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TSONGAS INTRODUCES PUBLIC HOUSING BILL

Senator Paul E. Tsongas (D-Mass) today introduced legislation to continue operating and capital assistance for the nation's public housing system, saying the Reagan Administration had turned its back on the needs of low income housing.

The Senator characterized the \$6.6 billion authorization bill for public housing operating subsidies, modernization and development as "meeting the minimum requirements of low income public housing in this country" and said he hoped the legislation would be considered one part of a broad range of housing solutions which Congress should enact this year.

The Tsongas bill provides \$1.6 billion for operating subsidies for public housing, a program which Tsongas said has been consistently underfunded in recent years, causing serious shortfalls in local housing authority budgets. The Administration has requested \$1.076 billion for the program in FY 83, which is less than 2/3 of actual need. Tsongas cited Boston, Cambridge and _____ as examples of Massachusetts Housing Authorities which had been forced to make severe cuts in maintenance because of operating subsidy shortfalls. "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," Tsongas said, "and operating subsidies are a key element to that effort."

The legislation also provides \$100 million in contract authority (\$2 billion in budget authority) for modernization of public housing. The Modernization Program provides assistance for major capital repairs, correction of physical and operating deficiencies and to upgrade living conditions. The Administration has proposed to fund the program at a level of \$1.8 billion in budget authority by cancelling public housing development awards from prior years. Tsongas called the Administration's funding proposal unacceptable, and said "Modernization should continue to be a top priority because it represents worthwhile reinvestment in our multi-billion dollar housing infrastructure." Hundreds of Massachusetts housing developments have benefited from the Modernization program, for everything from replacement of appliances to roof repairs and installation of new energy efficient heating systems. Tsongas cited the Lowell Housing Authority for creative use of modernization funds to stabilize a very troubled housing development by centering a broad range of elderly services and administrative units in newly rehabilitated units which were formerly vacant, and he also stressed the benefits of making energy conserving improvements which pay for themselves and reduce the need for operating subsidies over time.

In addition, 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 public housing development program. Tsongas said this level, which reflects funding commitments in past years.

represents the minimum needed to expand the stock of low income housing, and pointed out that the per unit costs of the program were estimated by the Congressional Budget Office to be \$5,011, which is the most cost effective housing program available.

Tsongas urged his colleagues to support enactment of a "package" of housing programs, including a program for low income public housing, production of low and moderate income rental housing and homeownership assistance for moderate income buyers.

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