# Withdrawal/Redaction Sheet
## Clinton Library

| DOCUMENT NO. AND TYPE | SUBJECT/TITLE | DATE | RESTRICTION |
|---|---|---|---|
| 001. email | Sara Rosen to Jonathan A. Kaplan at 18:13:35.00. Subject: Choi. (1 page) | 01/26/1999 | b(6) |

**COLLECTION:**

Clinton Presidential Records
Automated Records Management System [Email]
OPD ([Quality Housing or LIHTC])
OA/Box Number: 250000

**FOLDER TITLE:**

[04/03/1998 - 02/02/1999]

2014-0224-F
ab1493

## RESTRICTION CODES

**Presidential Records Act - [44 U.S.C. 2204(a)]**

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

**Freedom of Information Act - [5 U.S.C. 552(b)]**

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 3-APR-1998 15:00:15.00

SUBJECT: Re: Message events for the VP...

TO: Eli G. Attie ( CN=Eli G. Attie/O=OVP @ OVP [ UNKNOWN ] )
READ:UNKNOWN

TEXT:
Is the VP free on April 21st? There may be a Low-Income Housing Tax Credit event on the hill pushing for the proposal the VP announced in Chicago in January. The event would include all the key groups (LISC, Enterprise Foundation, National Council of State Housing Agencies, etc.).... I think they were going to try to get Rubin -- so, the VP would be terrific.

The problems: D'Amato has one of the bills of this and the politics of that speaks for itself. On the other hand, it is very bipartisan and enjoys support from Senators Hutchinson, Shelby, and Bob Smith on the right to Senators Moseley-Braun, Leahy, and Wellstone on the left.

I'll try to think of some others.....

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Francis S. Redburn ( CN=Francis S. Redburn/OU=OMB/O=EOP [ OMB ] )

CREATION DATE/TIME: 3-APR-1998 14:16:27.00

SUBJECT: Re: Letter Requested By HUD

TO: Paul J. Weinstein Jr. ( CN=Paul J. Weinstein Jr./OU=OPD/O=EOP@EOP [ OPD ] )
READ:UNKNOWN

TEXT:
Here is one last factual edit, for future reference. The numbers you used were of individuals, but households or housing units is probably better.

---------------------- Forwarded by Francis S. Redburn/OMB/EOP on 04/03/98 01:55 PM ---------------------------

Alexandra Gianinno
04/03/98 01:53:12 PM
Record Type: Record

To: Francis S. Redburn/OMB/EOP@EOP
cc:
Subject: Re: Letter Requested By HUD

I am not sure if it is too late to give you edits to this letter, but the number of LIHTC units needs to be 60,000-100,000 instead of 150,000-180,000 and the sentence should read:

...the President's budget would make the following investments : expand the Low - Income Low Income Tax Credit (LIHTC) by 40% percent to create an additional 60,000-100,000 quality affordable rental units per year;

Sorry that I could not get this to you earlier. Since it does not specify the amount of time in which the units would be created it is ok the way it was written before.
Alex

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 3-APR-1998 15:00:21.00

SUBJECT: Update on Low-Income Housing Tax Credit

TO: Jonathan A. Kaplan ( CN=Jonathan A. Kaplan/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TO: Sally Katzen ( CN=Sally Katzen/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TO: Melissa G. Green ( CN=Melissa G. Green/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
Quick update on the status of the low-income housing tax credit:

1. The D'Amato bill (which increases the cap on the credit by 40 percent and indexes it to the rate of inflation) now has 33 co-sponsors. The list is quite impressive and very bipartisan, from Senators Hutchinson, Shelby, and Bob Smith on the right to Senators Moseley-Braun, Leahy, and Wellstone on the left. This includes 7 of the 20 Finance Committee members -- 3 Republicans (Chafee, D'Amato, and Jeffords) and 4 Democrats (Rockefeller, Graham, Bryan, and Moseley-Braun).

2. The Ensign bill (which is the House counterpart to the D'Amato bill) has 165 co-sponsors. The list is also very bipartisan.

3. On April 21, LISC, Enterprise Foundation, and the National Council of State Housing Agencies are hosting an event on the Hill pushing for an expansion of the Low-Income Housing Tax Credit. With all the above-mentioned support, we should be able to get this passed this year, if there is a tax bill. Participating in this event could be an important means to that ends.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 8-MAY-1998 18:57:08.00

SUBJECT:

TO: Brian A. Barreto ( CN=Brian A. Barreto/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
Low-Income Housing Tax Credit: On Thursday (5/7), the Local Initiatives Support Corporation (LISC), Entreprise Foundation, the National Council of State Housing Agencies, NAHB, National Low-Income Housing Coalition, and Affordable Housing Tax Credit Coalition held an event on the Hill with Deputy Secretary Summers, Sen. Sarbanes, Sen. D'Amato, Sen. Graham, Rep. Ensign, Rep. Johnson, Rep. Rangel to promote a 40-percent increase in the Low-Income Housing Tax Credit (LIHTC). Both Democrats and Republicans praised your leadership on this issue -- including your permanent extension of the credit in 1993, your proposed expansion in this year's budget, and your mention of the LIHTC in the State of the Union. You should know that there is growing bipartisan support for the increase in the LIHTC on the Hill: there are now 41 co-sponsors of the proposal in the Senate and 209 co-sponsors in the House. Supporters include conservatives (Faircloth and Bob Smith), liberals (Wellstone and Moseley-Braun), and moderates (Chafee and Landreiu). Jon Orszag, on my staff, has been working with Treasury, Leg. Affairs, and the DPC to build additional support for this proposal. We hope that any potential tax bill this year would include an expansion of the LIHTC, considering its wide support.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan A. Kaplan ( CN=Jonathan A. Kaplan/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 4-JUN-1998 12:06:50.00

SUBJECT: Re: Monday: Trillion Dollar Roundtable Event in NY

TO: Melissa G. Green ( CN=Melissa G. Green/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
let's be sure to include this in any side by side you do
---------------------- Forwarded by Jonathan A. Kaplan/OPD/EOP on 06/04/98
12:06 PM ---------------------------

Jonathan Orszag
06/04/98 09:23:45 AM
Record Type: Record

To: Peter A. Weissman/OPD/EOP
cc: See the distribution list at the bottom of this message
Subject: Re: Monday: Trillion Dollar Roundtable Event in NY

There are two things I believe Gene should do on Monday afternoon, if he were to go to New York.

1. New York Timeseditorial board
2. Meeting with Wall Street executives/chief economists

This meeting could occur in one of two ways. He is could do a bilateral meeting with any of the following as examples:

- Goldman (Hormats)
- Lazard (Rattner)
- Citibank (Reed)

Or, we could try to set up a roundtable -- or lunch -- with four or five big shots at New York banks/investment banks.

Other ideas:

1. Ring the closing bell at the New York Stock Exchange. That would be pretty cool, but I don't know if it could be worked out.
2. Go to South Bronx to see Charlotte street and positive impact of Low-Income Housing Tax Credit.... alternatively, go to Harlem to see its comeback.

Message Copied
To:_______________________________________________________________
Jonathan A. Kaplan/OPD/EOP
Jake Siewert/OPD/EOP

Sally Katzen/OPD/EOP
Emil E. Parker/OPD/EOP
Brian A. Barreto/OPD/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Andrea Kane ( CN=Andrea Kane/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 5-JUN-1998 10:08:50.00

SUBJECT: Re: everything should be all set

TO: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
Actually, how about this (it's also shorter):

To help reinvigorate America ,s poor and distressed neighborhoods, my budget expands the Low-Income Housing Tax Credit, creates a Community Empowerment Fund at HUD to help underserved neighborhoods, and provides housing vouchers for people who have moved moving from welfare to work.

Will let you know if Paul or Jose have comment on 'distressed'

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Paul J. Weinstein Jr. ( CN=Paul J. Weinstein Jr./OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 8-JUN-1998 14:24:17.00

SUBJECT: Meeting With Moynihan's Staff

TO: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

CC: Elena Kagan ( CN=Elena Kagan/OU=OPD/O=EOP [ OPD ] )
READ:UNKNOWN

CC: Bruce N. Reed ( CN=Bruce N. Reed/OU=OPD/O=EOP [ OPD ] )
READ:UNKNOWN

TEXT:
I met with Moynihan's staff last week on EZ Round II. At the end of the discussion, Moynihan's staffers told me they would be supportive of the LIHTC expansion -- although they have problems with the the indexation of the Credit -- and would work to include it in a bill to extend tax credits which are expiring. However, Moynihan will not cosponsor the bill.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:10-JUN-1998 20:21:03.00

SUBJECT: Update on Low-Income Housing Tax Credit

TO: Jonathan A. Kaplan ( CN=Jonathan A. Kaplan/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TO: Melissa G. Green ( CN=Melissa G. Green/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
As I told Gene last night, Weinstein had a conversation with Moynihan's staff and told him that they would be supportive of the LIHTC expansion and would work to include it in a bill to extend tax credits which are expiring. However, Moynihan will not cosponsor the bill and they will not support indexation -- which would be in line with what's in our budget.

As for co-sponsors, I continue to work with LISC, Enterprise, Treasury, and Daschle's office to brief staff on the LIHTC and increase the number of co-sponsors. We are currently at 55 in the Senate (with 2 more Democrats supposedly coming on board in the next day or two). See list below. This includes 5 of the 11 Republicans on the Senate Finance Committee and 7 of the 9 Democrats. If you include Moynihan, we have 13 of 20 votes.

In the House, there are now 226 co-sponsors. This includes 9 of the 23 Republicans on the Ways and Means Committee and 11 of 16 Democrats. This means that we have a majority of the Ways and Means Committe -- 20 of 39 members. However, you should know that Archer is not a big fan of the program.

Senate Supporters:
Sen D'Amato
Sen Graham
Sen Shelby
Sen Rockefeller
Sen Johnson
Sen Cochran
Sen Leahy
Sen Sarbanes
Sen Boxer
Sen Sessions
Sen Gregg
Sen Jeffords
Sen Craig
Sen Kerry
Sen Moseley-Braun
Sen Chafee

Sen DeWine
Sen Smith, Bob
Sen Durbin
Sen Wellstone
Sen Feinstein
Sen Levin
Sen Reed
Sen Grams
Sen Bryan
Sen Thomas
Sen Ford
Sen Hutchinson
Sen Torricelli
Sen Murray
Sen Collins
Sen Snowe
Sen Allard
Sen Hollings
Sen Landrieu
Sen Smith, Gordon
Sen Hagel
Sen Wyden
Sen Faircloth
Sen Dodd
Sen Reid
Sen Harkin
Sen Bond
Sen Bumpers
Sen Breaux
Sen Lautenberg
Sen Kennedy
Sen Mikulski
Sen Coats
Sen Kerrey
Sen Murkowski
Sen Lieberman
Sen Mack
Sen Conrad
Sen Helms

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:10-JUN-1998 16:35:39.00

SUBJECT: LIHTC

TO: WEINSTEIN_P ( WEINSTEIN_P @ A1 @ CD @ VAXGTWY [ UNKNOWN ] ) (OPD)
READ:UNKNOWN

TEXT:
I ran into a friend of mine from Daschle's office who I've been working with on the LIHTC. She said that they got two more Democrats on the bill.... so we should be at 54 or so.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Michael Deich ( CN=Michael Deich/OU=OMB/O=EOP [ OMB ] )

CREATION DATE/TIME:12-JUN-1998 11:42:22.00

SUBJECT: State of Cities Executive Summary

TO: Emil E. Parker ( CN=Emil E. Parker/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TO: Sarah Rosen ( CN=Sarah Rosen/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

CC: Theodore Wartell ( CN=Theodore Wartell/OU=OMB/O=EOP @ EOP [ OMB ] )
READ:UNKNOWN

CC: Francis S. Redburn ( CN=Francis S. Redburn/OU=OMB/O=EOP @ EOP [ OMB ] )
READ:UNKNOWN

TEXT:
FYI
---------------------- Forwarded by Michael Deich/OMB/EOP on 06/12/98
10:19 AM ---------------------------

Francis S. Redburn
06/12/98 10:01:12 AM
Record Type: Record

To: Michael Deich/OMB/EOP
cc: See the distribution list at the bottom of this message
Subject: State of Cities Executive Summary

No major problems, as far as I can see. A few changes I recommend be considered:

There is no discussion of the role of housing discrimination in creating the concentrations of poverty, especially of the minority poor, in central cities. I would add a sentence under finding #2, in the bullet that starts at the bottom of p. 3 and continues on p. 4.
On p. 5, next to last line, it would be more accurate to say that "the Community Empowerment Fund . . . will helpcreate an estimated 280,000 jobs."
In first bullet under "Cities Face a Housing Gap", p. 7, "Urban homeownership . . . lags", discussion implies that we should have a policy that aims to increase the cities' homeownership rate. But, the disparity between city and suburban homeownership rates is mostly a function of income differences between cities and suburbs. The "housing gap" facing cities is in housing (mainly rental) that is affordable by people with low incomes.

Header, p. 7, that reads "Racial discrimination at all income levels adds to the urban homeownership gap" doesn't match following text, which cites racial disparities in homeownership but doesn't cite evidence of continuing housing discrimination. As noted above, the role of housing discrimination in isolating the minority poor within cities is missing and is perhaps the more important point.
Header, p. 8, that reads "America has built no new housing since 1995" is inaccurate and doesn't match points made in the text. I think that the point is that there has been a net loss of affordable stock, despite production financed by the Low-income Housing Tax Credit. The more important point, that Congress has not appropriated new housing vouchers since 1995, is in the last sentence and should be the main point here.
Conclusion: As Joslyn noted last night, the conclusion introduces a new and interesting point, that "divisions in urban America . . . are no longer strictly black and white." If it is that significant, this idea, its relationship to the "one America" theme, and its implications for policy, might be introduced earlier in the Executive Summary.

Message Copied
To:
Joslyn G. Mack/OMB/EOP
Theodore Wartell/OMB/EOP
Patricia E. Romani/OMB/EOP
Alan B. Rhinesmith/OMB/EOP
Barry White/OMB/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Theodore Wartell ( CN=Theodore Wartell/OU=OMB/O=EOP [ OMB ] )

CREATION DATE/TIME:15-JUN-1998 19:00:06.00

SUBJECT: State of the Cities Report -- Housing Branch "Must Changes"

TO: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
---------------------- Forwarded by Theodore Wartell/OMB/EOP on 06/15/98
05:46 PM ---------------------------

Joslyn G. Mack
06/15/98 05:33:51 PM
Record Type: Record

To: Theodore Wartell/OMB/EOP
cc: Francis S. Redburn/OMB/EOP
Subject: State of the Cities Report -- Housing Branch "Must Changes"

Per your request, Housing Branch comments.

-- JM
---------------------- Forwarded by Joslyn G. Mack/OMB/EOP on 06/15/98
05:33 PM ---------------------------

Joslyn G. Mack
06/15/98 05:29:24 PM
Record Type: Record

To: Melissa N. Benton/OMB/EOP@EOP
cc: See the distribution list at the bottom of this message
Subject: State of the Cities Report -- Housing Branch "Must Changes"

Housing Branch Comments on the State of the Cities Report :

p. v. More low-skilled jobs are being created.. Delete extra period.

p x. ":a recent study found that ..." Source?

p. xii, 3rd bullet.

Congress has provided virtually no new housing vouchers since 1994.

Despite this affordable housing crisis, there have been virtually no new affordable housing vouchers since 1994, which is a historical departure. As long as housing records have been kept--no matter what state the economy was in nor who occupied the Oval Office--America has always increased its supply of affordable housing.

NOTE: The Congress has continued to approve vouchers for Family Unification, witness relocation, and tenant protection.

p. xii. Response paragraph second sentence: "These include : an additional 100,000 Section 8 housing assistance rental vouchers; "

p. xv. Table of Contents should be placed before Executive Summary.

p. 8. Quote from Mayor Morial of New Orleans. This quote is somewhat out of place. No mention of art anywhere in the near text.

p. 10. [intro sentences.] ????

p. 20. "The Brookings Institution, found that..." Delete comma.

p. 21. EZ-related investments will ultimately create support more than 12,000 jobs...."

p. 29. "This is provided through HUD's innovative proposed $400 million....."

p. 29. Formatting. The "B" is Brownfields needs to be bolded and italicized.

p. 40, 2nd full paragraph.

There have been virtually no new vouchers since 1994. The ongoing housing affordability crisis has been aggravated by Congress' refusal to approve new rental assistance. Since 1995, Congress has denied the Administration's request for new rental assistance to mitigate worse case needs. Indeed, Congress rescinded funding for vouchers that has been appropriated in 1994. This represents a historic reversal of Federal housing policy. From the Great Depression until 1994--under both Democratic and Republican Administrations and in periods of economic boom and recession--Congress has always expanded the availability of rental assistance. In light of the substantial reduction affordable rental housing, the failure to increase housing assistance further exacerbates the housing crisis in the Nation's cities.

NOTE: The Congress has continued to approve vouchers for Family Unification, witness relocation, and tenant protection.

p. 44. [source?] Add source.

p. 45. "HUD's greatly expanded Section 108 Economic Development Loan Fund has become a central tool for has provided cities another tool to support business expansions or startups. The program has enable cities to partner with companies in making business investment in distressed communities, using fFederal Loan guarantees -- but at not cost to the taxpayer."

p. 46. "Later this year, contingent upon Congressional action, HUD will make similar resources available to more cities when it designates a new round of 15 additional urban Empowerment Zones."

p. 48. " Key to this effort has to direct a significant portion of the new welfare to work grants to cities so that they can play a central role in connecting former welfare recipients to work." Clarify/re-write sentence.

p. 49, Welfare to Work Housing Vouchers.

