MAKING IN ORDER ADDITIONAL TIME FOR GENERAL DEBATE ON H.R. 2, HOUSING OPPORTUNITY AND RESPONSIBILITY ACT OF 1997

Mr. LAZIO of New York. Mr. Chairman, I ask unanimous consent that there be an additional 20 minutes of general debate on H.R. 2, equally divided between myself and the gentleman from Massachusetts [Mr. KENNEDY], at the request of the minority.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

HOUSING OPPORTUNITY AND RESPONSIBILITY ACT OF 1997

The SPEAKER pro tempore. Pursuant to House Resolution 133 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2.

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IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2) to repeal the United States Housing Act of 1937, deregulate the public housing program and the program for rental housing assistance for low-income families, and increase community control over such programs, and for other purposes, with Mr. GOODLATTE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose earlier today, 30½ minutes remained in general debate.

Pursuant to the order of the House of today, each side will control an additional 10 minutes. Therefore, the gentleman from New York [Mr. LAZIO] has 26 minutes remaining, and the gentleman from Massachusetts [Mr. KENNEDY] has 24½ minutes remaining.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. LAFALCE].

Mr. LAFALCE. Mr. Chairman, I rise in opposition to H.R. 2. I know that the bill is extremely well intentioned. I have the highest professional respect and personal regard for its principal author, but I do think that this legislation will in fact undermine both our Nation's 60-year commitment to assisting the very poor and also the effective administration of our public housing programs.

The issue before us today has been miscast. It is not whether you are for reform or the status quo. That is a false dichotomy that the majority has attempted to perpetrate. We are all for reforming this present situation. We all believe that reforms are necessary. In fact, reform of every program must in fact be a constant. But what kind of reform? Reform is just another word for change. We can have good changes or bad changes. We happen to think that the changes you have proposed are very, very bad.

We are proposing a substitute to the status quo, significant reform, significant change. And so the battle is not as you have tried to cast it between your bill and the status quo. The battle is between the substitute that we offer and your main bill.

I believe the substitute we offer will make the changes in a manner consistent with the core values and purposes of public housing. I believe that the changes you propose will divert public housing resources to serve a broader political agenda.

I have serious concerns about many, many aspects of H.R. 2. First, the fact that it summarily repeals the 1937 Housing Act, on which Federal housing programs have been based for 60 years with little, if any, attention to the disruption this may cause for current housing assistance and the litigation that may well ensue because of it. I further see no reason, as H.R. 2 proposes to burden public housing authorities and staff and residents with new work, immigration and welfare reform responsibilities, all of which are unfunded, all of which are unenforceable, all of which are in my judgment discriminatory.

The gentleman from Massachusetts [Mr. KENNEDY] makes a good point. If we are going to have these work requirements, why not for the investors in oil shelters? Why not for the investors in section 8? Why not for those who receive public subsidies through the Tax Code? No, we discriminate.

I also strongly oppose the abrupt change in public housing admission and income targeting requirements.

They will permit diversion of the best public housing facilities for mixed income housing and the warehousing of very poor families into the worst public projects.

In addition, I must strongly oppose those provisions that could further politicize public housing administration. These include providing huge unfettered block grants of most remaining housing assistance to local mayors rather than independent housing authorities, withdrawing needed CDBG funding from cities that have troubled housing authorities, and allowing Governors to allocate capital improvement funding among smaller public housing authorities within their States. Each of these proposals offers the potential for the diversion of scarce housing funds for political objectives rather than the needs of our poorest families.

I would hope that we can proceed in a bipartisan manner. That is not what happened in the reporting of the bill. Most amendments were adopted or rejected on partisan grounds. I think it is only possible to achieve a housing bill, and we have not seen a housing bill passed in over 6 years now, if we proceed in a bipartisan fashion. Hopefully at some point in time we will come to that realization.

Mr. LAZIO of New York. Mr. Chairman, I yield myself such time as I may consume.

I just found it curious, Mr. Chairman, that there is a discussion about alternatives now when this bill is on the floor and ready for action, the son of status quo that is now being discussed or the status quo substitute that is being discussed that even negates the reforms that the Clinton administration would put forward. It appears that there are some Members in this body that are clinging on desperately to the failure that exists in certain areas. I think again that mocks compassion. What we need to do is create environments where people can make it.

Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. NEY], the distinguished vice chairman of the Subcommittee on Housing and Community Opportunity.

Mr. NEY. I thank the gentleman from New York [Mr. LAZIO] for yielding me this time.

Mr. Chairman, I guess we have heard it all today. The people I assume we are saying are investors make money. The people who are building projects, the people who are building housing should in fact, I guess, volunteer some time also? So I am assuming that the union working people that work for those companies should also volunteer time because they are working on the projects? Is that what we are saying? Is this some type of great philosophy we have today? We are talking about the residents.

I have got plenty of residents in my district who would like to put in a little time, 2 hours a week, to feel productive, to do something toward the housing that in fact the Government is cooperating with them to provide some living situations for their family. That is all we are talking about. To stretch this out to who builds it and maybe the workers for that company should in fact put in some volunteer time, that is not what this is about. This debate is occurring today because let me tell you what the U.S. Government did from 1937 forward, when the poor of this country, the people that needed some housing, needed some assistance, came to their Government and said, ''Help me. I need some help for my family.''

The Government looked at those individuals and said, ''OK, we're going to put you all in one category, we're going to consider you all the same, we'll build something called a project, then we'll create a bureaucracy to oversee that project. We won't try to help you out in neighborhoods. We'll just take you to a high-rise. We'll warehouse you. We'll make it effectively easy for drug dealers and thieves to have a captive audience to get at your families.''

That was the philosophy. I think we should have had the attitude in 1937 to put people in neighborhoods, just like we were raised, in neighborhoods with rich and with poor, and with middle-class working Americans.

We will probably, Mr. Chairman, see some pictures shown on this floor today of some nice housing community projects, and there are some in the country. Let us look at the realities. In October 1994 in Chicago, IL, a 5-year-old boy was tossed to his death from a 14th floor window at the Ida B. Wells public housing project by two other young boys.

Mr. Chairman, there are other nightmare stories, and there are some good housing units and projects in this country but it is time for a change. It is a big difference of how we are going to approach helping people that need help from their Government. The way we are going to do it is to give more flexibility to be able to tell drug dealers that they are not going to come into these projects, to be able to defend families that are living there, to have a voucher system to try to eventually have people go into neighborhoods and for the Government to cooperate with them, for the Government to help them, for the Government to help them up the economic ladder. But there are nightmare stories. All is not good in paradise across the United States in these projects. We need to help the people of this country.

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Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentlewoman from Michigan [Ms. KILPATRICK], a good friend and a new member of the committee and a wonderful contributor.

Ms. KILPATRICK. Mr. Chairman, first let me say that we are in change and want change on both sides of the aisle in public housing. We all agree that something needs to happen and that there needs to be changes made.

I have to point out that prior to 1992 there was very little investment on the Federal side in public housing around our country, and that is why much of the decay that we see today exists. H.R. 2 in its present form does not address those needs. There is not a single line in this legislation that provides more funding for the building of more housing, affordable housing, for poor people. There is not a single line in this legislation that provides the demolition of unsafe and unsanitary housing. There is no requirement to serve the poor in public housing or beyond. This legislation, Mr. Chairman, is not in the interests of our country, and it is certainly not in the interests of poor people. As has been mentioned, the homeless population will grow. Currently there exists a grievance procedure, for those who are in public housing for minor infractions, to go before a committee of their peers to address those concerns as has been eliminated in H.R. 2, and now these people must go right to court with little resources, with the public defenders office overburdened.

H.R. 2 in its present form will not create what we want in America. It will not allow for the poorest of the poor to have decent housing, for those children of those poor people to have adequate housing and a decent education. It should not be called and is called the Housing Opportunities and Responsibility Act. If it were that in fact, we would be addressing some of the evils, some of the concerns of this American society that we live in.

Unfortunately, H.R. 2 does not do that. We have got to go to the drawing board. We offered several amendments in full committee to try to address some of these needs to make a way so these poor people could have safe and decent housing. We, too, want complexes, and this is a picture that has now been moved. Decent housing complexes all over America, all of them are not infested. Some of them are, and we need to weed them out. This legislation in its current form does not address much of that.

We want good public housing, we want to take care of the people in America who are the poor and the poorest and have the least effect, but this legislation does not do it.

Mr. Chairman, I ask my colleagues to vote down H.R. 2 in its present form.

Mr. LAZIO of New York. Mr. Chairman, I yield 3½ minutes to the distinguished gentleman from Louisiana [Mr. BAKER], an active member of the Committee on Banking and Financial Services.

