RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Julie A. Fernandes (CN=Julie A. Fernandes/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:11-MAR-1998 19:52:25.00

SUBJECT: LCCR meeting Friday

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

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

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

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

TEXT:
Bruce,
I have discussed the possible topics for Friday with NEC and OMB. The suggested format is for Frank Raines to do an overview of budgetary items that have furthered the race initiative since its inception, and for you and Gene to focus on particular policies from your respective shops. Here is the suggested division:

NEC:
High Hopes
School Construction
Hispanic Education Action Plan
Opportunity Areas for Out of School Youth
Second Round Empowerment Zones
Economic Development Initiative
Low-Income Housing Tax Credit
Housing mobility initiatives
"Play-by-the-Rules" Homeownership Initiative

DPC:
Class Size (including 100,000 teachers)
Education Opportunity Zones
Teachers for Underserved areas
Civil Rights Enforcement Initiative (including EEOC and HUD testing initiative)
Hate Crimes Conference
Childrens Health Outreach
Race & Health Initiative
Welfare-to-work housing vouchers
Child Care Initiative (including After-School programs, Early Learning Fund, Child Care & Development Block Grant; and Expanded Child & Dependent Care tax credit)

Of course, this is only a suggested list of topics. Please let me know if this looks o.k. and whether you would like talking points on these (or anything else) for Friday. Thanks.

Julie

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Diane Ikemiyashiro (CN=Diane Ikemiyashiro/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:16-MAR-1998 17:26:26.00

SUBJECT: HOME/LIHTC

TO: Joslyn G. Mack (CN=Joslyn G. Mack/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TEXT:
Hi, Joslyn --

I have another letter regarding the funding for the LIHTC and expansion of HOME funds. Can you share with me the outcome of the funding for these programs?

Again, thanks so much for your help.

DI

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAR-1998 10:31:21.00

SUBJECT: draft letter on HOME and LIHTC

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

TEXT:
A draft letter regarding a letter from a Mayor about the HOME and LIHTC programs.
This includes edits from my PAD.
Alex

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D7]MAIL44411577E.026 to ASCII,
The following is a HEX DUMP:

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

Dear Mayor:

Thank you for your letter to President Clinton concerning the Department of Housing and Urban Development's HOME Investment Partnerships program and the expansion of the Low Income Housing Tax Credit in the 1999 Budget. I am pleased to respond on his behalf.

The President's 1999 Budget proposes that the HOME program be funded at $1.550 billion, $50 million over the 1998 enacted amount, in order to increase both the number of ehousing units provided and the number of low-income families served by the program. In 1999, the HOME program will provide 78,520 units of affordable housing for owners and renters through new construction, rehabilitation or acquisition. In addition, tenant-based rental assistance will be provided to 11,200 families.

The 1999 Budget also proposes a new HOME loan guarantee program, designed to complement the existing HOME program. The proposed HOME loan guarantee would allow States and localities to leverage up to five times their latest HOME allocations, and help promising neighborhoods formulate large-scale neighborhood improvement strategies. We believe leverages HOME funds could serve as a catalyst for the development of new partnerships to foster significant new investment in communities across the Nation.

I am pleased that the private sector is taking advantage of the permanent extension of the Low Income Housing tax Credit (LIHTC), which has been a great generator of housing and economic activity in our Nation's most distressed areas. The President's 1999 Budget proposes raising the LIHTC per capita from $1.25 to $1.75 which will significantly compensate for the loss of the credit's value since 1986.

You may be assured that I will continue to work with the President and Congress to ensure that adequate funding is provided for the housing needs and programs that help our Nation's most vulnerable citizens.

Thank you again for your letter regarding Federal housing programs in the 1999 Budget.

Sincerely,

[Automated Records Management System Hex-Dump Conversation]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAR-1998 10:25:50.00

SUBJECT: HOME/LIHTC

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

TEXT:
Here are summaries of the LIHTC and HOME program Budget proposals.
I hope that they help. Let me know if you need additional information.
Alex

The Low Income Housing Tax Credit
The Administration proposes to increase low-income housing tax credit per capita. The Low-Income Housing Tax Credit supports construction or rehabilitation of between 60,000 and 100,000 low income rental units a year. The LIHTC provides incentives to non-profit and for profit investors to rehabilitate, acquire, and construct affordable rental housing to low income households. The Administration proposes to increase the annual State housing credit limitation from $1.25 to $1.75 per capita (a 40 percent increase) effective for all calendar years beginning in 1998 at a cost of $1.6 billion over the next five years. This increase in the cap will significantly compensate for the loss of the Credit's purchasing power since 1986.
(Note: the Administration did not propose to index the cap annually to inflation starting in 1999.)

HOME Investment Partnerships Program.
The 1999 Budget provides $1.883 billion for the HOME program including; $1.550 billion for the HOME program, $333 million for housing for the elderly and disabled. The HOME program provides States and local governments flexibility to decide what kind of housing assistance, or mix of housing assistance is most appropriate to meet their housing needs. Eligible activities include new construction, rehabilitation, acquisition of standard housing, assistance to homebuyers and tenant-based rental assistance. Funding HOME at $1.550 billion (a $50 million increase from 1998 enacted) will increase the number of units provided and the number of low-income families served by the program. Funding for the elderly and

disabled will provide
13,895 units for low income elderly and disabled people, 2,697 more units than were provided
in 1998, by requiring the provision of vouchers to tenants rather than using the majority of funds
for costly new construction and rehabilitation.

Home Loan Guarantee Program. This $11 million initiative will allow States and localities
to use HOME funds as collateral to leverage private loans for large-scale affordable housing
developments in distressed communities. Under this program, HUD would guarantee private
loans of up to five times the jurisdiction ,s most recent HOME allocation.
(Note: legislative language has been drafted and is currently in negotiations)

---------------------- Forwarded by Alexandra Gianinno/OMB/EOP on 03/19/98 10:11 AM ---------------------------

Joslyn G. Mack
03/19/98 10:10:09 AM
Record Type: Record

To: Alexandra Gianinno/OMB/EOP@EOP
cc: Diane Ikemiyashiro/WHO/EOP@EOP
Subject: HOME/LIHTC

Request reagarding HOME and LIHTC.

Thanks,
JM

---------------------- Forwarded by Joslyn G. Mack/OMB/EOP on 03/19/98 10:09 AM ---------------------------

Diane Ikemiyashiro

03/16/98 05:25:06 PM

Record Type: Record

To: Joslyn G. Mack/OMB/EOP@EOP
cc:
Subject: HOME/LIHTC

Hi, Joslyn --

I have another letter regarding the funding for the LIHTC and expansion of HOME funds. Can you share with me the outcome of the funding for these programs?

Again, thanks so much for your help.

DI

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Diane Ikemiyashiro (CN=Diane Ikemiyashiro/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:19-MAR-1998 11:14:57.00

SUBJECT: HOME/LIHTC

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

CC: Joslyn G. Mack (CN=Joslyn G. Mack/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TEXT:
Thanks very much.