...These will provide Section 8 tenant-based rental assistance to enable families leaving welfare to obtain affordable housing near a new job, and thereby get and keep a job. It would eliminate difficult and sometimes relatively costlyand unreliable multi-hour commutes that are often unreliable, posing another hurdle to obtaining and retaining employment. This proposal goes beyond solving the transportation barrier. It allows recipients to choose neighborhoods, both in the city and beyond, that offer the amenities and opportunities that are right necessary for them to move from welfare to work.

p. 55. Make sure headers are on the same page as relevant text.

p. 57. "By combining grants with access to Section 108 loan guarantees, this This program enables cities to undertake large- scale, mixed-income developments of singe-family homes that can be a catalyst for bringing distressed neighborhoods back to life, attracting businesses that typically cluster around stable owner-occupied developments."

NOTE: This is a factual correction to the presentation of this program that must be changed.

p. 57, 2nd paragraph under Expand the Supply of Affordable Rental Housing.

100,000 Additional Section 8 Vouchers. Since FY 1995, Congress has provided virtually no new rental...

NOTE: The Congress has continued to approve vouchers for Family Unification, witness relocation, and tenant protection.

pp. 57-58. Paragraph on the Low Income Housing Tax Credit" the Low Income Housing Tax Credit, which currently helps fund 75,000-90,000 60,000-100,000 affordable units each year. The Administration's proposal to restore the value of the credit, which has eroded in recent years due to the rising building costs, is expected to result in the production of an additional 30,00024,000-36,000 units per year over the next 5 years."

p. 58. Paragraph on the HOME Bank (below Exhibit 19) "Cities will be able to borrow up to five times their current HOME allocation which will allow them to undertake broad-based neighborhood revitalization strategies and to take advantage of economies of scale by quickly producing or rehabilitating a large number of rental or ownership units in a single project in a relatively short period of time."

P. 61, Reduce Homelessness

The President's Budget requests $1.15 billion to strengthen the Continuum of Care nationwide in FY 1999, an increase of almost 40 percent over FY 1998, and the highest homeless assistance budget request ever. [Should this be rewritten? Note, the FY 95 request was $1.12 billion for HUD's regular homeless assistance programs, plus $130 million for FEMA's Emergency Food and Shelter program (plus transfer of administration to HUD), for a total of $1.250 billion.] With these funds, HUD provides flexible support that cities can use to fill gaps in their continuum of resources. For example, the Department plans to accelerate assistance for transitional housing, funding an additional 125,000-140,000 units for supportive housing 15,000 transitional beds and 3,500 permanent beds linked, as appropriate, to services such as health and mental health care, job training, child care, and substance abuse treatment. HUD also proposes to use 34,000 Section 8 incremental vouchers allow to allow local communities to help formerly homeless families, once ready, to find permanent housing. individuals and families, once ready, who would otherwise have the most difficult time in securing permanent housing assistance.

NOTE: The 125,000-140,000 units are what is projected to be funded by the full homeless assistance funding, not the additional units funded from the requested increase in appropriations. The edits to the last sentence are taken from the 1999 Budget Appendix, page 454.

p. 63. "leveraging $200 million in loans and loan guarantees and helping to generatinge 28,000 jobs precisely where employment opportunities are most urgently needed."

p. 64. Example of East Palo Alto. If East Palo Alto has historically been an agricultural community, where did the brownfields come from?

p. 69. Delete reference to "urban Peace Corps".

p. 70. "A number of downtowns are experiencing a highly visible renaissance as destinations for tourism, sports, the arts and entertainment.." Delete extra period.

p. 73. "-- expected to leverage an estimated $2 billion in private sector loans, and will help create or retain as many as 280,000 jobs."

p. 74, third bullet:

O Record Funding for Homeless Assistance Programs: Increase to $1.15 billion, including $923 $958 million for local Continuum of Care strategies, and $193 $192 million new housing vouchers to help homeless families and individual individuals leave the shelter system.

$1.15 billion was enacted for Homeless Assistance Grants in 1995.

p. 74. Appendix Treasury Department section: Expanding the Low Income Housing Tax Credit:

"Increase the per capita allocation for each state from $1.25 to $1.75, estimated to produce an additional 150,000 120,000-180,000 affordable housing units over the next five years."

Comments on Style. Federal should be capitalized consistently throughout the report. The President's Budget is capitalized (as compared to Federal budget). Sometimes, FY 1999 is
is used and other times FY 99 (or FY99) is used; choose one style and be consistent.

Message Copied
To:

Joshua H. Raymond/OMB/EOP@EOP
Alexandra Gianinno/OMB/EOP@EOP
James F. Jordan/OMB/EOP@EOP
James F. Jordan/OMB/EOP@EOP
Francis S. Redburn/OMB/EOP@EOP
Katherine L. Meredith/OMB/EOP@EOP
Joslyn G. Mack/OMB/EOP@EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:18-JUN-1998 16:54:51.00

SUBJECT: Re: One-Pager Draft -- PLease review and Send Edits

TO: Charles R. Marr ( CN=Charles R. Marr/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

CC: Robert M. Shireman ( CN=Robert M. Shireman/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

CC: Emil E. Parker ( CN=Emil E. Parker/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
We must add Community Empowerment Agenda. I think we are going to do ok with our budget in this area. So, I would add 50,000 welfare-to-work housing vouchers; expanded low-income housing tax credit; increased funding to fight housing discrimination; higher FHA loan limits; expanded funding for CDFIs; and Community Empowerment Fund.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Charles R. Marr ( CN=Charles R. Marr/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:19-JUN-1998 11:59:12.00

SUBJECT: Re:

TO: Emil E. Parker ( CN=Emil E. Parker/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
---------------------- Forwarded by Charles R. Marr/OPD/EOP on 06/19/98
12:07 PM ---------------------------

Jonathan Orszag
06/19/98 11:52:52 AM
Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: Re:

This is the language in the President's remarks to the U.S. conference of mayors. The basic question is: should we even give any credit to the appropriators for "making real progress"?
---------------------- Forwarded by Jonathan Orszag/OPD/EOP on 06/19/98
12:54 PM ---------------------------

June Shih 06/19/98 11:50:22 AM

Record Type: Record

To: Jonathan Orszag/OPD/EOP
cc:
Subject: Re:

Third, we will bridge the housing gap by strengthening our efforts to fight housing discrimination, raising FHA loan limits, creating more Section 8 housing vouchers, helping families with good rental histories turn rent checks into mortgage payments, and expanding the Low-Income Housing Tax Credit.

In each of these areas, we are already making real progress in Congress. The Senate, and just yesterday the House, took important steps on our empowerment agenda -- including funding for the welfare to work vouchers. I call on Congress to move forward as soon as possible.

Finally, I ask for your help on another critical issue for cities:

Making sure that the 2000 census is as accurate as possible. As you know, census statistics help determine how much federal aid your communities receive for roads, WIC, Head Start, job training and other services. Because of an undercount of inner city residents in the last census, many of you were shortchanged when it came to federal funding. I am working to make sure it doesn ,t happen again. Scientists agree: Statistical sampling is the most accurate and cost-effective way to get a full and fair count of our people in the year 2000. I hope you will work with me to ensure that we use this method in the next census.

Throughout our history, our cities have always been the face America shows the world. Visitors have gotten their first taste of America -- our energy, ingenuity and promise -- through our great cities. They have always been the gateway to opportunity for millions of Americans, places where new immigrants have worked hard, built thriving communities and achieved the American Dream. Let us all work together to ensure that Dream thrives in our cities well into the 21st century.

New vouchers, in housing, economic development program

Message Sent
To:
Melissa G. Green/OPD/EOP
Charles E. Kieffer/OMB/EOP
Michael Deich/OMB/EOP
Jill M. Blickstein/OMB/EOP
Charles R. Marr/OPD/EOP
Jake Siewert/OPD/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: June Shih ( CN=June Shih/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME:19-JUN-1998 11:54:07.00

SUBJECT: Re:

TO: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
Third, we will bridge the housing gap by strengthening our efforts to fight housing discrimination, raising FHA loan limits, creating more Section 8 housing vouchers, helping families with good rental histories turn rent checks into mortgage payments, and expanding the Low-Income Housing Tax Credit.

In each of these areas, we are already making real progress in Congress. The Senate, and just yesterday the House, took important steps on our empowerment agenda -- including funding for the welfare to work vouchers. I call on Congress to move forward as soon as possible.

Finally, I ask for your help on another critical issue for cities: Making sure that the 2000 census is as accurate as possible. As you know, census statistics help determine how much federal aid your communities receive for roads, WIC, Head Start, job training and other services. Because of an undercount of inner city residents in the last census, many of you were shortchanged when it came to federal funding. I am working to make sure it doesn ,t happen again. Scientists agree: Statistical sampling is the most accurate and cost-effective way to get a full and fair count of our people in the year 2000. I hope you will work with me to ensure that we use this method in the next census.

Throughout our history, our cities have always been the face America shows the world. Visitors have gotten their first taste of America -- our energy, ingenuity and promise -- through our great cities. They have always been the gateway to opportunity for millions of Americans, places where new immigrants have worked hard, built thriving communities and achieved the American Dream. Let us all work together to ensure that Dream thrives in our cities well into the 21st century.

New vouchers, in housing, economic development program

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Paul J. Weinstein Jr. ( CN=Paul J. Weinstein Jr./OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:25-JUN-1998 15:36:13.00

SUBJECT: Three Questions -Reply

TO: Jennifer L. Klein ( CN=Jennifer L. Klein/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
Look at the Low-income housing tax credit section.
--------------------- Forwarded by Paul J. Weinstein Jr./OPD/EOP on
06/25/98 03:35 PM ---------------------------

"BARRM%DOM3.DOPO6" <Michael.Barr @ MS01.DO.treas.sprint.com>
06/25/98 12:40:22 PM
Record Type: Record

To: Paul J. Weinstein Jr./OPD/EOP
cc: "kelloggc%DOM3.DOPO6" <CLIFF.KELLOGG @ MS01.DO.treas.sprint.com>
Subject: Three Questions -Reply

Date: 06/25/1998 12:35 pm (Thursday)
From: Michael Barr
To: EX.MAIL("Paul_J._Weinstein_Jr@opd.eop.gov")
CC: kelloggc
Subject: Three Questions -Reply

Paul, sorry that Cliff and I missed your meeting. We were quadriple booked. Please give me a call to let me know how things went.

On your CDFI question:

The Fund has held two rounds of CDFI awards totaling $80 million, to 81 CDFIs. The third round applications have been received, and awards will be made before the end of September.

The Fund has held two rounds of BEA awards totaling $30 million to 92 institutions. The third round applications have been received, and awards will be made before the end of September.

The Fund has also held one Presidential Awards for Micro-Enteprise round. The second round is underway, and awards will be made before the end of calendar year 1998.

The Fund has also launched a $5m technical assistance round, focused on building the capacity of smaller, newer CDFIs, with awards to be made before the end of September. The Fund will soon launch a $15m training procurement, focused on building the capacity of the field to provide t.a. to CDFIs, with decisions before the end of September.

The Fund will spend approx. $92m by the end of the fiscal year, leaving approx. $18m to carryover to FY 1999 (no funds will lapse), to begin funding program rounds that will be obligated in FY 99.

The Appropriations subcommittees have both issued chairman's marks. The Senate at $55m; House at $80m. They will not complete their work until likely in September, as part of a larger budget package.

On your Fair Lending question:

We sent in our joint letters on Reg. B and Reg. C. The Fed. received hundreds of comment letters. Our position was supported by large banks, community and consumer groups; our position was opposed by a number of smaller banks. The Fed. is unlikely to issue a proposed rule until this fall at the earliest. We continue to monitor this closely.

On low income housing tax credit:

In the Senate, there are 57 cosponsors. The House has 239. We tried to get the credit put on the IRS restructuring bill, but failed. We'll try again
on the next likely vehicle, an extenders bill later this summer. Also, we have agreement on child care facilities being eligible for credits.

On EFT '99:

We will issue a press release today on the EFT '99 regulation governing waivers, basically saying we're treating this as a near voluntary program. We expect to issue the regulation in July. On the ETA accounts, which is where we might be doing some good that we'd like to play up, we expect to issue a proposed account structure in July.

On CRA:

We expect a heated fight on our CRA-lite credit union provisions and on a likely Shelby CRA small bank exemption amendment. We've been strategizing to be sure we're ready for such a fight.

On IDAs:

I'd still like to see Treasury administer this program, so that we can link it
with financial institutions policy, EFT '99, CDFI and our saving agenda. Please weigh in.

>>> EX.MAIL."Paul_J._Weinstein_Jr@opd.eop.gov" 06/25/98 11:33am
>>>
RFC-822-Headers:
X-Lotus-Fromdomain: EOP
Mime-Version: 1.0

Content-Type: text/plain; charset=us-ascii

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:26-JUN-1998 13:01:13.00

SUBJECT: Weekly Submissions

TO: Brian A. Barreto ( CN=Brian A. Barreto/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

CC: Melissa G. Green ( CN=Melissa G. Green/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
Individual Development Accounts: On Wednesday (6/24), the Senate Labor Committee passed the Human Services reauthorization bill unanimously. This bill included the Coats-Harkin Individual Development Account (IDA) demonstration proposal, which would authorize $100 million over four years to help lower-income Americans save for a first home, post-secondary education, or a new small business. Jon Orszag, on my staff, and Paul Weinstein (DPC) worked with the Coats' and Harkin's staffs to modify and strengthen the IDA proposal to reflect the concerns raised by your advisors. As of right now, though, it is unclear whether the House version will include the IDA initiative, but we are working with the DPC and Leg. Affairs to get this proposal attached to the House version. We are also continuing to work with the DPC to find an appropriate time and place for you to announce your support of the Coats-Harkin IDA demonstration.

Low-Income Housing Tax Credit: As you know, your budget included a 40-percent expansion in the Low-Income Housing Tax Credit. Jon Orszag and Paul Weinstein (DPC) have been working very hard to build bi-partisan support for your proposal. So far, their efforts -- along with groups suc h as LISC and Enterprise Foundation -- have been very successful: fifty-nine Senators have now signed onto the bill, including a majority of the Senate Finance Committee's Republicans and Democrats. On the House side, there are more than 250 co-sponsors for this proposal, including a majority of the members on the Ways and Means Committee. With such strong bi-partisan support, we are now working to find an appropriate vehicle for this proposal. You should know that Senator Moynihan's staff has indicated that the Senator may be interested in including this proposal on a bill to extend expiring tax provisions, if the bill comes up later this summer.

Low-Income Home Energy Assistance Program and Summer Jobs: The House Appropriations subcommittee voted on Tuesday (6/23) to eliminate funding for the Low-Income Home Energy Assistance Program (LIHEAP) and Summer Jobs program. Working with OMB, we calculated the state-by-state number of families who would lose heating assistance this winter and the number of disadvantaged teenagers who would be denied summer job opportunities next summer under the Republicans' proposed cuts. On Wednesday (6/24), the Vice President called New Hampshire Governor Shaheen to tell her that we would fight the Republican's efforts to end LIHEAP. You should know that the proposed elimination of LIHEAP has drawn bi-partisan fire from Northeastern and Midwestern Congressmen and as many as 15 House Republicans have indicated that they will not support the Labor-HHS Appropriations bill if LIHEAP funding is not restored. The Labor Department is also working with interested groups -- such as the U.S. Conference of Mayors -- to get the message out about the Republicans proposed elimination of the Summer Jobs program, which will provide 530,000 disadvantaged teenagers summer employment this summer.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 9-JUL-1998 10:58:28.00

SUBJECT: LIHTC

TO: WEINSTEIN_P ( WEINSTEIN_P @ A1 @ CD @ VAXGTWY [ UNKNOWN ] ) (OPD)
READ:UNKNOWN

TEXT:
We now up to 62 co-sponsors.... we added: Coverdell, Robb, Cleland, and Glenn in the past couple of days.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Emil E. Parker ( CN=Emil E. Parker/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:10-JUL-1998 17:35:24.00

SUBJECT: Correction to community empowerment agenda

TO: Jonathan Weiss ( CN=Jonathan Weiss/O=OVP @ OVP [ UNKNOWN ] )
READ:UNKNOWN

TO: William A. Mills ( CN=William A. Mills/O=OVP @ OVP [ UNKNOWN ] )
READ:UNKNOWN

CC: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
In the status section for the low-income housing tax credit, please change the number of sponsors to 62 in the Senate and "more than 250" in the House. Thank you.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:11-JUL-1998 17:52:04.00

SUBJECT: LIHTC and Child Care

TO: Paul J. Weinstein Jr. ( CN=Paul J. Weinstein Jr./OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TO: Andrea Kane ( CN=Andrea Kane/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
I just had a conversation with Michael Barr and he said that they have an agreement within Treasury to allow the Low-Income Housing Tax Credit to be used to develop child-care facilities within the buildings, as long as they are run by non-profits.

