

April 15, 1999

**TESTIMONY OF CONGRESSWOMAN JAN SCHAKOWSKY (D-ILLINOIS) BEFORE
VA-HUD APPROPRIATIONS SUBCOMMITTEE**

Good morning Mr. Chairman, Congressman Mollohan, and members of the committee. Thank you for giving me the opportunity to speak before you today on behalf of requests for appropriations from constituents of my District. □ □

□ I want to urge the committee to give serious consideration to these appropriation requests. □ They are the best kind of spending because they are investments rather than consumption. □ This is most evident by the example of the City of Chicago's request for \$3 million to help them finance non-profit housing developments for seniors and persons with disabilities through HUD's Section 202 and 811 HUD programs.

□ That \$3 million will help Chicago meet its tremendous need for affordable housing units. □ It should be noted that my district's housing crunch may be worsened because we might lose over 700 affordable housing units--including for over 250 apartments reserved for senior citizens--because of a failure to renew Section 8 contracts with private landlords. □ Fortunately, Chicago is working to help five non-profit developments, four of which are reserved for seniors under the Section 202 program.

□ Unfortunately, these developments are currently delayed because of an unavoidable gap in financing. □ This gap occurred because the Section 202 program bases its funding formula on the cost to build apartments meeting HUD specifications. □ Local specifications, however, are stronger and make the development more costly than HUD anticipates. □ Thus, a gap between allocation and need occurs. □ At the same time, HUD rules discourage additional private funding for this housing. □ The City, however, can and would fill the gap, but it needs our help.

□ The \$3 million requested would help Chicago help these non-profits build four 202 and 811 developments totaling 285 units and adding to 1,393 other elderly housing units built since 1992.

In that same vein of productive spending, I urge the committee to fund two programs for universities in my district. □ □ □

Loyola is requesting \$2.99 million from HUD's Economic Development Initiative to build four new Computer Information Resource Centers. □ These centers will not only serve the student body, but will also be available to high schools, community groups, and professionals. □ They will link the corporate, municipal, non-profit and university communities in order to prepare Chicagoans for the advanced technology and information management skills needed for 21st century jobs.

Additionally, Northwestern University requests \$100,000 from the National Space Grant College and Fellowship Program. In the past, Northwestern has used this funding to place high school and college students in research programs. Some of those same students have gone on to win Goldwater Fellowships, NSF Grant Student fellowships, NASA Graduate Student Researcher Fellowships, Westinghouse Talent Search Awards and Intel Talent Search awards.

I respectfully urge your careful consideration of these requests. They will go a long way towards helping the City of Chicago, Northwestern University and Loyola University of Chicago strengthen my community.