Mr. BAKER. Mr. Chairman, this really goes back to the debate of 1937 when under the leadership of President Roosevelt, the Housing Act was adopted. But even beyond that vision that the President had, there was the Civilian Conservation Corps which was enacted during a very difficult and economic period of our country. The act set up a $30-a-month stipend for young men. Interestingly enough, no women could go to work for the CCC. And if they had a family, of the $30, $25 automatically went back to the family, while $5 stayed with the worker who lived in tents while they labored in national forests to preserve our great heritage. No one viewed that program as degradation or that it created shame or that it demeaned the esteem of man, and yet we look back with great pride at the days of CCC as an innovative and bold program.

Today we find our current housing circumstance in much the same as our Nation in 1937. We indeed face a crisis, not as a result of a cataclysmic event, but erosion-like, slow process of erosion where our building inventory has gradually deteriorated. Unfortunately it has ruined a great deal more than just structures. It has taken the character and spirit of our people.

How so? Through the best of intentions we set out to help people, to give them food and shelter and what was necessary to survive. But children grow up. Where there is no dad, mom cannot read, she does not go to school, there is no job for dad if he were there, and the only free enterprise in the neighborhood one can see is the drug dealer trying to protect his market share. Some might call that slavery today, because when one goes in they simply do not come out.

But today we hear the same voices, the voices fighting to preserve this system, the dehumanizing system that manufactures kids who know nothing of the world's opportunities and even have disdain for everything that would make them successful. These same voices defend the warehousing of people like used tires and care little about their avenue to escape. Maybe I do not understand, but as a father I know placing in the hands of my own children the things that they need is the most satisfying thing in life. There is much to achieve in life, but no goal is more worthy than caring for one's own.

So what is our plan to cure the problems of our fellow man? Simply not to build a retirement community where the Government assures one has a place to stay for life, but to build an opportunity. Few Americans resent helping one another, but we do expect those individuals who receive that bounty to do something for themselves.

The Welfare Reform Act, which a majority of my friends on the other side of the aisle voted for last year, requires 20 hours of work a week. This act simply proposes to require 2 hours of work per week. This proposal exempts those who are disabled and those who are elderly, those who happen to be subject to the Welfare Reform Act, and interestingly enough those who have a job. But it then is only 2 hours per week.

Why is this important? Because this is a process to enable a person to gather the skills they need to go out and work in the workplace with the strange idea that money is the cure to poverty.

We are not going to guarantee the world will change if this is passed, but let me read the words of President Roosevelt. The country needs, and unless I mistake its temper, the country demands bold persistent experimentation. It is common sense to take a method and try. If it fails, admit it frankly and try another, but above all try something.

No doubt Roosevelt had a grand vision when the 1937 act was passed, but if he stood here today, he would no doubt be deeply troubled by what he sees. He would not stand for despair, degradation and poverty, and he would not stand for it today, and neither will I.

Mr. LAZIO of New York. Mr. Chairman, I ask unanimous consent to yield the balance of my time to the gentleman from Ohio [Mr. NEY] and that he may be able to yield such blocks of time as he may deem necessary.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 3 minutes to the gentleman from Vermont [Mr. SANDERS].

Mr. SANDERS. Mr. Chairman, I want to congratulate the gentleman from

Massachusetts [Mr. KENNEDY] for his leadership in this area.

Let me just make a few brief points. No. 1, at a time when this U.S. Congress provides $125 billion a year in corporate welfare tax breaks and subsidies to large multinational corporations who do not need them, at a time when we are spending billions on B–2 bombers that we do not need, at a time in which we are giving huge tax breaks to the richest people in America who do not need them, I am not impressed by a policy which over the last 4 years has cut back on public housing by 25 percent. We seem to always have funds available to help the wealthy and corporate America, but when it comes to the need of working people and low-income people, suddenly it is on their backs that we are asked to balance the budget.

The economic facts are very clear. Just the other day we read in the papers that the CEO's of major corporations now make 207 times what their workers make, while the new jobs that are being created are low-wage jobs keeping people in poverty after 40 hours of work. In my State of Vermont and throughout the country there are millions of people who are working 40 hours a week, and then they are being asked to pay 40, 50, 60 percent of their limited incomes for housing. There is a housing crisis in this country, and the way to solve the housing crisis is not to cut back on funding and not build more affordable housing.

Now my friends here say on the Republican side we do not want to warehouse people. OK, do not warehouse them. Then why do they cut back on section 8 funding so that we can spread people out throughout the community? There are many types of models for affordable housing other than public housing projects, but they do not support those. So those are just words; that is not reality.

Now in terms of public housing we hear these horror stories, and I really think that that is not a nice thing to say. Sure there are problems, some serious problems within the projects, but to give grotesque examples of what one family does is to cast aspersions on all of the people who live in public housing.

So let me tell my colleagues I was mayor of the city of Burlington. We have public housing, and it serves its purpose well. It provides safe, affordable, clean housing for hundreds and hundreds of people, and it helps people. It allows them to get a footing in their lives.

I resent the fact that we talk about horror stories from public housing. Do my colleagues know what? Rich people kill their kids, too. It is not just poor people. Furthermore, in terms of this work requirement, one of the points that was made during the discussion in committee was that we have a home interest mortgage deduction which allows multi-multimillionaires to deduct the interest up to a million dollars on the mansions, on the fancy houses that they are living in. So we have a public policy which provides a tax break for multimillionaires who own mansions.

Now that is an interesting housing policy when at exactly the same time we are cutting back on housing for working people and poor people, and I think the suggestion was made that if we got to have a work requirement for poor people who get a subsidy, what about the millionaires who get a subsidy?

Mr. NEY. Mr. Chairman, I would like to inquire how much time is left for the debate.

The CHAIRMAN. The gentleman from Ohio [Mr. NEY] has 19 minutes remaining, and the gentleman from Massachusetts [Mr. KENNEDY] has 15 minutes remaining.

Mr. NEY. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Delaware [Mr. CASTLE].

Mr. CASTLE. Mr. Chairman, I would like to begin by commending the gentleman from New York [Mr. LAZIO] and the gentleman from Iowa [Mr. LEACH] and their staffs for hard work on this legislation and for their commitment to improving the future of the residents of public housing. In particular I would also like to thank Chairman LAZIO for addressing my recommendations to improving H.R. 2, especially my concern that the performance of well-run housing authorities be taken into consideration in determining the formula allocation.

Mr. Chairman, if housing authorities are going to be able to best serve the interests of their residents, they will need flexibility in managing Federal funds. Most important, we need community-based solutions.

On the one hand, public housing officials must aim to rid residents in overcoming poverty and unemployment. At the same time they must work to preserve the interests of the elderly and disabled who rely on safe and well-managed housing. H.R. 2, the Housing Opportunity and Responsibility Act, is a big step in the right direction in empowering housing authorities to meet these diverse needs.

H.R. 2 would empower local authorities by deregulating Federal public and assisted housing programs and substantially increasing local control over those programs and decisions about who benefits from them. This bill will allow well-run housing authorities, such as the ones we have in the State of Delaware, the authority to develop creative ownership programs that allow for more flexible solutions for residents and communities. The bill deregulates and decontrols housing authorities to create environments that are fiscally sound and physically safe, and eliminates the disincentive to work.

This bill also addresses the financial crisis plaguing the Nation's most distressed authorities by providing the new management structures and effective Federal and State partnerships. The long term success of public housing will depend upon the housing authorities' ability to work with local governments and community organizations to better allocate the Federal resources available for community and economic development.

I support this legislation and look forward to the continuing debate on the floor. I hope we can come closer to a meeting of the minds with respect to it because I happen to think it is as important as anything that we can in Congress this year do other than balancing the budget, and I thank the sponsor again for the yielding of the time.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 2½ minutes to the distinguished gentlewoman from New York [Ms. VELÁZQUEZ].

Ms. VELÁZQUEZ. Mr. Chairman, I rise today in fierce opposition to H.R. 2, the so-called Housing Opportunity and Responsibility Act of 1997. Let me just say that the only thing accurate about that title is the date.

Although reform is necessary to meet today's public housing needs, H.R. 2 is not the answer. Sixty years ago the Housing Act of 1937 began our commitment to provide safe, clean, affordable housing for our Nation's poorest families. This bill abolishes that law and abandons that commitment.

H.R. 2's provisions read like a litany of injustice. One of its harshest proposals chips away at the cornerstone of public housing, targeting on their income, targeting on this bill. It will take years before public housing authorities will have to accept families earning less than $10,000 a year. These are the very families public housing was created to serve.

Mr. Chairman, there are over 5 million families that do not have access to decent and affordable housing, yet H.R. 2 pours salt on the wounds of the poor by setting minimum rents between $25 and $50. That may not sound like much, but it will force many poor families to choose between food and shelter for their children.

