

March 2, 2004

Opening Statement by Congressman Paul E. Gillmor  
House Financial Services Committee  
Full Committee Hearing on oversight of the Department of Housing and Urban  
Development

I would like to thank you, Mr. Chairman, for calling this important hearing and allowing us the opportunity to discuss the budget proposal for the Department of Housing and Urban Development (HUD).

HUD is currently facing many difficult management and budget challenges in addressing housing needs in our local communities and certain program reforms are clearly necessary. However, I have heard concerns from constituents in Ohio's Fifth Congressional District regarding the proposed funding levels and reforms to the Housing Choice Voucher (HCV) Program.

As it is estimated that this program will consume 62% of HUD's budget in 2005, it is clear to see its importance to our local communities as housing authorities across the nation try to combat the growing lack of access to affordable housing. I would appreciate hearing more details on the proposal to change the program's funding structure to a block grant. I have heard from housing authorities in Ohio's Fifth District that are concerned that the new funding structure, no longer tied to the number of families being assisted and the rental costs that they face, may fail to keep pace with increases in local rent and utility costs.

Any additional information you can share on this proposal would be greatly appreciated as the HCV provides essential assistance to low income families in my district and across the country with their rent and utilities while also benefiting local economies.

Thank you again, Mr. Chairman, for calling this important hearing and I look forward to an informative discussion.