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Material Relating to Democratic Accomplishments in
the Field of Housing, 87th Congress

The 87th Congress should look with pride on the
accomplishments in the field of general housing legislation.

The omnibus Housing Act of 1961 represented a historic
step forward in providing a decent home and a suitable
living environment for every American family.

Moreover, the actions of a Democratic Congress and a
Democratic Administration reversed the sad record of
accomplishment in the field of housing compiled under
eight years of the Eisenhower Administration. Let us
briefly review the situation that existed when the
Kennedy Administration assumed command of the government in
1961.

Although the FHA was created in 1934 and GI loans
authorized in 1944, large-scale national housing programs
really began with the Housing Act of 1949. Its specific

purpose was to relieve the postwar housing shortage; its basic aim was to provide the opportunity for every American to obtain a decent home in a suitable environment. It inaugurated a program of public housing linked to slum clearance and urban redevelopment.

Every year Congress considered new legislation based on specific needs and embodying extensions and developments of the 1949 Act. What did the Republicans^{do}/during their term ~~in~~ of office from 1952 to 1960? The Republican Congress in 1954 all but killed public housing; there were less than 150 new starts in the ten months after passage of the 1954 bill. In 1955 Democratic leadership in the Congress restored public housing authorizing 45,000 new starts. In 1959 President Eisenhower vetoed two Housing bills before he accepted a highly-watered down version. The omnibus housing bill of 1960, a potentially far-reaching measure, was blocked by the threat of a Presidential veto and parliamentary obstructionism. An emergency stop-gap was finally passed to

existing programs in operation. By this action the Democratic leadership in Congress prevented the expiration of a number of critical housing programs, such as the home-improvement ~~loan~~ loan program, the public facility ~~loan~~ loan program and the college construction loan program.

In short, when President Kennedy took the oath of office in January 1961, the need for drastic action in the field of housing legislation was clearly evident. It was estimated that at least 15 million American families were still ill-housed. That is one family out of every four! More than 13 million of this group lived in dwellings that failed to meet minimum requirements for family living. The other two million lived in dwellings situated in intolerable neighborhoods. In 1960 we were building less houses per capita than we were constructing in 1925! In 1959 only 1.4 million new housing units were built, leaving the United States 900,000 units short of the critical annual minimum. And in 1960 new starts slumped still further

to 1.2 million new units. In the field of public housing, The Eisenhower ~~Administration~~ Administration averaged half as many housing units per year as under President Truman (20,750 units per year vs. 42,240).

I believe these figures speak for themselves. I believe they tell the story that the Republican Administration and the Republican Congress were fundamentally opposed to an adequate Federal housing program. And I think we should bear this fact in mind when we assess the accomplishments of President Kennedy and the Democratic 87th Congress.

What did the Housing Act of 1961 provide? How did the Democrats seek to get the housing program back on the right track?

First, the act provided for five new categories of housing loans. There were limited interest loans for construction of housing priced within the reach of moderate-income families. These loans carried with them a 35 year mortgage. A similar program was established for construction and rehabilitation

of rental housing.. The act provided for 100 percent loans to nonprofit organizations, cooperatives and public agencies for construction and rehabilitation of five-family rental dwellings for moderate-income families. These loans would be made at "below-the-market" rate.. There was a program of 20 year limited-interest loans for improvement of existing dwellings within urban-renewal areas. I need not tell you how important this provision is for saving the central core of our cities and urban areas.

In the field of ~~elderly~~ elderly and public housing the accomplishments were just as impressive. The loan fund for elderly housing units was expanded from \$50 million to \$125 million. The Public Housing Administration was authorized to contract for an additional 100,000 public housing units. The Federal Government was also permitted to increase its contribution toward the cost of public housing for the elderly by \$120 a year per family to avoid deficits in low-rent public housing projects. And, finally, \$5 million

was authorized for demonstration programs experimenting with new methods of providing housing for low-income families.

~~Urban~~ Urban renewal and planning received a massive transfusion of Federal assistance. \$2 billion in federal capital grants for urban renewal projects was approved. The bill encouraged development of moderate-income and public housing accommodations in urban renewal areas, clearing of blighted areas around colleges and hospitals and rehabilitation by private builders of housing in urban-renewal areas by technical changes in the existing law. And of great importance, the act permitted urban-renewal agencies to sell land and property--at a lower price than might be obtained from private commercial builders--to cooperatives, non-profit organizations and public agencies, who intended to build moderate income rental units on the land.

The act also raised from \$1,675,000,000 to \$2,875,000,000 the federal revolving loan fund for low-interest, long-term

loans to colleges, universities, and hospitals for construction of housing.

The Federal National Mortgage Association was authorized to borrow an additional \$750 million from the Treasury for special assistance programs. Terms for regular FHA home mortgages were eased by raising the maximum mortgage maturity for new homes from 30 to 35 years and by lowering the required downpayment for one-family dwellings.

The Farm Housing Program was extended for four more years and increased the authorization for this program by \$200 million, almost double the existing amount. Families in rural areas were made eligible for such loans even though they were ~~not~~ not directly engaged in agriculture. And the Secretary of Agriculture received an authorization of \$250,000 a year for three years to conduct farm housing research.

These were the highlights of the Housing Act of 1961. Time does not permit me to set forth every accomplishment

but I believe the basic outlines indicate but one conclusion: The Kennedy Administration and the Democratic 87th Congress really did get the country moving again in terms of adequate housing programs.

Yesterday we received the good news that the deadlocked conference committee that was considering the Administration's higher education bill reached agreement. This bill will provide \$900,000,000 in matching grants and \$600,000,000 in low-interest loans to both public and private colleges for new buildings. These grants will be used primarily for libraries and buildings for the teaching of natural and physical sciences and engineering. And we also expect that additional advances in the field of housing for our elderly citizens will be made before this session is over.

In sum, I believe this is an impressive record. I believe this is a record we can take to the public with pride in the forthcoming Congressional elections.



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