As if the targeting and minimum rent provisions were not heartless enough, H.R. 2 also imposes a time limit on how long tenants may remain in public housing. Once this limit is reached, families will be evicted even if they still are living in poverty.

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Coupled with the welfare reform laws passed last year, families will be forced out into the street. It is hard to believe, but the list continues.

Instead of providing opportunities for job creation, this legislation will also force the poor into unpaid community service. How can we expect people to make the transition from welfare to work if we force them into unpaid labor? We should be creating real jobs with living wages, not threatening families with eviction.

Mr. Chairman, we must reform public housing, but we must do so in a fair

and reasonable way. We must make safe, affordable housing available to those in need, and we must provide real economic opportunities so that public housing can help families become self-sufficient.

Last year, the Republicans called our Nation's public housing system the last bastion of socialism. If H.R. 2 becomes law, we may recall our new system the first bastion of heartlessness.

Mr. NEY. Mr. Chairman, I yield 1 minute to the gentleman from Kansas [Mr. SNOWBARGER].

Mr. SNOWBARGER. Mr. Chairman, I thank the gentleman for yielding me this time.

I rise in support of H.R. 2, the Housing Opportunity and Responsibility Act. H.R. 2 provides comprehensive overhaul of the currently troubled public housing system. It eliminates the disincentives to work, increases accountability of public housing accountability authorities and balances the privileges and responsibilities of residents. In particular, I am supportive of the community work and self-sufficiency requirements that are central components to the bill.

H.R. 2 requires that public housing residents spend 8 hours each month volunteering in their community. Their assistance is an invaluable resource in ensuring that public housing communities are safe, clean, and healthy places to live. Furthermore, residents must set a target date for obtaining self-sufficiency and moving out of public housing.

Mr. Chairman, several weeks ago I visited the Olathe Salvation Army Family Lodge in my district. The lodge currently provides housing for 11 families who in exchange for their housing participate in a self-sufficiency program. The lodge has an 82 percent success rate in residents finding permanent private sector housing. This high success rate is attributed to the work requirements built into the program. I believe this type of success is a model for public housing authorities across America.

I urge my colleagues to support H.R. 2 and the community work requirements.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 2½ minutes to the gentleman from Chicago, IL [Mr. JACKSON].

Mr. JACKSON of Illinois. Mr. Chairman, I thank the gentleman for yielding me this time.

Let me first begin by congratulating the gentleman from Iowa [Mr. LEACH], the gentleman from Texas [Mr. GONZALEZ] and the gentleman from New York [Mr. LAZIO] for working together on this bill.

Mr. Chairman, I rise today in opposition to H.R. 2, a bill which I fear will add to the millions of Americans who are currently homeless, at risk of being homeless, or suffering under severe housing conditions.

If H.R. 2 is passed in the form it was reported out of the Committee on Banking and Financial Services, it will, in essence, destroy the last remnant of the social safety net constructed to protect our Nation's most vulnerable citizens. While we all agree that comprehensive reform of our public and assisted housing system is of paramount importance, this bill, unfortunately, is not the vehicle to meet the needs of our Nation's housing needs. In fact, H.R. 2 will make worse an already bad condition.

H.R. 2 will fundamentally repeal the underlying premise and principle of the Housing Act of 1937, legislation which encompassed President Franklin Delano Roosevelt's righteous position that safe, sanitary, and adequate housing is a human right and not a privilege. The abandonment of this 60-year commitment is a travesty for this technologically advanced industrial country, which is considered to be an economic superpower among nations.

Mr. Chairman, I intend to offer amendments to this bill which will enable us to protect against one of its more onerous and demeaning consequences: the community work provisions of section 105, which I might add are uniformly opposed by virtually every housing authority in the Nation because in the first year alone it will cost $65 million and create the contradictory requirement of mandated volunteerism, an oxymoron. By requiring public housing residents to perform 8 hours of community work on top of the rent that they already pay or risk eviction from public housing, we are imposing a burden on low-income recipients of housing assistance that we do not likewise impose on middle and upper class recipients of housing subsidies like the millions of Americans who receive the benefit of a homeowner deduction each year. My amendments will ensure that H.R. 2 does not force tenants from their homes if they fail to meet this requirement.

Mr. Chairman, if we mandate volunteerism in exchange for government assistance in the form of public housing, why not require the same for those who receive any form of Federal assistance, foreign subsidies, corporate welfare, Social Security, Medicare, Medicaid, WIC, food stamps, mortgage deductions or mining rights.

Mr. Chairman, H.R. 2 vilifies public housing residents solely because they are poor. In the final analysis, we measure ourselves as a society by how we treat the least of these and the most vulnerable.

Mr. Chairman, I rise in opposition to H.R. 2, a bill which I fear will add to the millions of Americans who are currently homeless, at risk of being homeless, or suffering under severe housing conditions. If H.R. 2 is passed in the form it was reported out of the Banking Committee, it will, in essence, destroy the last remnant of the social safety net constructed to protect our Nation's most vulnerable citizens.

While we all agree that comprehensive reform of our public and assisted housing system is of paramount importance to this nation, this bill unfortunately is not the vehicle to meet the magnitude of our housing needs. In fact, H.R. 2 will only make worse an already bad situation.

H.R. 2 will fundamentally repeal the underlying premise and principle of the Housing Act of 1937—legislation which encompassed FDR's righteous position that safe, santiary, and adequate housing is a human right and not a privilege. The abandonment of this 60-year commitment is a travesty for this technologically advanced industrial country which is considered to be an economic superpower among nations.

Without a firm commitment to this principle, we will never attain our stated objective of adequately housing our citizens, as is demonstrated by our history. In the late 1960's a White House conference on housing and urban issues called for 26 million new housing starts over the next 10 years in order to meet the housing needs of our Nation. That goal translated into 2.6 million housing starts each year, with 600,000 of those starts to be federally subsidized each year. The Nation has never even approximated that goal, and currently, the figure is only slightly over 1.5 million new housing starts annually.

We know that we face an affordable housing crisis in this Nation—5.3 million Americans live under worst case housing needs scenarios—that is they are forced to pay more than 50 percent of their income in rent and/or live under deplorable conditions. H.R. 2 will exacerbate this crisis through making public housing available to higher income residents who can pay higher rents at the expense of thousands of low income families.

When we talk about our priorities of enabling mixed income communities—which I believe is a laudable goal under ideal circumstances—we must be sure not to pull the housing safety net out from underneath the poorest and most vulnerable Americans. Over the course of this debate, we will speak at length about the dangerous targeting provisions in this bill which set aside only 35 percent of public housing units for those earning below 30 percent of area median income, leaving the remainder of units to house people who earn up to 80 percent of the area median income. In Chicago, that means 65 percent of all public housing units could be set aside for people earning $44,650. Should we be displacing full-time minimum wage workers to make room for professionals who can better afford to find housing in the private market? Even at this point, this is a false debate.

Let me be clear. When we target low-income tenants as those with incomes under 30 percent of the median income, in a large metropolitan area like Chicago we are talking about those who earn $16,312. This is $5,000 more than a full-time minimum wage worker earns in a year, and nearly $10,000 more than a welfare recipient. People who will necessarily be displaced by the proposed income-mix equation, will include vast numbers of the working poor. As a result, low wage workers and Americans who we are ostensibly encouraging to successfully make the transition from welfare to work will either be forced into homelessness or to forgo basic human necessities like health care, groceries, and clothing in order to find alternative shelter.

We must be vigilant in our efforts to ensure that just at the time that we are requiring the most from the most vulnerable among us, we do not remove the stability and security of

adequate housing—an essential resource as people attempt to move from welfare to work. When we considered this legislation in the last Congress, welfare reform had not yet been enacted; 70 percent of the residents of the Chicago Housing Authority receive public assistance and half of all residents are children. If there are not enough jobs to meet the welfare-to-work requirements, the potentially devastating implications of this bill are magnified.

Mr. Speaker, I intend to offer amendments to this bill which will enable us to protect against one of its more onerous and demeaning consequences. The community work provisions of section 105—which, I might add, are uniformly opposed by virtually every public housing authority in the Nation because in the first year alone, it will cost them $65 in the first year alone—create the contradictory requirement of ''mandated volunteerism.'' By requiring public housing residents to perform 8 hours of community work on top of the rent they pay or risk eviction from public housing, we are imposing a burden on low-income recipients of housing assistance that we do not likewise impose upon middle and upper class recipients of housing subsidies, like the millions of Americans who receive the benefit of homeownership deductions each year. My amendments will leave the section intact, yet will ensure that H.R. 2 does not force tenants from their homes if they fail to meet this requirement.

