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CONGRESSIONAL RECORD
PROCEEDINGS AND DEBATES OF THE 98TH CONGRESS

SENATE

BILL	DATE	PAGE(S)
H.R.4222	OCT 12 '84 (135)	S14540-42

ACTION:

Federal Court Improvement Act Amendments: Senate passed H.R. 4222, permitting persons who were serving as marshals for the Court of Appeals for the District of Columbia when the Federal Court Improvement Act of 1982 was enacted to continue serving in that capacity, after agreeing to the following amendment proposed thereto:

Sasser Amendment No. 7129, specifying additional criteria for urban development action grants by the Secretary of Housing and Urban Development for fiscal year 1985.

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TECHNICAL AMENDMENTS TO THE FEDERAL COURTS IMPROVEMENT ACT OF 1982

Mr. BAKER. Mr. President, there is a matter that appears to be cleared on both sides. I ask unanimous consent that the Senate now turn to the consideration of H.R. 4222.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The bill clerk read as follows:

A bill (H.R. 4222), an act to make certain technical amendments with respect to the Court of Appeals for the Federal circuit, and for other purposes.

The Senate proceeded to consider the bill.

AMENDMENT NO. 7129

(Purpose: To specify additional criteria for urban development grants by the Secretary of Housing and Urban Development for fiscal year 1985)

Mr. BAKER. Mr. President, there is an amendment to be offered, I understand, by the distinguished Senator from Tennessee.

Mr. SASSER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Tennessee [Mr. SASSER], for himself, Mr. RIEGLE, Mr. GRASSLEY, and Mr. BAKER proposes an amendment numbered 7129.

Mr. SASSER. Mr. President, I ask unanimous consent that further reading of this amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . (a) In addition to urban development action grants for fiscal year 1985 for which the Secretary of Housing and Urban Development has announced awards on October 1, 1984, the Secretary shall make urban development action grants in accordance with the provisions of this section and section 119 of the Housing and Community Development Act of 1974.

(b)(1) Except as provided in paragraph (2), a city or an urban county in a State shall not be eligible for an urban development action grant under this section if an award for such a grant was announced for such city or county or another city or urban county in such State on October 1, 1984.

(2) Notwithstanding paragraph (1), a city or urban county in a State shall be eligible for an urban development action grant under this section if an award of such a grant was announced for another city or urban county in such State on October 1, 1984, and such other city or urban county was only eligible for such a grant under paragraph (2) of section 119 (b) of such Act.

(c) The Secretary shall select applications for urban development action grants for fiscal year 1985 from cities and urban counties which—

(1) are eligible for an urban development action grant under this section,

(2) on October 1, 1984, were rated as fundable for such grants under selection criteria established by the Secretary, and

(3) did not receive an award for such a grant for such fiscal year on October 1, 1984.

(d) (1) From cities and urban counties in a State eligible for urban development action grants under this section, the Secretary shall select the city or urban county in such State which, on October 1, 1984, had received the highest rating on its application for such a grant in accordance with selection criteria established by the Secretary.

(2) If the city or urban county selected by the Secretary under the paragraph (1) did not request an urban development action grant in excess of $2,000,000, the Secretary shall, in addition to the application of such city or urban county, select the application of the city or urban county in that State which received the next highest rating under such selection criteria. The Secretary shall make an urban development action grant under this section to both cities or urban counties selected under this paragraph and paragraph (1) if the total amount of the urban development action grants which will be made to both such cities or urban counties for such fiscal year will not exceed $2,000,000. If the total of both such grants for such fiscal year will exceed $2,000,000, the Secretary shall only make an urban development action grant for such fiscal year to the city or county selected under paragraph (1).

(e) For purposes of this section—

(1) the term "Secretary" means the Secretary of Housing and Urban Development;

(2) the term "urban development action grant" means such a grant under section 119 of the Housing and Community Development Act of 1974; and

(3) the term "selection criteria" means criteria promulgated by the Secretary under such section.