He was going to get me the details on Monday and at that time I think we should offer it up as a potential event idea for the President, Vice President, or Mrs. Clinton. I would assume that Mrs. Clinton would be most interested -- and given the size, we would be unlikely to get a Presidential or Vice Presidential event.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jennifer L. Klein ( CN=Jennifer L. Klein/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:13-JUL-1998 18:12:00.00

SUBJECT: LIHTC and Child Care

TO: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
The First Lady is definitely interested. Could you let me know the status tomorrow morning?
---------------------- Forwarded by Jennifer L. Klein/OPD/EOP on 07/13/98 05:55 PM ---------------------------

Paul J. Weinstein Jr.
07/13/98 12:14:52 PM

Record Type: Record

To: Jennifer L. Klein/OPD/EOP
cc:
Subject: LIHTC and Child Care

This looks to be something Treasury can do administratively.
---------------------- Forwarded by Paul J. Weinstein Jr./OPD/EOP on 07/13/98 12:18 PM ---------------------------

Jonathan Orszag
07/11/98 05:47:41 PM
Record Type: Record

To: Andrea Kane/OPD/EOP, Paul J. Weinstein Jr./OPD/EOP
cc:
Subject: LIHTC and Child Care

I just had a conversation with Michael Barr and he said that they have an agreement within Treasury to allow the Low-Income Housing Tax Credit to be used to develop child-care facilities within the buildings, as long as they are run by non-profits.

He was going to get me the details on Monday and at that time I think we should offer it up as a potential event idea for the President, Vice President, or Mrs. Clinton. I would assume that Mrs. Clinton would be most interested -- and given the size, we would be unlikely to get a Presidential or Vice Presidential event.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jennifer L. Klein ( CN=Jennifer L. Klein/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:13-JUL-1998 08:58:26.00

SUBJECT: Re: LIHTC and Child Care

TO: Andrea Kane ( CN=Andrea Kane/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
We've been working with Paul and Treasury to push this for a while.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Andrea Kane ( CN=Andrea Kane/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:13-JUL-1998 08:33:37.00

SUBJECT: LIHTC and Child Care

TO: Cynthia A. Rice ( CN=Cynthia A. Rice/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TO: Neera Tanden ( CN=Neera Tanden/OU=WHO/O=EOP @ EOP [ WHO ] )
READ:UNKNOWN

TO: Nicole R. Rabner ( CN=Nicole R. Rabner/OU=WHO/O=EOP @ EOP [ WHO ] )
READ:UNKNOWN

TO: Jennifer L. Klein ( CN=Jennifer L. Klein/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

CC: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
What do you think? I assume this would mean putting child care inside assisted housing facilities. Seems like it has a lot of potential. Just Friday I was hearning public housing folks complaining that their residents have trouble accessing child care.
---------------------- Forwarded by Andrea Kane/OPD/EOP on 07/13/98 08:37 AM ---------------------------

Jonathan Orszag
07/11/98 05:47:41 PM
Record Type: Record

To: Andrea Kane/OPD/EOP, Paul J. Weinstein Jr./OPD/EOP
cc:
Subject: LIHTC and Child Care

I just had a conversation with Michael Barr and he said that they have an agreement within Treasury to allow the Low-Income Housing Tax Credit to be used to develop child-care facilities within the buildings, as long as they are run by non-profits.

He was going to get me the details on Monday and at that time I think we should offer it up as a potential event idea for the President, Vice President, or Mrs. Clinton. I would assume that Mrs. Clinton would be most interested -- and given the size, we would be unlikely to get a Presidential or Vice Presidential event.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Alexandra Gianinno ( CN=Alexandra Gianinno/OU=OMB/O=EOP [ OMB ] )

CREATION DATE/TIME:15-JUL-1998 10:05:44.00

SUBJECT: Re: LIHTC -- Very Important

TO: Sarah Rosen ( CN=Sarah Rosen/OU=OPD/O=EOP@EOP [ OPD ] )
READ:UNKNOWN

TEXT:
There have been new cosponsors signing onto the Tax Credit bills since yesterday afternoon.
I just wanted to update the numbers that I just sent to you.

Alex
---------------------- Forwarded by Alexandra Gianinno/OMB/EOP on 07/15/98 10:02 AM ---------------------------

Alexandra Gianinno
07/15/98 09:16:20 AM
Record Type: Record

To: Joslyn G. Mack/OMB/EOP@EOP
cc: Francis S. Redburn/OMB/EOP@EOP
bcc: Records Management@EOP
Subject: Re: LIHTC -- Very Important

Jim Tassos just called to update me on the new cosponsors for the Tax Credit bills in the House and Senate.

H.R. 2990 has 254 cosponsors, H.R. 3290 has 61 (if you remove the duplicates from both bills then the total cosponsors of one or both bills is 270)
S. 1252 has 63

Alex

Joslyn G. Mack
07/14/98 06:51:29 PM
Record Type: Record

To: Alexandra Gianinno/OMB/EOP@EOP
cc:
Subject: LIHTC -- Very Important

Steve forwarded this email to me to add a reference to the LIHTC to my material for Gotbaum. Please look at the reference below. You will see that the number of co-sponsors differs from your email below. (The number in the write-up is from Emil Parker's material that was distributed to the EZ conference participants.) Gotbaum will be using this number in his remarks to the EZ conference participants.

Can you verify the number and get back to me ASAP?

Thanks,
JM

Low-income housing tax credit. The President ,s Budget calls for increasing the per capita cap from $1.25 to $1.75 (40 percent) at a cost of $1.6 billion over five years, which should create an additional 150,000 - 180,000 affordable housing units. The legislation to increase the cap has attracted 62 co-sponsors in the Senate and more than 250 in the House.

---------------------- Forwarded by Joslyn G. Mack/OMB/EOP on 07/14/98 06:48 PM ---------------------------

Francis S. Redburn
07/14/98 05:52:00 PM
Record Type: Record

To: Joslyn G. Mack/OMB/EOP@EOP
cc:
Subject: Edited - Private Activity Bonds: Does Admin Have A View On ...

See numbers of cosponsors.

---------------------- Forwarded by Francis S. Redburn/OMB/EOP on 07/14/98 05:42 PM ---------------------------

Alexandra Gianinno
07/14/98 04:09:34 PM
Record Type: Record

To: Francis S. Redburn/OMB/EOP@EOP, Adam Hoffberg/OMB/EOP@EOP
cc:
Subject: Edited - Private Activity Bonds: Does Admin Have A View On ...

I had to edit the cost portion of the email that I just sent to you.
Please delete the email that I sent to you originally.

thank you
alex
---------------------- Forwarded by Alexandra Gianinno/OMB/EOP on 07/14/98 04:06 PM ---------------------------

Alexandra Gianinno
07/14/98 04:00:01 PM
Record Type: Record

To: Francis S. Redburn/OMB/EOP@EOP, Adam Hoffberg/OMB/EOP@EOP
cc:
Subject: Private Activity Bonds: Does Admin Have A View On ...

Sarah Rosen asked :"HR 979 and S. 1251 -- bills designed to raise the tax-exempt multifamily housing bond caps for states? Did we include in our budget? If not, what is the cost? What is prognosis for the bills?"

The following email has been written in response to her questions and provides information regarding the uses for the bonds, cost to the Federal government of an increase, and a list of organizations who support the increase. If you have the opportunity to look this over and provide me with any edits prior to my sending it to her I would appreciate it.

Thank you.
Alex

---

The Administration did not discuss an increase in the private activity bond cap in the FY99 Budget.

S.1251 and H.R. 979 Proposal
Increase the State volume cap on Private Activity Bonds in FY99 from $50 to $75 and beginning in 1998 index the cap to inflation.

Private Activity Bonds
These face the same constraints as LIHTCs however they are not always considered attractive financing options for those people who want to develop housing because the bonds can be used for a broad spectrum of activities (other than housing) such as:

student loans,
industrial development,
redevelopment of blighted areas,
manufacturing,
municipal service,
hazardous waste disposal sights,

single family housing (affordable housing) and
multifamily housing.

Similar to the Low Income Housing Tax Credit, the Private Activity Bond per capita cap has not been increased since the cap was frozen (at $50 per cap) in 1986.

The hardest hit by the shortage of volume cap and the areas with the highest demand for the cap increase are big states like California and New York who tend to run out of cap in early February.

Potential BUDGETARY COSTS incurred by the Federal Government with an increase in the volume cap
An increase in the private activity tax exempt bond cap to $75 per capita for a total cost of $250 million per State annually.

Co-Sponsors as of June 25, 1998
H.R. 979 has 284
S. 1251 has 49

Treasury Position on the Volume Cap Increase on Private Activity Bonds
"Treasury is very lukewarm on this topic." Ed Oswald at Treasury said that they have not had formal discussions regarding private activity bonds for 6-8 months. He did say that under most circumstances, Treasury is not very supportive of any increases in the volume cap of bonds due to the revenue loss to the Government with such an increase.

HUD Position on the Volume Cap Increase on Private Activity Bonds:
We are currently waiting for HUD's response.

Organizations Supporting an Increase in the Volume Cap for Private Activity Bonds
The Bills currently in the House and Senate are highly supported by several organizations including:
The National Governor's Association, National Council of State Legislatures, National League of Cities, The Enterprise Foundation, LISC, NLIHC, NCSHA, AFL-CIO Housing Investment Trust, American Senior Housing Association, American Public Gas Association, American Public Power Association, Bond Market Association, Education Finance Council, Council of Development Finance Agencies, National Cooperative Business Association, and several other national, City and State organizations.

Why Private Activity Bonds and not being used as frequently as other financing mechanisms for Multifamily Housing?
The P.A.B. is a tool used frequently by State Housing Finance Agencies to finance the development of affordable single-family housing. Jim Tassos of the NCSHA said that, " When State Cap Allocators are apportioning bonds they often choose industrial development and single family housing over multifamily because multifamily housing is not as attractive as industrial development bonds which create jobs and create wider-scale economic development."

Administration Position on the Low Income Housing Tax Credit Cap Increase in FY99
The Administration's budget calls for increasing the per capita cap on the Low Income Housing Tax Credit from $1.25 to $1.75 (40 percent) at a cost of $1.6 billion over five years, which should create an additional

150,000-180,000 affordable housing units.

Senate Cosponsors: 57
House Cosponsors: 239

---

If you need any additional information please let me know.

Alex

---------------------- Forwarded by Alexandra Gianinno/OMB/EOP on 07/02/98 11:44 AM ---------------------------

James J. Jukes

06/30/98 02:09:15 PM
Record Type: Record

To: Adam Hoffberg/OMB/EOP@EOP, Alexandra Gianinno/OMB/EOP@EOP
cc:
Subject: Re: Does Admin Have A View On ...

Per request. Mary Barth subsequently confirmed that my reading of the Budget was correct.
---------------------- Forwarded by James J. Jukes/OMB/EOP on 06/30/98 02:08 PM ---------------------------

James J. Jukes

06/30/98 12:39:37 PM
Record Type: Record

To: Sarah Rosen/OPD/EOP@EOP
cc: See the distribution list at the bottom of this message
bcc: Records Management@EOP
Subject: Re: Does Admin Have A View On ...

The Administration is not on record on either of these bills, and neither bill has seen any movement in this Congress. I have no insights on prognosis. (Traditionally, only one or two tax bills move in each session. They tend to be omnibus bills with dozens if not hundreds of provisions like this one.)

I scanned the tax chapter of the Budget and did not see this proposal in there, but defer to Steve and my other OMB colleagues copied on this note to correct me in case I'm missing something. (The closest thing I saw was the increase in the low-income housing tax credit, described at page 57 of the "Analytical Perspectives" volume of the Budget -- I don't think this is what you're referring to.)

If I'm correct that this is not in the Budget, you'd probably need to turn to Treasury's Office of Tax Analysis for a scoring estimate.

Sarah Rosen
06/30/98 12:01:08 PM
Record Type: Record

To: James J. Jukes/OMB/EOP@EOP, Francis S. Redburn/OMB/EOP@EOP
cc: Emil E. Parker/OPD/EOP@EOP, Jonathan Orszag/OPD/EOP@EOP
Subject: Does Admin Have A View On ...

HR 979 and S. 1251 -- bills designed to raise the tax-exempt multifamily housing bond caps for states? Did we include in our budget? If not, what is the cost? What is prognosis for the bills?

Thanks.

Message Copied
To:
francis s. redburn/omb/eop@eop
emil e. parker/opd/eop@eop
jonathan orszag/opd/eop@eop
Ronald E. Jones/OMB/EOP@EOP
Mary C. Barth/OMB/EOP@EOP
Randolph M. Lyon/OMB/EOP@EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 7-AUG-1998 13:28:07.00

SUBJECT:

TO: Melissa G. Green ( CN=Melissa G. Green/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

CC: Charles R. Marr ( CN=Charles R. Marr/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

CC: WEINSTEIN_P ( WEINSTEIN_P @ A1 @ CD @ VAXGTWY [ UNKNOWN ] ) (OPD)
READ:UNKNOWN

CC: Jonathan A. Kaplan ( CN=Jonathan A. Kaplan/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
Paul Weinstein and I think it would be a good idea for Gene to pull together a strategy meeting on tax extenders. A number of key tax provisions -- WOTC, R&E Tax Credit, etc. -- have expired (or will expire). We need to figure out how to get a tax bill (without opening the door to a big tax cut proposal). And we need to strategize about whether we try to attach bipartisan proposals, such as the Low Income Housing Tax Credit and the grant money for EZs. I think a meeting when Gene gets back from vacation is fine.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:10-AUG-1998 16:14:29.00

SUBJECT: Re: LIHTC

TO: Jonathan A. Kaplan ( CN=Jonathan A. Kaplan/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

CC: Jake Siewert ( CN=Jake Siewert/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
When we get the LIHTC increase because of Gene's oped in a progressive publication, I hope you two will go to bed easier at night knowing that we will be developing 150,000-180,000 additional affordable housing units!

Jonathan A. Kaplan
08/10/98 04:12:29 PM
Record Type: Record

To: Jake Siewert/OPD/EOP
cc: Jonathan Orszag/OPD/EOP
bcc:
Subject: Re: LIHTC

I think that's too big a publication. How about "LIHTC Weekly"? It's a little smaller and they could be interested.

Jake Siewert
08/10/98 04:10:18 PM
Record Type: Record

To: Jonathan A. Kaplan/OPD/EOP
cc: Jonathan Orszag/OPD/EOP
Subject: Re: LIHTC

I think Jon should prepara a draft for "LIHTC Today."

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan A. Kaplan ( CN=Jonathan A. Kaplan/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:10-AUG-1998 16:12:35.00

SUBJECT: Re: LIHTC

TO: Jake Siewert ( CN=Jake Siewert/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

CC: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
I think that's too big a publication. How about "LIHTC Weekly"? It's a little smaller and they could be interested.

Jake Siewert
08/10/98 04:10:18 PM
Record Type: Record

To: Jonathan A. Kaplan/OPD/EOP
cc: Jonathan Orszag/OPD/EOP
Subject: Re: LIHTC

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan A. Kaplan ( CN=Jonathan A. Kaplan/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:10-AUG-1998 15:40:25.00

SUBJECT: LIHTC

TO: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

CC: Jake Siewert ( CN=Jake Siewert/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
Gene mentioned yesterday he's interested in doing an op-ed on LIHTC for perhaps a small housing paper/magazine. What do you guys think?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jake Siewert ( CN=Jake Siewert/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:10-AUG-1998 16:10:24.00

SUBJECT: Re: LIHTC

TO: Jonathan A. Kaplan ( CN=Jonathan A. Kaplan/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

CC: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
I think Jon should prepara a draft for "LIHTC Today."

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Francis S. Redburn ( CN=Francis S. Redburn/OU=OMB/O=EOP [ OMB ] )

CREATION DATE/TIME: 3-SEP-1998 17:23:02.00

SUBJECT: DRAFT - Consolidated Comments to Jon Orszag on Two-Pager

TO: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP@EOP [ OPD ] )
READ:UNKNOWN

CC: Theodore Wartell ( CN=Theodore Wartell/OU=OMB/O=EOP@EOP [ OMB ] )
READ:UNKNOWN

TEXT:
Once/if I get comments from the Ag. branch re. the USDA rural development initiative, I will pass these along also. Michael has seen these also.

---------------------- Forwarded by Francis S. Redburn/OMB/EOP on 09/03/98 05:22 PM ---------------------------

Francis S. Redburn
09/03/98 02:34:38 PM
Record Type: Record

To: Michael Deich/OMB/EOP@EOP
cc: Alan B. Rhinesmith/OMB/EOP@EOP, Theodore Wartell/OMB/EOP@EOP, Patricia E. Romani/OMB/EOP@EOP, Susan M. Carr/OMB/EOP@EOP
Subject: DRAFT - Consolidated Comments to Jon Orszag on Two-Pager

Michael, this is what we have so for for Orszag. Jon has already seen the comments on Fair Housing and edits to Homeless Funding. We still have not received comments from the Ag branch on the rural development initiative:

Fair Housing. The two-pager doesn't include the proposed increase for fair housing, including the $10 million requested for a 20-city audit-based enforcement initiative. If you want to keep it to two pages, you could substitute the following paragraph for the HOME Loan Guarantee program, which isn't authorized, or for Homeownership Zones, neither of which stands much chance of being funded:

HUD Fair Housing. The President proposed $52 million for HUD Fair Housing programs, an increase of $22 million over the FY 1998 level, including $10 million for a new audit-based enforcement initiative that will use paired-testers in 20 communities to raise awareness of the existence of discrimination and support expanded enforcement efforts. The Senate provided $35 million and the House provided $40 million, including $7.5 million for the audit-based enforcement initiative.