In light of the Colin Powell summit elevating a sound concept, ''volunteerism,'' why refer to such a ''mandated condition'' as ''voluntary.'' Why give volunteerism a bad name? Why not call it what it is, a mandatory condition for living in public housing? The second concern is practical. While section 105 of H.R. 2 is technically legal, where will the poor go if they are evicted from public housing? Will they join the ranks of a growing homeless community on the streets of America? Will they move in with friends or relatives, adding to those already living in overcrowded and unsafe circumstances? What are the real alternatives of the poor if they are evicted from public housing?

If we mandate volunteerism in exchange for Government assistance in the form of public housing, why not require the same from those who receive any form of federal assistance, farm subsidies, corporate welfare, Social Security, Medicare, Medicaid, WIC, Food Stamps, mortgage deductions, or mining rights? Why do we require this only from the poor living in public housing? Are public housing residents being denied equal protection under the law?

Mr. Chairman, H.R. 2 vilifies public housing residents because they find themselves in the unfortunate predicament of being poor. In the final analysis, we are measured as a society by the way that we treat our most vulnerable. Let us not require the most from those who are in the most in need. I urge a ''no'' vote on this mean-spirited and dangerous bill.

Mr. NEY. Mr. Chairman, I ask unanimous consent to yield the balance of my time to the gentleman from New York [Mr. LAZIO] and that he may be able to yield blocks of time.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LAZIO of New York. Mr. Chairman, I yield myself 15 seconds.

Mr. Chairman, I just want to make sure that we clarify a point. This bill, according to the Congressional Budget Office, saves $100 million in administrative expenses. It is a net saver. That includes the community service requirement. So any statement to the contrary is not accurate and does not reflect the Congressional Budget Office figures.

Mr. Chairman, I yield 1 minute and 15 seconds to the gentleman from Utah [Mr. COOK].

Mr. COOK. Mr. Chairman, I thank the gentleman for giving me a minute to rise in strong support of H.R. 2. Salt Lake City, Utah's capital and the largest city in my district, has a public commitment to mixing middle-income and low-income housing. Last year the city set aside $300,000 of its own money to provide developers with incentives to mix housing. City officials have been flooded with phone calls from interested developers. Soon, the city will select a middle-class development that will designate 20 percent of its projects for low-income families. I believe mixed income housing is the only way to avoid inner-city blight.

But my district can only select one or two developments for this approach because we could not find any Federal program that supported this creative approach. I say to my colleagues, this housing bill helps adopt such a creative approach. This housing bill can help preserve the dignity of their impoverished residents, the integrity of their neighborhoods, and perhaps most important of all, provide opportunities to poor young people who have for too long been isolated from the opportunities that middle-income children enjoy, opportunities that could at last break the cycle of poverty that threatens to cripple this country.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield myself 30 seconds for clarification purposes.

I would just like to say that the chairman of the Committee on Banking and Financial Services asked me to file a report yesterday that suggests that the cost of this work requirement would be $65 million the first year, would be $35 million each additional year. The 100 million dollars' worth of savings that is accounted for by the chairman of the Subcommittee on Housing and Community Opportunity, the 100 million dollars' worth of savings is accounted for by virtue of the fact that we are raising the income levels on the poor people in these housing projects, thereby collecting additional rents, thereby confirming the contention of the Democratic position that this bill is fundamentally flawed because we take richer people instead of poorer people into public housing.

Mr. Chairman, I yield 3 minutes to the gentlewoman from California [Ms. WATERS].

Ms. WATERS. Mr. Chairman, I rise in opposition to this bill. I am appalled at some of the representations of my colleagues from the other side of the aisle accusing us of wanting to protect the status quo. We do not like homelessness. We do not like poverty. We do not like substandard housing. We are trying to change the plight of poor people in this Nation.

Yes, we need to do something about troubled housing, but this is not the answer. Let us talk about how troubled housing became troubled housing. Not because of the attacks on the poor that were made here today but, rather, because we have had public housing with poor people concentrated in locations with no services, we have had poor people piled on top of each other in some of these city locations. There are no clinics in many of these, no child care, no job training, and guess what? Many of the local police departments do not even want to provide police services.

We are trying to correct this situation. We have had public housing with no investment for rehabilitation, no money to fix up those places. Yet we have those who stand on the floor, attack the poor, people who have two and three houses, people who live not only in Washington, DC, but houses spread perhaps all over the Nation, people who come here and talk about forcing people to do some kind of community service work, people who are getting a large paycheck. Nowhere in the contract with the people are we forced to even have to come to work, and many do not. How we can stand here and talk about forcing people to work and disrespecting the poorest of the poor, and talking about having them somehow give their time, it is not volunteering, it is forced servitude.

This bill is not worth the paper it is written on. This is a bill that does nothing for the poor. This is a bill that follows the direction of the Republicans of this House cutting HUD by over 25 percent, cutting housing by some 20 percent. We cannot support this bill. We tried to make it better with amendments. We were beaten back in committee with many of the amendments we attempted to make in order to make it a better bill.

What we have at this particular time is targeting in ways that will cause the poorest of the poor to be driven from the only housing they can afford. With welfare reform, with people with less income to purchase housing for their children, for their families, they will join the homeless on the streets of America, one of America's greatest shames.

We have Republicans on the other side of the aisle who say they care about children. Where do they think children live? Where do they think poor children live? Where do they think they are going to go when they are driven out of this housing, the only housing that they can afford?

I ask my colleagues to reject this legislation. Again, it is worse than the bill that we had last year.

Mr. LAZIO of New York. Mr. Chairman, I yield 2½ minutes to the distinguished gentleman from the great

State of Maryland [Mr. EHRLICH], a member of the Committee on Banking and Financial Services.

Mr. EHRLICH. Mr. Chairman, I rise in support of H.R. 2, and I commend the gentleman from New York [Mr. LAZIO], the chairman, for his great work again this year as he did before in the 104th Congress.

Mr. Chairman, this bill represents a bold step forward with respect to our housing policy at the Federal level. But that is not why I am getting up this afternoon. I am getting up because of some of the things I hear from the other side of the aisle.

This is not about good or bad, Mr. Chairman. It is not about who cares about the poor and who does not care about the poor; it is not about class welfare and who is middle class and what parents you came from or if you have a trust fund or not. It is about a profound philosophical difference between the parties in this town.

I see my friend from Baltimore sitting over there, he is going to speak in a minute. We served in the Maryland legislature together and we did not agree on much. We are friends. We both have a common motivation, which is to help people. We have a philosophical difference on how we get there, and that is what this debate is all about. No one is good or bad, regardless of how they come down on the philosophical side of this issue. It is about self-sufficiency and self-help, and opportunity and responsibility and accountability. It is about accountability and responsibility and how we get there.

On this side of the aisle, we think a work requirement is good for people. Some folks disagree. We all come to this in good faith.

H.R. 2 removes disincentives to work, it creates pride where pride should be, it creates healthy environments to live it, and it is consistent with the Republican philosophy that local communities should be able to propose and implement local solutions.

I understand there are folks in this town, folks over there, friends of mine, who do not share that philosophical orientation. I think they have had a lot of time to be in power. We think on this side of the aisle their solutions have not worked. We all bring good faith, Mr. Chairman.

□ 1545

Mr. Chairman, I will be glad to talk to my friend, the gentleman from Baltimore, and my friend on the third floor of the Cannon House Office Building later on this as well.

I want to commend the subcommittee, I want to commend the full committee, and I want to commend the opposition. This is a good debate. It certainly shows the different beliefs that we, each of us respectively, bring to this very important issue for the American people.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 2 minutes to my good friend, the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Chairman, I rise in opposition to H.R. 2, the Housing Opportunity and Responsibility Act. Simply stated, the bill fails to help those whom public and assisted housing was created to serve. I urge my colleagues to oppose the bill and support the Kennedy substitute to ensure that local housing authorities serve Americans with the greatest housing needs.

Mr. Chairman, there is bipartisan consensus that public housing needs to improve. We all agree that public housing must be safer and work better. We all agree that HUD must be streamlined and refocused. But true reform, true reform, would not abandon our Nation's most vulnerable citizens, and that is what this bill does.

Not only does this bill fail in its most basic mission, helping the poorest of the poor, but it also creates new obstacles to finding shelter. The bill institutes mandated voluntarism for residents of public housing. This bill requires forced labor in exchange for subsidized shelter, a requirement that does not exist for any other Federal assistance.

The only acceptable use of forced labor is as a punishment for a crime, and it is not a crime to be poor. We do not require the CEO's of the major lumber companies to volunteer in exchange for subsidizing their logging on public lands. We do not require tobacco farmers to volunteer in exchange for Federal crop insurance. We do not force flood victims to volunteer when we help them to rebuild their communities. Public and assisted housing residents are not criminals. They hold jobs. They raise families. Many participate in residential and community activities.

