

TSONGAS : REAGAN ADMINISTRATION TURNS ITS BACK ON HOUSING NEEDS

Senator Paul E. Tsongas, ( D-Mass. ) has introduced legislation to continue operating and capital assistance for the nation's public housing system. The Senator criticized the Reagan Administration for turning its back on low income housing needs. He characterized his \$6.6 billion authorization bill for public housing operating subsidies, modernization and development as " required to meet the minimum needs of low income public housing in this country. " Beyond that, this legislation should be considered " one part of a broad range of housing solutions which Congress should enact this year " according to the Massachusetts Senator.

The Tsongas legislation would authorize \$1.6 billion in public housing operating subsidies for fiscal year 1983. By contrast, the Administration proposal of \$1.076 billion is less than two-thirds of what is needed and is based on a consistent pattern over the last several years of under estimating and under funding costs---especially energy costs. The consequences of the Administration's proposal for local housing authorities is not simply to prevent any real progress toward improved livability but more than that to cut back on the operations necessary just to keep up with the day to day maintenance needs. Tsongas pointed out that Boston and Cambridge are examples of Housing Authorities in his state which have been forced to make severe cuts in maintenance. " In Boston, where we are trying to turn a very bad situation around, no real progress can be made unless day to day problems are dealt with effectively " the Senator said, " and operating subsidies are a key element in that effort. "

The legislation also provides \$100 million in contract authority ( \$2 billion in budget authority ) for public housing modernization in Fiscal Year 83. " This program would provide funds to finance capital improvements that upgrade living conditions, correct physical deficiencies and achieve operating efficiency and economy. " Tsongas said. The Administration has proposed to fund the program at the level of \$1.8 billion in budget authority by cancelling public housing development awards from prior years. Tsongas called this approach " unacceptable " and said " Modernization should continue to be a top priority because it represents worthwhile reinvestment in our multi-billion dollar housing infrastructure. " The Senator pointed out that there are hundreds of Massachusetts housing developments that have benefitted from modernization programs. He cited examples in Boston, Cambridge, Lowell and Fall River where modernization money had been used and could be used to stabilize troubled developments and to make energy improvements which pay for themselves in a relatively short period of time and thus reduce the need for operating subsidies over the long haul.

Finally, the legislation would provide \$100 million in contract authority ( \$3,006 billion in budget authority ) to support 20,000 units of newly constructed or substantially rehabilitated housing under the low income level public housing development program. Tsongas pointed out that this level of funding reflects commitments made in past years and represents the minimum needed to expand the stock of low income housing. In addition, " The Congressional Budget Office estimates that the Fiscal Year 83 per unit cost for this program would be \$5,011 which makes it by far the most cost effective means of providing housing for those in need. Even given those facts, the Reagan administration has proposed no funds for public housing development for Fiscal Year 83 " the Senator said.

Senator Tsongas endorsed a broad range of housing solutions in addition to those which his legislation proposes. These include additional subsidy programs, production stimulus programs and a continued Federal commitment to help produce multi-family housing. " My state of Massachusetts has been in the forefront of the creative application of Federal Housing Programs to local needs for many years. I urge the Senate not to follow the lead of the Administration and turn its back on housing needs for the first time since the Depression " the Senator concluded.