

Cummings Requests Committee Action on Allegations of Waste in Housing Program for Poor

May 17, 2011

Washington, DC – Ranking Member Elijah E. Cummings sent a letter to Chairman Issa today requesting that the Committee examine allegations that hundreds of millions of dollars in taxpayer funds may have been squandered in the nation’s largest low-income housing construction program, according to the first of a series of articles by the Washington Post. The article reports that nearly 700 projects nationwide – some of which date back to 2001 – have been stalled as developers abandoned their efforts, but retained federal funds.

“At a time when so many Americans are struggling to stay in their homes, it would be deeply upsetting if these allegations proved true,” said Ranking Member Cummings. “Our Committee should help ensure that contractors actually do the work they receive taxpayer funds for, and that local and federal agencies properly oversee funds they distribute. We should also correct any deficiencies in the law that prevent agencies from adequately monitoring projects and recouping taxpayer funds if necessary.”

Below is the letter that Mr. Cummings sent to the Chairman:

May 17, 2011
The Honorable Darrell E. Issa
Chairman
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

On May 14, 2011, the Washington Post published the first in a series of articles on its investigation of the HOME Investment Partnership Program, which distributes “block grants to 642 cities, counties, and states” to develop affordable housing for low-income households. The investigation reportedly found that there have been \$400 million in grants distributed to developers for nearly 700 projects that have stalled or been otherwise abandoned, insufficient federal and local agency oversight, and legal impediments that prevent recouping money from failed projects. Enclosed is a copy of the article for your review.

Some of these allegations relate to projects dating back as far as 2001. If these allegations are accurate, they are very troubling. I am writing to request that the Committee examine these allegations in more detail, beginning with a briefing from the Department of the Housing and Urban Development. This issue is within the jurisdiction of the Committee and presents an opportunity for bipartisan and constructive oversight into the HOME program, the actions of developers who received U.S. taxpayer funds, and potential flaws in the block grant process that allegedly led to fraud, waste, and delay.

I hope we can work together to find solutions to ensure a more effective and efficient HOME program.

Sincerely,
Elijah E. Cummings
Ranking Member