Increased funding for the homeless. The President has proposed $1.150

billion for homeless-related assistance, an increase of $327 million over the FY 1998 level, for 125,000 new transitional beds, 60,000 permanent beds, and 34,000 new housing vouchers to help formerly homeless individuals and families afford permanent housing. The House VA-HUD bill provides $975 million; the Senate bill $1 billion for homeless assistance grants. Neither the House nor Senate provides funding for housing vouchers needed to move the homeless to permanent housing.

Brownfields. The Administration requests $91 million in EPA to funds for community assessment and planning regarding brownfields cleanup. The House VA-HUD bill provides $75 91 million; the Senate VA-HUD bill fully funds the President ,s request. The President is proposing $50 million at in HUD funds to make competitive grants to communities for redevelopment of brownfields. The House VA-HUD bill includes $20 million, as a set-aside within CDBG. The Senate VA-HUD bill funds this initiative at $25 million, as a separate program.

Expansion of the Low Income Housing Tax Credit. The Administration ,s budget calls for increasing the per capita cap on the credit by 40 percent, helping to develop an additional 150,000-180,000 affordable housing units over five years. The legislation to increase the LIHTC cap has attracted a bipartisan coalition 64 cosponsors in the Senate and more than 250 in the House. Neither the House Ways and Means nor the Senate Finance Committee has announced plans to take action on the legislation.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:16-SEP-1998 09:36:40.00

SUBJECT: For Gene's Tax Meeting

TO: Melissa G. Green ( CN=Melissa G. Green/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
I just want to remind Gene about my favorite topic -- the Low-Income Housing Tax Credit. (Actually, I don't think he'll ever forget it after all the times I've mentioned it.) But it has 65 co-sponsors in the Senate and 250+ in the House. He should know that Treasury scored it at $1.6 billion over five years.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Charles R. Marr ( CN=Charles R. Marr/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 6-OCT-1998 18:26:28.00

SUBJECT: 7:45

TO: Brian A. Barreto ( CN=Brian A. Barreto/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
Tax Cuts
Senate Republicans finally conceeded their tax cut is going nowhere. The two questions now will be 1) straight extenders or extenders plus and
2) stand alone bill or part of omnibus.

Straight extenders would clearly have a better chance of going through by unanimous consent. To date, Archer and Roth have been implying clean extenders, with perhaps self-employed health to sop up the extra out-year money on the table from the REIT raiser. As expected others have mentioned other provisions, such as farm ones. Right now, clean extenders are more likely but the situation is unclear. Again, if it looks like something like farmers will be added, we need to consider a push to get the low income housing tax credit in there.

We should consider whether to go out and urge passage of extenders to show support for the R & D tax credit for example. Two downsides/cautions: we don't want to foreclose the chance of getting the LIHTC, which is already a long-shot (we could say something like "as a bare minimum" extenders like..). And second, there are several important issues around the REIT offset. If not accompanied by directed scoring, which would set a bad precedent, it would cause a sequester in 1999. Also, Treasury scoring of the REIT proposal is going to go up in January. It is therefore a waste to use it now. However, the Hill is pretty set on it because it has bipartisan support.

The vehicle is also unclear. Stevens has talked about adding the extenders to the omnibus. I think that on an omnibus we would probably have a better chance of influencing. If the House and Senate pass a bill close to unanimously that excludes wind and biomass, we will have little or no leverage. If it's in an omnibus bill that we are negotiating, we could have some leverage.

Ag Vote
Forty-three Senate Dems voted against the ag. appropriations conference report, well above veto strength.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Brian A. Barreto ( CN=Brian A. Barreto/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 7-OCT-1998 19:19:00.00

SUBJECT: 7:45am - Update

TO: Charles R. Marr ( CN=Charles R. Marr/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
Tax Cuts: Senate Republicans finally conceded their tax cut is going nowhere. The two questions now will be (1) straight extenders or extenders plus and (2) stand alone bill or part of omnibus. Straight extenders would clearly have a better chance of going through by unanimous consent. To date, Archer and Roth have been implying clean extenders, with perhaps self-employed health to stop up the extra out-year money on the table from the REIT raiser. As expected others have mentioned other provisions, such as farm ones. Right now, clean extenders are more likely but the situation is unclear. Again, if it looks like something like farmers will be added, we need to consider a push to get the low income housing tax credit in there. We should consider whether to go out and urge passage of extenders to show support for the R & D tax credit for example. Two downsides/cautions: we don ,t want to foreclose the chance of getting the LIHTC, which is already a long-shot (we could say something like &as a bare minimum 8 extenders like..). And second, there are several important issues around the REIT offset. If not accompanied by directed scoring, which would set a bad precedent, it would cause a sequester in 1999. Also, Treasury scoring of the REIT proposal is going to go up in January. It is therefore a waste to use it now. However, the Hill is pretty set on it because it has bipartisan support.

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Charles R. Marr ( CN=Charles R. Marr/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 7-OCT-1998 18:57:48.00

SUBJECT: Extenders -- Important

TO: Brian A. Barreto ( CN=Brian A. Barreto/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
put in 7:45 and in book. Thanks.
---------------------- Forwarded by Charles R. Marr/OPD/EOP on 10/07/98
07:06 PM ---------------------------

Charles R. Marr
10/07/98 06:31:33 PM
Record Type: Record

To: Melissa G. Green/OPD/EOP
cc: Jonathan Orszag/OPD/EOP
Subject: Extenders -- important

Gene:

The extenders are starting to percolate on the Hill. The Senate and House are engaging. While unclear, Democrats seem to be part of the discussion on the Senate side, but not on the House side. There is a possibility of a mark-up tomorrow at 3:30, but unclear whether it would happen.

The package is core extenders paid for by REITs. On the extenders, the wind and biomass provision is in play -- Senate is pushing and Archer is resisting (I talked to Todd last night and suggested he work friendly House Repubs).

In addition to the core extenders they are also heading towards adding the following:

1) Two farm provisions -- the first is the permanent extension of a net operating loss provision. The second is a neglible cost timing issue.

2) Self-employed health -- accelerating the 100% deduction.

3) Private Activity Bond Cap -- contrary to press reports, they apparently are not extending the arbitrage period, but are raising the private activity bond cap (on grounds that passage of time has eroded).

They are adding the above because they have excess money to sop up in the out years.

We continue to look for possible hooks to get the Low Income Housing Tax Credit in there. The farm provisions are an seemingly obvious one, but to the extent the main one is an extender it makes the case harder. The raising of the private bond activity cap is analagous to the case for the LIHTC expansion. Together these could provide a hook.

The problems are getting leverage and finding offsets that could be agreeable.

I think a key question is on what vehicle the extenders will go on -- whether alone or in the omnibus. I would think that if we could get them in the omnibus we would have some leverage, which we seem to lack on a stand-alone bill.

I recommend you call Larry, both to get an update post meeting with Lott/Gingrich and to discuss the vehicle issue. (I will try as well with Chuck Brain and/or Larry).

It would also be helpful, especially in the context of a stand-alone bill, to have a champion or two on the Hill. I asked Treasury to talk to Rangel's folks and Jon O. is calling Graham's staff to get a sense.

Talisman and I talked briefly about offsets as well.

This remains a long-shot, but it strikes me and Jon as worth considering a push.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Charles R. Marr ( CN=Charles R. Marr/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 7-OCT-1998 18:32:51.00

SUBJECT: Extenders -- Important

TO: Melissa G. Green ( CN=Melissa G. Green/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

CC: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
Gene:

The extenders are starting to percolate on the Hill. The Senate and House are engaging. While unclear, Democrats seem to be part of the discussion on the Senate side, but not on the House side. There is a possibility of a mark-up tomorrow at 3:30, but unclear whether it would happen.

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The problems are getting leverage and finding offsets that could be agreeable.

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It would also be helpful, especially in the context of a stand-alone bill, to have a champion or two on the Hill. I asked Treasury to talk to Rangel's folks and Jon O. is calling Graham's staff to get a sense.

Talisman and I talked briefly about offsets as well.

This remains a long-shot, but it strikes me and Jon as worth considering a push.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Brian A. Barreto ( CN=Brian A. Barreto/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 8-OCT-1998 19:27:04.00

SUBJECT: 7:45am memo - update

TO: Charles R. Marr ( CN=Charles R. Marr/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
Extenders: The extenders are starting to percolate on the Hill. The Senate and House are engaging. While unclear, Democrats seem to be part of the discussion on the Senate side, but not on the House side. There is a possibility of a mark-up today (Thursday) at 3:30pm, but unclear whether it would happen. The package is core extenders paid for by REITs. On the extenders, the wind and biomass provision is in play -- Senate is pushing and Archer is resisting (Chuck talked to Todd last night and suggested he work friendly House Repubs).

In addition to the core extenders they are also heading towards adding the following: (1) Two farm provisions -- the first is the permanent extension of a net operating loss provision. The second is a negligible cost timing issue. (2) Self-employed health -- accelerating the 100% deduction. (3) Private Activity Bond Cap -- contrary to press reports, they apparently are not extending the arbitrage period, but are raising the private activity bond cap (on grounds that passage of time has eroded). They are adding the above because they have excess money to sop up in the out years. We continue to look for possible hooks to get the Low Income Housing Tax Credit in there. The farm provisions are an seemingly obvious one, but to the extent the main one is an extender it makes the case harder. The raising of the private bond activity cap is analogous to the case for the LIHTC expansion. Together these could provide a hook.

The problems are getting leverage and finding offsets that could be agreeable. Chuck thinks a key question is on what vehicle the extenders will go on -- whether alone or in the omnibus. Chuck thinks that if we could get them in the omnibus we would have some leverage, which we seem to lack on a stand-alone bill. He recommends that you call Larry, both to get an update post meeting with Lott/Gingrich and to discuss the vehicle issue. (Chuck will try as well with Chuck Brain and/or Larry). It would also be helpful, especially in the context of a stand-alone bill, to have a champion or two on the Hill. He also asked Treasury to talk to Rangel's folks and Jon O. is calling Graham's staff to get a sense. Talisman and Chuck talked briefly about offsets as well. This remains a long-shot.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Charles R. Marr ( CN=Charles R. Marr/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 8-OCT-1998 20:21:27.00

SUBJECT: extenders -- important

TO: Melissa G. Green ( CN=Melissa G. Green/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

CC: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
Gene:

Archer has scheduled a mark-up tomorrow at 11:00.

He has put out his mark, which apparently is not the result of an agreement with the House. It is highly objectionable for several reasons:

1) It does not even extend the Welfare-to-Work Tax Credit. While this was in his orginal $80 billion tax cut along with other extenders, he has dropped it.

2) No wind and biomass.

3) No Section 29 extension -- which is an energy credit for steel and other industries. While Treasury has historically been opposed, Todd supports this from environmental point of view. (Note: I talked to the Mayor of Piuttsburgh for Podesta about this today).

4) And no surprise Archer did not include anything we care about, like LIHTC, within the provisions that go beyond extenders. As expected, he accelerated self-employed health and did the two farm pieces. He did not raise the private activity bond cap.

We now have a very strong reason (Welfare-to-work) to object to his package. We need to force this to a point where we have leverage and are negotiating. I still think the way to do it is to get this into the omnibus and then fight to a point where the extenders are all done and they get a little (self-employed health/farm) and we get a little (LIHTC). All provisions with bipartisan support.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Charles R. Marr ( CN=Charles R. Marr/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:10-OCT-1998 08:26:35.00

SUBJECT: Extenders

TO: Peter A. Weissman ( CN=Peter A. Weissman/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
Pls give to Gene:

Status:

The House passed their version in Committee yesterday morning by voice vote. The bill is expected to pass on the House floor today on suspension.

The Senate has its package unofficially ready. When the House bill comes over, hte Senate will take it, strip it, and substitute its package. Timing is unclear.

House and Senate are bickering because the Senate feels it was excluded and that Archer is trying to shove it down their throats (Note: Archer often rolls Roth).

Key Concerns:

As you know, we are concerned about the House bill because it does not include the Welfare to Work tax credit and the wind and biomass provision. (Note: their response would be that these credits do not expire until next year. However, WTW expires at end of April and biomass at end of June, and they extend the others until the end of next year. Therefore, these credits alone will lapse next year, the WTW one especially early in the session, meaning that action is unlikey then.

The Senate package is better because it treats all of the extenders equally. All are extended through end of June. WTW to work is therefore extended for a few months. While biomass is not extended because of its already June, 99 expiration, it is not singled out for neglect.

While fairer, the Senate package calls for a shorter extension and therefore increases probability for a tax cut earlier next year -- a concern.

Importantly, both the House and the Senate go beyond just extenders. House includes self-employed health, private activity bond cap, and farmers (one is an extender). The Senate does farmers and self-employed health. (Hearing that Senate will user excess raiser due to shorter extension to pay for Home health - rumor).

That they go beyond extenders raises issue of wht should be included. They obviously chose what they like not what we want (LIHTC).

I would raise the extender issue at the meeting so it is on people's radar screen:

1) Are people hearing whether this is likely to get into omnibus (where we would have leverage).

2) If folks do not want to do a letter, what is next step and the plan for getting us to the table?

3) Given that Republicans disagree, is there an opening for us to say we want the extenders, you all are fighting, let's bring it into the omnibus and work it out.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Charles R. Marr ( CN=Charles R. Marr/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:10-OCT-1998 15:12:13.00

SUBJECT:

TO: Peter A. Weissman ( CN=Peter A. Weissman/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
Gene:

Meeting unclear -- Roth staff cool to idea (Roth apparently is opposed to doing taxes in omnibus while Archer is in favor). Linda is talking to Lott/Gingrich staff and will call.

Packages -- I talked to Len Burman and Talisman and told them we need to types of packages. The first would adds some cat and dog raisers to their package and pays for school construction and hopefully some LIHTC. The second (bigger) would assume our scoring of REITS. (Len is going in to get started, Talisman available by phone).

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Peter A. Weissman ( CN=Peter A. Weissman/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:11-OCT-1998 13:53:13.00

SUBJECT: From Barreto - 7:45am update

TO: Charles R. Marr ( CN=Charles R. Marr/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
Please update and send back to Barreto. Thank you.

Tax Extenders/Welfare to Work Vouchers: You wanted to bring up the idea of puting out a veto on a bill in mark-up.

Extenders: Archer has scheduled a mark-up today (Friday) at 11:00 am. He has put out his mark, which apparently is not the result of an agreement with the House. It is highly objectionable for several reasons: (1) It does not even extend the Welfare-to-Work Tax Credit. While this was in his original $80 billion tax cut along with other extenders, he has dropped it; (2)No wind and biomass; (3) No Section 29 extension -- which is an energy credit for steel and other industries. While Treasury has historically been opposed, Todd supports this from environmental point of view. (Note: Chuck talked to the Mayor of Pittsburgh for Podesta about this today); (4) And Archer did not include anything we care about, like LIHTC, within the provisions that go beyond extenders. As expected, he accelerated self-employed health and did the two farm pieces. He did not raise the private activity bond cap.
We now have a very strong reason (Welfare-to-work) to object to his package. We need to force this to a point where we have leverage and are negotiating. Chuck still thinks the way to do it is to get this into the omnibus and then fight to a point where the extenders are all done and they get a little (self-employed health/farm) and we get a little (LIHTC). All provisions with bipartisan support.

Language: There was progress in yesterday ,s meetings but not dramatic progress. For example, on the key interior bill 17 or 18 environmental riders remain. Basically, the below the line items have been largely worked out. The remaining ones are predominantly above the line and must wins for us. Sylvia intends to deliver strong message that we need to see some movement (If we wanted to put use our willingness to stick around, we could use environmental riders as a hook: We are working diligently to move forward. At the current pace it could take several more days to address all of the anti-environmental riders. We are prepared to continue at it until we have a final product that is good for the environment. The American people deserve no less.)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:14-OCT-1998 20:03:52.00

SUBJECT:

TO: GENE (Pager) #SPERLING ( GENE (Pager) #SPERLING [ UNKNOWN ] )
READ:UNKNOWN

TEXT:
don't forget the low-income housing tax credit. jo

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Paul J. Weinstein Jr. ( CN=Paul J. Weinstein Jr./OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:14-OCT-1998 20:05:27.00

SUBJECT: get LIHTC since they won't give us School Construction

TO: BRUCE N. (Pager) #REED ( BRUCE N. (Pager) #REED [ UNKNOWN ] )
READ:UNKNOWN

TEXT:

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:15-OCT-1998 20:12:47.00

SUBJECT: Re: PIR accomplishments doc

TO: Julie A. Fernandes ( CN=Julie A. Fernandes/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
No to question #1. I don't know about question #2.

Julie A. Fernandes
10/15/98 07:35:18 PM

Record Type: Record

To: Jonathan Orszag/OPD/EOP
cc:
Subject: PIR accomplishments doc

My additions are in red. These are items that we highlighted as PIR accomplishments both in June and September. Otherwise, it looks great.

