



U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WASHINGTON, D.C. 20410-0001

THE SECRETARY

February 5, 2013

The Honorable Barbara A. Mikulski
Chairwoman
Committee on Appropriations
United States Senate
Washington, D.C. 20510-6025

Dear Chairwoman Mikulski:

I am writing in response to your letter of January 18, 2013 to the Department of Housing and Urban Development (HUD) concerning the effects of the across-the-board cuts that would result from the potential sequester now scheduled for March 1, less than one month from now. These reductions to HUD programs would be deeply destructive and would affect numerous families, individuals and communities across the nation that rely on HUD programs.

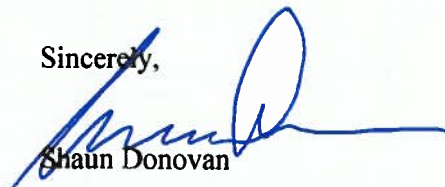
For example:

- About 125,000 individuals and families, including elderly and disabled individuals, could lose benefits from the Housing Choice Voucher program and be at risk of becoming homeless.
- These cuts would also result in more than 100,000 formerly homeless people, including veterans, being removed from their current housing and emergency shelter programs, putting them at risk of returning to the streets.
- Sequestration would result in 75,000 fewer households receiving foreclosure prevention, pre-purchase, rental, or homeless counseling through Housing Counseling grants.
- The impact of sequestration would force public housing agencies to defer routine maintenance and capital repairs to Public Housing, leading to deteriorating living conditions and, over the long-term, risking the permanent loss of these affordable units that serve 1.1 million of the nation's poorest residents.
- These cuts to the Housing Opportunity for Persons with AIDS program would result in 7,300 fewer low-income households receiving permanent and short-term supportive housing assistance, including rent and/or utility assistance.
- The reduced funding from the sequester would prevent state and local communities that receive HOME grants from building and rehabilitating 2,100 affordable housing units for low-income families.
- The sequester will also result in significant cuts to community development funding for public services, facilities, and infrastructure improvements, reducing jobs and adversely impacting confidence in the long-term sustainability of the private market rental housing that HUD supports.

As the Administration has made clear, sequestration is a blunt and indiscriminate instrument that was passed by bipartisan majorities in Congress to help ensure that action is taken on a balanced deficit reduction package, and the arbitrary cuts that it calls for should not take place.

Thank you for your interest in the Department's programs and activities. Please let me know if I can provide you with any further information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Shaun Donovan", with a large loop at the end.

Shaun Donovan