Mr. BAKER. Mr. President, I ask unanimous consent to be a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SASSER. Mr. President, this amendment is also offered on behalf of Mr. RIEGLE and Mr. GRASSLEY, Mr. President, I offer a compromise amendment relative to the increased UDAG allocations for the September 1984 quarter of funding. Now, this amendment is the product of a compromise which is necessary to provide funds to some eight States with very worthy projects that have received no funding under the recent UDAG allocation. The amendment requires the Secretary to allocate some additional $35 million to deserving UDAG projects in eight States.

Now, on several occasions, I have protected the inadequacy of the UDAG formula which went into effect in January of this year as it affects a great number of Western and Southern States with very deserving projects. Indeed, I intend to work with my colleagues on the Banking Committee during the 99th Congress to propose suitable revisions to the UDAG formula which will permit worthwhile UDAG projects to proceed in big and small cities in several States. Under the terms of this amendment, the eight States that did not receive funding during the last quarter's allocation of UDAG funding will be able to receive funding that would allow one or two projects in each State to proceed.

Mr. President, I commend my colleagues who worked to fashion this compromise. I in turn will be working with my colleagues on the Senate Banking Committee in the next Congress to build an enduring UDAG program that will be fair and responsive to the needs of all regions of this country.

Mr. President, I urge adoption of the Sasser-Baker-Grassley-Riegle amendment.

Mr. BAKER. Mr. President, I ask unanimous consent that the name of the distinguished Senator from Iowa [Mr. JEPSEN] be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further discussion of the amendment?

Mr. CHAFEE. Mr. President, this has been around for a while, and it is my understanding that this does not change the formula. Is that right? It just adds some money for eight States.

As I understood the Senator from Tennessee, he may come back to try to change the formula, but this does not touch that.

Mr. RIEGLE. Mr. President, will the Senator yield so that I may respond to the question?

Mr. CHAFEE. I yield.

Mr. RIEGLE. I say to the Senator that it does not change the formula, as the formula now stands. In effect, it reaches into the future to draw forward the money necessary to fund the additional projects the Senator from Tennessee has mentioned.

It is also the intention of this Senator and others who have worked on this to undertake, early in the new year, to review the UDAG formula and to try to deal with some of the criticisms that have arisen with respect to the fact that it has had uneven an application across the country in areas which have distress and would be deserving.

I think there is a general sense that the formula needs to be looked at for some modification. That is not something we can accomplish now, but it is the intention to deal with it early next year.

Mr. CHAFEE. How much money is the Senator talking about in this?

Mr. RIEGLE. $35 million.

Mr. CHAFEE. This is spelled with an "m"?

Mr. RIEGLE. It is spelled with an "m."

Mr. CHAFEE. It is a rare word around here. [Laughter.]

Mr. MOYNIHAN. Mr. President, I rise to express my concern about efforts to amend the Urban Development Action Grant [UDAG] Program. Careful consideration was given to the design of the UDAG Program when it was created in 1977. We should not act in haste to make any changes at this time.

When Congress first enacted the UDAG Program, as part of the Housing and Community Development Act of 1977, it was our intent to target the program so that those communities deemed severely distressed would be the ones to receive UDAG funding. Distressed areas, as defined by the 1977 law, are not evenly distributed throughout the country—as such, it should not be expected that UDAG's would be evenly dispursed throughout the country.

According to Department of Housing and Urban Development criteria, 15 of the 20 most distressed cities in the country are located in the middle Atlantic region. New York, New Jersey, and Pennsylvania have 23 percent of the population residing in UDAG-eligible communities. These same three States have received approximately 24 percent of all UDAG funds. It seems to me that this is an indication that the program is working.

In August of this year, during Senate consideration of the second supplemental appropriations bill, an amendment was offered that would have placed a cap on the amount of UDAG funds that could be received by any one community. I opposed that amendment. I agreed, however, to work with my colleagues, including Senator RIEGLE, ranking minority member on the Subcommittee on Housing and Urban Affairs, and Senator GARN, chairman of the Senate Banking, Housing and Urban Affairs Committee, to resolve some of the issues raised by other Members. I am still willing to work with my colleagues on this matter. I expect that the agreement reached here tonight will allow that to happen.