I also have a couple of questions:

1. Did we get either the LIHTC expansion or the homeownership zones?

2. Did the Hate Crimes Leg. get attached?

Let me know if you have any questions. I am out of the office at a conference tomorrow, but page me at will.

julie

==================== ATTACHMENT 1 ====================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D98]MAIL420583987.226 to ASCII,
The following is a HEX DUMP:

================= END ATTACHMENT 1 =================

# PRESIDENT CLINTON, VICE PRESIDENT GORE, AND CONGRESSIONAL DEMOCRATS WIN ON THE BUDGET TO HELP CREATE "ONE AMERICA"

*October 15, 1998*

**Education and Training:**

- **More High-Quality Teachers With Smaller Class Sizes.** In his State of the Union address, President Clinton said, "Tonight, I propose the first-ever national effort to reduce class size in the early grades. My balanced budget will help to hire 100,000 new teachers." Throughout the year, Republicans failed to consider this important initiative. The final budget provides $1.2 billion for the first year of the President's new initiative to hire 100,000 new, well-prepared teachers, to reduce class sizes in the early grades to a national average of 18.

- **GEAR-UP: College Mentoring Initiative To Help Up to 100,000 Students Prepare for College.** In his State of the Union address, President Clinton urged Congress "to support our efforts to enlist colleges and universities to reach out to disadvantaged children, starting in the 6th grade, so that they can get the guidance and hope they need so they can know that they, too, will be able to go on to college." The President proposed $140 million to get this effort started, but the House appropriations bill denied funding and the Senate provided only $75 million. The final budget provides $120 million for this new initiative which was authorized as part of the higher education legislation enacted on October 7th. GEAR-UP will expand mentoring efforts by States, and provide new grants to partnerships of middle schools, institutions of higher education, and community organizations, to provide intensive early intervention services to help prepare up to 100,000 students at high-poverty middle schools for college.

- **Youth Opportunity Areas To Help Increase Job Opportunities for 50,000 Youth in High-Poverty Communities.** As part of the Workforce Investment Bill, President Clinton created Youth Opportunity Grants to direct resources to high-poverty areas, including Empowerment Zones and Enterprise Communities, to provide comprehensive services designed to increase employment and school completion rates for disadvantaged youth. The President's FY99 budget included $250 million for this new innovative program. While the House Republican budget did not fund this critical initiative, the final agreement includes the full $250 million request, which will help provide job training and social services to 50,000 youth.

- **Teacher Recruitment and Preparation -- $75 million.** On October 7th, President Clinton signed legislation that had incorporated the President's Teacher Recruitment and Preparation proposal. While House Republicans did not fund this important initiative, the final budget provides $75 million, which will help recruit and prepare thousands of teachers to teach in high-poverty urban and rural communities and will strengthen teacher preparation programs across the country.

- **Hispanic Education Action Plan To Attack Unacceptably High Drop-Out Rate.** Because the high-school drop-out rate of Hispanics is unacceptably high, President Clinton's FY99 budget included the first-ever Hispanic Education Action Plan. As part of this plan, the

President proposed significant increases in Title I funding and a number of other programs that enhance educational opportunity for Hispanic Americans. The final budget includes increases of $524 million for these programs; for example, it provides a $301 million increase for Title I; $600 million for TRIO college preparation programs, an increase of $70 million over FY 1998, which will provide support services for over 700,000 students; and $50 million for Bilingual Education Professional Development -- double the FY 1998 level -- to begin to provide 20,000 teachers over five years with the training they need to teach Limited English Proficient students.

- **Summer Jobs Protected for Half a Million Youth.** While House Republicans attempted to eliminate the successful Summer Jobs program, President Clinton prevailed with his request for $871 million in funding, which will finance up to 530,000 summer jobs for disadvantaged youth.

- **Assistance to Help Over 400,000 More Students in Distressed Communities Learn Basic Skills.** President Clinton proposed a $392 million increase in Title I funding to help students in high poverty communities receive the extra help they need to master the basics to reach high academic standards. The House Republican budget proposed a freeze in Title I funding. The final budget provides a $301 million increase, from $7.375 billion in FY98 to $7.676 billion in FY99. This funding will support educational services for nearly 11 million students, over 400,000 more than last year.

- **Expanded After-School Programs To Serve A Quarter of A Million Children.** In his State of the Union address, President Clinton asked Congress to "dramatically expand our support for after-school programs." The President and Vice President proposed $200 million for after-school programs in their FY99 budget. While the House Republican budget did not fund $140 million of the President's and Vice President's request, which would have denied services to about 425,000 children, the final budget includes full funding for the President's and Vice President's initiative, which will serve a quarter of a million children each year.

- **Expanded Head Start.** President Clinton proposed a $313 million increase for Head Start to add 30,000 to 36,000 new slots for children, continuing on the path to serving one million children by 2002. The House Republican budget did not provide the President's increase and would have denied 25,000 children Head Start slots if enacted. The final budget includes the President's full increase for Head Start, which is funded at $4.660 billion.

**Enforcing the Laws:**

- **Reduces Backlog and Expands Alternative Dispute Resolution at Equal Employment Opportunity Commission (EEOC).** The President's FY99 budget included $279 million -- a $37 million increase over the previous year -- to significantly expand EEOC's alternative dispute resolution program and reduce the backlog of private sector discrimination complaints. The final budget fully funds the President's request -- providing the first real increase for EEOC in several years.

- **HUD Fair Housing.** The President proposed a major expansion of HUD's Fair Housing programs, as part of his "One America" initiative. The final budget expands HUD's Fair Housing programs from $30 million in FY98 to $40 million in FY99. That 33-percent increase includes $7.5 million for a new audit-based enforcement initiative proposed by the Administration.

- **USDA Discrimination Claim Payments.** The final budget includes an improved version of the language waiving the statute of limitations on minority farmer discrimination claims against USDA than was included in Agriculture Appropriation bill. The final version is substantially the same as the Senate-passed version drafted by Senator Robb. Unlike the vetoed version, the final bill waives the statute of limitations on claims stemming from alleged discrimination in USDA's housing loan program, as well as the farm loan program waiver included in the vetoed bill. It also includes expedited resolution of the claims, which was not in the vetoed version, urging the Secretary of Agriculture to resolve claim cases within 180 days from when claims are filed. With this language, discrimination claims from 1981 to 1996 that had been barred by the statute of limitations will be expeditiously resolved by USDA.

- **More Police on the Streets.** In 1994, President Clinton fought for and won a commitment to put 100,000 police officers on the street. The final budget includes funds for 17,000 additional Community Oriented Police Services (COPS) Program police officers toward the President's goal of 100,000 cops on the beat by 2000.

- **Increasing Law Enforcement in Indian Country.** The final bill includes $20 million in FY99 for more police officers and public safety initiatives in the approximately 56 million acres of Indian lands serving more than 1.4 million residents.

**<u>Moving People from Welfare to Work and Empowering Communities:</u>**

- **50,000 Welfare-to-Work Housing Vouchers.** President Clinton's FY 1999 Budget included $283 million for 50,000 new vouchers exclusively for people who need housing assistance to make the transition from welfare to work. The original House bill included $100 million, while the Senate provided only $40 million. The final budget includes President Clinton's full request of $283 million for 50,000 welfare-to-work housing vouchers.

- **Flexible Funding for Empowerment Zones.** President Clinton and Vice President Gore requested mandatory funding for second-round urban and rural Empowerment Zones. While the House and the Senate did not provide any funding, the final budget includes $60 million in this flexible discretionary funding for the next round of Empowerment Zones and 20 new rural Enterprise Communities.

- **Public Housing Reform.** This legislation makes the President's landmark housing reform a reality. This bipartisan bill will allow more economic integration and deconcentration in our Nation's public housing, encourage and reward work, provide protections for those most in need, and put the Nation back into the housing business with the first new housing vouchers in five years.

- **$75 Million for Welfare-to-Work Transportation Funds.** While the House and Senate provided $50 million -- the minimum amount "guaranteed" in the transportation bill -- the final budget includes $75 million for this competitive grant program. These funds will assist states and localities in developing flexible transportation alternatives, such as van services, to help former welfare recipients and other low income workers get to work.

- **Extended Welfare-to-Work Tax Credit.** This tax credit encourages employers to hire, invest in training, and retain long-term welfare recipients. The credit is for 35 percent of the first $10,000 in wages in the first year of employment and 50 percent of the first $10,000 in the second year. President Clinton proposed to extend the credit in his FY99 budget and the final budget includes an extension through June 30, 1999.

- **Extended Work Opportunity Tax Credit.** This tax credit encourages employers to hire individuals who have traditionally had a hard time securing employment. Targeted groups include disadvantaged youth, including those living in empowerment zones and enterprise communities, welfare recipients, and qualified veterans. The maximum credit paid to the employer is as much as 40 percent of an individual's first $6,000 in wages. The President proposed to extend this credit in his FY99 budget and the final budget includes an extension through June 30, 1999.

- **"Play-by-the-Rules" Homeownership Initiative.** President Clinton's FY99 budget included $25 million for the Neighborhood Reinvestment Corporation to start the "Play-by-the-Rules" homeownership initiative, which would make homeownership more accessible to 10,000 families who have good rental histories, but are not adequately served in the housing market. The final budget includes $25 million for this new initiative.

- **Regional Opportunity Counseling.** The Administration requested funds to help counsel Section 8 certificate and voucher holders on their full range of housing options. While the Senate did not include any funding for this initiative, the final budget includes $10 million for this voluntary effort to expand the housing and employment opportunities available to low-income families.

- **Expansion of HUD's Youthbuild Program.** The Administration proposed expanding funds for Youthbuild by more than a quarter. While the original House bill provided $35 million and the Senate provided $40 million, the final budget includes $42.5 million -- an increase of over 20 percent.

- **Community Development Financial Institution (CDFI) Expansion.** The Administration requested a major expansion of the CDFI program to continue building a national network of community development banks. The original House bill froze CDFI funding at $80 million, while the Senate cut funding to $55 million. The final budget increases CDFI funding from $80 million in FY98 to $95 million in FY99 -- a 19-percent increase.

## Health Care:

U **Historic $130 Million Effort to Address HIV/AIDS in Minority Community.** Minority communities make up the fastest growing portion of the HIV/AIDS caseload (44 percent of all new HIV cases). In FY99, there will be an unprecedented $130 million investment, including that will improve prevention efforts in high-risk communities, and expand access to cutting edge HIV therapies and other treatment needed for HIV/AIDS.

_ **Funding the President's Commitment to Eliminate Racial Health Disparities.** Minorities suffer from higher rates for a number of critical diseases. For example, African Americans under the age of 65 have twice the rate of heart disease as whites, and Native Americans suffer from diabetes at nearly three times the average rate. The Congress has taken a critical first step in investing in the President's multi-year proposal to eliminate racial health disparities in six health areas, including HIV/AIDS, cancer, diabetes, and immunizations. The Congress has given the Administration authority to fund grants for communities to develop new strategies to address these disparities and has granted the President's request for increases in other critical public health programs, such as heart disease and diabetes prevention at CDC, that have proven effective in attacking these disparities.

U Increasing Funding to Provide Health Insurance to Low-Income Children in Puerto Rico and the Territories. Thousands of uninsured children in both Puerto Rico and the other territories will now be eligible for meaningful health care coverage for the first time under the Children's Health Insurance Program (CHIP). The territories were currently on schedule to receive an inadequate and inequitable $10.7 million in FY99. Today, the Congress responded to the President's request and provided the territories with an additional $32 million in FY99 for their new CHIP programs that will meet the needs of their uninsured children.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Paul J. Weinstein Jr. ( CN=Paul J. Weinstein Jr./OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:16-OCT-1998 17:06:57.00

SUBJECT: Revised Weekly Item

TO: Laura Emmett ( CN=Laura Emmett/OU=WHO/O=EOP [ WHO ] )
READ:UNKNOWN

TEXT:
Community Empowerment -- Final Budget Agreement: The final budget agreement included almost all of the major initiatives proposed in your State of the Union and FY99 Budget. Some of the highlights include: 1) 50,000 new Welfare-to-Work Housing Vouchers; 2) the first year funding for the Round II Empowerment Zones; 3) a 19 percent increase in the Community Development Financial Institution Fund budget; 4) enactment of the landmark public housing reform legislation; 5) extension of the Work Opportunity Tax Credit (WOTC) and the Welfare-to-Work Tax Credit (WTWTC); 6) an 18 percent increase in homeless assistance; 7) a 33 percent expansion of HUD's Fair Housing programs that are part of your One America Initiative; 8) full funding for EPA's Brownfield's progam; 9) and the creation of a new program to provide Individual Development Accounts (IDA) to empower individuals to save for a first home, post secondary education, or to start a new business. The enactment of the IDA legislation means that you have fulfilled, at some level, all of the promises made in Putting People Firstin the area of community empowerment.

The one initiative we were not successful in convincing the Congress to adopt was your proposal to expand the Low-Income Housing Tax Credit (LIHTC). However, we believe that the ground work has been laid to get Congressional approval next year as well as extending the WOTC and the WTWTC. Over the next several week, DPC, NEC, and the Office of the Vice President will be finalizing a set of new proposals for your FY2000 budget and State of the Union that will build on the victories we achieved in this year's budget.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert M. Shireman ( CN=Robert M. Shireman/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 4-NOV-1998 13:47:52.00

SUBJECT: Paragraph for POTUS re School Modernization Bonds

TO: don_feuerstein ( don_feuerstein @ ed.gov@inet [ UNKNOWN ] )
READ:UNKNOWN

CC: pauline_abernathy ( pauline_abernathy @ ed.gov @ inet [ UNKNOWN ] )
READ:UNKNOWN

TEXT:
fyi
---------------------- Forwarded by Robert M. Shireman/OPD/EOP on 11/04/98
01:45 PM ---------------------------

"DAVIEB%DOM13.DOPO7" <Bruce.Davie @ MS01.DO.treas.sprint.com>
11/04/98 11:03:22 AM
Record Type: Record

To: Robert M. Shireman/OPD/EOP
cc: "BurmanL%Dom13.DOPO7" <LEONARD.BURMAN @ MS01.DO.treas.sprint.com>
Subject: Paragraph for POTUS re School Modernization Bonds

Date: 11/04/1998 11:51 am (Wednesday)
From: Bruce Davie
To: EX.MAIL."Robert_M._Shireman@opd.eop.gov"
CC: BurmanL
Subject: Paragraph for POTUS re School Modernization Bonds

Len asked me to look at your draft paragraph. There is one error. Last year's proposal would only allow authority to issue SMBs to be carried forward for 5 years, not indefinitely.

I share Len's concern about tax credits for contractors, especially transferrable credits. School construction typically is done by prime contractors and lots of local sub-contractors. The ability of contractors to use credits to offset taxes on income they receive from a project is limited. If profits in the aggregate are 10% and contractors face a 35% tax rate, that's only 3.5% of the total construction bill. Some big districts
do their own prime contracting function.

The LIHTC model of marketing tax credits involves high transactions costs and only works reasonably well in that context because investors own the building. Presumably public schools are still to be publicly owned.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 5-NOV-1998 18:46:36.00

SUBJECT: PAUL: Slightly revised. Kaplan... use this.... add abandoned building proposal

TO: Shannon Mason ( CN=Shannon Mason/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
---------------------- Forwarded by Jonathan Orszag/OPD/EOP on 11/05/98
07:46 PM ---------------------------

Jonathan Orszag
11/05/98 06:01:25 PM
Record Type: Record

To: Jonathan A. Kaplan/OPD/EOP
cc: Paul J. Weinstein Jr./OPD/EOP
Subject: PAUL: Slightly revised. Kaplan... use this.... add abandoned
building proposal

COMMUNITY EMPOWERMENT INITIATIVES

Access to Capital and Credit

1. CDFI Tax Credit. We are looking at a proposal to extend tax incentives to encourage investment in CDFIs, which would leverage additional private investment in distressed areas and stimulate the economic revitalization of those areas. Under the proposal, $100 million in non-refundable tax credits would be made available to the CDFI Fund to allocate among equity investors in qualified CDFIs using a competitive process. One downside with this proposal is that it would neither assist non-profit CDFIs nor those that issue stock, such as mutual organizations.

2. Microcredit Initiative. We are working to identify means to amplify Administration support for microenterprise finance -- both domestically and internationally. We are examining whether to build on Senators Kennedy ,s and Domenici ,s PRIME legislation which would provide technical assistance to microenterprise. We are also looking at increased funding for CDFI initiatives specifically targeted to microenterprise, and CRA and other regulatory reform designed to enhance bank lending to microenterprise funds. On the international side, we are looking at whether we can increase microenterprise funding for USAID or through MDBs (either as a direct appropriation or potentially more innovative means, e.g., "debt for development" swaps), some portions of which may come under the aegis of support for countries hardest hit by the financial crisis.

Creating Jobs/Making Work Pay

1. Clean Water, Parks, and Communities Bonds. We are examining three potential proposals to encourage "green" infrastructure projects. The first model uses the same financing mechanism as your school construction proposal -- providing tax credits to state and local areas on their bond authority -- to provide incentives to communities to clean up the environment. This proposal would cost about $1 billion over five years and would leverage about $4-$5 billion in environmental investments. Communities could issue these zero-interest bonds for a menu of projects: protecting and improving water quality; cleanup of contaminated sediments; waterfront reclamation and revitalization; stormwater runoff control; purchasing of green spaces to prevent sprawl; park enhancements and revitalization, and brownfields cleanup. The second model, which provides a smaller incentive than the first model, would create new tax-exempt bond authority for these state and local areas to invest in clean water, parks, and communit
ies. The advantage of this model is that it builds on the current system of bond finance. The final model would allocate tax credits (like the Low-Income Housing Tax Credit) to states and local areas to provide to the developers of these green infrastructure projects.

