

**Remarks of Mayor Thomas M. Menino of Boston
Chairman, United States Conference of Mayors Advisory Board
Congressional Testimony before the
U.S. House Financial Services Committee
Subcommittee on Housing and Community Opportunity
May 3, 2001**

Good morning Chairman Roukema, Ranking Member Frank, and distinguished members of the committee. I want to thank you for this opportunity to speak with you about an issue that dramatically affects people in cities and towns across this country.

As Chairman of the U.S. Conference of Mayors Advisory Board, I want to bring you the message that the comeback of our cities will not be complete until we have a national commitment to quality housing for everyone.

Affordable housing is an issue that I deal with on a daily basis. Every time I visit the neighborhoods for a ribbon cutting on a new business, the opening of a new park or attend a little league game, I meet a constituent who is being priced out of his or her home and the neighborhood where they hoped to raise their children.

Each story is a reminder that even prosperity has a price. And for cities like Boston that price is high – we risk becoming a place where only the very rich and the very poor can afford to live.

I know that Mayors across the country will agree with me when I say that the comeback of our cities has helped our country grow stronger and helped more Americans live better lives.

Cities are the economic engines of our country. The new census data shows – what many city leaders already knew – that our cities are more diverse than ever, and that we are gaining strength from that.

We have to keep our cities diverse. We have to make sure that everyone has the opportunity to share in what cities have to offer. One way

to keep our cities growing is to make housing a top priority from Boston to Burbank.

The challenges cities face today are different from the ones we faced 8 years ago. Back then we had high unemployment, a high crime rate, and high interest rates were forcing many foreclosures on family homes. But today, there are 22 million new jobs, crime has dropped to a 25 year low, home ownership is at the highest rate it's ever been, and foreclosures continue to drop.

This is our chance to build on our success. We must extend the range of choices so that everyone – not just the fortunate – have access to a better life.

Cities like Boston are thriving in our new economy. In Boston, we've created 120,000 new jobs in the last 8 years, and the quality of life in our neighborhoods has never been better.

One of Boston's greatest challenges is a direct result of our new prosperity. We simply cannot produce enough housing to meet the demand.

It's hard to believe that in this time of record surpluses and record employment – working men and women who make a good salary are having a hard time finding an apartment or house that they can afford.

In Boston, the median mortgage is 1, 625 dollars a month, and the median price on a 2 bedroom apartment is now 16 hundred dollars a month. When you apply the standard of using 30 percent of a worker's income to go toward housing, here's what some individuals have to spend.

- A minimum wage worker -- \$322,
- A janitor -- \$456,
- An administrative assistant \$724,
- And a computer programmer -- \$1,588.

Those numbers show that even a computer programmer making 63 thousand dollars a year has trouble finding an affordable place to live. And I don't think any of us here today can imagine the anguish of trying to find a place to live with 3 hundred and 22 dollars in our pockets.

Affordable housing isn't just about assisting the poor and building public housing. It's about working people. It's about people who make a decent living and search the Sunday Real Estate Section and shake their heads and wonder how this happened. And it's about parents who wonder if their children can afford to live in the neighborhood they grew up in

I am proud of what Boston is doing to produce more housing.

- We've set aside 30 million dollars in city resources for housing;
- Last year, we had more than **2,600** housing starts.
- We saved **1,400** units from being converted to market rate.
- We announced a new 3-year housing strategy to increase housing production.
- We will use 8 million dollars in gap financing to renovate and fill 11 hundred units of vacant public housing.
- And since it was announced, we have permitted 1,997 more units and more than 1,000 of those units are affordable.

While we have accomplished a great deal, we're approaching the limits of what a city can do. We will keep moving forward. We will continue to come up with creative ideas. But our heart-felt efforts will never

be enough until the federal government and state houses across the country return to the business of housing production.

Unfortunately, this year's budget for HUD does not show an adequate commitment to the issue of affordable housing. It cuts investments in public housing. It doesn't set aside enough to preserve the housing we have. And while we all applaud the progress we've made over the last 8 years with homeownership, 15 hundred dollars for a down payment won't buy much. Let alone solve the housing crisis.

And with all due respect to Secretary Martinez, poor management in public housing is not the reason why Section 8's aren't being used. They aren't being used because there is no place to use them in Boston.

Certain people in Washington seem to be more focused on how to cut taxes rather than on how to help people. The President's tax cut appears to be dictating the priorities. If you eliminate the top 2 percent and focus on low-income and middle income families, then you wouldn't have to cut:

- 700 million dollars from the Public Housing Repair Program;
- 310 million dollars in Public Housing Drug Elimination funds;

- 40 million dollars for Section 8 vouchers for low-income disabled tenants;
- And tax incentives to increase development in the Inner Cities.

Those incentives were developed by a bipartisan coalition, including Speaker Hastert. They should be highlighted, not hijacked.

“Housing Crisis” is the phrase that’s used a lot in Boston. But I don’t think it’s used enough across the country and especially in Washington.

Nor do people truly understand the fear, despair, and frustration that so many parents feel when they’ve learned that their rent has increased. Or the seniors who have served their country well only to learn that they are being priced out of their apartment due to something called “expiring use”. Or the disabled who are forced to choose between keeping their medical care or losing their housing.

The housing crisis continues to impact cities in a number of ways. Homelessness has increased 63 percent since 1990. The number of children living in shelters has tripled. Families represent 34 percent of the homeless

population. Food pantries have seen a steady increase of 10 percent a year. And more students are being deprived of an education because they simply can't get a goodnight's sleep in the family car.

These are real moments of crisis for real people. It happens every day in every city and town across America. And that's why -- city leaders, banking leaders, and leaders on this committee and in the House -- have to come up with a national housing agenda **now**. Not next year or the year after that but now.

The market won't fix this crisis. We have to.

It's time to:

- Create a new national housing production program. There is bipartisan support for such an initiative and I want to commend **Senator John Kerry** of my state and **Senator Kit Bond** of Missouri for recognizing this need. As well as, Congressman Capuano and Congressman Frank;

- Increase the Low Income Tax Credit to help developers who build moderate income units as well. We know that mixed income housing works, let's provide the incentives to build it;
- Encourage more flexibility in HOME to aid new homeowners;
- And it's time for the federal government to provide matching dollars to states and cities that invest in housing. Let's reward those who step forward and put their own resources on the table.

The bottom line is we need the federal government to be our partner. Back in the 1970's, it produced almost 250,000 units a year. Now, it's a mere trickle while demand continues to rise.

It's important to say that we shouldn't go back to days when we built 30 story eyesores that destroyed the quality of life in the neighborhoods. Today, we know how to do things right. We know how to build not just housing units but communities as well.

In Boston, thanks to the HOPEVI grants we transformed two public housing developments: Mission Main and Orchard Gardens. And I invite this committee, all of Congress, Secretary Martinez and the administration to

look at how we worked with local partners. Not only do those units mean a great deal to the people who live there, but the common-sense approach to building housing that blends with the neighborhood has helped revitalize those parts of the city.

I am proud of our efforts in Boston. We have an ambitious housing agenda. There are plenty of programs out there -- in a number of cities -- that show how to build housing in the right way.

This is our chance to use our nation's surplus wisely. Housing isn't a luxury; it's a fundamental right. With trillion dollar surpluses, families shouldn't be sleeping in cars, working men and women shouldn't live in tents, and our seniors shouldn't spend their later years trying to survive on the streets.

We can right these wrongs by making housing a national priority. I want to thank you for this opportunity to speak with you today. I know that if we work together, we can make a difference and create quality housing for everyone. Thank you.