

**Statement of Senator Jack Reed  
Senate Banking Committee Hearing  
on the Nomination of Mr. Shaun Donovan to be Secretary of HUD  
January 13, 2009**

I would like to thank Chairman Dodd and Ranking Member Shelby for scheduling this nomination hearing so quickly, an important part of our constitutional process. I also appreciate the willingness of our nominee to serve in the important position of Secretary of Housing and Urban Development.

Mr. Donovan, as you know, you have been nominated for a position that requires you to manage an agency that has the interest of some of the most vulnerable families in this country in mind. Many of these individuals are elderly, disabled, or just plain out of luck. They usually don't have powerful lobbyists representing their interests. As a result, if confirmed, you will, at times, be their only voice in housing policy discussions that occur within the Obama Administration.

One of your chief responsibilities in this area will be internally advocating for appropriate resources for our nation's housing programs. Given the current budget environment, and the funding shortfalls for many of these programs, it is going to be extremely tough, but vitally important for you to aggressively advocate on behalf families and elderly households across the country.

There are four topics that I would like to briefly mention to you that are of importance to Rhode Islanders, specifically, but of extreme interest to individuals and families throughout the country.

First, and foremost, I hope that as a member of the President's Economic Team, you will make stabilizing the housing market one of your chief objectives. Rhode Island has the dubious distinction of having the highest foreclosure rate in New England, and we can not afford to allow the real estate market to remain in freefall.

I also would like to focus your attention on some recent homelessness statistics. According to the latest US Conference of Mayors Report on Homelessness, homelessness has gotten worse nationwide. On average, homelessness in the cities surveyed rose 12 percent during the past year. According to a report released today by The National Alliance to End Homelessness, and estimated 1.5 million additional Americans could become homeless over the next two years without effective intervention.

HUD has taken steps to effectively decrease the number of chronically homeless individuals during the past several years. However, homeless families with children, veterans, and youth deserve the same attention and resources. I hope that as we move forward, we can count on your support for my bipartisan proposal to reauthorize the housing titles of the McKinney-Vento Homeless Assistance Act to make them more flexible and useful to local communities.

I also would encourage you to increase the Administration's focus not just on green housing, but on healthy housing as well. Environmental exposures within our nation's housing stock contribute to almost one-quarter of the disease burden nationwide, resulting in millions of preventable deaths. I hope that we can count on you to expand the scope of HUD's health-related housing initiatives, support them with robust funding, and ensure better coordination of these initiatives among other federal agencies.

A good road map for this is detailed in a bill that I introduced last Congress, and plan to introduce again, the Research, Hazard Intervention, and National Outreach for Healthier Homes Act. HUD's Office of Healthy Housing and Lead Hazard Control has been on the forefront of some of the thinking on these issues, and I hope you will utilize their expertise as you move forward on some of your sustainable housing initiatives.

Finally, if you are confirmed, you would also be responsible for enhancing HUD's management and operations. While HUD has made progress during the past several years in this area, GAO reports continue to site serious management deficiencies, especially in human capital. I hope you will be diligent in ensuring that HUD has the capacity to run all of its programs efficiently and well.

I look forward to hearing your testimony this morning, your swift confirmation, and working with you in your new capacity as Secretary of HUD.