

News from Senator

BOB DOLE



(R - Kansas)

2213 Dirksen Building, Washington, D.C. 20510

FOR IMMEDIATE RELEASE
FRIDAY, MARCH 13, 1981

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KANSAS LOW INCOME HOUSING PROJECTS ENDANGERED, DOLE SAYS

WASHINGTON -- A recent ruling by the Department of Housing and Urban Development (HUD) has jeopardized the fate of 200 low-income housing units already allocated to Kansas, Senator Bob Dole (R-Kan.) told HUD today. Dole and Senator Nancy Kassebaum (R-Kan.) spelled out their concern that the Section 8 housing may be imperiled in a letter to HUD Secretary Samuel Pierce.

HUD designated Kansas to receive 200 new units of Section 8 rental assistance housing this year, the state's share of a national allocation. The HUD area office in Kansas City, Mo., had approved the Kansas Department of Economic Development (KDED) as the administering body for the housing program, but on Jan. 26 the Washington office of HUD reversed that decision and denied KDED that authority. A subsequent order from HUD also precludes Kansas from administering the Section 8 program through alternative procedures.

Affected by the ruling would be 49 units in the Lawrence/Topeka area, 25 units in Wichita and 125 units in western Kansas.

"These decisions mean quite simply that Kansas will not receive its allocated share of low income housing this year," Dole said. "We are not talking about budget savings, because these units will simply go to other states if Kansas doesn't get them. It is unfair for our state to lose these housing units because of a questionable HUD ruling on a technicality."

In their letter to Secretary Pierce, the senators wrote, "We request that HUD reverse its ruling on KDED's eligibility to administer Section 8 housing. As the Kansas attorney general's opinion states, 'KDED is legally qualified and authorized to participate in the Housing Assistance Payments Program.' We cannot believe that your department intends to ignore the intent of the Kansas legislature, and contradict the expectations created by the area office, to prevent Kansas from receiving its share of Section 8 housing. We request that you review this matter and take appropriate action to assure that the state of Kansas is not discriminated against. We are confident that some method of preserving this housing can be found."

United States Senate

WASHINGTON, D.C. 20510

March 13, 1981

The Honorable Samuel Pierce
Secretary, Department of
Housing and Urban Development
Washington, DC 20410

Dear Secretary Pierce:

On January 26, 1981, Mr. George Hipps, Acting Assistant Secretary for Housing, informed the Kansas Department of Economic Development (KDED) that KDED was ineligible to participate in the Section 8 Housing Assistance Payment Program as a Public Housing Agency (PHA) under the provisions of 24 CFR 883.

Mr. Hipps' determination was in response to a letter from James H. De Coursey, Jr., Secretary of KDED requesting HUD's approval for its participation in the Section 8 Housing Assistance Payments Program as a "State Housing Agency" under the provisions of 24 CFR Section 883.203.

Because of critical housing shortages for low income families in various sections of Kansas, we urge HUD to reconsider the determination of the Acting Secretary in order to permit KDED to qualify for a Section 8 set-aside. While we understand and support President Reagan's professed desire to reduce the growth of federal spending, we are concerned that Kansas receive its fair share of allocations already made for subsidized low income housing.

We are particularly troubled by the fact that the Acting Assistant Secretary for Housing has, in effect, chosen to substitute his interpretation of the intent of the laws of the State of Kansas for that of the Attorney General of Kansas in reaching a determination that the KDED enabling statutes made KDED ineligible to qualify as a public housing agency for purposes of the Section 8 Housing Assistance Payments Program. Moreover, the Acting Assistant Secretary's position is inconsistent with the position of the Kansas City Area Office and with previous actions of HUD Central as that action concerns the Planning and Community Affairs Agency of the State of Washington, which is an agency similar to KDED that received Part 883 approval.

The Honorable Samuel Pierce

Page 2

March 13, 1981

While the laws of the State of Kansas do not specifically create an entity "authorized to engage in or assist in the development or operation of low income housing" on a statewide basis, the Attorney General of Kansas has ruled definitively that KDED possesses the statutory authority under the laws of the State of Kansas to assist in the development of low income housing, and to receive and administer Section 8 Housing Assistance Payments.

In particular, the Attorney General points out that the laws of the State establish a Division of Housing within the KDED and authorize KDED to apply for, receive, administer, and utilize any grants or other financial assistance that the federal government, under Section 701 of the Federal Housing Act of 1954, and amendments thereto, and other public or private sources make available for the purposes of the department.

The Attorney General has concluded that there is a clear legislative recognition that the development of adequate housing is an integral part of the State's economic development and it is the logical consequences of the legislature's mandate to promote the State's economic development that KDED is authorized to assist in the development of low income housing.

Thus, while it is true that the State of Kansas does not have a "traditional" state housing finance agency, it is clear that the state possesses ample authority to administer a housing assistance payments program and has professed its desire to do so.

We do not believe that the Department of Housing and Urban Development should substitute its judgment with respect to the interpretation of state law for that of the Attorney General of Kansas. KDED is ready, willing, and able to administer the Housing Assistance Payments Program in Kansas and, we believe possesses clear statutory authority under the laws of the State to do so. Since we strongly support President Reagan's desire to return as much decision making and discretion with respect to the disposition of federal funds to the states, we do not believe that HUD's interpretation of this matter is correct, either legally or philosophically.

We would appreciate your immediate attention to this matter and look forward to hearing from you soon.

Sincerely yours,

NANCY KASSEBAUM
United States Senate

BOB DOLE
United States Senate

Copy to: George Hipps
Acting Assistant Secretary for Housing