H.R. 2 is bad policy. My colleague earlier talked about who is bad and who is good. The individuals are not bad or good, but there is good policy and there is bad policy. This is bad policy. It provides assistance to families with the means already available to them to find housing. It takes shelter away from the poorest of the poor. It adds mandates on local housing authorities. Be assured, this bill would keep children and elderly individuals out of public and assisted housing. Please oppose H.R. 2 and support the Kennedy substitute.

Mr. LAZIO of New York. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. PAUL].

Mr. PAUL. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, it was mentioned earlier that we have two visions about the housing program. Unfortunately, I see so little difference between these two visions. One, I see that the bureaucracy is centralized, spending a lot of money and not doing a very good job. The other vision is that if we decentralized bureaucracy and spent even more money, that somehow or another we will improve the public housing of America.

However, I do want to challenge the statements here that all of a sudden something is being cut, because the way I read the figures, actually we are increasing the amount of money. That should satisfy some opposition, but it would not satisfy me if we are spending more money. We are supposed to be spending less money. But according to the CBO figures, we spent $25 billion last year on HUD funds, most of it going into public housing, and this year the proposal is that there will be $30 billion. As we look at these figures on out, by the time we get to the year 2002 we are up to $36 billion.

So there are no cuts. There is a 20-percent increase this year. So I do not see how these funds are being slashed. I would like to see the funds cut and spent a different way. I think private enterprise is a much better way to build houses. There is no proof that this 30-year experimentation of $600 billion has been worth anything. We have spent $5 trillion on the war on poverty, and rightfully so. There are a lot of people complaining there is still a lot of poverty, still a lot of homeless, still a lot of people not getting medical care. I think that is true, but I think it represents the total failure of the welfare state.

It is coming to an end. Unfortunately, no matter how well intended, and the gentleman from New York [Mr. LAZIO] has done tremendous work, and has worked very hard to improve this situation, I wish I could share his optimism. There is no reason, Mr. Chairman, to be optimistic about this bill, if it is passed or not passed. We have to address the subject of how we deal with this problem.

Mr. LAZIO of New York. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Washington [Mr. METCALF], who also heads the housing caucus in the House of Representatives.

Mr. METCALF. Mr. Chairman, I rise in support of H.R. 2. H.R. 2 will fundamentally change public housing throughout this Nation. For too long Washington, DC, has regulated public housing authorities, tying the hands of local housing authorities with Federal preferences and excessive regulations. Today we are taking steps to deregulate, to decentralize public housing, to give local housing agencies greater flexibility and control, and reduce the concentration of the poorest families in the worst housing projects.

H.R. 2 will reward well-run public housing authorities, but will not tolerate chronically bad public housing authorities that have used taxpayers' dollars irresponsibly. This is not just a quick fix or an extreme solution, it is a real solution that will end public housing as we know it, and begin a new era of greater personal responsibility for residents and local responsibility for communities.

Without these changes now, our public housing stock will continue to deteriorate. I want to thank the chairman, the gentleman from Iowa [Mr. LEACH], and the subcommittee chairman, the

gentleman from New York [Mr. LAZIO] for their work on passing a public housing bill that works.

Transforming public housing evokes strong emotions from both sides of the aisle. Throughout this debate Members will hear about the need for compassion. Our problem is that we have measured compassion by how much money we have thrown at the problem. That does not do it. We need to fix the problem at the core, and begin helping those people in public housing move up the economic ladder.

I am fortunate to live in a district with good public housing agencies that will continue to serve those who need affordable housing. Whether it is the Everett Housing Authority or the Island County Housing Authority, they express the same message: Give us greater flexibility and less Federal interference. That is what we intend to do with this bill.

Mr. Chairman, I ask my colleagues to support commonsense legislation.

Mr. LAZIO of New York. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Chairman, I rise in support of the legislation that is at issue here today. Almost any bill, even if we did not read it, did not analyze it, or did not look at the provisions, but recognized that the committee that worked on it was attempting to improve the current situation in housing, would be acceptable if it is placed against the last 40 years of non-success.

Every single legislative congressional district in our country has a public housing unit. Almost every single one is failing to meet the stated purpose of the housing needs of the people that it is intended to serve. There are excellent public housing authorities that have done their job and have provided the needed help for housing inhabitants in every single one of the districts, but the housing authorities themselves have constantly badgered us Members of the Congress to bring about improvements, some of which are included in this bill. We must help the housing authorities help the poor in the housing arena.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I was wondering if the gentleman from New York [Mr. LAZIO] has extra time, would he yield to a question from the gentleman from Pennsylvania [Mr. GEKAS]?

Mr. LAZIO of New York. Mr. Chairman, I would say to the gentleman, if he would yield, that we started out with the same amount of time. I tried to accommodate by giving the gentleman an extra 10 minutes. We have several Members who are on their way and will need the time when they get in the Chamber. So if we have extra time at the end, I would be happy to try to yield to the gentleman.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 2 minutes to my friend, the gentleman from the great State of Maryland [Mr. CUMMINGS], a fellow who I think represents my older sister.

Mr. CUMMINGS. Mr. Chairman, for as long as I have been an elected official, my guiding principle has been to empower people to serve as a link that brings the resources of government to the people. It is because of these principles that I voted against last year's version of this bill.

This year's bill, H.R. 2, is not much better. It would repeal the United States Housing Act of 1937, which has provided the underpinning for the Department of Housing and Urban Development's basic purpose for more than 60 years.

Rather than improving upon the 1937 Housing Act, this year's bill abandons the basic tenets of the original bill to provide every American with safe, sanitary, and affordable housing. Abandoning these basic goals would be a disservice to every American who is struggling to provide adequately for his or her family.

Housing is essential if families are to be safe and if those responsible for food and shelter are to seek and find permanent employment. The Housing Opportunity and Responsibility Act lacks compassion. I believe that, in its current form, this bill will force thousands of needy persons onto the streets and leave many more teetering on the brink of homelessness. This measure will force our poorest citizens to pay increased rents to live in public housing units, while it allows individuals with higher incomes to receive increased governmental benefits.

The bill's income targeting provisions also are tilted too far in favor of higher-income families. This will exacerbate the shortage of affordable housing for every low-income family. Our Nation is already experiencing a shortage of affordable housing for low-income families.

More than 5.6 million low-income families currently pay more than 50 percent of their income for rent. We have lost 43 percent of this Nation's affordable housing supply over the last two decades. This bill in its current form will only make the problem worse by reducing the main source of housing affordable to very poor, namely public and assisted housing.

Additional resources must be provided to increase the number of housing units available to the poor. Otherwise, local housing authorities will charge higher rents to attract higher-income tenants. This will result in lower-income tenants being pushed into homelessness.

Mr. LAZIO of New York. Mr. Chairman, I yield 1 minute to the distinguished gentleman from New York [Mr. PAXON] a member of the Committee on Commerce.

Mr. PAXON. Mr. Chairman, I rise today in strong support of H.R. 2, the Housing Opportunity and Responsibility Act, which I believe addresses the last bastion of our failed experiment with the welfare state by ending our tragically broken Federal public housing system.

The public housing system created by decades of Federal micromanagement has actually harmed those it was meant to help by penalizing work and family unity and championing never-ending bureaucracy. H.R. 2 will encourage self-sufficiency, ending the rent provisions which have illogically and disasterously penalized public housing tenants for working and at the same time encouraging community involvement and responsibility by requiring 8 hours a month of community service for unemployed individuals receiving housing assistance.

I believe this legislation will create a healthier environment in public housing by admitting more working families into housing and stop the Federal Government from artificially sustaining communities mired in hopelessness and devoid of opportunity. I encourage all my colleagues to support H.R. 2, and I commend the gentleman from New York [Mr. LAZIO] for his leadership in this legislative initiative.

The CHAIRMAN. The time of the gentleman from New York [Mr. PAXON] has expired.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I would ask if the gentleman from New York [Mr. LAZIO] has any more speakers?

Mr. LAZIO of New York. Mr. Chairman, I would say we have additional speakers out of the Chamber but on the way.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman be willing to yield to me an extra 30 seconds to respond to some of the points that have been made by the gentleman from New York [Mr. LAZIO]?

Mr. LAZIO of New York. Mr. Chairman, I would say to the gentleman, again, we started out with equal time. We could debate this out, but we have x amount of time. I think we are going to be needing that time for our Members who are not yet in the Chamber.

Mr. KENNEDY of Massachusetts. Mr. Chairman, as long as the Chairman of the committee would understand that this particular amount of time is coming out of the time of the gentleman from New York [Mr. LAZIO], I would be happy.

The CHAIRMAN. The Chair does not understand that. The gentleman has not yielded the time.

□ 1600

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 2½ minutes to the gentleman from North Carolina [Mr. WATT].