Mr. GRASSLEY. I agree wholeheartedly with the position of the Senator from Tennessee [Mr. SASSER]. As cosponsor of the amendment I strongly urge its adoption. I have spoken with several of the mayors and developers in my State who have spent hundreds of thousands of dollars to prepare fundable UDAG applications just to see them rejected, especially this last funding round. Everyone here heard the word that the "Secretary" wanted to fund about $200 million in "fundable" projects this round. But lo and behold, here came Budget Czar David Stockman who decided that only $127 million of appropriated 1985 funds should be used. The Secretary felt that the numbers were there, and his staff, after studying the program, felt it was a good idea. They knew there would be other rounds. But instead, Stockman decided he should start running the Department of Housing and Urban Development.

I know he will do the same thing during the next small city round due to be announced at the end of this month. You can expect to be back home in one of your cities and hear complaints of projects that were not funded because Dave Stockman is now running HUD, too.

I feel it is important that we, as a body, send a message to Mr. Stockman that the Secretary should be the one to make that decision and with this amendment we would accomplish that goal.

Then let us all get together next year and take a strong look at the formula and make it more equitable, and make the program a national program. I urge my fellow Senators to join us in voting for this amendment.

Mr. CRANSTON. Mr. President, I wish to rise in favor of the amendment offered by my colleague Senator SASSER. This amendment to H.R. 4222, the Federal Courts Improvement Act, would improve the distribution of urban development action grants [UDAG's] that HUD awarded in the September 1984 round.

In the September 1984 round, $304.2 million of technically sound applications were eligible for funding. HUD, however, distributed $127 million to these cities. As a result, applications that totaled $177.2 million were left unfunded.

Some States with technically fundable applications failed to receive any of the $127 million that HUD distributed. Except for a pockets of poverty award, California did not receive any UDAG funds in the September 1984 round.

My colleague's amendment would allow these States to receive at least one grant. Since this amendment would result in a more fairer distribution of funds to California and other States, I urge my colleagues to support its passage.

Mr. CRANSTON. Mr. President, due to the inadequate funding level and to the current application selection process, many cities from California have been unable to receive funds under the UDAG Program. During the 99th Congress, in order to improve the distribution of UDAG funds to California, I plan to support strongly legislative initiatives designed to increase the funding level and to change the application selection formula associated with this program.

When Congress established the UDAG Program in the Community Development Act of 1977, it established a delicate balance between two competing objectives. While Congress desired to have a national program—one that distributed the funds fairly to all States—it also wanted to give priority treatment to cities that had experienced severe economic and physical distress. Congress was able to achieve this precarious balance by establishing impaction, distress, and project criteria to rate each eligible city. However, the cities which scored the highest on impaction criteria received priority funding consideration.

According to the 1983 Consolidated Annual Report to Congress on Community Development Programs, HUD was able to use impaction, distress, and project criteria to rank eligible cities in terms of highly, moderately, and less distressed areas. Although the highly distressed cities received priority consideration under the UDAG Program, moderately and less distressed cities were funded adequately. These groups received respectively 64, 24, and 12 percent of the funds between 1978 and 1982.

Unfortunately, over the last 3 years several changes have occurred to challenge the stability of the UDAG Program.

First, the administration has systematically reduced the program's authorization level. In 1980 and 1981, the authorization levels were $675 million for each year. This level was reduced to $475 million in 1982 and to $440 million in 1983. It is estimated by the Senate Banking Committee that the 1985 authorization level will be $196 million.

Second, the popularity of the UDAG Program has resulted in the demand for UDAG funds being greater than the supply of such funds. In the current October funding round, $304.2 million of technically sound applications were eligible for funding. HUD, however, distributed $127 million to these cities. As a result, applications that totaled $177.2 million were left unfunded.

The increase in the number of eligible applications in conjunction with the decrease in authorization levels pressured HUD to implement a more demanding project selection formula. In December 1983, HUD introduced a 100-point selection formula which allocates 40 points to impaction, 30 points to distress, and 30 points to project criteria. In addition, of the 40 points awarded to the impaction section, 20 points were given to the pre-1940 housing component of this section. With the introduction of this formula, the harmonious coexistence of UDAG's disparate objectives was destroyed.

