

LARSON: BUDGET MUST INCLUDE FUNDING FOR HOUSING

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Meets with local housing authority directors to discuss budget cuts

HARTFORD, CT – U.S. Congressman John B. Larson today met with local housing authority directors to discuss the impact of federal budget cuts on public housing in the Greater Hartford area.

“Today I was told the real impact these proposed budget cuts will have on housing in our community,” stated Larson. “And where is the money being sent that could prevent these cuts? To tax cuts for the wealthiest Americans, to the mismanaged war in Iraq, and to the pharmaceutical companies under the guise of a Medicare prescription drug program. A budget is statement of the government’s priorities and any budget that passes through Congress must include funding to ensure that America’s housing needs are met.”

Among other cuts, the President’s Fiscal Year 2007 budget rescinds the \$99 million in funding that was provided in Fiscal Year 2006 for HOPE VI rehabilitation of distressed public housing. As can be seen by the Dutch Point Colony project in Hartford, HOPE VI has successfully transformed severely distressed public housing projects into vibrant mixed-income neighborhoods.

Additionally, the budget cuts the Public Housing Capital Fund by ten percent. This program provides funding for local public housing authorities for capital repairs and improvements to their housing stock. It also freezes funding for the Public Housing Operating Fund, which local housing authorities use to cover operating costs not covered by rental income. When funding falls short of operating costs, local housing authorities often have no choice but to leave some of their units unfilled, thereby decreasing the affordable housing supply.

Finally, the Community Development Block Grant (CDBG) program is cut completely from the President’s budget. This successful program allows states and municipalities to target federal formula grants and other financial assistance toward improving housing and economic conditions in low- and moderate-income neighborhoods.

“Because of these cuts and new regulations I will have to make some tough choices on which services, programs, and staff that I have to cut here in East Hartford,” said East Hartford Housing Authority Director Terry Madigan. “We have been doing more with less over the past decade and there is no more less to give.”

Robert Counihan of the East Hartford Housing Authority and President of CONN-NAHRO (The National Association of

Housing and Redevelopment Officials) stated, "In order to meet HUD's new demands on regulations along with cuts for FY 2006 and FY 2007, our housing authority will be forced to cut all social service programs and cut back on maintenance services to tenants."

Ivan Pour, Glastonbury Housing Authority Director and Vice President for Housing and Legislation of CONN-NAHRO stated, "HUD needs to not level as much criticism towards housing authorities but instead distribute the funding necessary so that we can do our jobs."

"The President and the Republican-controlled Congress must reassess their priorities and provide greater funding for housing in the budget. Ensuring that low-income families have a roof over their heads is a moral obligation that we must continue," concluded Larson.

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