DI
---------------------- Forwarded by Diane Ikemiyashiro/WHO/EOP on 03/19/98
11:14 AM ---------------------------

Alexandra Gianinno
03/19/98 10:25:32 AM
Record Type: Record

To: Diane Ikemiyashiro/WHO/EOP
cc:
Subject: HOME/LIHTC

Here are summaries of the LIHTC and HOME program Budget proposals.
I hope that they help. Let me know if you need additional information.
Alex

The Low Income Housing Tax Credit
The Administration proposes to increase low-income housing tax credit per capita. The Low-Income Housing Tax Credit supports construction or rehabilitation of between 60,000 and 100,000 low income rental units a year. The LIHTC provides incentives to non-profit and for profit investors to rehabilitate, acquire, and construct affordable rental housing to low income households. The Administration proposes to increase the annual State housing credit limitation from \$1.25 to \$1.75 per capita (a 40 percent increase) effective for all calendar years beginning in 1998 at a cost of \$1.6 billion over the next five years. This increase in the cap will significantly compensate for the loss of the Credit's purchasing power since 1986.

(Note: the Administration did not propose to index the cap annually to inflation starting in 1999.)

HOME Investment Partnerships Program.
The 1999 Budget provides $1.883 billion for the HOME program including; $1.550 billion for the HOME program, $333 million for housing for the elderly and disabled. The HOME program provides States and local governments flexibility to decide what kind of housing assistance, or mix of housing assistance is most appropriate to meet their housing needs. Eligible activities include new construction, rehabilitation, acquisition of standard housing, assistance to homebuyers and tenant-based rental assistance. Funding HOME at $1.550 billion (a $50 million increase from 1998 enacted) will increase the number of units provided and the number of low-income families served by the program. Funding for the elderly and disabled will provide 13,895 units for low income elderly and disabled people, 2,697 more units than were provided in 1998, by requiring the provision of vouchers to tenants rather than using the majority of funds for costly new construction and rehabilitation.

Home Loan Guarantee Program. This $11 million initiative will allow States and localities to use HOME funds as collateral to leverage private loans for large-scale affordable housing developments in distressed communities. Under this program, HUD would guarantee private loans of up to five times the jurisdiction ,s most recent HOME allocation. (Note: legislative language has been drafted and is currently in negotiations)

---------------------- Forwarded by Alexandra Gianinno/OMB/EOP on 03/19/98 10:11 AM ---------------------------

Joslyn G. Mack
03/19/98 10:10:09 AM
Record Type: Record

To: Alexandra Gianinno/OMB/EOP@EOP
cc: Diane Ikemiyashiro/WHO/EOP@EOP
Subject: HOME/LIHTC

Request reagarding HOME and LIHTC.

Thanks,
JM

---------------------- Forwarded by Joslyn G. Mack/OMB/EOP on 03/19/98 10:09 AM ---------------------------

Diane Ikemiyashiro

03/16/98 05:25:06 PM

Record Type: Record

To: Joslyn G. Mack/OMB/EOP@EOP
cc:
Subject: HOME/LIHTC

Hi, Joslyn --

I have another letter regarding the funding for the LIHTC and expansion of HOME funds. Can you share with me the outcome of the funding for these programs?

Again, thanks so much for your help.

DI

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Diane Ikemiyashiro (CN=Diane Ikemiyashiro/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:25-MAR-1998 12:08:40.00

SUBJECT: draft letter on HOME and LIHTC

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

TEXT:
Hi, Alex --

Regarding the Mayor of New Orleans' HOME and LIHTC letter -- I've written a brief acknowledgment from the president and stated in his response that Director Raines will be replying to the mayor's specific concerns. The draft that you sent me is filled with excellent info, and it would be more appropriate for OMB to respond. I'll send you a cc of the incoming letter from Mayor Morial and the outgoing POTUS letter.

Thanks so much for all of your help.

DI

POTUS response:

Thank you so much for your letter of December 31, 1997, regarding your concerns for the funding of the Low Income Housing Tax Credit and the expansion of HOME funds. I recognize the importance of these programs to the citizens of New Orleans, and I have sent a copy of your letter to Frank Raines in the Office of Management and Budget for evaluation. You should receive a reply shortly.

Again, thank you for getting in touch with me.

---------------------- Forwarded by Diane Ikemiyashiro/WHO/EOP on 03/25/98 11:57 AM ---------------------------

Alexandra Gianinno
03/19/98 10:31:17 AM
Record Type: Record

To: Diane Ikemiyashiro/WHO/EOP
cc:
Subject: draft letter on HOME and LIHTC

A draft letter regarding a letter from a Mayor about the HOME and LIHTC programs.
This includes edits from my PAD.
Alex

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D86]MAIL40836438L.026 to ASCII,
The following is a HEX DUMP:

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

Dear Mayor:

Thank you for your letter to President Clinton concerning the Department of Housing and Urban Development's HOME Investment Partnerships program and the expansion of the Low Income Housing Tax Credit in the 1999 Budget. I am pleased to respond on his behalf.

The President's 1999 Budget proposes that the HOME program be funded at $1.550 billion, $50 million over the 1998 enacted amount, in order to increase both the number of ehousing units provided and the number of low-income families served by the program. In 1999, the HOME program will provide 78,520 units of affordable housing for owners and renters through new construction, rehabilitation or acquisition. In addition, tenant-based rental assistance will be provided to 11,200 families.

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I am pleased that the private sector is taking advantage of the permanent extension of the Low Income Housing tax Credit (LIHTC), which has been a great generator of housing and economic activity in our Nation's most distressed areas. The President's 1999 Budget proposes raising the LIHTC per capita from $1.25 to $1.75 which will significantly compensate for the loss of the credit's value since 1986.

You may be assured that I will continue to work with the President and Congress to ensure that adequate funding is provided for the housing needs and programs that help our Nation's most vulnerable citizens.

Thank you again for your letter regarding Federal housing programs in the 1999 Budget.

Sincerely,

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Diane Ikemiyashiro (CN=Diane Ikemiyashiro/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:25-MAR-1998 12:11:43.00

SUBJECT: Re: CSBG

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

TEXT:
I could either send a brief POTUS acknowledgment response and forward the letter to OMB for your handling of a more detailed response, or just draft a brief policy response for POTUS' sig. I'll fax the letter to you right now. The following is an example of a draft that I've written for a letter that will be forwarded to OMB.

Thanks for your help.

DI

Thank you so much for your letter regarding your concerns for the funding of the Low Income Housing Tax Credit and the expansion of HOME funds. I recognize the importance of these programs to the citizens of New Orleans, and I have sent a copy of your letter to Frank Raines in the Office of Management and Budget for evaluation. You should receive a reply shortly.

Again, thank you for getting in touch with me.
---------------------- Forwarded by Diane Ikemiyashiro/WHO/EOP on 03/25/98 12:08 PM ---------------------------

Jennifer Friedman
03/25/98 12:07:28 PM
Record Type: Record

To: Diane Ikemiyashiro/WHO/EOP
cc:
Subject: Re: CSBG

I'm the right person for CSBG. I'm not sure what type of language you are looking for, perhaps it would help to see the letter. Our fax is 395-0851. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Diane Ikemiyashiro (CN=Diane Ikemiyashiro/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:15-APR-1998 15:42:16.00

SUBJECT: referral letter

TO: Tracy F. Sisser (CN=Tracy F. Sisser/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:
fyi
---------------------- Forwarded by Diane Ikemiyashiro/WHO/EOP on 04/15/98
03:42 PM ---------------------------

Diane Ikemiyashiro

04/15/98 03:40:40 PM

Record Type: Record

To: R. Scott Michaud/WHO/EOP
cc:
Subject: referral letter

Here's language that may be useful to you.

Dear Marc:

Thank you so much for your letter of December 31, 1997, concerning funding for the Low Income Housing Tax Credit and the expansion of HOME funds. I recognize the importance of these programs to the citizens of New Orleans, and I have sent a copy of your letter to Frank Raines in the Office of Management and Budget for evaluation. You should receive a reply shortly.

