



For Immediate Release

September 19, 2012

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Housing Authority Anticipates Loss of \$11.1 million in Funding
Agency Maximizes Resources to Minimize Impact to Families

(San Bernardino, CA) As these unsettling economic times continue to loom across the Country, the uncertainty about the future has now started taking its toll on stable agencies such as the Housing Authority of the County of San Bernardino (HACSB). In the next few months, the agency anticipates a loss of \$11.1 million in federal funding.

As part of proposed on-going budget cuts from Congress, the agency is anticipating \$4.1 million in cuts for Fiscal Year (FY) 2013 and an additional \$7 million in Sequestration* cuts. These cuts are on top of the \$11.2 million in total funding reductions they have already endured in the past five years. The proposed cuts will be detrimental to the over 30,000 families and individuals served and the local communities.

Despite continued efforts, Congress has failed to pass a FY 2013 budget. Last week, the U.S. House of Representatives passed a short term interim budget called a Continuing Resolution based on 2012 funding levels. Additionally, the Administration just released a report on the impacts of Sequestration* on the various federal agencies that will automatically take place in January 2013 unless Congress and the President act soon. Based on the report, HACSB's housing programs and services are scheduled for an 8.2% cut, which equates to \$7 million, causing further detriment to the families and communities served.

"Our proposed balancing of this budget through reductions may pale compared to necessary future scenarios" said Daniel Nackerman, HACSB's President/CEO. "Because the swings we could experience due to Sequestration effects in federal funding are so wide, our 2013 proposed budget is likely to be an interim budget that will require amendment in the second quarter next year."

Through the years, HACSB has been able to weather the storm of budget cuts thanks to a special designation from Congress, which affords them the ability to waive certain federal regulations in an effort to save money, increase efficiencies, and serve more families. Innovative initiatives have been implemented that have helped served the same number of families and maintain expenses per family/month consistently low. These significant savings have also helped reduce staffing levels through attrition, avoiding significant layoffs. To save additional dollars, staff continues not to receive merit or cost of living increases, an agency resizing plan has been implemented, 360 housing units are being insourced to avoid paying

management fees, other services, such as inspections, are being outsourced, and other conscious efforts are being made to cut costs.

“Fortunately, we are able to house just as many or more families and seniors as in the past. However, we don’t foresee being able to continue this trend of ongoing budget cuts without sacrificing the number of families we serve and the quality of housing we provide,” states Nackerman.

Cuts at the federal, state and local level combined are creating a domino effect that is negatively impacting almost all of the current and future housing residents and landlords in San Bernardino County. Approximately 67% of those in our housing program are seniors, children and individuals with disabilities, and these are the individuals that would most be affected.

HACSB staff continues to strategize on ways to save money while working closely with elected officials at all levels of government to identify various funding sources, minimize the negative impacts, and identify solutions so HACSB does not fail the families served during the greatest time of need.

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The Housing Authority of the County of San Bernardino is one of the nation’s most progressive housing authorities. As the largest provider of affordable housing in the County, we proudly serve in excess of 30,000 people, most of whom are seniors, disabled individuals, and children. We also work on providing our families with the resources, skills, and motivation to achieve their personal goals. For more information on the Housing Authority of the County of San Bernardino, please visit www.hacsb.com.

** The cuts are part of the still unfolding consequences of the bipartisan deal struck last summer to raise the nation’s debt ceiling. In the Budget Control Act, adopted in August 2011, Congress agreed to appoint a 12-member super committee to come up with a plan to reduce the deficit by \$1.2 trillion over the next 10 years. If the committee failed to reach agreement, the \$1.2 trillion would be skimmed off the top of all federal spending over the next 10 years, split evenly between domestic and defense programs. Overall, the mandate would require an immediate 9.4 percent cut in defense programs and 8.2 percent reduction in domestic initiatives in January 2013.*