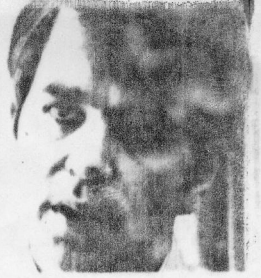


# Congressman Paul Tsongas can tell you what he's done.



## The Record

- \* Serves on the Housing and Community Development Subcommittee and has played an active role in the passage of housing legislation, including parts of the national energy bill designed to provide for home insulation.
- \* Co-Chairman of the Northeast-Midwest Economic Advancement Coalition Taskforce on Housing. Was active in the successful effort to change the Community Development Block Grant formula to aid the older cities of the Northeast.
- \* Co-sponsored the 1977 Housing and Community Development legislation which included the dual formula to aid older cities. His interest in and commitment to the cities was shown during the debate on the bill: "the cities that are having real trouble are the urban core cities. The problems of the older cities are national problems."
- \* Opposed an attempt to cut operating subsidies for low income housing. The subsidies were in the law, but funding had never been appropriated. With rising maintenance and energy costs, it was necessary to implement the subsidies and Tsongas supported this effort which was successful.
- \* Supported the Emergency Housing Bill, vetoed by President Ford, which would have provided subsidies up to \$250 per month to unemployed homeowners so they would not lost their homes.
- \* Opposed the Brown Amendment which eliminated the requirement that a major portion of a community development block grant be directed to meet the needs of low income families. The amendment, however, was adopted and is part of the House passed bill. Tsongas continues to oppose the provision and supports efforts to delete it in conference committee.
- \* Supported, with a letter to his Congressional colleagues, the Holtzman Amendment to stop "redlining" for inner city property insurance. FAIR plan insurance for core city property often sold at higher rates than other property insurance markets. The amendment, passed by the House, provides that insurance premium rates in FAIR plans be no higher than rates in other markets.
- \* Worked to obtain the HUD Section 8 subsidy for the proposed \$5.7 million Essex Towers project in downtown Lawrence. This provides 198 units of housing for elderly persons and 6000 square feet of first floor commercial space.
- \* Facilitated allocation of Section 8 money for the Massachusetts Housing Finance Agency for Arlington Park in Lawrence and worked with that agency and city officials to persuade the city to make neighborhood improvements to amek financing possible.
- \* Testified in favor of a \$3.1 million housing rehabilitation of the Pilling Mill Building in Lowell. Sought and received assurances for the City of Lowell that HUD turnkey funds would be available for the project.
- \* Assisted Continental Wingate in applying for and receiving a \$3.5 million loan from MHFA. This effort resulted in the construction of a 96 unit elderly housing center and first floor commercial space in downtown Lowell.
- \* Working with a HUD "neighborhood strategy area program" which would provide 270 housing units for downtown Lowell and 100 housing units for the Lower Belvidere section of the city. Total value of the project is approximately \$13 million.
- \* Favors legislation to subsidize home mortgages. The bill, designed to stimulate the construction industry, makes many homeowners eligible for low-interest loans. Tsongas supports an amendment allowing up to 20 percent of the loans to be used to subsidize existing housing.

Proposals

- \* In promoting reinvestment in urban neighborhoods, special attention must be paid to the problems of displacement of poorer families already living there. Rehabilitation should be encouraged in vacant buildings, and rehab in which displacement occurs should assure that tenants are offered the full benefits of the Uniform Relocation Act. Special loans and grants should be made available to low income homeowners who want to stay in the revitalized area. Since renters face a particularly severe displacement problem, a demonstration program should be initiated in Boston and other selected cities to encourage home ownership by existing renters. The program would specify that before an owner could sell the property, he must give the first option to buy to existing tenants. The requirement would be supplemented by special financing or writedowns to enable present tenant to consider the option of buying.
- \* Subsidized housing programs should be designed not only to meet present needs, but also to create and maintain housing that will be suitable and attractive to non-subsidized households at a future time. This can be done by providing housing assistance to a family and tying it to a particular unit. As the household's income increases, the subsidy diminishes and disappears. The family can keep the house and not be forced out of their home when income increases.
- \* Section 8 housing assistance should be made available to homeowners as well as renters. This could have a positive effect on reducing displacement due to private reinvestment. The Section 8 money could be used to purchase a home in the case of pending displacement, or to help with higher taxes and increased costs for a homeowner in a revitalized neighborhood.
- \* To improve the condition of HUD insured projects, counseling and technical assistance to residents should be increased. A demonstration project now operated by the Urban League in four cities has shown a capacity to tap the resources available among tenants of troubled projects and help them take responsibility for making their complexes safe and liveable.
- \* To aid physical rehabilitation of deteriorating HUD insured projects, funds should be made available for energy conservation retrofit and essential rehabilitation. This will provide tenants with safe and decent housing and also protect the HUD insurance fund.
- \* The neighborhood may be the best unit through which to approach housing problems. Neighborhood organizations should be recognized and involved in problems of housing deterioration, crime and bringing in small retail business.
- \* Alternative innovative mortgage structures should be initiated. These include options such as the Graduated Rate Mortgage and the Reverse Annuity Mortgage.