Again, thank you for getting in touch with me.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Todd H. Dennett (CN=Todd H. Dennett/O=OVP [UNKNOWN])

CREATION DATE/TIME:24-APR-1998 10:12:09.00

SUBJECT: VP in Illinois in the last 6 months

TO: Cynthia M. Jasso-Rotunno (CN=Cynthia M. Jasso-Rotunno/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:
Cynthia-
Here you go. This is all I could find. If you have any questions, please call me at 5-4245.

January 13, 1998
Chicago, IL
The Vice President toured the Kenwood neighborhood and participated in a low income housing tax credit announcement. Later, the Vice President attended a reception for Carol Moseley Braun and a dinner for the DSCC.

January 28, 1998
Champaign-Urbana, IL
The Vice President addressed the people of Champaign-Urbana with the President.

Megan

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: William H. White Jr. (CN=William H. White Jr./OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:16-JUN-1998 14:19:11.00

SUBJECT: Re: Cuomo

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

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

TEXT:
Mickey, I forwarded your original message to Paul weinstein in DPC.
Attached is his response.
---------------------- Forwarded by William H. White Jr./WHO/EOP on
06/16/98 02:15 PM ---------------------------

Paul J. Weinstein Jr.
06/16/98 01:56:00 PM

Record Type: Record

To: William H. White Jr./WHO/EOP
cc: June Shih/WHO/EOP, Mona G. Mohib/WHO/EOP, Andrea Kane/OPD/EOP,
Jonathan Orszag/OPD/EOP
Subject: Re: Cuomo

Orszag and I talked with June Shih this morning about this. The report itself is not big news. As we discussed yesterday, we should mention the report in a line or two, but we should use the remarks for a victory lap on TEA, and as a way to underscore a few key administration priorities. These include: Round II EZs, Low-Income Housing Tax Credit, CDFI reauth., Welfare-to-Work Housing Vouchers, and Community Empowerment Fund. The lead in is: "While we have made progress, there is much to be done. As t his year's State of the Cities report underscores, we are still faced with a gap in xxxxx. All the more reason that Congress should agree to my request to fund 50,000 welfare-to work housing vouchers, provide grants for 20 additional Empowerment Zones, reauthorize the CDFI Fund ,fully finance the Community Empowerment Fund, and expand the Low-Income Housing Tax Credit, which has the support of a majority of Senators and over 200 cosponsors in the House.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-JUN-1998 14:20:11.00

SUBJECT: Re: Cuomo

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

TEXT:
---------------------- Forwarded by Paul J. Weinstein Jr./OPD/EOP on
06/16/98 02:19 PM ---------------------------

Paul J. Weinstein Jr.
06/16/98 01:56:00 PM

Record Type: Record

To: William H. White Jr./WHO/EOP
cc: June Shih/WHO/EOP, Mona G. Mohib/WHO/EOP, Andrea Kane/OPD/EOP,
Jonathan Orszag/OPD/EOP
Subject: Re: Cuomo

Orszag and I talked with June Shih this morning about this. The report itself is not big news. As we discussed yesterday, we should mention the report in a line or two, but we should use the remarks for a victory lap on TEA, and as a way to underscore a few key administration priorities. These include: Round II EZs, Low-Income Housing Tax Credit, CDFI reauth., Welfare-to-Work Housing Vouchers, and Community Empowerment Fund. The lead in is: "While we have made progress, there is much to be done. As t his year's State of the Cities report underscores, we are still faced with a gap in xxxxx. All the more reason that Congress should agree to my request to fund 50,000 welfare-to work housing vouchers, provide grants for 20 additional Empowerment Zones, reauthorize the CDFI Fund ,fully finance the Community Empowerment Fund, and expand the Low-Income Housing Tax Credit, which has the support of a majority of Senators and over 200 cosponsors in the House.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-JUN-1998 13:59:43.00

SUBJECT: Re: Cuomo

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

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

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

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

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

TEXT:
Orszag and I talked with June Shih this morning about this. The report itself is not big news. As we discussed yesterday, we should mention the report in a line or two, but we should use the remarks for a victory lap on TEA, and as a way to underscore a few key administration priorities. These include: Round II EZs, Low-Income Housing Tax Credit, CDFI reauth., Welfare-to-Work Housing Vouchers, and Community Empowerment Fund. The lead in is: "While we have made progress, there is much to be done. As t his year's State of the Cities report underscores, we are still faced with a gap in xxxxx. All the more reason that Congress should agree to my request to fund 50,000 welfare-to work housing vouchers, provide grants for 20 additional Empowerment Zones, reauthorize the CDFI Fund ,fully finance the Community Empowerment Fund, and expand the Low-Income Housing Tax Credit, which has the support of a majority of Senators and over 200 cosponsors in the House.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-JUN-1998 12:00:56.00

SUBJECT: Re: mayors remarks

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

TEXT:
Jon and I think Census, Istea Victory Lap, then our community empowerment agenda, which includes: Funding for Round II EZs, Expansion of the Low-Income Housing Tax Credit, Welfare to Work Housing Vouchers, Funding the Community Empowerment Fund, Reauthorization of the Community Development Financial Institutions Fund.

Include language from State of the Cities that highlights that the economic conditions in our cities our improving, but real challenges remain.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-JUN-1998 14:01:23.00

SUBJECT: Re: Cuomo

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

TEXT:
---------------------- Forwarded by Mona G. Mohib/WHO/EOP on 06/16/98
01:14 PM ---------------------------

Paul J. Weinstein Jr.
06/16/98 01:56:00 PM

Record Type: Record

To: William H. White Jr./WHO/EOP
cc: June Shih/WHO/EOP, Mona G. Mohib/WHO/EOP, Andrea Kane/OPD/EOP,
Jonathan Orszag/OPD/EOP
Subject: Re: Cuomo

Orszag and I talked with June Shih this morning about this. The report itself is not big news. As we discussed yesterday, we should mention the report in a line or two, but we should use the remarks for a victory lap on TEA, and as a way to underscore a few key administration priorities. These include: Round II EZs, Low-Income Housing Tax Credit, CDFI reauth., Welfare-to-Work Housing Vouchers, and Community Empowerment Fund. The lead in is: "While we have made progress, there is much to be done. As t his year's State of the Cities report underscores, we are still faced with a gap in xxxxx. All the more reason that Congress should agree to my request to fund 50,000 welfare-to work housing vouchers, provide grants for 20 additional Empowerment Zones, reauthorize the CDFI Fund ,fully finance the Community Empowerment Fund, and expand the Low-Income Housing Tax Credit, which has the support of a majority of Senators and over 200 cosponsors in the House.

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

CREATION DATE/TIME:16-NOV-1998 12:05:52.00

SUBJECT: Re: New State Numbers

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

TEXT:
The numbers in this come from my computer and Treasury, not OMB, so Linda won't have any clue on this one.

Expanding the Low-Income Housing Tax Credit Will Help Develop 12,700 To 15,200 New Affordable Housing Units in California Over the Next 5 years: This year, President and Vice President pushed for a 40-percent expansion in the Low-Income Housing Tax Credit. Next year, the President and Vice President will try again to enact tax incentives to develop affordable housing. In California alone, this proposal would mean an additional 12,700 - 15,200 quality rental housing units for low-income American families during the next five years.

