

United States House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

June 18, 2009

The Honorable Haley Barbour
Governor
State of Mississippi
P.O. Box 139
Jackson, Mississippi 39205

Dear Governor Barbour:

We write to you out of continued concern for the state of affordable housing in Mississippi and along the Gulf Coast. While we support your request for housing choice vouchers to help house low income families in Mississippi, we must note that vouchers are only one part of the housing equation; hard affordable housing units are also needed. To that end, we call on you, again, to reconsider your plan to use up to \$600 million of Community Development Block Grant (CDBG) funds for the redevelopment and expansion of the Port of Gulfport. Additionally, we will be sharing this letter with Secretary Shaun Donovan of the Department of Housing and Urban Development to ensure that he is aware of the serious reservations we still have regarding Mississippi's use of housing funds for the Port of Gulfport.

The current affordable housing development programs the Mississippi Development Authority (MDA) has undertaken, while well-intentioned, appear to fall short of addressing the on-going need for affordable housing.

- The Small Rental Assistance Program was projected to produce as many as 7,500 units. However, current awards from Rounds 1 and 2 of the program will only result in a total of 4,800 units.
- The Long-Term Workforce Housing program was projected to produce as many as 12,850 units. Excluding awards for non-housing-construction activities such as foreclosure prevention and architectural work, the current awards from Rounds 1 and 2 of this program will result in only 4,831 housing units.
- With the use of Low-Income Housing Tax Credits (LIHTC), the MDA projected to produce 5,823 units. It appears that it actually has produced or will have online by the 4th anniversary of the storms about 2,500 units. A significant portion of these units are public housing, leaving Mississippi short in the non-PHA subsidized market.

While housing vouchers fulfill a particular housing need, without available housing units, vouchers are worthless. We believe that vouchers can never take the place of hard, affordable housing units. For the long-term affordability of housing in Mississippi and

along the Gulf Coast, a greater investment into the programs you have utilized thus far is needed. Therefore, we ask that you match your commitment to vouchers with a commensurate commitment to the use of your existing CDBG funds for the redevelopment and expansion of hard units of affordable housing in Mississippi.

We look forward to working with you on this important matter.



MAXINE WATERS
Chairwoman
Subcommittee on Housing and Community
Opportunity



BARNEY FRANK
Chairman

Cc: The Honorable Bennie Thompson, Member of Congress

Cc: The Honorable Shaun Donovan, Secretary, U.S. Department of Housing and Urban
Development