



U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-0001

THE SECRETARY

August 7, 2009

The Honorable Barney Frank
Chairman
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515-6050

The Honorable Maxine Waters
Chairwoman
Subcommittee on Housing
and Community Opportunity
U.S. House of Representatives
Washington, DC 20515-6052

Dear Mr. Chairman and Madam Chairwoman:

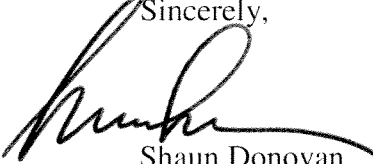
Thank you for your letter of June 15, 2009, requesting a one-year moratorium in the demolition and disposition of public housing managed by the Department of Housing and Urban Development, and the attendant issues you raised.

I apologize for taking so long to respond to you, but, as I am sure you can imagine, your request generated much thought and conversation in the Department. You have raised some very important concerns about how HUD should approach these questions, and it is our intention to be as thoughtful as possible in considering what modifications to existing policies are appropriate. As part of that process, we are mindful that any changes made by the Department at this time may put at risk redevelopment opportunities that are already underway. In addition, we believe it is important to note that there are some residents currently living in public housing that is no longer physically viable. To that end, we do not want to jeopardize any opportunities to create affordable housing built to today's building and quality standards, and we are concerned that a moratorium might have that effect.

However, please know that discussions are already underway within Public and Indian Housing to review more closely the decisions that will be made regarding the approval of any demolition or disposition. Specifically, we believe that such activities need to be viewed through the lens of the number, location, and affordability of units returning to the inventory. No

approvals will be forthcoming without such a close review. This approach is being taken because we acknowledge both the unintended consequences demolition and disposition may have had on the lives of public housing residents in the past, as well as a decrease in the number of long-term affordable units that has resulted in some cases.

Again, I appreciate having the benefit of your views on these issues, and I look forward to working with you to develop policies that result in greater levels of both tenant protection and affordable housing production.

Sincerely,

Shaun Donovan