2. Employment Tax Credits. The Work Opportunity Tax Credit (WOTC) and the Welfare-To-Work Tax Credit (WTW) will expire on June 30, 1999. We believe that the credits may be under-utilized because many employers do not have the assurance that the credit will be there when they file their taxes. Therefore, we are considering whether to make these two tax credits permanent.

Affordable Housing and Promoting Homeownership for All Americans

1. Expansion of Low-Income Housing Tax Credit. Last year, you proposed a 40-percent expansion of the Low-Income Housing Tax Credit (LIHTC) to spur the private-sector to develop more affordable rental housing for low-income Americans. However, Congress failed to act despite large bipartisan support in both the House and the Senate. We recommend you re-propose increasing the cap on the LIHTC from $1.25 per capita to $1.75 per capita. This proposal would restore the value of the credit to its 1986 level and will help develop an additional 150,000-180,000 affordable housing units over the next five years. This proposal would cost $1.6 billion over five years.

2. Homeownership Tax Credit. We are examining two different types of tax credits to promote homeownership among lower-income families, who generally do not benefit from the mortgage interest deduction. The first proposal would use the model of the Low-Income Housing Tax Credit to cr eate a Low-Income Homeownership Tax Credit. Under this proposal, low-income families would receive a low- or zero-interest second mortgage, which would reduce their upfront costs (e.g., downpayment and closing costs) and investors would receive the tax credit as their return on their investment. The second proposal is a $5,000 tax credit for first-time homebuyers in Empowerment Zones or Enterprise Communities. (The 1997 Balanced Budget Act included a similar proposal for first-time homebuyers

in the District of Columbia.) We are analyzing both of these proposals to see which one most effectively reduces barriers to homeownership among lower-income families, while being fiscally sound.

3. Expansion of Private Activity Bond Cap/Mortgage Revenue Bonds. Within their volume cap, states and local government may issue tax-exempt bonds for a variety of purposes. State and local governments use about one-third of their private activity bond allocation for mortgage revenue bonds (MRBs), which helps state and local areas provide below-market mortgages to first-time homebuyers with relatively low incomes. The volume cap on private activity bonds, and thus MRBs, has not changed since 1986. Most community development groups view private activity bonds as yours, since you were the one who permanently extended it in 1993. If Congress acts this year to increase the cap -- which is likely since it is supported by a majority of both houses -- we are concerned that you may lose this issue as one of your legacies. Therefore, we are looking to accelerate the increase in the cap that was included in this year ,s budget agreement. Treasury estimates that a 50-percent increase in 2000 -- which would restore its value to its 1986 level -- would cost $500 million over five years.

4. Incremental Tenant-based Section 8 Vouchers. In order to build on the success of securing new incremental vouchers last year, we recommend seeking an additional 50,000 welfare-to-work housing vouchers and another 25,000 units to meet the needs of the homeless, including elderly homeless and homeless veterans.

5. Regional Affordable Housing Initiative. We are examining whether to propose a Regional Affordable Housing Initiative (RAHI) as a competitive pilot program. This proposal would be designed to result in a more balanced distribution of affordable housing across participating metropolitan regions. In particular, the program seeks to increase the availability of affordable housing in areas with high growth in low-skilled jobs and inadequate supplies of housing for low-income workers. This proposal could be funded through HUD ,s HOME program and w ould cost $125 million over five years.

6. Elderly Housing Initiative. This proposal includes a three-pronged approach to tackle the needs for elderly housing. This initiative would provide new capital to improve the quality of elderly housing, meet the changing needs of elderly residents and provide an alternative to nursing home care -- such as assisted living. One interesting part of this initiative would be to provide housing vouchers targeted specifically to very-low income elderly who live in Low-Income Housing Tax Credit developed housing. Because tax credit housing subsidizes rent, this proposal would allow us to provide more vouchers to the poor elderly.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Charles R. Marr ( CN=Charles R. Marr/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 6-NOV-1998 11:45:12.00

SUBJECT: comments on memo

TO: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TO: Paul J. Weinstein Jr. ( CN=Paul J. Weinstein Jr./OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
Here are comments I sent Sally on editing of document -- not major, just suggestions

CDFI -- editing -- I don ,t think you need last sentence on downside. This is not a decision memo. Need to check with Orszag.

Clean Water, Parks, and Communities Bonds (Need to run by Weinstein/Orszag):

Current:

&We are examining three potential proposals to encourage "green" infrastructure projects. The first model uses the same financing mechanism as your school construction proposal for a menu of projects: protecting and improving water quality; cleanup of contaminated sediments; waterfront reclamation and revitalization; stormwater runoff control; purchasing of green spaces to prevent sprawl; park enhancements and revitalization, and brownfields cleanup. The second model, which provides a smaller incentive than the first model, would create new tax-exempt bond authority for these state and local areas to invest in clean water, parks, and communities. The advantage of this model is that it builds on the current system of bond finance. The final model would allocate tax credits (like the Low-Income Housing Tax Credit) to states and local areas to provide to the developers of these green infrastructure projects. 8

Suggested Change (reason for change: projects funded are same under each mechanism, don ,t need pro/cons here)

&We are examining potential tax proposals to encourage "green" infrastructure projects. Each would help communities invest in a menu of projects: protecting and improving water quality; cleanup of contaminated sediments; waterfront reclamation and revitalization; stormwater runoff control; purchasing of green spaces to prevent suburban sprawl; park enhancements and revitalization, and brownfields cleanup. We are exploring three specific mechanisms: 1) A tax credit to pay bond interest using our school construction model 2) A new tax-exempt bond authority for these state and local areas to invest in clean water, parks, and communities. 3) An allocation of tax credits (like the Low-Income Housing Tax Credit) to states and local areas to provide to the developers of these green infrastructure projects. 8

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:13-NOV-1998 10:15:41.00

SUBJECT: Low-Income Housing/Homeownership

TO: Sally Katzen ( CN=Sally Katzen/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
The bullet in the memo to the President on new ideas combines the Low-Income Housing Tax Credit (LIHTC) and Homeownership Tax Credits targeted at low-income families. Substantively, this does not make much sense.

As the full LIHTC bullet in the last draft of the memo stated, the LIHTC helps "develop more affordable rental housing." The tax credits we are now examining would lower the barrier to homeownership for low-income families.

The way the bullet is now written is very confusing and makes it seem as though the two proposals are redundant and have the same goal. If the President believes that these policies have a similar purpose -- which they do not -- I fear that we will have a tougher sell during the budget/tax process.

If the issue were space, it would have been easy to cut from the section. Indeed, some of the initiatives are in the millions of dollars, while this homeownership initiative may be in the range of a billion dollars. Moreover, I assume tax credits for homeownership have more "lift" than initiatives, such as homeless assistance for veterans.

I don't know if this can be corrected now, but a lot of hard work has gone into making the homeownership tax credit workable. With the homeownership rate of lower income families a fraction of the homeownership rate of higher-income folks, this initiative should be a central part of the President's community empowerment budget.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Paul J. Weinstein Jr. ( CN=Paul J. Weinstein Jr./OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:24-NOV-1998 15:03:09.00

SUBJECT: Housing Info

TO: Francis S. Redburn ( CN=Francis S. Redburn/OU=OMB/O=EOP @ EOP [ OMB ] )
READ:UNKNOWN

TEXT:
---------------------- Forwarded by Paul J. Weinstein Jr./OPD/EOP on
11/24/98 03:01 PM ---------------------------

Paul J. Weinstein Jr.
11/24/98 02:36:20 PM

Record Type: Record

To: Cynthia A. Rice/OPD/EOP
cc:
Subject: Housing Info

U Improving the Homeownership Rate. The President has led a dramatic effort to increase the homeownership rate for all Americans. Under President Clinton, more than two-thirds of American families own their own home, the first time this has occured in history. And since the President took office, 7.4 million families have become homeowners -- with African-American and Hispanic homeownership climbing even more rapidly than the overall rate.

U Public Housing Reform. This year's budget agreement includes that legislation makes the President ,s landmark housing reform a reality. This bipartisan bill will allow more economic integration and deconcentration in our Nation ,s public housing, encourage and reward work, provide protections for those most in need, and put the Nation back into the housing business with the first new housing vouchers in five years.

U &Play-by-the-Rules 8 Homeownership Initiative. President Clinton ,s FY99 budget included $25 million for the Neighborhood Reinvestment Corporation to start the &Play-by-the-Rules 8 homeownership initiative, which would make homeownership more accessible to 10,000 families who have good rental histories, but are not adequately served in the housing market. The final budget includes $25 million for this new initiative.

U HUD Fair Housing. The President proposed a major expansion of HUD ,s Fair Housing programs, as part of his &One America 8 initiative. The final budget expands HUD ,s Fair Housing programs from $30 million in FY98 to $40 million in FY99. That 33-percent increase includes $7.5 million for a new audit-based enforcement initiative proposed by the Administration.

U Regional Opportunity Counseling. The Administration requested funds to help counsel Section 8 certificate and voucher holders on their full range of housing options. While the Senate did not include any funding for this initiative, the final budget includes $10 million for this voluntary effort to expand the housing and employment opportunities available to low-income families.

U 50,000 Welfare-to-Work Housing Vouchers. President Clinton ,s FY 1999 Budget included $283 million for 50,000 new vouchers exclusively for people who need housing assistance to make the transition from welfare to work. The original House bill included $100 million, while the Senate provided only $40 million. The final budget includes President Clinton ,s full request of $283 million for 50,000 welfare-to-work housing vouchers. (Jacquie, Xav, other data on earlier expansion of incremental vouchers?)

U Attract Investment with a Permanent Low Income Housing Tax Credit and Mortgage Revenue Bond Program. Permanent extension of Low Income Tax Credit and Mortgage Revenue Bonds included in OBRA '93. The Administration successfully resisted efforts to sunset the LIHTC in the 1995/96 reconciliation fight. The Administration has proposed an major expansion of the LIHTC that would (John). (data on success of program -- Michael?)

U Provide Federal Support to Programs That Restore Old Housing to Sell to Low-income Home Buyers. FHA has tripled its annual volume of single-family home rehabilitation loans for low-and moderate-income homebuyers. FHA has also substantially increased the number of single-family homes from its own inventory of defaulted properties that it sells to non-profits and city governments in the process of revitalizing urban neighborhoods. President Clinton ,s FY99 budget included an increase in the FHA loan limit to expand homeownership opportunities to more Americans. The final budget includes an increase in the FHA loan limit, raising the limit from $86,317 to $109,032 in the lowest cost areas and from $170,300 to $197,621 in the highest cost areas.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:24-NOV-1998 19:22:49.00

SUBJECT: See edits below... plus bullets for you

TO: Jordan Tamagni ( CN=Jordan Tamagni/OU=WHO/O=EOP @ EOP [ WHO ] )
READ:UNKNOWN

TEXT:
50,000 Welfare-to-Work Housing Vouchers. President Clinton ,s FY 1999 Budget included $283 million for 50,000 new vouchers exclusively for people who need housing assistance to make the transition from welfare to work. The original House bill included $100 million, while the Senate provided only $40 million. The final budget includes President Clinton ,s full request of $283 million for 50,000 welfare-to-work housing vouchers.

Public Housing Reform. This legislation makes the President ,s landmark housing reform a reality. This bipartisan bill will allow more economic integration and deconcentration in our Nation ,s public housing, encourage and reward work, provide protections for those most in need, and put the Nation back into the housing business with the first new housing vouchers in five years.

Increased Funding for Homeless Assistance. The President proposed a major expansion of HUD ,s continuum of care program, designed to help homeless persons obtain health care, jobs, and permanent housing. The final budget includes $975 million in funds for the homeless -- a $152 million, or 18 percent, increase over last year.

"Play-by-the-Rules" Homeownership Initiative. President Clinton ,s FY99 budget included $25 million for the Neighborhood Reinvestment Corporation to start the "Play-by-the-Rules" homeownership initiative, which would make homeownership more accessible to 10,000 families who have good rental histories, but are not adequately served in the housing market. The final budget includes $25 million for this new initiative.

---------------------- Forwarded by Jonathan Orszag/OPD/EOP on 11/24/98 08:11 PM ---------------------------

Jordan Tamagni
11/24/98 06:42:54 PM
Record Type: Record

To: Jonathan Orszag/OPD/EOP
cc:
Subject: Something like this

We have already taken action to help our neediest citizens with housing ... This year's balanced budget includes 50,000 new vouchers for people who need housing assistance to make the transition from welfare to work. We reformed our public housing system to encourage and reward work and provide protections for those most in need. We've increased funding for the homeless to move people from the streets to self-sufficiency. And we will continue to fight to expand the Low-Income Housing Tax Credit to help develop affordable housing for America's most hard-pressed families.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Andrea Kane ( CN=Andrea Kane/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 4-JAN-1999 13:51:51.00

SUBJECT: Re: WTW Housing Vouchers

TO: Paul J. Weinstein Jr. ( CN=Paul J. Weinstein Jr./OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TO: Cynthia A. Rice ( CN=Cynthia A. Rice/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

CC: Mary L. Smith ( CN=Mary L. Smith/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
Here's where things stand on housing vouchers in budget
---------------------- Forwarded by Andrea Kane/OPD/EOP on 01/04/99 01:43 PM ---------------------------

Francis S. Redburn
01/04/99 01:23:32 PM
Record Type: Record

To: Andrea Kane/OPD/EOP
cc: Katherine L. Meredith/OMB/EOP, James F. Jordan/OMB/EOP, Alexandra Gianinno/OMB/EOP
Subject: Re: WTW Housing Vouchers

We have a total of 100,000 incremental housing vouchers in the 2000 budget. This includes 25,000 for Welfare to Work (plus renewal of this year's 50,000). Of the 100,000 total, 15,000 would be permanently authorized (i.e., mandatory funding) and designated for initial use in elderly projects financed with the low-income housing tax credit (designed to make these units affordable to those with incomes below 30 percent of local median income). Of the other 60,000 discretionary incrementals, 18,000 will be designated for the homeless as announced in Baltimore by the President two weeks ago.

The savings account mechanism would be used to pay for renewals starting in 2001. However, initial funding would not be contingent on realizing savings or recording them in the savings account; so, as a practial matter, incremental funding depends only on convincing appropriators that they will have the means (from savings, higher caps, or elsewhere) to continue funding them after 2000. HUD is still disputing details of the savings account, which we would argue creates a moral presumption that any future savings be dedicated to them rather than to some other, perhaps non-HUD, purpose.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Francis S. Redburn ( CN=Francis S. Redburn/OU=OMB/O=EOP [ OMB ] )

CREATION DATE/TIME: 4-JAN-1999 13:23:45.00

SUBJECT: Re: WTW Housing Vouchers

TO: Andrea Kane ( CN=Andrea Kane/OU=OPD/O=EOP@EOP [ OPD ] )
READ:UNKNOWN

CC: James F. Jordan ( CN=James F. Jordan/OU=OMB/O=EOP@EOP [ OMB ] )
READ:UNKNOWN

CC: Alexandra Gianinno ( CN=Alexandra Gianinno/OU=OMB/O=EOP@EOP [ OMB ] )
READ:UNKNOWN

CC: Katherine L. Meredith ( CN=Katherine L. Meredith/OU=OMB/O=EOP@EOP [ OMB ] )
READ:UNKNOWN

TEXT:
We have a total of 100,000 incremental housing vouchers in the 2000 budget. This includes 25,000 for Welfare to Work (plus renewal of this year's 50,000). Of the 100,000 total, 15,000 would be permanently authorized (i.e., mandatory funding) and designated for initial use in elderly projects financed with the low-income housing tax credit (designed to make these units affordable to those with incomes below 30 percent of local median income). Of the other 60,000 discretionary incrementals, 18,000 will be designated for the homeless as announced in Baltimore by the President two weeks ago.

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:10-JAN-1999 20:24:52.00

SUBJECT:

TO: Joshua S. Gottheimer ( CN=Joshua S. Gottheimer/OU=WHO/O=EOP @ EOP [ WHO ] )
READ:UNKNOWN

TEXT:
PRESIDENT WILLIAM J. CLINTON
RADIO ACTUALITY
NATIONAL HOMEOWNERSHIP WEEK
June 5, 1998

I am glad to help kick off National Homeownership Week. For the past five years, my Administration has worked to make the dream of homeownership a reality for America ,s families. Thanks to our strong economy, the leadership of our Housing and Urban Development Secretary, Andrew Cuomo, and the hard work of the National Partners in Homeownership, we now have the highest homeownership rate in history.

But, to quote Secretary Cuomo, &there ,s a shadow over our homeownership success. 8 While minority homeownership is rising, it still lags behind the national average. That ,s why my budget proposes to raise the FHA loan limits to help more middle-income families qualify for lower cost mortgages. It will create more homeownership zones to help distressed communities get back on their feet. And it will help families that have a history of paying rent on time turn their rent checks into mortgage payments.

