



January 29, 2013

The Honorable Amy Klobuchar
302 Hart Senate Office Building
Washington DC 20510

Sent by E-Mail and U.S. Mail

Re: FY 2013 THUD Appropriations; Please Pass a Bill to Fund Public Housing and Section 8

Dear Senator Klobuchar:

Both the Continuing Resolution (CR) and the looming sequestration threaten to inflict real harm on the low income families and individuals we assist through public housing and Section 8 Housing Choice Vouchers. They need your help. It doesn't really matter which version of the appropriation passes (Administration proposal, House or Senate) because all three are fairly similar and any one of them is much better than the CR or sequestration. We are hoping that you can urge your colleagues to act before the CR expires or sequestration begins.

The FY 2013 HUD budget is uniquely shortchanged by the Continuing Resolution. In the FY 2012 appropriation Congress accepted HUD's temporary budget fix that offset (recaptured) "excess" public housing operating reserves. The result was intended to be a \$750 million one-time reduction. Unfortunately, the CR essentially makes that a two-time budget cut of \$750 million each year, even though the "excess" operating reserves have already been reduced. Our public housing operating subsidy for this year would be prorated down to about 80% if Congress continues the CR without fixing this anomaly. (The numbers are shown in the attached PHADA position paper: \$3.962 billion enacted for FY 2012; \$5.056 billion needed for full operating subsidies; \$4.52–4.59 billion in proposed appropriations for FY 2013.) If funding drops to \$0.80 on the dollar, public housing residents here and elsewhere may have to wait longer for repairs or rent adjustments, or to see a social worker, etc.

On the Section 8 side, the FY 2012 HUD appropriation contained what we hoped was only a one-time cut in funding for administrative costs, down to 75% of full funding (\$1.35 billion instead of \$1.8 billion). The CR carries that low funding forward, while any of the appropriations proposals would raise it to a more adequate level (about \$1.6 billion). Tenants are penalized when Congress cuts the administrative funding. As the rental market in the Twin Cities grows tighter, property owners are demanding that the PHA complete inspections and required paperwork faster, and respond to every question more quickly. If our small Section 8 staff can't meet their expectations, property owners turn down voucher holders and those tenants have less choice of suitable rental homes and apartments.

The low income families we house are counting your support to pass a HUD appropriation bill that ends the CR and appropriation threats. Please call me if you would like more information.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon M. Gutzmann".

Jon M. Gutzmann
Executive Director

JMG/FAH