Robin J. Bachman
11/16/98 11:50:26 AM
Record Type: Record

To: Jonathan Orszag/OPD/EOP
cc:
bcc:
Subject: Re: New State Numbers

So, this bullet is OK:

Expanding the Low-Income Housing Tax Credit Will Help Develop 12,700 To 15,200 New Affordable Housing Units in California Over the Next 5 years: In January, the Vice-President announced the Clinton-Gore Administration ,s proposed 40-percent expansion of the Low-Income Housing Tax Credit. If enacted, it will mean an additional 12,700 - 15,200 quality rental housing units for low-income American families in California during the next five years.

It sounds a little data to me. I reached out to Linda for a little help.
When do you think the income info will be available?

rb

Jonathan Orszag
11/12/98 11:24:17 AM
Record Type: Record

To: Robin J. Bachman/WHO/EOP
cc:
bcc:
Subject: Re: New State Numbers

The LIHTC will stay the same. I will get you the median household data. If you can ask Linda Ricci for the others, I'd appreciate it. Sorry.

Robin J. Bachman
11/12/98 10:55:33 AM
Record Type: Record

To: Jonathan Orszag/OPD/EOP
cc:
Subject: New State Numbers

Jon, we've made some progress on bullets. But we still need more. We don't have new info on the following blue topics. Can we get this info?

I can try to do the 5 underlined ones. Please tell me if I should.

Robin

---------------------- Forwarded by Robin J. Bachman/WHO/EOP on 11/12/98 10:52 AM ---------------------------

Robin J. Bachman
11/03/98 02:07:06 PM
Record Type: Record

To: Jonathan Orszag/OPD/EOP
cc:
Subject: New State Numbers

Here's the list of bullets I think we need to update. We should try to get people numbers, they really help make the case. I've attached CA as an example. Would you recommend pulling any bullets? Also, when do you think we can get this info? It is time to release the new set, so the sooner the better.

Thanks.

Jon:
Median Household Income - 1993 to 1997
Head Start
Goals 2000
Technology Literacy
Safe and Drug-Free Schools
Title I
Pell Grants
AmeriCorps (we currently have participant and program numbers)
Violecence Against Women Act funding
Family Violence Prevention Program
CHIP (look at the bullet, do we have kid breakout numbers or more recent $$ numbers)
WIC (we currently have participant numbers, I think we should put funding and kids numbers)
Ryan White formula and other HIV/AIDS program funds
Empowerment Zones/Enterprise Communities
LIHTC
Transportation (I can do this one)
FEMA (I can do this one)

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D86]MAIL43143791K.326 to ASCII,
The following is a HEX DUMP:

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

PRESIDENT CLINTON AND VICE PRESIDENT GORE'S ACCOMPLISHMENTS: *California*

EXPANDING ECONOMIC OPPORTUNITY FOR ALL

- ***Unemployment Down to 6.0%:*** The unemployment rate in California has declined from 9.7% to 6.0% since 1993.
- ***1,557,900 New Jobs:*** 1,557,900 new jobs have been created in California since 1993 -- an average of 274,924 jobs per year. In contrast, an average of 11,350 jobs were *lost* each year during the previous administration.
- ***1,456,500 New Private Sector Jobs:*** Since 1993, 1,456,500 new private sector jobs have been created in California -- an average of 257,029 jobs per year, compared to an average *loss* of 38,600 private sector jobs per year in the previous administration.
- ***94,200 New Manufacturing Jobs:*** 94,200 manufacturing jobs have been created in California since 1993 -- an average of 16,624 jobs per year. In contrast, an average of 66,475 manufacturing jobs were *lost* each year during the previous administration.
- ***174,900 New Construction Jobs:*** 174,900 construction jobs have been created in California since 1993 -- an average of 30,865 jobs per year. In contrast, an average of 28,025 construction jobs were *lost* each year during the previous administration.
- ***Poverty Has Fallen:*** In Calfornia, the poverty rate has fallen from 18.2% in 1993 to 16.6% in 1997-- down 1.6% under President Clinton. [Census Bureau]
- ***Business Failures Down 1.8% Per Year:*** Business failures in California have decreased an average of 1.8% per year since 1993, after increasing 21.8% per year during the previous 12 years.
- ***New Business Incorporations Up 4.6%:*** New business incorporations in California have increased at an average rate of 4.6% per year since 1993. In contrast, new business incorporations fell an average of 10.8% per year during the previous administration.

November 1998

- ***1.2 Million Have Received a Raise:*** 999,000 California workers benefited from an increase in the minimum wage -- from $4.25 to $4.75 -- on October 1, 1996. They, along with 200,000 more, received an additional raise -- from $4.75 to $5.15 -- on September 1, 1997.
- ***Home Ownership Has Increased in California:*** Home ownership in California has increased from 55.6% to 55.9% since the first quarter of 1993.
- ***Home Building Up 3.8%:*** Home building in California has increased by an average of 3.8% per year since 1993, after falling over 21.2% per year during the previous administration.
- ***A $500 Child Tax Credit to Help Families Raising Children:*** To help make it easier for families to raise their children, the balanced budget includes a $500 per-child tax credit for children under 17. **Thanks to President Clinton, the balanced budget delivers a child tax credit to 3,229,000 families in California.**
- ***Personal Income Has Risen 2.4% Annually:*** Personal income in California has risen at an annual rate of 2.4% since 1993, compared to an average growth of just 1% per year during the previous administration.
- ***4.6% Growth in Total Bank Loans and Leases:*** California has seen a 4.6% average growth rate in total bank loans and leases per year since 1993, after falling over 1.5% per year during the previous 12 years.
- ***8.7% Growth in Commercial and Industrial Loans and Leases:*** Since 1993, California has experienced a 8.7% annual growth rate in commercial and industrial loans and leases. In contrast, commercial and industrial loans and leases fell over 7.8% per year during the previous administration.

- ***Over $25,000 of Reduced Federal Debt for Every Family of Four:*** The national debt will $1.7 trillion lower in fiscal year 1999 than projected in 1993 -- that's $25,000 less debt for each family of four in California next year.

EXPANDING ACCESS TO EDUCATION

- ***$509 Million in Head Start Funding:*** In FY97, California received nearly $459 million in Head Start funding benefitting nearly 80,000 children. This year, California receives $509 million for Head Start, an increase of $50 million over 1997. President Clinton's FY99 budget proposal will increase Head Start funding for California's children by an additional $41 million.

- ***$54.8 Million in Goals 2000 Funding:*** This year [FY98], California receives $54.8 million in Goals 2000 funding. This money is used to raise academic achievement by raising academic standards, increasing parental and community involvement in education, expanding the use of computers and technology in classrooms, and supporting high-quality teacher professional development.
- ***$46.6 Million for Technology Literacy:*** This year [FY98], California receives $46.6 million --more than doubling its funding over FY97 -- for the Technology Literacy Challenge Fund which helps communities and the private sector ensure that every student is equipped with the computer literacy skills needed for the 21st century. President Clinton's FY99 budget proposal will raise funding for technology literacy by $5 million over FY98.
- ***Nearly $830 Million for Students Most in Need:*** California receives $829.5 million in Title I Grants (to Local Educational Agencies) providing extra help in the basics for students most in need, particularly communities and schools with high concentrations of children in low-income families [FY98]. President Clinton's FY99 budget proposes to increase funding for Title I Grants by $95 million to aid California's students.
- ***$877.6 Million in Pell Grants:*** This year [FY98], California will receive $877.6 million in Pell Grants for low-income students going to college, an additional $170.3 million over last year. With this increase, a total of 439,800 California students will benefit, 25,400 more than the previous year. And President Clinton's FY99 budget proposal increases Pell Grant funding to $907.4 million.
- ***Over 11,300 Have Served in California through AmeriCorps:*** Since the National Service program began in 1993, over 11,300 AmeriCorps participants, working in 640 different programs, have earned money for college while working in California's schools, hospitals, neighborhoods or parks. [through 3/98]
- ***Tuition Tax Credits in Balanced Budget Open the Doors of College and Promote Lifelong Learning:*** The balanced budget includes both President Clinton's $1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first $5,000 of tuition and

fees through 2002 and to the first $10,000 thereafter. **761,000 students in California will receive a HOPE Scholarship tax credit of up to $1,500. 934,000 students in California will receive the Lifetime Learning Tax Credit.**