Mr. WATT of North Carolina. Mr. Chairman, I thank the ranking member of the Subcommittee on Housing and Community Opportunity for yielding me the time.

I want to make it clear what this debate tomorrow will not be about, because it really has surprised me what the general debate has tried to posture as an issue.

We worked very hard in the Committee on Banking and Financial Services to try to make this a better bill. And what this debate will not be about is a choice between whether we are in favor of reform or the status quo. The bill itself can be improved. And to posture this bill as the only version of reform that anybody can support and the alternative is that we are supporting the status quo is just a very, very, very bad thing to do, and I hope my colleagues on the other side will not do it.

Second, this debate is not about flexibility because, while all of us support more flexibility for local housing authorities, time after time after time in this bill we are taking away flexibility from local housing authorities by mandating that they do a number of different things, not the least of which is to require occupants in public housing to volunteer. Now, how we require somebody to volunteer and call it volunteerism, I simply do not understand.

What this debate is about is how the Republicans would like to posture the poorest people in this country against those who are also working poor or the near poor, as I will call them, because that is the dilemma that this bill will put all of us in.

What they want to do is to put more and more working poor in public housing, and that will be at the expense of the most poor people in this country and will deprive them of housing. And we are providing no funds for any additional housing under this bill.

This is a paternalistic, inflexible, so-called reform bill. I ask my colleagues to oppose it if it is not amended in this process.

Mr. LAZIO of New York. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I will say, once again, the same voices in defense of what we have now, the status quo, are opposing this bill. We had 100 Democrats who stood up last year for change and reform to recognize the failure of the system. What we have here again is defense of what exists, the failure that exists in many of our communities, the poverty, the superconcentration of poverty in the very backyards of some of the Members who are speaking out against this bill. I will tell my colleagues it is an outrage in this Chamber to talk about community service as something that is to be mocked or denigrated.

I ask, where were the voices in this Chamber when we asked for people who got medical scholarships to give their service to low income areas? Where were the voices in this Chamber to oppose the President's AmeriCorps program because the only way somebody could get education is to expect them to give back to community service.

I would say to this Chamber, where is the compassion for people who are just as poor who cannot get into public housing but have got to work 40 or 50 or 60 hours just to make ends meet?

Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. JONES], a distinguished member of the Committee on Banking and Financial Services.

Mr. WATT of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. JONES. Mr. Chairman, no, I will not yield to the gentleman from North Carolina.

Mr. JONES. Mr. Chairman, for 60 years this country has essentially run its public housing program the same way year after year. For 60 years public housing has gotten worse and worse. People living in public housing should have a right to live in clean and safe conditions, and taxpayers should have a right to know that their money is being well invested. For that to happen, we must make changes. This bill will eliminate the 60-year-old law which has given us rundown and unsafe public housing projects. It will give more local control, and it will require more responsibility from public housing residents.

Mr. Chairman, for too long we have concentrated the poorest families in the worst housing. For too long we have punished public housing residents who work. We have had generations of children who have grown up in public housing complexes and never seen a parent or anyone else get up and go to work.

They have only lived in projects that are covered with graffiti, overgrown with weeds and littered with empty wine bottles. The only business people they have ever known are drug dealers, prostitutes and food stamp hustlers.

Mr. Chairman, that is wrong. With this bill we will begin to change the reality of life for poor children across America. For the first time in many of their lives, they will live in communities with people who work and who take responsibility for their behavior. They will live in public housing complexes that are held accountable.

Mr. Chairman, this bill may not be perfect, but it makes the right changes in the right direction, and changing the way we conduct our public housing policy is the first step to getting positive results. I urge my colleagues to vote in favor of the bill.

Mr. LAZIO of New York. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. KENNEDY] has expired.

Mr. LAZIO of New York. Mr. Chairman, may I inquire how much time remains?

The CHAIRMAN. The gentleman from New York [Mr. LAZIO] has 2½ minutes remaining.

Mr. LAZIO of New York. Mr. Chairman, I yield myself the balance of my time.

Mr. WATT of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. Mr. Chairman, I will not yield.

I say, at the outset, again, that both sides have equal amounts of time. Both sides need to manage it correctly.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield on that issue?

Mr. LAZIO of New York. Mr. Chairman, I will not yield to the gentleman. I gave the gentleman an extra 20 minutes to try and work out his time problems.

I would say to the Chamber this is about whether we are going to embrace and accept and keep and look the other way when we see failure. It is about whether we are going to continue to punish people who are working. It is about whether we are going to side with the drug dealers, with the criminals, with the abusers of the system or whether we are going to side with the decent families, with the people that want to live in peaceful enjoyment in public housing. It is about whether we are screening, and let me say something, Mr. Chairman. We are going to hear about the so-called substitute, the phantom substitute. This has been a group, the Members that are going to vote for the substitute are the same Members who have been fighting change and reform for 30 years. They are the same Members who have fought against the administration in an effort to try and take down buildings because it was a Republican Congress that gave the administration the authority for the first time to demolish vacant hulks of despair in our Nation's cities.

This is an opportunity for us to stand up with the working people, the working poor in urban areas to say, we are not going to cower, we are not going to be intimidated, we are going to stand firm for what we believe in, for the principles of work and responsibility and decency. We believe in those things. We are going to reward and incentivize people to live by the rules.

As for the people who do not live by the rules, for the people who continue to be disruptive, for the system that continues to fail, for the housing authorities that continue to waste money and to force their families to live in despair, we are going to say, that era is now over. We stand for excellence, for success. We expect no less. We expect to get value for our dollar.

I do not know where it was written, Mr. Chairman, just because we were using public dollars, that somehow we should tolerate waste, that we should look the other way when there was failure, that we should not expect the same level of competence of excellence, value that we expect when we use our own private dollars. Yet there are Members in this Chamber that say that the only thing we need now is more public dollars. Baloney. Because in Chicago, in New Orleans, in the worst housing authorities in the country, they have been taken over with money left in the bank. That money has not even been spent, tens of millions of dollars unspent while people live with broken windows, broken doors, crime infested complexes. That is the outrage. That is what lacks compassion.

Mrs. MALONEY of New York. Mr. Chairman, the purpose of my comments is to clarify the purpose of section 622 of H.R. 2, the Housing Opportunity and Responsibility Act of

1997. I think it is important that the record on this legislation reflect the considerable thought and sensitivity to the needs and concerns of residents, owners, and managers alike that accompanied the decision to include this provision in the bill. This is the third Congress in which I have worked to secure for residents of public housing the opportunity to own pets; last year, by a vote of almost 8 to 1, the House adopted an amendment based on a bill that my colleague from New York, Ms. MOLINARI, and I had introduced. I wish to thank Mr. LAZIO, my colleague from New York and the chairman of the Housing Subcommittee, for his efforts to include an expanded version of that amendment in the housing reform legislation.

For many years, residents of federally assisted housing designated for senior citizens and disabled persons have been allowed to own common household pets, such as dogs, cats, and birds. This has worked extremely well; even the Department of Housing and Urban Development has had to admit that the problems it forecast have never come to pass. Building on that success, section 622 will extend that privilege to residents of most other forms of federally assisted rental housing. It is not intended that this provision will in any way subject elderly or disabled persons who now own pets under current law to additional fees or requirements, nor will it change the terms of or otherwise jeopardize the continued ownership of those pets.

One of the purposes of H.R. 2 is to renew American neighborhoods, or, as one hearing witness put it, to create caring, cohesive communities. Pet ownership adds much to the quality of life of both families and communities. Those persons who can demonstrate that they can be responsible pet-owning tenants should not be denied that opportunity simply because their incomes limit their housing options.

At the same time, those of us who have argued for pet ownership privileges for residents of federally assisted rental housing recognize that owners and managers of that housing have an enormous responsibility to provide safe, clean, and healthy homes for their tenants and are thus rightly concerned that they have the authority to regulate the conditions of pet ownership. H.R. 2 provides that authority. Housing owners may establish pet policies appropriate to their properties. For instance, tenants wishing to keep pets may be charged a nominal fee and pet deposit. Without making the cumulative financial burden prohibitive, such a mechanism would help to defray the added expense of administering a pet policy and to cover any property damage their pets may cause.

Furthermore, it is reasonable to ask pet owners to demonstrate that they can comply with the pet ownership requirements of their housing complex and also to limit the number of animals any one resident may own or keep. Integral components of responsible pet ownership policies in federally assisted rental housing include the spaying or neutering of dogs and cats and providing pets with proper nutrition and appropriate veterinary care. It is important to emphasize, however, that residents should not be required to subject their pets to an inhumane procedure, such as debarking or declawing, as a condition for ownership.

