

HOUSING SUBCOMMITTEE

- With - more coming later this afternoon
1. DUAL FORMULA FOR COMMUNITY DEVELOPMENT BLOCK GRANTS: As chairman of the Housing Taskforce of the Northeast, Midwest Economic Advancement Coalition, Paul led the fight in Subcommittee, full Committee and on the House floor for the new formula which greatly benefitted the older cities of the northeast. 1977 HUD Authorization—he was a co-sponsor.

The new formula has meant a 25% increase in CD funds for Massachusetts

By 1980, cities over 50,000 pop. in Mass. will have received \$43,092,000 more than under the old formula—an increase of 97.3%

By 1980, Metropolitan small cities will have received \$8,358,000 more, an increase of about 40.8%

By 1980 Non-metropolitan small cities will have received \$3,528,000 more an increase of 36.5%.

After the House had passed this bill, and it was a bitter fight between the sunbelt states and the NEMWEAC, the State of New Jersey came up with an even more beneficial formula for our region "IMPACTION". Senator Williams introduced this in the Senate Ranking Committee.

Paul met with and/or wrote to Senators, the Speaker, Chairman Ashley of the Conference Committee, in support of impaction. HUD opposed impaction—too much money

There was great controversy in the Senate and BROOKE introduced amendment to Williams amendment to tie impaction to the Urban Development Action Grants. Since additional funds would be needed to implement impaction, Brooke proposed to take that money from UDAG. After a 3 month struggle in Conference, the Brooke provision was dropped.

Brooke's amendment tied two important programs for the Northeast together in a way that only one could survive. (There was just \$400 million in UDAG).

2. URBAN DEVELOPMENT ACTION GRANTS Paul's record on UDAG has been total support. Brooke, see above, has been less enthusiastic.

UDAG has meant \$38.56 million for Massachusetts, \$61.66 million for New England states. This includes grants to 8 cities in Massachusetts, including the recent awards to Lowell (\$5 million), Lynn and Fall River. (Also Boston (3), Cambridge, Springfield, Chelsea and Salem.

3. COMMUNITY INVESTMENT TASKFORCE Paul chaired hearings in Lowell in February, 1978 when the Taskforce of the Housing Subcommittee chose Lowell as a city coming back from economic decline and wanted to study how this had been done. Representatives of the industrial, commercial, governmental and academic sectors testified at these hearings.

Housing Subcommittee--(cont.)

4. Rehabilitation Loans--neighborhood improvement. Tsongas has long supported this HUD program--funds were increased this year. (\$245 million--House version adopt
5. Neighborhood Strategy Areas--HUD set aside 20,000 units nationwide for this program for rehabilitation of neighborhoods. Funding awarded through State Housing Finance Agencies. Paul worked with Lowell officials to bring nearly 400 of these units of elderly housing to Lowell in September, 1978. (This program replaced Demonstration Rehab--see below).
6. Paul has used numerous opportunities to discuss local projects and local needs with HUD and other agency officials--gaining their support in most instances. Specific examples would be:
 - a. Lowell National Historical Park--meeting with Andrus, Harris, and many others.
 - b. Neighborhood Strategy Areas--discussed with Harris and Asst. Secy. Schwartz.
 - c. Essex-Broadway -- Section 8 subsidy (\$850,000 annually) for 198 units of elderly housing and 6,000 square feet of commercial space on the first floor. Tsongas talked to Secy. Harris about the project which he called the "beginning of the revitalization of downtown Lawrence." He told Secy. Harris "it was more than just elderly housing, but an economic spin-off, a chance for bringing more life back to the city. (HUD agreement on Section 8 was February 1, 1978).
 - d. Lowell, Lynn UDAG Meetings and phone calls to Asst. Secy. Eubry, plus setting up several meetings between Lowell/WANC people and HUD Area Office and HUD Central office. Helped overcome several snags that developed on Lowell application--getting letters delivered on time to HUD Office in DC that were telecopied to us from Lowell City Manager. (Aug.-Sept. 1978)
 - e. Demonstration Rehabilitation Housing for Lowell, Lawrence, Newburyport, Waltham and Brockton. Met with local officials, labor, federal officials to clear way for contracts to be signed. \$12 million in housing construction money for 440 units of rehab. housing. (100 units each in Lawrence, Newburyport and Waltham--140 for Brockton, 200 in Lowell). Paul threatened to vote "no" on common situs picketing, if unions did not sign agreements--unions balked because contracts called for 85% of wage scale.
 - f. Arlington Park-- arranged meetings with HUD, Massachusetts Housing Finance Agency (MHFA) and local officials. Section 8 subsidies, 10% units to elderly and handicapped. (Collapse of municipal bond market due to NY City crisis, was one factor that held up financing of the project, accordg. to Eagle Tribune. \$712,956 in Section 8 elderly subsidized housing through the MHFA. 130 units.
 - g. Townhouse of Lowell-- Urged HUD to allocate funds recaptured from FY 75 for 96 elderly and handicapped units. Worked with Lowell Central Labor Council, Lowell Chamber of Commerce to get state zoning approval and MHFA funding for the Continental Wingate Project. \$3.5 million project--also delayed due to NY City financial crisis. Paul called it the "first domino for private investment in downtown Lowell."

- h. Without being an "advocate", Paul spoke to Secy. Harris about controversy surrounding Labey clinic. (November, 1978) This occurred during Harris visit to Tsongas' office. HUD was to decide whether to guarantee \$70 million in private investment loans being used to finance the 200 bed Burlington facility.
7. In an October, 1976 speech to the Mass. Association for Older Americans Tsongas called for Congress to make the crisis of elderly housing and neighborhood deterioration major legislative priorities. He said he was hopeful that the role of older neighborhoods in our society will ultimately be appreciated—they provide a forum for social and cultural exchange.
 8. Spoke out in favor of the Emergency Middle Income Housing Act of 1975 which was vetoed by Ford. (6-75). Tsongas supported an amendment in committee to allow up to 20 percent of the loans to be used to subsidize home mortgages for existing housing. When Ford vetoed the bill, Tsongas said he "is the worst thing to hit us since the 1936 flood." House was unable to override the veto.
 9. As a Member of the Economic Stabilization Subcommittee, Tsongas actively supported legislation to help New York City out of the 1975 financial crisis. The crisis had caused the municipal bond market to dry up—directly affecting a number of construction projects in Massachusetts (see above—Continental Wingate and Arlington Park). MHFA could not market its bonds due to lack of investor confidence in tax-exempt municipal bonds. Tsongas support for N.Y. continued in the 95th Congress.
 10. Tsongas was a vocal supporter of the Neighborhood Reinvestment Taskforce and supported legislation this year to make it a separate corporation, the Neighborhood Trinvestment Corporation. This was part of the 1978 Housing bill passed on October 14.
 11. Tsongas co-signed letter supporting the FAIRPLAN--urban riot insurance—to assure that rates would not be higher than insurance rates in other areas. The amendment to prevent redlining the rates passed in Subcommittee and became part of the bill. (Paul did not vote on this.)
 12. Public Housing—projects in Concord, Wilmington, Lawrence and Lowell were aided by Tsongas—alerted Lawrence and Lowell that units were available, and helped work out site problems in Wilmington.
 13. Weatherization section of Energy bill--Tsongas amendment to include wind with other solar energy systems eligible for Title I home improvement loans. Tsongas played an active role in Subcommittee consideration of the bill— noted in letter from Lud Ashley thanking him for his work.