To help reinvigorate America ,s poor and distressed neighborhoods, my budget expands the Low-Income Housing Tax Credit, creates a Community Empowerment Fund at HUD to help underserved neighborhoods, and provides housing vouchers for people who have moved from welfare to work.

This week, across the country, there will be nearly 1,000 events to celebrate National Homeownership Week. I want to thank everyone who is involved, especially the members of Congress and Habitat for Humanity who are teaming together to build at least one house in each congressional district. Together we are using the power of partnership to open the door for the homeowners of the future.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: "BARRM%DOM3.DOPO6" <Michael.Barr@MS01.DO.treas.sprint.com> ( "BARRM%DOM3.DOPO6" <Michael.Barr@MS01.DO.treas.sprint.com> [ UNKNOWN ] )

CREATION DATE/TIME:12-JAN-1999 22:03:28.00

SUBJECT: Outreach Plan for Wall Street Project -Reply

TO: Sarah Rosen ( CN=Sarah Rosen/OU=OPD/O=EOP [ OPD ] )
READ:UNKNOWN

TEXT:
Date: 01/12/1999 06:58 pm (Tuesday)
From: Michael Barr
To: EX.MAIL("Sarah_Rosen@opd.eop.gov")
Subject: Outreach Plan for Wall Street Project -Reply

Potential CDFI/CDC validators:

Coastal Enterprises of Maine (rural CDFI, used CDC tax credit)
Community Development Venture Capital Alliance (CDFI intermediary)
Enterprise (syndicates LIHTC)
LISC (syndicates LIHTC and CDC credits, makes retail equity invsts)
National Community Capital Association (CDFI intermediary)
New Community Corporation (CDC in inner city Newark)

more to come...

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jake Siewert ( CN=Jake Siewert/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:13-JAN-1999 17:20:21.00

SUBJECT: Re: Did we get housing vouchers we called for in state of the union last year?

TO: Barry J. Toiv ( CN=Barry J. Toiv/OU=WHO/O=EOP @ EOP [ WHO ] )
READ:UNKNOWN

TEXT:
I don't know about vouchers. We did not get the Low-Income Housing Tax
Credit.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Paul J. Weinstein Jr. ( CN=Paul J. Weinstein Jr./OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:16-JAN-1999 15:54:03.00

SUBJECT: Re: New Insert For SOTU background book

TO: Francis S. Redburn ( CN=Francis S. Redburn/OU=OMB/O=EOP @ EOP [ OMB ] )
READ:UNKNOWN

TEXT:
Now I remember. Thanks, I forgot about the LIHTC connection.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Andrea Kane ( CN=Andrea Kane/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:16-JAN-1999 16:06:56.00

SUBJECT: Re: New Insert For SOTU background book

TO: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TO: Cynthia A. Rice ( CN=Cynthia A. Rice/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
Here's the breakdown on vouchers we were asking about Friday evening.
---------------------- Forwarded by Andrea Kane/OPD/EOP on 01/16/99 04:06 PM ---------------------------

Francis S. Redburn
01/16/99 03:50:05 PM
Record Type: Record

To: Paul J. Weinstein Jr./OPD/EOP
cc: See the distribution list at the bottom of this message
Subject: Re: New Insert For SOTU background book

That looks good, Paul (extra "vouchers" in first sentence).

In response to your voicemail, yes, there are 100K incremental housing vouchers in fy2000. We request discretionary funding for 85,000, including the 25K WTW and 18K for homeless, as announced by the President before Christmas. The rest are regular vouchers. On the mandatory side, we will propose permanent authorization of 15K housing vouchers to be awarded initially by States in conjunction with new Low-income Housing Tax Credit projects; the vouchers will make the units in these projects affordable to extremely low-income people (below 30 percent of local median income).

Message Copied
To:

Laura Emmett/WHO/EOP
Cynthia A. Rice/OPD/EOP
Andrea Kane/OPD/EOP
Katherine L. Meredith/OMB/EOP
Alexandra Gianinno/OMB/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Francis S. Redburn ( CN=Francis S. Redburn/OU=OMB/O=EOP [ OMB ] )

CREATION DATE/TIME:16-JAN-1999 15:50:06.00

SUBJECT: Re: New Insert For SOTU background book

TO: Paul J. Weinstein Jr. ( CN=Paul J. Weinstein Jr./OU=OPD/O=EOP@EOP [ OPD ] )
READ:UNKNOWN

CC: Katherine L. Meredith ( CN=Katherine L. Meredith/OU=OMB/O=EOP@EOP [ OMB ] )
READ:UNKNOWN

CC: Cynthia A. Rice ( CN=Cynthia A. Rice/OU=OPD/O=EOP@EOP [ OPD ] )
READ:UNKNOWN

CC: Alexandra Gianinno ( CN=Alexandra Gianinno/OU=OMB/O=EOP@EOP [ OMB ] )
READ:UNKNOWN

CC: Andrea Kane ( CN=Andrea Kane/OU=OPD/O=EOP@EOP [ OPD ] )
READ:UNKNOWN

CC: Laura Emmett ( CN=Laura Emmett/OU=WHO/O=EOP@EOP [ WHO ] )
READ:UNKNOWN

TEXT:
That looks good, Paul (extra "vouchers" in first sentence).

In response to your voicemail, yes, there are 100K incremental housing vouchers in fy2000. We request discretionary funding for 85,000, including the 25K WTW and 18K for homeless, as announced by the President before Christmas. The rest are regular vouchers. On the mandatory side, we will propose permanent authorization of 15K housing vouchers to be awarded initially by States in conjunction with new Low-income Housing Tax Credit projects; the vouchers will make the units in these projects affordable to extremely low-income people (below 30 percent of local median income).

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Paul J. Weinstein Jr. ( CN=Paul J. Weinstein Jr./OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:18-JAN-1999 20:35:38.00

SUBJECT: New voucher language.

TO: Laura Emmett ( CN=Laura Emmett/OU=WHO/O=EOP [ WHO ] )
READ:UNKNOWN

TEXT:
Housing Vouchers
The President's budget will include funding for 100,000 vouchers housing vouchers in addition to maintaining funding for the 50,000 welfare to work housing vouchers agreed to in last year ,s budget.
Of the total, 25,000 are for welfare to work, 18,000 for homeless, 15,000 will be awarded by states in conjunction with new Low Income Housing Tax Credit projects, and the rest are traditional vouchers.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:18-JAN-1999 10:43:52.00

SUBJECT: Housing

TO: Barry J. Toiv ( CN=Barry J. Toiv/OU=WHO/O=EOP @ EOP [ WHO ] )
READ:UNKNOWN

TEXT:
Last year's SOTU:

"We still have a lot more to do, all of us, to make welfare reform a success... helping families mover closer to available jobs..."

"We should also give poor families more help to move into homes of their own....."

What we got:

50,000 Welfare-to-Work Housing Vouchers. President Clinton ,s FY 1999 Budget included $283 million for 50,000 new vouchers exclusively for people who need housing assistance to make the transition from welfare to work. The original House bill included $100 million, while the Senate provided only $40 million. The final budget includes President Clinton ,s full request of $283 million for 50,000 welfare-to-work housing vouchers.

FHA Loan Limit Increased. President Clinton ,s FY99 budget included an increase in the FHA loan limit to expand homeownership opportunities to more Americans. The final budget includes an increase in the FHA loan limit, raising the limit from $86,317 to $109,032 in the lowest cost areas and from $170,300 to $197,621 in the highest cost areas.

&Play-by-the-Rules 8 Homeownership Initiative. President Clinton ,s FY99 budget included $25 million for the Neighborhood Reinvestment Corporation to start the &Play-by-the-Rules 8 homeownership initiative, which would make homeownership more accessible to 10,000 families who have good rental histories, but are not adequately served in the housing market. The final budget includes $25 million for this new initiative.

Last year's SOTU:

"... we should use tax cuts to spur the construction of more low-income housing."

What we didn't get:

Low-Income Housing Tax Credit. Despite the fact that over two-thirds of the House and Senate are co-sponsors on the bills to raise the cap on the Low-Income Housing Tax Credit (LIHTC) -- more support than any other tax legislation -- and despite the fact that the Administration fought to the last day to get an increased LIHTC in the budget agreement, the House and the Senate did not pass an increase. Estimates suggest that the LIHTC currently helps develop 75,000-90,000 affordable housing units each year. The President's and Vice President ,s proposal to increase the cap by 40 percent will mean an additional 150,000-180,000 quality rental housing unit s for low-income American families during the next five years.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jake Siewert ( CN=Jake Siewert/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:21-JAN-1999 19:49:35.00

SUBJECT: Other Budget Items

TO: Karen Tramontano ( CN=Karen Tramontano/OU=WHO/O=EOP @ EOP [ WHO ] )
READ:UNKNOWN

CC: Douglas B. Sosnik ( CN=Douglas B. Sosnik/OU=WHO/O=EOP @ EOP [ WHO ] )
READ:UNKNOWN

TEXT:
Also, on what we have left to announce:

-- Head Start expansion ($600 million increase in 2000) keeping us on path to a a million children (an earlier pledge.)

-- Digital Library ($30 milllion) to digitize national treasures, museum images, Mark Twain's writings, etc and put them on the Web.

-- Computing Technology Centers (550 percent increase) to help hook up poor areas to the techonology superhighway

-- Low-Income Housing tax Credit (expansion of 40 percent) -- did not pass last year but we will repropose. Did an event in December of 1997 to highlight how South Bronx had benefitted from LIHTC.

-- Student Loan Interest deduction (could go out on paper) allows students to deduct interest on student loans for a longer period of time.

-- Pension package (beyond USA accounts.)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:22-JAN-1999 15:52:33.00

SUBJECT: Re: USCM Message

TO: William H. White Jr. ( CN=William H. White Jr./OU=WHO/O=EOP @ EOP [ WHO ] )
READ:UNKNOWN

CC: Joshua S. Gottheimer ( CN=Joshua S. Gottheimer/OU=WHO/O=EOP @ EOP [ WHO ] )
READ:UNKNOWN

CC: Kris M Balderston ( CN=Kris M Balderston/OU=WHO/O=EOP @ EOP [ WHO ] )
READ:UNKNOWN

CC: Paul J. Weinstein Jr. ( CN=Paul J. Weinstein Jr./OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

CC: Stacie Spector ( CN=Stacie Spector/OU=WHO/O=EOP @ EOP [ WHO ] )
READ:UNKNOWN

CC: Mickey Ibarra ( CN=Mickey Ibarra/OU=WHO/O=EOP @ EOP [ WHO ] )
READ:UNKNOWN

CC: Lynn G. Cutler ( CN=Lynn G. Cutler/OU=WHO/O=EOP @ EOP [ WHO ] )
READ:UNKNOWN

TEXT:
I don't believe it makes a ton of sense to focus our message on Friday at the USCM on Youth Opportunity Areas. At yesterday's message meeting it was decided to roll our budget announcement about youth employment into the workforce development announcements on Thursday (which were previously scheduled for Wednesday).

The NEC believes that the focus of the USCM speech should be on the economy (GDP numbers are released that morning) and on our whole community empowerment agenda -- the New Markets Initiative, School Construction, CDFIs, housing vouchers, the Low-Income Housing Tax Credit, Youth Opportunity Areas, COPS, etc. While we agree that Youth Opportunity Areas deserves a mention in the speech, it probably should not be a focus.

William H. White Jr.
01/22/99 03:24:33 PM
Record Type: Record

To: See the distribution list at the bottom of this message

cc:
Subject: USCM Message

Hey, Bryd moves to end trial on Monday. Maybe our event on Friday will get coverage.

Labor wants to highlight and incorporate DOL's (and the Administration's) Youth Opportunity Grant Program at the USCM event next Friday. The program, which had seed money in 97-98, is just getting up and running because the Administration succeeded in getting $250 in 99. We are asking for an additional $250 million for the next three years for a total of $1 billion over 4 years. Labor believes this is the largest effort the Administration has to address youth unemployment (targets 50,000 youth), which was part of the Workforce Investment Act signed in 98.
DOL wants Secretary Herman speak. Lynn reports Cuomo said he did not need to speak.

Paul and Jon, does it make sense to highlight this program as our message on Friday?

Message Sent
To:
Jonathan Orszag/OPD/EOP
Lynn G. Cutler/WHO/EOP
Paul J. Weinstein Jr./OPD/EOP
Mickey Ibarra/WHO/EOP
Kris M Balderston/WHO/EOP
Stacie Spector/WHO/EOP
Joshua S. Gottheimer/WHO/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Mona G. Mohib ( CN=Mona G. Mohib/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME:25-JAN-1999 17:15:21.00

SUBJECT: Re: Draft Paper For Mayors

TO: Paul J. Weinstein Jr. ( CN=Paul J. Weinstein Jr./OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
How about Youth Opportunity Initiatives? It is $250 million a year over 4 years.

Paul J. Weinstein Jr.
01/25/99 04:08:26 PM

Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: Draft Paper For Mayors

Here is a draft. Anything else we should add? More Housing would be nice. What about School Construction?

Clinton-Gore Administration ,s Community Empowerment Agenda

Low-Income Housing Tax Credit
Since its creation in 1986, the Low-Income Housing Tax Credit (LIHTC) has given states tax credits of $1.25 per capita to allocate to developers of affordable housing. Even though building costs have increased 40 percent in the last decade, the amount of the credit has not been adjusted for inflation. Therefore, President Clinton and Vice-President Gore propose to increase the cap on the LIHTC from $1.25 per capita to $1.75 per capita --restoring the value of the credit to its 1986 level. Estimates suggest that the LIHTC currently helps build 80,000-90,000 affordable housing units each year. The President and Vice President ,s proposal to increase the cap by 40 percent will create an additional 160,000-180,000 new rental housing units for low-income American families over the next five years. This proposal will cost $1.6 billion over five years.

Empowerment Zones
Last week, Vice President Gore named 20 economically distressed communities as new Empowerment Zones (EZs). Tonight, the President is

reaffirming his Administration ,s commitment to securing full funding of flexible grant funding for the new EZs. If Congress approves full funding for the EZs, federal investment is expected to help create and retain about 90,000 jobs and stimulate $20.3 billion in private and public investment in the next 10 years.

Community Development Financial Institutions Fund (CDFI)
In 1994, the President proposed and Congress established the CDFI Fund. This Fund further expands the availability of credit, investment capital, financial services, and other development services in distressed communities. The President is proposing to expand funding for the CDFI program to $125 million --a $30 million increase from FY 1999.

Livability Agenda: Easing Traffic Congestion and Community Planning and Collaboration
To help communities across America grow in ways that ensure a high quality of life and strong, sustainable economic growth, President Clinton and Vice President Gore are proposing a comprehensive Livability Agenda providing new tools and resources for state and local governments. The initiative includes: a record $6.1 billion for public transit, plus $2.4 billion for other innovative programs to promote improved transportation planning and ease traffic congestion so commuters can spend less time in traffic and more with their families; $50 million in matching grants to help neighboring communities develop collaborative &smart growth 8 strategies; and $10 million to encourage citizen participation in the design of schools as centers of their communities, provide communities with new information tools so they can grow according to their values, and improve public safety by sharing crime data among communities. By delivering tools and resources to the local level, where issues of growth are most appropriately addressed, this initiative helps empower citizens to build more &livable communities 8 for the 21st century.

Livability Agenda: Better America Bonds
To help communities reconnect with their land and water, preserve green space for future generations, and provide attractive settings for economic development, the Administration is proposing a new financing tool generating $9.5 billion in bond authority for investments by state, local and tribal governments. The President ,s budget will propose tax credits totaling almost $700 million over five years --to support Better America Bonds, which can be used to preserve green space, create or restore urban parks, protect water quality, and clean up brownfields (abandoned industrial sites). The program will be coordinated through an interagency process.

Welfare Rolls Decline as More Recipients go to Work
The President announced that welfare is at its lowest level in 30 years and the welfare rolls have fallen by nearly half since he took office. The percent of welfare recipients working has tripled since 1992, and all states met the first work overall participation rates required under the welfare reform law. Two years ago the President challenged the business community to create jobs so that people can move from welfare to work. Today, 10,000 companies of all sizes, industries, and from all regions have joined the Welfare to Work Partnership and are successfully hiring and retaining hundreds of thousands of welfare recipients.

Transportation and Housing for Families Moving From Welfare to Work
The President also will announce today that his budget will contain $580 million for welfare to work housing vouchers and transportation assistance to help those on welfare get to work and stay employed. The President ,s budget will provide $430 million for 75,000 welfare-to-work housing vouchers, including $144 million in new funds for 25,000 additional vouchers. This is a 50 percent increase over the 50,000 vouchers the President secured last year. The vouchers will help families move closer to a new job, reduce a long commute, or secure more stable housing so they can perform better on the job. The President ,s budget will also increase Access to Jobs transportation funding from $75 million to $150 million, doubling the number of individuals and communities that can receive transportation assistance. This competitive grant program supports innovative state and local transportation solutions such as shuttles, van pools, new bus routes, and connector services to mass transit to help welfare recipients and other low income workers get to work.

Additional Welfare-to-Work Assistance
The President announced that he will propose $1 billion for his Welfare-to-Work program to ensure that those remaining on the welfare rolls who face the greatest challenges can succeed in the workforce and to increase the employment of fathers of children on welfare so they can better support their children. This funding will help 200,000 people move from welfare to work and will help increase child support collections, which have gone up 80 percent since 1992. The President will announce further details of this proposal next week.