FIGHTING CRIME AND VIOLENCE

- ***Crime Falls 19% in California:*** Since 1992, serious crime has fallen 19% state wide. In California's cities, between 1992 and 1997, serious crime has declined 38% in Long Beach, 40% in Los Angeles, 21% in Oakland, 36% in San Diego, and 32% in San Francisco. Notably, murder has dropped 46% in Long Beach, 48% in Los Angeles, 40% in Oakland, 54% in San Diego and 50% in San Francisco. [1996 and preliminary 1997 Uniform Crime Report data, FBI]

- ***12,013 More Police:*** The President's 1994 Crime Bill has funded 12,013 new police officers in communities across California. [through 10/98]
- ***Fresno and San Bernardino Will Receive Targeted Funding to Hire More Community Police:*** Fresno and San Bernardino were recently selected as pilot cities for the President's new effort to target high crime neighborhoods. The pilot program will provide full funding for new officers by waiving the usual matching requirements. Fresno and San Bernardino will deploy new officers to help meet the unique needs of their communities, such as combating gangs or targeting drug "hot spots."
- ***Reducing Crime with Drug Courts:*** Working to reduce drug-related crime in California, the Clinton Administration has recently awarded Drug Court grants to the communities of Chula Vista, El Cajon, Fairfield, Richmond, Martinez, San Diego, San Francisco, Tulare, Ukiah and Vista. The Administration had previously awarded grants to a number of California communities including: Auburn, Bakersfield, Butte County, El Monte, Rio Hondo, Fresno, Modesto, Stockton, Pasadena, Redwood, Riverside, San Jose, Santa Ana, Santa Barbara, Santa Rosa, Santa Monica, San Luis Obispo, Santa Cruz, Compton, Hanford, Indio, Los Angeles, Merced, Napa, Orange, San Francisco, Sacramento and San Bernardino. Drug courts use the coercive power of the criminal justice system to combine drug testing, sanctions, supervision and treatment to push nonviolent, drug-abusing offenders to stop using drugs and committing crimes.
- ***Over $13 Million to Combat Domestic Violence:*** Through the Violence Against Women Act, California receives $13,327,000 in federal funds this year [FY98]

to establish more women's shelters and bolster law enforcement, prosecution, and victims' services.

- ***$6,810,844 in Grants for Battered Women and Children:*** This year [FY98], California will receive $6,810,844 in HHS's Family Violence Prevention Program grants to assist women and children fleeing domestic abuse, an additional $1.2 million increase over last year. President Clinton's FY99 budget proposal increases HHS's Family Violence Prevention Program grants to nearly $7 million.
- ***$59.5 Million to Keep Drugs & Violence Out of California's Schools:*** California receives $59.5 million in FY98 for the Safe & Drug Free Schools Program, which invests in school security and drug prevention programs.

MOVING CALIFORNIANS FROM WELFARE TO WORK

- ***395,419 Fewer on Welfare:*** There are currently 395,419 fewer people on welfare than there were in the beginning of 1993-- a 16% decrease. [through 6/98]
- ***Child Support Collections Up 38%:*** Child support collections have increased by over $249 million -- or 38% -- in California since FY92. [through FY96]
- ***California Receives $190 Million in Welfare-to-Work Grants:*** In FY98, California is eligible to receive $190 million in welfare-to-work state formula grants, helping California prepare welfare recipients for work and to place them in jobs. Part of the President's comprehensive efforts to move recipients from welfare to work, this funding is included in the $3 billion Welfare-to-Work Jobs Challenge Fund signed into law in the 1997 balanced budget.

INVESTING IN CALIFORNIA'S HEALTH

- ***Health Care for Uninsured Children:*** The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented $24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children. **To expand health coverage to more than 1.2 million uninsured children in California the balanced budget provides $855 million in 1998.** This compares to the 1995 Republican plan vetoed by President Clinton that would have denied health care coverage to 356,600 children in California.
- ***Helping California Women and Children with WIC:*** The Clinton Administration is committed to full funding in the Special Supplemental Nutrition Program for

Women, Infants and Children (WIC). Last year, in California, 402,496 more women and children in need received health and food assistance than in 1994.

- ***More Toddlers Are Being Immunized:*** As a result of the President's 1993 Childhood Immunization Initiative, childhood immunization rates have reached an historic high. According to the CDC, 90% or more of America's toddlers in 1996 received the most critical doses of each of the routinely recommended vaccines -- surpassing the President's 1993 goal. In California in 1996, 94% of two-year olds received the vaccines for diphtheria, tetanus, pertussis; 91% received the vaccine for polio; 90% received the vaccine for measles, and 90% received the vaccine for *Haemophilus influenzae* B, the bacteria causing a form of meningitis.
- ***Increased Funding for HIV/AIDS Programs by 105%:*** In FY97, California communities received $169.8 million in Ryan White formula and other HIV/AIDS program funds, a 105% increase over FY93 levels. This funding provides people living with HIV and AIDS medical and support services, including the AIDS Drug Assistance Program which helps those without insurance obtain much needed prescription drugs. [HHS, Health Resources and Services Administration, 4/98]
- ***President's Tobacco Plan Will Cut Smoking and Premature Deaths by 40% in California:*** If the Clinton Administration's tobacco proposal on youth smoking is enacted, by 2003, California will see a 40% cut in youth smoking and resulting premature deaths. Over the next five years, 248,000 young Californians will be kept from smoking and 83,000 will be spared a premature tobacco-related death. [Treasury Dept., 3/23/98]
- ***13,090,000 Americans in California Cannot Be Assured They Have Patient Protections***. Even if California enacted all the protections in the Patients' Bill of Rights, 13,090,000 people in California cannot be assured they have the comprehensive patient protections recommended by the President's Advisory Commission. This is because the Employee Retirement Income Security Act (ERISA) may preempt state-enacted protections. That is why the President has called on Congress to pass a federally enforceable patients' bill of rights so that everyone enrolled in managed care may have a basic set of protections. Notably, 6,230,000 California women are in ERISA health plans and are therefore not necessarily protected. Women are particularly vulnerable without these protections because they are greater users of health care services, they make three-quarters of the health care decisions for their families, and they have specific health care needs addressed by a patients' bill of rights.

PROTECTING THE ENVIRONMENT

- ***15 Toxic Waste Sites Cleaned Up:*** Since 1993, the EPA has completed 15 Superfund toxic waste cleanups in California. The sites were in the communities of Sunnyvale (3), Santa Clara (2), Porterville, Coalinga, Palo Alto, Richmond, Oroville, Cloverdale, Fillmore, Fullerton, Riverbank, and Scotts Valley [through 8/98]. Only 14 sites were cleaned up in the previous 12 years combined.
- ***Revitalizing Brownfields in California:*** As part of the Clinton-Gore Administration's efforts to clean up Brownfields, the EPA has awarded grants to counties and communities in California -- East Palo Alto, Emeryville, Oakland, Pomona, Richmond, Sacramento, San Diego, San Francisco, Colton, Long Beach, Montebello, West Hollywood, Los Angeles, Stockton, Hoopa Valley Tribe, Santa Barbara County and Alameda County -- for environmental clean-up and economic revitalization. In addition, the State of California Trade and Commerce Agency, which will target six sites for redevelopment, will benefit from a Brownfields grant. These projects are intended to jump-start local clean-up efforts by providing funds to return unproductive, abandoned, contaminated urban properties to productive use.