Paul Tsongas on Housing

The goal of a decent home and suitable living environment for all Americans is still to be achieved and requires new approaches if it is ever to be met. We have learned that throwing money at the problem does not assure its solution. The Carter urban policy approach which redirects efforts without infusing massive new doses of funds is on the right track. The problem,

however, is a lack of coherence which has dampened enthusiasm for the program in the Congress.

There is a considerable effort, supported by Federal programs, to promote reinvestment in urban neighborhoods. This has the advantages of preserving housing stock, developing economically integrated neighborhoods, breaking down racial segregation, increasing the tax base of cities and stopping redlining and disinvestment.

The problem that accompanies this effort is the displacement of poorer families now living in these neighborhoods. This is currently happening in Boston's South End, for example. The people displaced do not share in the benefits that accrue to developers, the owners, the new tenants, or the cities themselves.

Federal programs now may actually encourage the eviction of low-income individuals. Community Development Block Grants may be used to make available low interest rehabilitation loans through which higher income home owners may undertake major renovation. Developers buy houses and oust the tenants to make them available for restoration. It is not unusual to find a house with six or ten units rehabilitated into a home for one married couple with no children. I would, therefore, work to assure that Federal programs recognize the problem and assure that projects using Federal funds offer the benefits of the Uniform Relocation Act, at the very least. Otherwise, the costs of displacement should be paid wholly or in part by the developer, which would make it much more attractive to renovate buildings. Also, I would propose loans and grants to low-income homeowners who wish to stay in a revitalized area. Renters who face severe problems with displacement should be aided by a program to help them buy the property in which they live. Special financing and writedowns should accompany their being given first option to buy the property.

The rapid escalation of housing costs for both existing and new housing has put satisfactory housing beyond the reach of many Americans and has led to a deterioration in the level of housing available to new households. Many families are being crowded into quarters that are too small, others find that they must double up to pay for housing. For moderate income persons, new mortgage mechanisms should be initiated. These include gradual

rate mortgages, in which the payments reflect the income of the buyer-- and increase as one's income increases. A number of alternative mortgage structures are being experimented with and their use should be encouraged.

The proliferation of ongoing housing subsidies

These subsidies should be used not only to meet present needs, but also to create and maintain housing that will be suitable and attractive to non-subsidized households in the future. Toward this goal, housing allowances should be made available to families which are not tied to a particular unit. This would permit the family to seek housing in the general market. When the family's income increases, the subsidy would diminish or disappear, but the family would not be forced to vacate a subsidized unit because of higher income. The problems of housing allowances, such as possible escalation of unit prices due to availability, must be worked out.

A new program of Section 8 assistance to homeowners should be initiated. These funds could aid displaced persons to purchase a new home or could be used by existing homeowners faced with higher taxes and increased costs in a revitalized neighborhood.

There are no simple answers to the nation's housing problems. Inflation in housing is severe. However, if we are to maintain our commitment to decent housing for all Americans, as I believe we must, the government in partnership with the private sector must seek innovative approaches. As a Member of Congress and the Housing Subcommittee, I have tried to do that and to address the housing problems in my district. I will continue that commitment to improve the housing situation in the nation and in Massachusetts as a Senator.