New Markets Investments Initiative
One of the great still unmet challenges for the start of the 21st century is building economically vibrant communities in those places that our prosperity has not yet reached --inner cities and distressed rural areas. These new markets here at home have great potential. We must build a bridge between Wall Street and our great untapped markets. The President ,s new markets initiative will spur $15 billion in new capital investment in businesses in these underserved areas through a package of tax credits and guarantees.

Specifically:

New Markets Tax Credit: A billion dollars of tax credits over five years worth up to 25% of the amount of equity invested in a variety of vehicles for providing equity and credit to businesses in underserved areas.

America's Private Investment Companies (APICs): Modeled after the Overseas Private Investment Corporation's (OPIC) successful investment fund program, this program would create, each year, five new private investment partnerships of up to $300 million. For each new APIC, HUD and the SBA would provide up to $200 million in loan guarantees to match $100 million in private investment, creating a fund of $300 million for investment in mid-sized firms expanding or relocating into underserved areas.

New Market Venture Capital Firms (NMVCs): SBA will match equity investment and technical assistance funds to finance 10-20 new investment partnerships selected to provide both patient growth capital and expert guidance to entrepreneurs who need both in order to transform their small businesses and great ideas into thriving companies.

SBICs targeted to new markets: Over 40 years, the SBIC program has helped more than 85,000 small companies grow, some from start-ups to household names like AOL; but the program has not done enough to help spur growth in underserved areas. SBA will provide more flexibility and new financing terms, along with aggressive outreach, to promote investment in low-and moderate-income areas by SBICs.

New Market Lending Companies (NMLCs): SBA will approve approximately 10 new non-bank lenders who have a strategy to target their lending to underserved areas.

Other: Other elements include seed money to expand BusinessLINC partnerships to encourage large businesses to work with small businesses in new markets and reforms to the Specialized Small Business Investment Company (SSBIC) tax credit to make it easier to use.

Message Sent
To:
Mona G. Mohib/WHO/EOP
Sarah Rosen/OPD/EOP
Theodore Wartell/OMB/EOP
Michael Deich/OMB/EOP
Jonathan Orszag/OPD/EOP
Elizabeth J. Potter/OVP @ OVP
Francis S. Redburn/OMB/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Paul J. Weinstein Jr. ( CN=Paul J. Weinstein Jr./OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:25-JAN-1999 16:10:08.00

SUBJECT: Draft Paper For Mayors

TO: Elizabeth J. Potter ( CN=Elizabeth J. Potter/O=OVP @ OVP [ UNKNOWN ] )
READ:UNKNOWN

TO: Michael Deich ( CN=Michael Deich/OU=OMB/O=EOP @ EOP [ OMB ] )
READ:UNKNOWN

TO: Sarah Rosen ( CN=Sarah Rosen/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TO: Francis S. Redburn ( CN=Francis S. Redburn/OU=OMB/O=EOP @ EOP [ OMB ] )
READ:UNKNOWN

TO: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TO: Theodore Wartell ( CN=Theodore Wartell/OU=OMB/O=EOP @ EOP [ OMB ] )
READ:UNKNOWN

TO: Mona G. Mohib ( CN=Mona G. Mohib/OU=WHO/O=EOP @ EOP [ WHO ] )
READ:UNKNOWN

TEXT:
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and retaining hundreds of thousands of welfare recipients.

Transportation and Housing for Families Moving From Welfare to Work
The President also will announce today that his budget will contain $580 million for welfare to work housing vouchers and transportation assistance to help those on welfare get to work and stay employed. The President ,s budget will provide $430 million for 75,000 welfare-to-work housing vouchers, including $144 million in new funds for 25,000 additional vouchers. This is a 50 percent increase over the 50,000 vouchers the President secured last year. The vouchers will help families move closer to a new job, reduce a long commute, or secure more stable housing so they can perform better on the job. The President ,s budget will also increase Access to Jobs transportation funding from $75 million to $150 million, doubling the number of individuals and communities that can receive transportation assistance. This competitive grant program supports innovative state and local transportation solutions such as shuttles, van pools, new bus routes, and connector services to mass transit to help welfare recipients and other low income workers get to work.

Additional Welfare-to-Work Assistance
The President announced that he will propose $1 billion for his Welfare-to-Work program to ensure that those remaining on the welfare rolls who face the greatest challenges can succeed in the workforce and to increase the employment of fathers of children on welfare so they can better support their children. This funding will help 200,000 people move from welfare to work and will help increase child support collections, which have gone up 80 percent since 1992. The President will announce further details of this proposal next week.

New Markets Investments Initiative
One of the great still unmet challenges for the start of the 21st century is building economically vibrant communities in those places that our prosperity has not yet reached --inner cities and distressed rural areas. These new markets here at home have great potential. We must build a bridge between Wall Street and our great untapped markets. The President ,s new markets initiative will spur $15 billion in new capital investment in businesses in these underserved areas through a package of tax credits and guarantees.

Specifically:

New Markets Tax Credit: A billion dollars of tax credits over five years worth up to 25% of the amount of equity invested in a variety of vehicles for providing equity and credit to businesses in underserved areas.

America's Private Investment Companies (APICs): Modeled after the Overseas Private Investment Corporation's (OPIC) successful investment fund program, this program would create, each year, five new private investment partnerships of up to $300 million. For each new APIC, HUD and the SBA would provide up to $200 million in loan guarantees to match $100 million in private investment, creating a fund of $300 million for investment in mid-sized firms expanding or relocating into underserved areas.

New Market Venture Capital Firms (NMVCs): SBA will match equity investment and technical assistance funds to finance 10-20 new investment partnerships selected to provide both patient growth capital and expert guidance to entrepreneurs who need both in order to transform their small businesses and great ideas into thriving companies.

SBICs targeted to new markets: Over 40 years, the SBIC program has helped more than 85,000 small companies grow, some from start-ups to household names like AOL; but the program has not done enough to help spur growth in underserved areas. SBA will provide more flexibility and new financing terms, along with aggressive outreach, to promote investment in low-and moderate-income areas by SBICs.

New Market Lending Companies (NMLCs): SBA will approve approximately 10 new non-bank lenders who have a strategy to target their lending to underserved areas.

Other: Other elements include seed money to expand BusinessLINC partnerships to encourage large businesses to work with small businesses in new markets and reforms to the Specialized Small Business Investment Company (SSBIC) tax credit to make it easier to use.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:25-JAN-1999 17:41:37.00

SUBJECT: Re: Draft Paper For Mayors

TO: Paul J. Weinstein Jr. ( CN=Paul J. Weinstein Jr./OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
One change (the LIHTC paragraph changed)... will have more later.

Paul J. Weinstein Jr.
01/25/99 04:08:26 PM

Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: Draft Paper For Mayors

Here is a draft. Anything else we should add? More Housing would be nice. What about School Construction?

Clinton-Gore Administration ,s Community Empowerment Agenda

Low-Income Housing Tax Credit
Since its creation in 1986, the Low-Income Housing Tax Credit (LIHTC) has given states tax credits of $1.25 per capita to allocate to developers of affordable housing. Even though building costs have increased 40 percent in the last decade, the amount of the credit has not been adjusted for inflation. Therefore, President Clinton and Vice President Gore propose to increase the cap on the LIHTC from $1.25 per capita to $1.75 per capita -- restoring the value of the credit to its 1986 level. Estimates suggest that the LIHTC currently helps build 75,000-90,000 affordable housing units each year. The President and Vice President ,s proposal to increase the cap by 40 percent will create an additional 150,000-180,000 new rental housing units for low-income American families over the next five years. Last year, over two-thirds of the House and Senate were co-sponsors on bills to raise the cap on the LIHTC -- more support than any other tax legislation. This proposal will cost $1.7 billion over five years.

Empowerment Zones
Last week, Vice President Gore named 20 economically distressed communities as new Empowerment Zones (EZs). Tonight, the President is

reaffirming his Administration ,s commitment to securing full funding of flexible grant funding for the new EZs. If Congress approves full funding for the EZs, federal investment is expected to help create and retain about 90,000 jobs and stimulate $20.3 billion in private and public investment in the next 10 years.

Community Development Financial Institutions Fund (CDFI)
In 1994, the President proposed and Congress established the CDFI Fund. This Fund further expands the availability of credit, investment capital, financial services, and other development services in distressed communities. The President is proposing to expand funding for the CDFI program to $125 million --a $30 million increase from FY 1999.

Livability Agenda: Easing Traffic Congestion and Community Planning and Collaboration
To help communities across America grow in ways that ensure a high quality of life and strong, sustainable economic growth, President Clinton and Vice President Gore are proposing a comprehensive Livability Agenda providing new tools and resources for state and local governments. The initiative includes: a record $6.1 billion for public transit, plus $2.4 billion for other innovative programs to promote improved transportation planning and ease traffic congestion so commuters can spend less time in traffic and more with their families; $50 million in matching grants to help neighboring communities develop collaborative &smart growth 8 strategies; and $10 million to encourage citizen participation in the design of schools as centers of their communities, provide communities with new information tools so they can grow according to their values, and improve public safety by sharing crime data among communities. By delivering tools and resources to the local level, where issues of growth are most appropriately addressed, this initiative helps empower citizens to build more &livable communities 8 for the 21st century.

Livability Agenda: Better America Bonds
To help communities reconnect with their land and water, preserve green space for future generations, and provide attractive settings for economic development, the Administration is proposing a new financing tool generating $9.5 billion in bond authority for investments by state, local and tribal governments. The President ,s budget will propose tax credits totaling almost $700 million over five years --to support Better America Bonds, which can be used to preserve green space, create or restore urban parks, protect water quality, and clean up brownfields (abandoned industrial sites). The program will be coordinated through an interagency process.

Welfare Rolls Decline as More Recipients go to Work
The President announced that welfare is at its lowest level in 30 years and the welfare rolls have fallen by nearly half since he took office. The percent of welfare recipients working has tripled since 1992, and all states met the first work overall participation rates required under the welfare reform law. Two years ago the President challenged the business community to create jobs so that people can move from welfare to work. Today, 10,000 companies of all sizes, industries, and from all regions have joined the Welfare to Work Partnership and are successfully hiring and retaining hundreds of thousands of welfare recipients.

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Message Sent
To:
Mona G. Mohib/WHO/EOP
Sarah Rosen/OPD/EOP
Theodore Wartell/OMB/EOP
Michael Deich/OMB/EOP
Jonathan Orszag/OPD/EOP
Elizabeth J. Potter/OVP @ OVP
Francis S. Redburn/OMB/EOP

# Withdrawal/Redaction Marker
## Clinton Library

| DOCUMENT NO. AND TYPE | SUBJECT/TITLE | DATE | RESTRICTION |
|---|---|---|---|
| 001. email | Sara Rosen to Jonathan A. Kaplan at 18:13:35.00. Subject: Choi. (1 page) | 01/26/1999 | b(6) |

**COLLECTION:**
Clinton Presidential Records
Automated Records Management System [Email]
OPD ([Quality Housing or LIHTC])
OA/Box Number: 250000

**FOLDER TITLE:**
[04/03/1998 - 02/02/1999]

2014-0224-F
ab1493

## RESTRICTION CODES

**Presidential Records Act - [44 U.S.C. 2204(a)]**

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

**Freedom of Information Act - [5 U.S.C. 552(b)]**

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

# Clinton Presidential Records
# Automated Records Management System
# [EMAIL] and Tape Restoration Project [Email]

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies a responsive email, already made available within another collection.

Collection: 2009-1006-F (Elena Kagan)

Bucket: OPD

Creation Date: 1999-03-02

Subject: Something new to leak for Mayor's Conference

Creator: Paul J. Weinstein Jr. CN=Paul J. Weinstein Jr./OU=OPD/O=EOP [ OPD ]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Paul J. Weinstein Jr. ( CN=Paul J. Weinstein Jr./OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:27-JAN-1999 19:45:21.00

SUBJECT: Edits To Mayor's Book.

TO: Laura Emmett ( CN=Laura Emmett/OU=WHO/O=EOP [ WHO ] )
READ:UNKNOWN

CC: Mona G. Mohib ( CN=Mona G. Mohib/OU=WHO/O=EOP @ EOP [ WHO ] )
READ:UNKNOWN

CC: William H. White Jr. ( CN=William H. White Jr./OU=WHO/O=EOP @ EOP [ WHO ] )
READ:UNKNOWN

CC: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
Under the HOUSING header please add:

Senior Housing Plan
To complement the long-term care initiatives announced by the President in his State of the Union Address, the Department of Housing and Urban Development's plan to meet the changing housing needs of our nation's elders will provide security and peace of mind to coming generations of senior citizens, especially the rapidly growing number of frail elderly over age 85. Priority budget items are $660 million for Section 202 Housing for the Elderly, including reforms to allow for conversion of existing buildings where seniors need assistaed living, and $90 million for elderly housing.

Homelessness
The President's budget will include a increase of $150 million to a record level of $1.1 billion for expanding the continuum of care for the nation's homeless. The increase in homeless assistance, plus 10,000 new vouchers to create permanent housing solutions, will address the housing needs of the most vulnerable Americans -- those making a transition from the streets back into homes and community life.

Under ECONOMIC DEVELOPMENT please add:

Low-Income Housing Tax Credit
Since its creation in 1986, the Low-Income Housing Tax Credit (LIHTC) has given states tax credits of $1.25 per capita to allocate to developers of affordable housing. Even though building costs have increased 40 percent in the last decade, the amount of the credit has not been adjusted for inflation. Therefore, President Clinton and Vice President Gore propose to increase the cap on the LIHTC from $1.25 per capita to $1.75 per capita -- restoring the value of the credit to its 1986 level. Estimates suggest that the LIHTC currently helps build 75,000-90,000 affordable housing

units each year. The President and Vice President ,s proposal to increase the cap by 40 percent will create an additional 150,000-180,000 new rental housing units for low-income American families over the next five years. Last year, over two-thirds of the House and Senate were co-sponsors on bills to raise the cap on the LIHTC -- more support than any other tax legislation. This proposal will cost $1.7 billion over five years.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:28-JAN-1999 17:26:14.00

SUBJECT:

TO: Joshua S. Gottheimer ( CN=Joshua S. Gottheimer/OU=WHO/O=EOP @ EOP [ WHO ] )
READ:UNKNOWN

TEXT:
FOR MAYOR'S SPEECH:

Last year, I proposed to expand the Low-Income Housing Tax Credit by 40
percent. More than
two-thirds of both Houses of Congress -- and a majority of both parties --
supported it, but it was not
not enacted. My balanced budget includes this expansion again. I believe
Congress should pass
it as soon as possible so that we help develop up to 180,000 more new
rental housing units for
low-income American families over the next five years.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Paul J. Weinstein Jr. ( CN=Paul J. Weinstein Jr./OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:29-JAN-1999 19:08:34.00

SUBJECT: Re:I forgot the LIHTC. Please add paragraph (1)to the longer Community Empowerment budget paper and (2) to the summary document.

TO: Charles R. Marr ( CN=Charles R. Marr/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
(1)

Low-Income Housing Tax Credit
Since its creation in 1986, the Low-Income Housing Tax Credit (LIHTC) has given states tax credits of $1.25 per capita to allocate to developers of affordable housing. Even though building costs have increased 40 percent in the last decade, the amount of the credit has not been adjusted for inflation. Therefore, President Clinton and Vice President Gore propose to increase the cap on the LIHTC from $1.25 per capita to $1.75 per capita -- restoring the value of the credit to its 1986 level. Estimates suggest that the LIHTC currently helps build 75,000-90,000 affordable housing units each year. The President and Vice President ,s proposal to increase the cap by 40 percent will create an additional 150,000-180,000 new rental housing units for low-income American families over the next five years. Last year, over two-thirds of the House and Senate were co-sponsors on bills to raise the cap on the LIHTC -- more support than any other tax legislation. This proposal will cost $1.7 billion over five years.

(2)

Low-Income Housing Tax Credit: The President and Vice President ,s proposal to increase the cap by 40 percent will create an additional 150,000-180,000 new rental housing units for low-income American families over the next five years. This proposal will cost $1.7 billion over five years.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Charles R. Marr ( CN=Charles R. Marr/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:29-JAN-1999 19:11:42.00

SUBJECT: Re:I forgot the LIHTC. Please add paragraph (1)to the longer Community Empowerment budget paper and (2) to the summary document.

TO: Paul J. Weinstein Jr. ( CN=Paul J. Weinstein Jr./OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
you are the man -- we need to push this!!

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Paul J. Richman ( CN=Paul J. Richman/O=OVP [ UNKNOWN ] )

CREATION DATE/TIME: 2-FEB-1999 13:04:40.00

SUBJECT: Re: For Thursday....

TO: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP @ EOP [ OPD ] )
READ:UNKNOWN

TEXT:
Thanks. We are doing the event at the National Association of Home Builders. Are you OK with that as a location. Also, did POTUS announce the low-income housing tax credit as part of the budget? If not, do you think we can use that at Ths event.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan Orszag ( CN=Jonathan Orszag/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 2-FEB-1999 13:51:08.00

SUBJECT:

TO: Paul J. Richman ( CN=Paul J. Richman/O=OVP @ OVP [ UNKNOWN ] )
READ:UNKNOWN

TEXT:
The VP announced the Low-Income Housing Tax Credit expansion in Chicago on January 13, 1998.