Before the introduction of this formula, a majority of distressed cities, regardless of their rank, received funding. After the implementation of this formula, almost all of the money has been distributed to only the most distressed cities in the country. The moderately and less distressed cities have been, for the most part, excluded from UDAG funds. The balance between the program's objectives of maintaining a fair national competition and of giving priority consideration to severely distressed cities has been shifted

greatly in favor of these distressed cities.

Due, primarily, to the 20 points awarded to the pre-1940 housing component, California has been one of the largest casualties of the current formula. Excluding the recent October funding round, since December 1983, HUD funded 219 projects totaling $370.7 million. California, with 10.67 percent of our country's population and 9.6 percent of its poverty, received four grants totaling $6.4 million. This represents only 1.7 percent of the total UDAG funds awarded.

In the last two award rounds, California received an even smaller amount of UDAG funds. California cities submitted 35 applications for the June round and none were selected by HUD to be funded. In the recent October round, out of the $127 million HUD distributed to distressed cities, only San Diego received a grant. That grant was for the enormous sum of $1 million.

Several proposals to change the project selection formula will be considered by the Banking Committee next year. Some proposals would reduce the numerical values of the impaction and distress criteria and would increase the numerical value of the project criteria. Such proposals would reduce the importance of the pre-1940 housing component and would improve the competitiveness of California in the UDAG Program.

A change in the formula, however, would be only a partial solution to the current imbalance in the UDAG Program. An increase in the funding level must also be established. Any gains that result from formula changes would be negated by further attempts by the administration to reduce the funding level for UDAG.

In addition, HUD must administer the UDAG Program in a more responsible way. During the October funding round, several cities from California were given conflicting information from HUD regarding the technical soundness of their applications. This conflicting information resulted in HUD removing their applications from consideration. Such administrative inconsistencies should not be tolerated by a department with the expertise and professionalism associated with HUD.

A more comprehensive solution to the UDAG Program must be found in the Senate Banking Committee next year.

The UDAG Program has been an extremely beneficial program that has created significant employment opportunities in economically distressed areas. I have supported the program in the past, and I will continue to support it in the future. These proposed changes, however, would make the program a more equitable one.

Mr. JEPSEN. Mr. President, I rise in support of the amendment offered by my distinguished colleague from Tennessee.

It is no secret that many Senators are dismayed and upset with what has been happening to the UDAG program. Many of our communities are told that they are eligible for funding. Then they apply, meet the criteria and are told they have fundable projects. The problem is that the money has recently been going to certain areas of the country; that cities which need the funding are then being left high and dry. Iowa, for example, had 5 fundable projects in the September round, yet none were funded. In fact, no State west of the Mississippi had projects funded! With the exception of St. Louis and a pocket of poverty in San Diego.

This is unconscionable! The bias of the UDAG formula must end. The entire country must be able to participate in the program to completion. All must benefit, not just a few.

Only 69 projects were funded out of 153 eligible, fundable projects. Only $127 million was allocated to take care of $290 million fundable projects. And I repeat—States west of the Mississippi River were left high and dry—as well as many of the Southern States.

Since late February of this year, Senator GRASSLEY and I have tried to get the attention of Secretary Pierce and the administration. We have had several meetings describing the problems with the formula Secretary Pierce is using and the fact that it favors the Northeast to a large extent.

Senator GRASSLEY and I have had an amendment on the floor to correct those problems. We received assurances that changes would take place. But nothing had happened.

The question now facing the Senate is, will the other eligible communities and States receive equal treatment under the UDAG program or will the Senate continue to let the program be biased in favor of a few, a select few, communities and States?

This is a question which cuts across party lines. This is a question about which I and many others feel very strongly.

This amendment will help achieve a national equity in funding eligible UDAG projects.

It is in the best interest of the country and the future of the UDAG program for the Senate to adopt this amendment.

Let us do away with inequity and let equality prevail.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 7129) was agreed to.

Mr. RIEGLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Are there further amendments?

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, while awaiting the arrival of a Senator who may wish to offer an amendment to this measure, I ask unanimous consent that it may be temporarily laid aside for not more than 10 minutes and that I may proceed and continue to hold the floor throughout.

The PRESIDING OFFICER. Is the Senator requesting that the bill be laid aside?

Mr. BYRD. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.