

**Chairman Tom Latham**  
**Subcommittee on Transportation, Housing and Urban Development, and Related Agencies**  
**House Committee on Appropriations**  
**Department of Housing and Urban Development FY 2014 Budget Hearing**  
**April 17, 2013**  
**Opening Statement as Prepared**

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Welcome, Mr. Secretary. I thank you for your testimony and for your continued service at HUD. Your competence and hard work at the Department continues to be much appreciated.

Consideration of the request must be put in proper context as anomalies like FHA receipts and sequester make fair comparisons challenging. Gross spending is higher in this request than what was previously enacted. While I understand some increases are due to the rising cost of HUD rental assistance, the increases are not entirely explained by HUD's existing liabilities.

The request adds nearly a billion dollars in new initiatives, new demonstration programs, and large increases to existing programs. Just to cite a few examples, \$200 million is requested for a Neighborhood Stabilization Initiative, a narrowly targeted grant program not funded by this Subcommittee in recent years. Also, Choice Neighborhoods, another narrowly targeted program, is quadrupled to \$400 million. These increases are particularly puzzling in the context of a request that also proposes to cut core state and local partnerships like CDBG and HOME.

Looking beyond funding levels, I am deeply concerned by the lack of a comprehensive reform proposal in this budget. Neither the authorizing Committees nor the Administration appear committed to leading the way on this issue. While I appreciate the inclusion of some legislative savings ideas, cherry-picking authorizing provisions just to accommodate more spending elsewhere is no substitute for genuine leadership on reform. Without something comprehensive, it will only get more and more difficult to keep pace with the growing cost of assisting vulnerable households and forging pathways to self-sufficiency.

Mr. Secretary, we can both agree that even in this fiscal environment, protecting households currently served by HUD should be top priority. However, we must also fulfill a duty to the American taxpayer to get serious about deficit reduction. HUD's request goes in exactly the wrong direction on deficit spending and appears out of touch with fiscal reality. This Subcommittee will need to take a hard, line-by-line look at what can be accommodated in the current environment – particularly among the many grant and demonstration programs in this request that have nothing to do with meeting current HUD commitments.

I look forward to an open and productive discussion with you as we continue through the process and I thank you again for your hard work at the Department. I think we all have a lot of questions and ground to cover today, so with that, Mr. Secretary, we invite you to present your opening statement.

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