SPEARHEADING URBAN RENEWAL EFFORTS

- ***$128 Million to Los Angeles:*** Los Angeles/ Huntington Park was designated an enterprise community in December, 1994 and was awarded $3 million to create more jobs, housing, and economic opportunity for city residents. Later, it was designated a Supplemental Empowerment Zone and was awarded $125 million for similar job creation efforts.
- ***$28 Million to Oakland:*** Oakland was designated an Enterprise Community in December 1994, and was awarded $3 million to create economic opportunity for area residents. Later, it was designated an enhanced enterprise community and was awarded an additional $25 million.
- ***$12 Million to Other Communities Across California:*** Additionally, Imperial County, San Diego, San Francisco, and Watsonville were all designated Enterprise Communities and were each awarded $3 million for job creation

efforts.

- ***Expanding the Low-Income Housing Tax Credit Will Help Develop 12,700 To 15,200 New Affordable Housing Units in California Over the Next 5 years:*** In January, the Vice-President announced the Clinton-Gore Administration's proposed 40-percent expansion of the Low-Income Housing Tax Credit. If enacted, it will mean an additional 12,700 - 15,200 quality rental housing units for low-income American families in California during the next five years.

EXPANDING FUNDS FOR TRANSPORTATION IMPROVEMENT

- ***Nearly $9.5 Billion in Federal Highway Aid:*** Since 1993, California has received $9.46 billion in federal highway aid. These funds have helped generate nearly 400,000 jobs. [through FY97]
- ***Over $800 Million in Aviation Funds:*** From FY93-FY97 California received $825,560,000 in AIP funds to help build and renovate airports, and, when necessary, to provide funds for noise abatement to improve the quality of life for residents who live near airports.
- ***Over $1 Billion in Transit Funds:*** California has received a total of $1.1 billion in FTA funds since 1993.
- ***$15 Million for Soundproofing:*** In April 1997, the city of Los Angeles announced the establishment of the LAX Airport Residential Soundproofing Bureau (ARSB) to expedite noise abatement actions that will ultimately soundproof about 9,000 homes. The ARSB has allocated $15 million for Phase I of this project involving approximately 1,500 homes.
- ***$2.3 Million to Improve Transit for Low-Income Communities:*** In July 1994, $2.3 million was awarded to the Los Angeles County Municipal Transit Authority (LACMTA) for the Los Angeles Neighborhood Initiative (LANI) which is a two-year transit-based demonstration program covering eight transit dependent, low-income LA communities.
- ***$750 to Improve Transit to the Airport:*** On June 30, 1997, FTA committed $750 million in New Starts funds over an eight year period to provide mass transit to San Francisco Airport (SFO).

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jordan Tamagni (CN=Jordan Tamagni/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:24-NOV-1998 18:45:30.00

SUBJECT: Something like this

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

TEXT:
We have already taken action to help our neediest citizens with housing ... My balanced budget included 50,000 housing vouchers to help people moving from welfare to work to move closer to jobs. SOMETHING ELSE WOULD BE GOOD, I DON'T CARE IF IT'S HOMEOWNERSHIP AS LONG AS IT'S FOR LOW INCOME FAMILIES. .. And I have called on the Congress to pass a low-income housing tax credit for working families to rent or buy homes of their own.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-NOV-1998 12:45:16.00

SUBJECT: Re: radio

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

TEXT:
Fine w/ me.... even though I'd love a mention of the Low-Income Housing
Tax Credit.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Woyneab M. Wondwossen (CN=Woyneab M. Wondwossen/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 9-DEC-1998 11:46:08.00

SUBJECT: letter to Gov Shaheen

TO: Emory L. Mayfield (CN=Emory L. Mayfield/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:
Hello again,
I have a letter from Gov. Shaheen requesting that our 2000 budget proposal include an increase in the volume cap for Private Activity Bonds and the Low Income Housing Tax Credit. ap?

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: 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: 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: 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: Neal Sharma (CN=Neal Sharma/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:19-JAN-1999 10:10:52.00

SUBJECT: log

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

CC: Delia A. Cohen (CN=Delia A. Cohen/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:
BC SIGS:

Westbrook, Hugh TY - book 12/19/98
White, John TY - photo 12/20/98
Asner, EdDome Village Homeless Shelter 12/29/98
Height, Dorothy I. Support from the Nat'l Council of Negro Women 01/04/99
Glendening, Paris Congrats Governor Election 01/04/99
Lyons, Jim TY - book 01/05/99
Hinojosa, Ruben TY - steaks 01/07/99
Williams, Ricky Congrats- Heisman Trophy 01/07/99
See, Letha and Wilburn TY - book 01/08/99
Thompson, John Georgetown Resignation01/11/99
Elders, Jeffry racquet ball and daughter 01/11/99
Cohen, William MVHCB 01/11/99
Vardavas, Stephanie TY - wind breaker 01/12/99
Cutler, Lynn TY - book 01/12/99
McCaffrey, Barry Support for SOTU & TY - gift 01/12/99
Beer, Samuel Support for SOTU 01/12/99
Jones, Kerri-Ann TY - service 01/13/99
Armstrong, Bob TY - service 01/15/99
Rollnick, William US commitment to Expo 200 01/15/99

TRACKED:

Rendell, Edward Nat'l Constitution Center 12/20/98
Runions, Deb AIDS Policy 12/21/98
Billings, Judy support for HIV Programs 12/21/98
Berkeley, Lawrence Conrats - Breakthrough of the Year 12/21/98
Landau, Jeremy AIDS policy 12/21/98
Dinkins, David HIV/AIDS programs 12/21/98
Roman, Nan HUD funding 12/21/98
Holder Eric lawyers and PIR 12/21/98
Glendening, Paris Start growth Iniatives 12/22/98
Carper, Thomas & Leavitt, Michael Protect Medicaid Funds 12/22/98
Davis, Gray Bond and Housing Credit Restoration 12/23/98

Masters, Isabelle TY - article 12/23/98
Bucha, Paul Russian Steel Exports 12/29/98
Kang, Sukhee Support for Iraq Policy 12/29/98
Peer, Wilbur Lower Mississppi Delta Region 12/29/98
Ornish, Dean Lifestyle Heart Trial 12/30/98
Bristol, George Pardon of Geroge Dillman 12/30/98
Hunt, James Natioanl Professional Teaching Standards 12/31/98
Owens, Bill WTO conference in Denver 01/04/99
Romer, Roy Bond and Housing Credit Restoration 01/05/99
Miller, Bob TY - service 01/05/99
Jones, Proctor TY - Andrew Johnson Materials 01/05/99
Voinovich, George Pork Production in Ohio 01/05/99
Hunger, Frank Resig - DoJ 01/07/99
Pink, Jeffrey Mid - East Peace 01/07/99
Cook, Frances D. Resig - Oman 01/07/99
Gitner, Gerald L. antitrust immunity 01/07/99
Salazar, Kenneth Resig - Rio Grand Compact Comm. 01/07/99
Fama, Jocelyn Varsity football team's championship 01/08/99
Lewis, Thomas Tribal colleges' contributions to the country 01/08/99
Zetterberg, Stephen I. Common Law motion by Senate in impeachment trial
01/08/99
Edgar, Jim Government pork purchases 01/11/99
Auto Show Hosts TY - show tour - 3 ltrs 01/11/99
Bricklayers and Allied Craftworkers Support 01/11/99
Manilow, Lewis Resig - Chaor of Advisory Comm. on Public Diplomacy 01/12/99
Hunt, JimLow income housing tax credit 01/12/99
Kitzhaber, John Bond and Housing restoration 01/12/99
Gilmore, Jim Nation's parks and wildlife 01/12/99
Levine, Art TY - newspaper article 01/12/99
Johnson, Wayne TY - newspaper article 01/12/99
Leavitt, Michael O. Land and Water Conservation Fund 01/13/99
Becker, George Steel Exports 01/13/99

