

Statement for the Record
Congresswoman Nydia M. Velázquez
FSC Hearing on the FY 06 HUD Budget
March 2, 2005

Access to affordable housing is critical to the success of families across America. Without a stable home, many families struggle to break the cycle of poverty are unable to provide the safe, healthy environment their children to succeed in school and beyond. Despite housing being a foundation for upward mobility, the Bush administration has, once again, proposed to slash funding for countless critical housing programs, turning his back on the nation's neediest and most vulnerable families.

President Bush's FY 2006 budget cuts funding for the Department of Housing and Urban Development (HUD) by 11.5 percent, jeopardizing the housing of low-income, elderly and disabled families and individuals across the country. This cut is the largest proposed cut to any federal cabinet-level agency.

Beginning with the Administration's misguided proposal to transfer the Community Development Block Grant (CDBG) program to the Department of Commerce, the budget is yet again an attack on hard working low-income families. The CDBG proposal alone could end up resulting in a 35 percent cut to this critical program, with \$1 billion cut specifically from housing initiatives.

The public housing operating and capital funds, which are vital to the maintenance, security and improvement of developments, are cut significantly by \$270 million. As a result, Public Housing Agencies (PHAs) will be forced to make extremely difficult decisions about how to prioritize the maintenance of their properties, potentially putting the health and safety of tenants at risk. Once again, the budget also fails to provide funding for HOPE IV modernization projects and the Drug Elimination Program, which helps reduce crime in federally-assisted housing developments.

Programs protecting vulnerable populations like the elderly, disabled and individuals living with HIV/AIDS also suffer under the President's proposal. Section 202 housing for the elderly is flat funded, Section 811 housing for the disabled is reduced by a staggering 49 percent, and the Housing Opportunities for Persons With AIDS (HOPWA) program is cut by \$14 million. The Office of Healthy Home and Lead Hazard Control, which funds programs that protect our most at-risk low-income children from the hazards of lead paint and other toxins, is cut by 29 percent – or \$48 million – under President Bush's proposal. The FY '06 budget request demonstrates the Administration's ongoing, willful disregard of the nation's most needy communities in favor of tax cuts for the wealthy and handouts for big business.

PHAs are still recouping from the affects of last year's dangerous proposal to block grant the Section 8 program and it is expected that a similar legislative proposal will be brought before Congress shortly. Limited resources and gaping budget shortfalls for FY '05 have forced many housing agencies to scramble for resources. The two agencies that administer vouchers in New York City are \$50 million short of what is needed to fund all current vouchers – and the outlook is not good for the coming year either. With private sector confidence in the Section 8 program waning, it is critical that we ensure that the sole source of housing support for the lowest income families is protected and strengthened not reduced.

Hard working families across the nation are barely making ends meet as the gap between housing costs and wages continues to widen and education costs skyrocket. The policies pursued by the Administration and the Republican leadership deny low-income communities the resources they need to free themselves from the constraints of poverty and achieve lasting economic stability for future generations. By failing to provide adequate funding for the programs that help families achieve these goals, the President is creating serious long-term consequences for America's low-income families - and the country as a whole.

This year's HUD budget is a budget of contradictions. The President proposes to increase funding for programs serving the homeless, while slashing the rental programs that protect families from becoming homeless in the first place. He focuses resources on homeownership programs while cutting the housing counseling programs that ensure families are prepared to buy a home. This nation needs a comprehensive policy that recognizes housing as a continuum of inter-related services ranging from homelessness to rental to homeownership programs, not a system of haphazard policy decisions made in a vacuum like the President has proposed.