In keeping with another of H.R. 2's goals; that is, to increase community control within the public housing program, owners and managers of federally assisted rental housing should find ways to delegate to the residents themselves the maximum possible amount of responsibility for implementing the pet policy in a given housing complex. H.R. 2 recognizes the importance of tenant participation; much like the resident councils provided for in section 234, pet committees would enable residents to take an active role in implementing a responsible pet ownership program and ensure fair consideration and a careful balancing of the needs of everyone in the complex: The housing manager, maintenance staff, and pet owners, and nonpet owners alike. Housing owners and managers would do well to emulate the components of the highly successful program in Massachusetts, developed to ease the introduction of pet ownership into State-assisted public housing. In addition to pet committees, these elements include reasonable tenant and management obligations.

Experience offers ample evidence that no-pets-allowed policies fail to keep animals out of housing complexes; they also fail to offer any constructive avenues for addressing the problems that arise. Instead, by welcoming responsible pet owners under a system based on the Massachusetts model, the owners, managers, and tenants of federally assisted rental housing complexes will be able to implement section 622 successfully.

Mr. VENTO. Mr. Chairman, I rise in opposition to H.R. 2. Although pragmatically I would like to support a public and assisted housing reauthorization bill, this bill takes the positive ideas of reform and distorts them beyond recognition. H.R. 2 starts by repealing the pivotal underpinning of all Federal housing law—the 1937 Housing Act—for the symbolism and the sake of looking like reform. This key law is referred to in approximately 650 laws. It is a foundation that should not be casually tossed aside.

But that, Mr. Chairman, is from the dry pages of statute. In the real world, H.R. 2 will toss aside the underhoused in this country in much the same way.

The basis for these reforms has been in the works in Congress since 1993. That's right. Democrats put forth a bipartisan bill in 1994 that providef for mixed income developments, restructured rents, and more flexibility for Public Housing Authorities [PHA's]. Democrats support reforming and restructuring public and assisted housing. But not at the expense of the very people it was designed to serve.

The Republican majority, however, has chosen to solve the problems of public and assisted housing not by addressing need and the population that most needs housing, but by redefining who will be served. As if it were not bad enough that the 104th Congress—the last Congress—HUD's funding, cutting HUD's baseline by some 25 percent, this bill will now renege on who we are going to serve with the ever shrinking HUD budget. More mixing of income in public housing is great. However, given the extent of the housing crisis that exists in this country, we must be judicious in our policies so that we serve those with the greatest needs. H.R. 2 retreats from the problem, wrapped in the rhetoric of reform and local control.

Mr. Chairman, this Congress may be illuminated with photos and stories of some bad public housing developments once again during this debate. Despite the rhetoric, Democrats do not support keeping bad public housing bad. This is ludicrous. It is misleading and dishonest.

I, for one, am proud of the work and results of the public housing agency in St. Paul and the others in my district. Much of it is being renewed from a 40-year contract. The majority of public housing is good, even excellent, anchoring neighborhoods and providing affordable housing opportunities for low-income people. In fact, in my area, it is the private multifamily units that represent the greatest problem and challenge. Much of public housing is housing like those shown in the photo and illustrations being presented. It is good, safe, decent and clean housing.

Most PHA's are effectively managing their units with decreasing funds. Most continue to be innovative and creative with the resources they have and the partnerships they build. For their sake and the sake of current and future tenants, we must preserve and protect the taxpayers' $90 billion public investment in public housing stock. Indeed, I would argue that because of the extraordinary need for permanent housing, we should be talking about increasing this affordable housing resource.

Currently, 1.4 million units of public housing serve only 25 percent of the people eligible for assistance. Yet analysis shows that more than 5.3 million American families are paying 50 percent or more of their income for rental housing. Over 3,300 public housing agencies in community after community in this Nation are serving those with great housing needs and serving them well.

Unfortunately, the 75 troubled public housing authorities are the highest profile and tend to be employed by some to shape a negative public perception of public housing. No one, Mr. Chairman, no one wants to permit these units to persist, nor the hardship visited upon the families who reside in such projects to continue. Under then-Secretary Cisneros, the situation in many of these cities suffering with poor housing management had begun to change dramatically. Now, Secretary Cuomo is following through with a ''can do'' HUD. However, Congress should not legislate as if all 3,400 PHA's share the same problems. While 75 PHA's are troubled and require vigilant financial and management oversight, 3,325 PHA's should not be subjected to punitive cumbersome rules and policy.

Over the past few years, policymakers have struggled with the budget deficit. HUD has not shared the political clout enjoyed by other agencies like DOD or NASA. Democratic members of the Banking Committee have strongly fought for additional funding, yet, we have had to face the budget realities. That has forced us to try to balance the goal of providing quality housing for low-income tenants with less funding, to fix deteriorating housing stock; to provide new opportunities such as home ownership; and to provide services to make the housing successful.

Public housing needs to continue its mission to provide decent, safe, and sanitary housing that is affordable to very-low and low-income tenants. However, as policymakers, we have recognized the wisdom of mixing tenant incomes and encouraging working families to live in public housing to provide role models and stable communities. We must also improve management and allow more local control of the resources while maintaining our Federal interest.

However, H.R. 2 twists the mission of public housing, creates new bureaucracies, provides for new and onerous micromanagement of PHA's and residents, adds punitive CDBG sanctions that will, in the end, further harm low-income communities, and symbolically throws out the fundamental housing law of 1937. In the name of reform, H.R. 2 goes on to basically assure that public housing will not continue to assist those with less. The measure before us insures public housing's success by abandoning the challenge and the mission of serving even a portion of the poorest of the poor.

Mr. Chairman, I have several amendments that I will offer throughout the course of the floor debate. I hope to reduce some of the duplicative bureaucracy that this bill creates by offering an amendment to strike the new accreditation board but keeping the study of ways to make public housing authorities more effective, better managers. I also have an amendment to assure that we link the homeless assistance provider community with the plans being developed by the PHA's. The answer to much of homelessness is permanent housing. And, finally, Mr. Chairman, I have refined amendments that I offered in committee to assure that legal immigrants negatively affected by the welfare reform law will not face a double whammy the first of every month, when they would be required to pay minimum rents of up to $50.

Mr. Chairman, I urge my colleagues to vote for the Kennedy substitute that preserves our promise to provide decent, safe, and sanitary housing options to our Nation's poor and should that amendment not prevail, to vote against H.R. 2 on final passage.

Mrs. KELLY. Mr. Chairman, today I rise to call for all of my colleagues from both sides of the aisle to join me in strong support for H.R. 2, the Housing Opportunity and Responsibility Act of 1997. I would like to thank Chairman LAZIO and all of the members of the House Committee on Banking for their hard work on H.R. 2 which we passed with a bipartisan vote last week.

H.R. 2 is a piece of well thought out, comprehensive legislation that will make a real difference in public housing in America. We have based this legislation upon simple goals that will move our public housing programs in a strong new direction to empower the residents.

These goals are:

First, personal responsibility that extends to a mutual obligation between the provider and the recipient. One of the ways we accomplish this is through 8 hours a month work requirements for residents, exempting the elderly, the disabled, the employed, those who are in school or are receiving training, and those who are already involved in a welfare reform program.

Second, retention of protections for the residents. One way this is accomplished is through the exclusion of income for the first few months of a new job and the income of minors from the determination of a resident's income level.

Third, removal of disincentives to work and empowerment of the individual and family tenant through choices that I believe will lead them to economic independence. One of the ways we do this is by giving residents a choice between a flat rent or a percentage of their income.

I would like to emphasize that everyone has the same, shared objective: clean, safe, affordable housing that empowers the have-nots in our society to become people who can realize their own American dream. We all want to realize this goal, but we just have different ideas on how to get us there. So, if we all keep this vitally important objective in mind, we will be able to move forward in a unified effort to make sure that the benefits of this legislation become a reality.

Mr. RILEY. Mr. Chairman, I rise today in strong support of H.R. 2, the Housing Opportunity and Responsibility Act of 1997. As a member of the Banking Committee, I would like to take this opportunity to commend the gentleman from New York for his leadership and his successful efforts in bringing this important legislation to the floor.

Families in this country have found themselves caught in a housing system designed as a short-term solution that, instead, has become a long-term problem. The Depression-era United States Housing Act of 1937 has evolved into creating a centralized housing program that is both very complex and ineffective in serving the needs of the distinct communities across the United States. It was never the intent of the Federal Government to have 57 percent of the residents of public housing to stay there for at least 5 years.

The cookie-cutter housing policy created by bureaucrats in Washington does not always successfully serve rural communities like the ones I represent in the Third District of Alabama. H.R. 2 will return the housing policy decisionmaking to the local level through the deregulation of the well-run public housing authorities.

