

STATEMENT OF
THE HONORABLE PARREN J. MITCHELL (D.-MD)
AND
THE HONORABLE WALTER E. FAUNTROY (D.-D.C.)
CHAIRMAN, CONGRESSIONAL BLACK CAUCUS
JUNE 5, 1981
ON
HOUSING AND COMMUNITY DEVELOPMENT

The adoption by the Senate this week of a provision to deny assisted housing subsidies to communities with rent control laws caps a week that will live on in infamy for those who have valued the Housing and Community Development programs fashioned by our government over the past twenty years, and which have brought such relief to low and moderate income citizens seeking decent housing.

It is a week in which the Democratic Members of the Banking Committee have completed work on recommendations which will be the basis for the mark-up on the reconciliation bill next Monday that will result in cuts of \$11 billion from the housing and community development programs administered by HUD. Those reductions are a part of cuts totalling \$13 billion required by the Reagan budget which passed the House last month. It is, thus, the largest reduction required of any Committee of the House of Representatives.

As members of that Banking Committee, we can ruefully say that this has been the saddest week for Housing and Community Development that we have lived through in the ten years that we have been on Capitol Hill. It is sad to contemplate the devastation of the nation's efforts to house its low and moderate income citizens that will result from these cuts that will mean a reduction of 75,000 new units of assisted housing in Fiscal Year 1982.

Sad as it has been for us in the House Banking Committee to cut the Housing programs we have fought to create, the Senate bill is far worse. The Senate has provided only enough funds for 150,000 new or renovated housing units; we hope to fund an additional 26,000 units.

The Senate has reduced operating subsidies for public housing to the point that the viability of many public housing programs will be threatened; we on the House Committee have proposed to increase those subsidies to keep public housing agencies from bankruptcy.

The Senate has raised the percent of income that low-income residents of public housing have to pay for rent; we plan to keep assisted housing rents at the same levels.

The Senate eliminated Sec. 312 low-interest loans for single family units; we plan to maintain the authorization, though the funding levels will be severely reduced.

The Senate bill also contains other outrageous proposals that we intend to exclude when the Banking Committee begins its mark up. The adoption by the Senate of a provision offered by Senator D'Amato of New York to deny assisted housing subsidies to communities with rent control or rent stabilization laws adds insult to injury for our low-income American citizens who are trying to obtain decent shelter. The opponents of assisted housing, not satisfied with slashing budgets, also want to make sure that over 200 communities in this country will be unable to obtain

Federal housing subsidies for their citizens if they have any kind of rent control legislation on the statute books. This amendment can also be used by communities to evade their obligation to house low-income people or minorities, by passing token rent-control acts that would keep them from receiving the Federal funds to provide such housing. The House Banking Committee will be considering an amendment by Congressman Wylie of Ohio next week to include this terrible rent control provision in the House Banking Committee's reconciliation package. The Congressional Black Caucus serves notice now that we will fight that amendment to the House bill with every resource at our disposal. We call upon people of conscience everywhere to join us in urging the members of the Banking Committee to defeat this insidious measure.

While we have been able so far to keep the Reagan Administration's recommendations on Community Development Block Grant programs from being adopted, we are still faced with the prospects of having the whole Community Development Block program radically changed from the present program to one that would make it a pure community development revenue sharing program with no mandates on communities to see that their community development funds assist low- and moderate-income people, no mandates that their low-income housing needs are provided for, and no tools whereby the Federal Government can force communities to meet the needs of their low- and moderate-income people. The Senate bill already contains these proposals and we are expecting efforts of the Republicans on the Banking Committee to include them in the reconciliation bill to be considered by the Banking Committee on Monday. It is our hope that these efforts again can be turned back by our colleagues on the Banking Committee as a result of the lobbying of citizens of goodwill.

The Congressional Black Caucus is keenly aware now of what the American people will apparently know only later when the devastating impact of these policies and cuts hits numerous states and hundreds of communities that are desperately struggling to

provide affordable housing for citizens of low- moderate- and even upper-middle income in our nation today. We vow to continue our struggle to protect the poor and all Americans from the "meanness mania" that is sweeping the country and we urge men and women of conscience and goodwill to continue with us in this valiant and worthy struggle.