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: Deborah B. Mohile (CN=Deborah B. Mohile/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 4-FEB-1999 09:23:20.00

SUBJECT: Budget: Civil Rights Enforcement

Michael Lieberman (Michael Lieberman [UNKNOWN])
READ:UNKNOWN

Richard Foltin (Richard Foltin [UNKNOWN])
READ:UNKNOWN

Sammie Moshenberg (Sammie Moshenberg [UNKNOWN])
READ:UNKNOWN

Mark Pelavin (Mark Pelavin [UNKNOWN])
READ:UNKNOWN

Marc Israel (Marc Israel [UNKNOWN])
READ:UNKNOWN

Reva price (Reva price [UNKNOWN])
READ:UNKNOWN

Dan Mariaschin (Dan Mariaschin [UNKNOWN])
READ:UNKNOWN

TEXT:
The following piece includes a variety of issues confronting racial and ethnic minorities. I thought you might be particularly interested in the civil rights enforcement section.

BUILDING ONE AMERICA
After six years of the Clinton Administration, the American economy continues to break records. Home ownership and job creation are at all time highs, while crime, poverty and welfare rolls continue to fall. This new era of prosperity offers unprecedented opportunity, but the doors of opportunity are not open equally to all -- there are still striking disparities in jobs, in investments in neighborhoods, in education and criminal justice. We also know that, some time in the next century, America will have no majority race. Therefore the President believes we must work to create One America, not only to address the errors of the past, but to assure our future.

Because the challenges facing us reach far beyond the Federal government and require our engagement as individuals, and in our families, churches and communities, the President began in 1997 a national Initiative on Race. The elements of this Initiative were three-fold: action, study and dialogue with communities and community leaders of all races and regions to raise, discuss and better understand the tensions that divide us. A distinguished advisory committee then reported to the President throughout their year of service. Later this year the President issue his assessment to the American people. Many of the programs in this budget are already part of the response.

The President,s budget for 2000 provides funding and programs to promote job growth and economic development in urban and rural areas, increase home ownership, promote educational opportunity, and strengthen civil rights enforcement.

JOBS AND ECONOMIC DEVELOPMENT

The New Markets Investment Initiative: The budget provides tax credit and loan guarantee incentives to stimulate $15 billion of new private capital investments in targeted areas; build a network of private investment institutions to funnel credit, equity and technical assistance into businesses in America,s new markets; and provide the expertise to targeted small businesses that will allow them to use investment to grow.

Community Development Financial Institutions (CDFI): The budget also provides expanded funding for Community Development Financial Institutions, which have expertise in lending and investment in underserved areas, both rural and urban. The budget provides $125 million for the CDFI fund, including $15 million for a new microenterprise initiative that would provide technical assistance grants to microenterprise intermediaries to assist low-income and disadvantaged entrepreneurs.

Empowerment Zones (EZs) and Enterprise Communities (ECs): The budget provides mandatory funding for ten years: $150 million a year for urban EZs; $10 million a year for rural EZs; and $5 million a year for rural ECs. It also includes a new USDA program to provide $5 million for partnership technical assistance grants to help rural communities develop comprehensive strategies for revitalization and to better coordinate Federal assistance. In addition, the Budget provides a $50 million regional Empowerment Zone Initiative to assist urban EZ/EC,s in linking their economic development strategies to their broader metropolitan regional economies to increase youth employment.

HOME OWNERSHIP

Federal Housing Administration Loan Limits: The Administration's successful 1999 proposal to increase the FHA mortgage limit will allow FHA to help more families purchase their first homes, especially in areas with high housing prices. Reforms of FHA's property disposition practices, starting this year, will reduce costs and stabilize neighborhoods.
Playing-by-the-Rules: Also in 1999, the Administration proposed and Congress enacted a $25 million Neighborhood Reinvestment Corporation &Play-by-the-Rules8 pilot program. This program will allow renters with solid payment track records to own their own homes. The budget provides a second round of $15 million for this initiative.

Low Income Housing Tax Credit: The budget proposes to expand the Low Income Housing Tax Credit to spur the private sector to develop more affordable low-income rental housing. The proposal will cost $1.6 billion over the next five years and help develop 75,000 to 90,000 units per year. It will restore the value of the tax credit, which has eroded over the last decade due to an increase in building costs, helping to reduce rents by an average of $450 a month for the average housing credit renter who, in turn, earns $13,300 a year.

Public Housing Program: In 1998, Congress passed comprehensive public housing reform legislation, the Quality Housing and Work Responsibility Act. The Act increases the availability of Federal housing assistance to very poor families with limited housing choices while at the same time promoting a greater mix of income and new administrative flexibility in public housing.

EDUCATION

Head Start: Among the President,s highest priorities, Head Start will serve 877,000 low-income children in 2000, providing comprehensive child development services and helping parents get involved in their children's lives. Since 1993, the President has worked with Congress to increase annual Head Start funding by 68 percent. This year,s proposal will keep the program on track to meet the President's goal of serving one million children by 2002: a $607 million increase that will add 42,000 new slots for young children, including 7,000 Early Head Start slots, for total enrollment of 877,000.

Title I -- Education for the Disadvantaged: This program provides funds to raise the educational achievement of disadvantaged children. Title I will receive $8.7 billion in 2000, a $373 million increase over 1999. This funding includes resources for a new Accountability Fund, which would support immediate and significant State and local interventions in the lowest performing schools to improve student achievement.

End Social Promotion and Provide After-School Opportunities: The President is committed to ending social promotion and will work to give students the tools they need to meet challenging academic standards. This budget proposes an expansion to the 21st Century Community Learning Centers, enabling more than 7,500 schools to open their doors before and after the school day and during the summer.

Doubles GEAR-UP for College Program: President Clinton,s balanced budget doubles funding -- from $120 million in FY99 to $240 million in FY2000 -- for the GEAR UP program that supports States and partnerships between high-poverty middle or junior high schools and colleges to help low-income children prepare for and enroll in college. In 2000, GEAR UP will reach 381,000 students.

CIVIL RIGHTS ENFORCEMENT

Equal Employment Opportunity Commission (EEOC): The budget provides $312 million for the EEOC, 12 percent more than in 1999. Funds will support, among other things, a reduction in the backlog of private sector cases, through a combination of investments in information technology, increased use of mediation, and increased staffing. The increase for EEOC also includes $10 million as part of a joint, $14 million EEOC/Department of Labor Equal Pay Initiative, to focus additional resources on providing employers with the necessary tools to assess and improve their pay policies, and educating the public on the importance of this issue as well as their rights and responsibilities.

