

February 7, 2013

The Honorable Dianne Feinstein United States Senate 331 Hart Senate Office Building Washington, D.C. 20510 Sent via Email

Dear Senator Feinstein,

The fundamental mission of the San Diego Housing Commission is to provide decent, safe and affordable housing in quality communities that will enhance the quality of life for vulnerable families. As you know, despite all of our best efforts that mission is now severely compromised due to years of underfunding including the most recent spending caps put in place under the Budget Control Act.

This already desperate situation will be exacerbated by sequestration or even deeper spending cuts to housing and community development programs in the coming weeks. Our ability to house the most vulnerable in safe, vibrant communities will diminish significantly.

An 8.2% cut to non-defense spending will further impair all of our poverty programs funded with CDBG, HOME, and HUD Section 8 program funding. Further cuts will directly diminish our ability to provide winter shelter to our city's homeless, social services assistance to move out of homelessness and homeless prevention and re-housing activities, all funded with CDBG dollars. Significantly fewer affordable housing units will be produced by our private and nonprofit development partners who utilize HOME program dollars as gap financing, causing a continued decline in production in the face of an ever-increasing demand. Further reductions in Section 8 program funding will mean that we are further restricted in our ability to serve families on our waiting list which has reached over 28,000 and continues to increase.

To address these concerns, here is what I hope Congress will do in the critical weeks to come:

- If an agreement to reduce the deficit can be reached, it should rely on a responsible mix of revenue increases, spending cuts, program modifications and tax reform;
- Any such agreement should however reject additional cuts to domestic discretionary spending accounts that fund HUD's housing and community development programs which have already been drastically reduced in recent years;

- Enact a 2013 omnibus spending bill to fund HUD and other government departments based upon reconciled funding levels approved in calendar 2012 by the House and Senate.
- Move expeditiously to adopt long-overdue legislative reforms that will reduce the cost and improve the administration of the Public Housing and Section 8 Voucher Programs for both large and small housing authorities;
- Provide for a permanent fixed value of 9% for the Low Income Housing Tax Credit program; and
- Encourage HUD to expedite administrative and regulatory reforms that save money and unburden housing providers to do all they can do to assist vulnerable families.

As a housing professional with over forty years of experience, I believe there is still no adequate substitute for a responsible, adequately funded federal response to the nation's housing and community development needs. The private sector, local and national not-for-profits as well as state and local governments simply cannot do what the federal government can do. Unless people have appropriate housing, it is impossible to address their other needs. Our commitment as a nation to provide decent, safe and affordable housing has deep roots and has enabled countless families to live with dignity in a place they can call home. This is no time to abandon that commitment.

In this time of fiscal uncertainty, I am asking that you ensure that our nation's decades-long commitment to housing the most vulnerable does not come undone. I firmly believe that everyone should have the opportunity to live in a safe, decent, affordable home.

If there are any questions that I can answer for you, please contact me directly at 619-578-7531, or <u>rickg@sdhc.org</u>.

I look forward to hearing from you.

Sincerely,

Richard C. Gentry President & CEO

San Diego Housing Commission