Under this legislation, local communities and their PHA's will have the flexibility to create mixed-income environment by admitting low-income families, as opposed to only very-low-income families. Mr. Speaker, we are talking about helping working families who simply cannot afford housing without some temporary assistance.

Not only will the Federal Government help these working families by allowing income mixing, it will create an environment where a working resident may be looked upon as a role model and inspire another neighbor to seek employment. This will allow us to break the cycle of dependency on the Federal Government which has trapped so many of the residents of public housing.

I urge my colleagues to support the Housing Opportunity and Responsibility Act of 1997 so that we can, once and for all, turn the Federal housing program into a temporary assistance program instead of a permanent solution.

Mr. BEREUTER. Mr. Chairman, this Member rises in strong support of H.R. 2. As a member of the House Banking Committee and its Subcommittee on Housing and Community Development, this Member has actively participated in the drafting and consideration of this legislation. The gentleman from New York, RICK LAZIO should be complemented for the hard work and perseverance he has shown over the past 3 years as chairman of the Housing Subcommittee. His leadership has allowed this bill to come to the floor today and he should be commended.

For too long, the Nation's public housing programs have been run by a centralized bureaucracy with little to no input by local officials. H.R. 2 provides a new paradigm for the provision of Federal public housing programs. Rather than centralizing decisionmaking in Washington, the bill provides greater flexibility for local elected officials to work with public housing agencies to determine the housing needs of the community and decide the best way to meet these needs. Further, many of the Federal mandates which have been added over the years are eliminated. This again is in the spirit of moving control out of Washington. Additionally, the bill makes positive changes in the current policy of warehousing the poorest of the poor in inadequate housing by promoting mixed-income communities.

Finally, Mr. Chairman, this Member would like to read from the declaration of policy contained in H.R. 2, which clearly states the goals the bill sets, specifically:

''(1) the Federal government has a responsibility to promote the general welfare of the nation by using Federal resources to aid families and individuals seeking affordable homes that are safe, clean, and healthy and, in particular, assisting responsible, deserving citizens who cannot provide fully for themselves because of temporary circumstances or factors beyond their control; by working to ensure a thriving national economy and a strong private housing market; and by developing effective partnerships amount the Federal Government, State and local governments, and private entities that allow government to accept responsibility for fostering the development of a healthy marketplace and allow families to prosper without government involvement in their day-to-day activities. (2) The Federal Government cannot through its direct action alone provide for the housing of every American citizen, or even a majority of its citizens, but it is the responsibility of the Government to promote and protect the independent and collective actions of private citizens to develop housing and strengthen their own neighborhoods. (3) The Federal Government should act where there is a serious need that private citizens or groups cannot or are not addressing responsibly. (4) Housing is a fundamental and necessary component of bringing true opportunity to people and communities in need, but providing physical structures to house low-income families will not by itself pull generations up from poverty. (5) It is a goal of our Nation that all citizens have decent and affordable housing and our Nation should promote the goal of providing decent and affordable housing for all citizens through the efforts and encouragement of Federal, State and local governments, and by the independent and collective actions of private citizens, organizations, and the private sector.''

Again, this Member rises in support of H.R. 2 and urges his colleagues to join him in supporting this important legislation.

Mr. GILMAN. Mr. Chairman, I rise today in support of H.R. 2, the Housing and Responsibility Act of 1997 and commend its sponsor, the distinguished gentleman from New York [Mr. LAZIO] for all of his diligent work in bringing this important legislation to the floor. This bill will allow for greater community control and involvement over various housing programs. Ultimately, programs run by local officials who understand the needs of their communities, will be directed toward those individuals who need assistance the most.

In addition, I thank the committee for including language to correct the improper median income calculation for Westchester and Rockland Counties. Currently, the median incomes of Westchester and Rockland Counties are

calculated by the Department of Housing and Urban Development as a part of the primary metropolitan statistical area which includes the income data from New York City. For this reason, HUD is listing the median income of these two counties as being far less than they truly are.

Since HUD's income levels are used in calculating eligibility for almost all State and Federal housing programs, these inaccurate statistics have drastically reduced the access of both Rockland and Westchester County residents to many needed programs. A myriad of programs have artificially low income caps, thus residents, financial institutions, realtors, and builders from these two counties are at a severe disadvantage in relation to their counterparts in neighboring counties.

Mr. Chairman, I thank the committee and Chairman LAZIO for their great work in reforming the U.S. Housing Act of 1937 and attending to this extremely important local need. Accordingly, I urge my colleagues to support H.R. 2.

The CHAIRMAN. The time of the gentleman from New York [Mr. LAZIO] has expired.

Mr. LAZIO of New York. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. (BOB SCHAFFER of Colorado) having assumed the chair, Mr. GOODLATTE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2) to repeal the U.S. Housing Act of 1937, deregulate the public housing program and the program for rental housing assistance for low-income families, and increase community control over such programs, and for other purposes, had come to no resolution thereon.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF HOUSE RESOLUTION 129, COMMITTEE FUNDING RESOLUTION

Mr. LINDER, from the Committee on Rules, submitted a privileged report (Rept. No. 105–84) on the resolution (H. Res. 136) providing for consideration of the resolution (H. Res. 129) providing amounts for the expenses of certain committees of the House of Representatives in the One Hundred Fifth Congress, which was referred to the House Calendar and ordered to be printed.

ELECTION OF MEMBER TO COMMITTEE ON HOUSE OVERSIGHT

Mr. BARRETT of Nebraska. Mr. Speaker, by direction of the Republican conference, I offer a privileged resolution (H. Res. 137) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 137

Resolved, That the following named Member be, and he is hereby, elected to the following standing committee of the House of Representatives: Committee on House Oversight: Mr. Mica.

The resolution was agreed to. A motion to reconsider was laid on the table.

□ 1615

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. BOB SCHAFFER of Colorado). Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. GOSS] is recognized for 5 minutes.

[Mr. GOSS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota [Mr. GUTKNECHT] is recognized for 5 minutes.

[Mr. GUTKNECHT addressed the House. His remarks wil appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island [Mr. WEYGAND] is recognized for 5 minutes.

[Mr. WEYGAND addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. NEUMANN] is recognized for 5 minutes.

[Mr. NEUMANN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

INTRODUCTION OF ''APPREHENSION OF TAINTED MONEY'' BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GEKAS] is recognized for 5 minutes.

Mr. GEKAS. Mr. Speaker, today I have introduced a special piece of legislation that goes to the heart of campaign finance reform about which we hear so much.

How many will recall that during the election and immediately following there were revelations of moneys being contributed to the Democratic National Committee, and then a decision made by the Democratic National Committee to return the funds to X, Y, and Z because the Democratic National Committee determined that they were illegally contributed?

Now, the question arises, does this money go back to the people who may have violated the law in making the contribution to the Democratic National Committee?

We have a situation, for instance, of a drug dealer who took thousands of dollars from profits made in the drug business and used that money to make a $20,000 contribution to the Democratic National Committee. Now we hear announcement by the Democratic National Committee that it will return that money.

Well, is that not wonderful. That money will be returned to a drug dealer to be reused, perhaps, in the drug business or to make some other kind of contribution. Who knows what.

I have introduced a bill here today which we call the ATM bill, believe it or not. Apprehension of Tainted Money. ATM. What does it do? It says that if, indeed, a national committee, the Republican committee or the Democrat committee, should receive contributions and they are questionable donations, questionable contributions, where the committee believes it may come from a tainted source, a criminal source, some illegal contributor, then instead of returning it back for further possible illegal spending, my bill would call for this money to go to the Federal Elections Commission in an escrow account, and the Federal Elections Commission then would investigate the source of this contribution.

If it is determined that indeed this is drug money or illegal money or some other tainted source of money, then the Federal Government, our Government, can latch onto this money and use it for fines and penalties against those people who violated the law in that instance. In this way we would be preventing the possibility of impacting on our election system by foreign sources and illegal sources.

At the same time, if indeed those contributions have been illegal, we could use that money to help defray the expense of the investigation and the prosecution and the restitution that must be made by the wrongdoers.

We believe that it fills a large gap in the election process and in the question of who can contribute what to what entity. We have strong laws on the books right at this moment, as we speak, but we fail in many instances to enforce the law. We fail to bring wrongdoers to justice in the hundreds of different ways that they can violate the election laws and the criminal laws of our Nation.

We believe that this could be a gigantic step towards signaling to the American people that we will not countenance violation of the criminal laws or violation of the election laws.

Every day the news brings us more revelations—and more lurid details—about the lengths to which some people went during the 1996 election to gain victory for their candidates. Unfortunately, the lengths to which many parties went were beyond the bounds of the law.

Though the investigations into campaign finance law violations have only barely begun, and, to be sure, only scratched the surface, we know very well about some egregious violations of the law involving very large amounts