

May 20, 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, including the Department's budget request for fiscal year 2005

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) for fiscal year 2005.

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 many concerns from constituents in Ohio's Fifth Congressional District regarding the proposed reforms to the Section 8 Rental Housing Assistance Program and look forward to learning more on this issue from our distinguished witness this morning.

As the Section 8 program currently accounts for nearly 50% of the HUD budget, I understand that something must be done to address rising costs but if Ohio will lose 10,383 vouchers in 2005, I am concerned that our local public housing authorities will not continue to meet the fifth district's affordable housing needs.

I also look forward to a discussion this morning of HUD's recently proposed increases in affordable housing goals for our Government Sponsored Enterprises or GSEs. I applaud the Department's efforts to address the increasing affordable housing needs across the country but I am concerned that this proposal may adversely affect rural communities in my home district if it ends up providing an incentive for the GSEs to invest a disproportionate amount of capital in large, multi-family housing projects in urban centers. I will watch the rulemaking process and will work to ensure rural areas are not disadvantaged by regulatory efforts.

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