources for millions of Americans who struggle to meet one of our most basic needs – a safe place to live. As we continue to debate the budget and tackle the deficit, we cannot afford to leave Americans out in the cold. I look forward to our discussion of your proposals during today's hearing.

I will now turn to Senator Shelby for any opening remarks he may have.

Senator Shelby?