Department of Housing and Urban Development,s (HUD) Fair Housing Initiatives: The budget provides $47 million, $7 million more than in 1999. Funding for these initiatives includes $27 million, a 15 percent increase, for the Fair Housing Initiatives Program (FHIP), which provides funding to private fair housing groups to assist in enforcement of the Fair Housing Act. The budget also provides $20 million, a 21 percent increase, for the Fair Housing Assistance Program, which supports the creation of additional State and local housing organizations to meet the needs of currently underserved populations and aid joint investigations and enforcement activities.

Department of Justice,s Civil Rights Enforcement: The budget provides $82 million, a 19 percent increase over 1999, representing the largest increase for the Civil Rights Division in nine years. The budget also provides $5 million for the Civil Rights Enforcement Partnership, to provide competitive grants to help build capacity of states to address specific enforcement issues within their jurisdictions by hiring additional staff.

Department of Labor: The budget provides $76 million for DOL,s Office of Federal Contract Compliance Programs (OFCCP), an $11 million increase over 1999. This includes $4 million of the President,s $14 million joint, EEOC/Department of Labor Equal Pay Initiative.

Department of Education,s Office for Civil Rights: The budget provides $73 million -- an increase of $7 million over 1999 -- to fund staff training and technological improvements to ensure the resolution of civil rights issues.

Department of Health and Human Services (HHS): The budget provides $22 million for HHS,s Office of Civil Rights to continue its focus on preventative activities.

U.S. Commission on Civil Rights: The budget provides $11 million, a 22 percent increase over 1999, for the U.S. Commission on Civil Rights.

Department of Transportation (DOT): The budget provides $8 million for DOT,s Office of Civil Rights, an increase of $1 million.

Department of Labor (DOL): The budget provides a $1 million increase -- to $6 million -- for DOL,s Office of Civil Rights to enforce the Federal statutes and regulations that prohibit discrimination in all Labor Department financial assistance programs.

Environmental Protection Agency (EPA): The budget provides $2 million for the EPA,s Office of Civil Rights to address potential discrimination within EPA and in programs and activities that receive assistance from EPA.

HISPANIC EDUCATION INITIATIVES

Right Track Partnership: The budget provides $100 million for a new Right Track Partnership program to help keep young people from dropping out of school and encourage those who already have dropped out to return and complete their education. The program will target resources to disadvantaged and limited-English proficient youth.

Bilingual and Immigrant Education: The budget provides $35 million, for a total of $415 million, for Bilingual and Immigrant Education. Includes $25 million, for a total of $75 million, for Professional Development, and $10 million, for a total of $170 million, for Instructional Services to support programs for limited English proficient students.

Other Education Initiatives: The budget also provides increases of:

$14 million, for a total of $42 million, for assistance for colleges and universities that serve large numbers of Hispanic students; $9 million, for a total of $22 million, for the High School Equivalency Program for migrants and the College Assistance Migrant Program; $190 million, for a total of $575 million, for Adult Education, including $70 million to expand services and improve English as a Second Language and civics programs; $25 million, for a total of $380 million, for Title I-Migrant Education, which provides additional educational assistance to migrant children; $10 million for a Labor Department program to provide training and education assistance to migrant youth including literacy assistance, worker safety training, English language assistance, and drop out prevention activities; $30 million, for a total of $630 million, for the TRIO programs that work with disadvantaged high school and college students to encourage them to complete high school and attend, and graduate from, college; $30 million, for a total of $150 million, for Comprehensive School Reform demonstrations in high-poverty schools, providing grants for research-proven reform efforts to schools that have low achievement and high drop-out rates. Also, a portion of the Head Start expansion dollars will be used to boost minority participation by under represented groups, particularly in areas with recent influxes of immigrants and limited English proficient children, including seasonal farm workers.

COMMITMENT TO NATIVE AMERICANS

Law Enforcement: The second year of the Interior and Justice Departments, joint law enforcement initiative, for which the budget proposes $164 million in 2000 (50 percent over 1999), will continue to address high crime rates in Indian country with more resources for drug control and youth crime prevention programs, equipment detention services, crime reporting surveys, and officer hiring and retention.

Education: The Administration is continuing its commitment to education by expanding the school construction initiative to address Indian reservations, school repair and replacement needs systematically. As part of the school modernization proposal, Interior,s Bureau of Indian Affairs (BIA) will receive a set-aside in bond authority ($200 million in both 2000 and 2001, plus up to $30 million to guarantee bond repayment) for its schools on Indian reservations in need of replacement or major repairs. In addition to school construction, BIA will increase resources for school operations; early intervention partnerships; child care; and technology within schools, classrooms and libraries. The nationwide class size reduction initiative also includes a set-aside for BIA schools, to be used for hiring 1,000 new Indian teachers.

Bureau of Indian Affairs and Indian Health Services: DOI,s Bureau of Indian Affairs (BIA) and the Health and Human Services Department,s Indian Health Service (IHS) make up nearly two-thirds of Federal funding for Native American programs. For the BIA, the budget provides $1.9 billion, nine percent over the 1999 enacted level. Over 90 percent of BIA operations funding goes for basic, high-priority reservation-level programs such as education, social services, law enforcement, housing improvement, and natural resources management.

For IHS, the budget proposes $2.4 billion, a substantial increase of eight-percent over the FY 1999 level.

This increase would enable IHS to continue expanding accessible and high-quality health care to its Native American service users, through IHS, existing network comprised of over 540 direct health care delivery facilities (this is also discussed in Health Care and Services, above). This increase reflects a four-pronged approach for IHS (e.g., substantial increase in 2000, access to health grants, Medicare/Medicaid reimbursements, and vigilance on fraud and abuse). In addition, from 1998 to 2000, IHS expects to collect an additional $82 million in reimbursements due to Medicaid collections rate increases.

Tribal Contracting and Self-governance: BIA and IHS will continue to promote Tribal self-determination through local decision-making. Tribal contracting and self-governance compact agreements now represent half of BIA,s operations budget, and over 40 percent of IHS, budget.

Trust Fund Balances: The Administration is committed to resolving disputed Indian trust fund account balances through informal dispute resolution and supports the unique government-to-government relationship that exists in Indian trust land management issues. After Tribal con sultations, BIA submitted its recommendations to Congress in November 1997. Legislation reflecting these recommendations was proposed in 1998, but not enacted. It will be re-proposed in the 106th Congress.

Trust Land Management: As part of BIA ,s commitment to resolving trust land management issues, BIA will re-propose legislation to establish an Indian Land Consolidation program to address the fractionation of Indian land. In 1999, BIA will devote $5 million to three pilot projects in Wisconsin in cooperation with Tribes, to purchase small ownership interests in highly fractionated tracts of land from willing sellers. The budget proposes to double funding for this program.

Trust Management Improvement Project: The budget provides $90 million for DOI ,s Office of Special Trustee ,s trust management improvement project, an increase of $51 million over 1999. Current activities include verifying individual Indian ,s account data and converting these data to a commercial-grade accounting system. Ownership, lease, and royalty information related to the underlying trust assets will also be verified and converted to a recently acquired commercial asset management system.

HEALTH

Racial Disparities in Health Status: Despite improvements in the Nation's overall health, continuing disparities remain in the burden of death and illness that certain minority groups experience. To address these and other disparities, the budget includes $145 million for health education, prevention, and treatment services for minority populations. The budget also proposes to provide an additional $50 million to address HIV and AIDS issues in minority communities.

Minority and Native American Elders: The budget provides $4 million for HHS' Administration on Aging to reduce chronic disease among minority elders. In addition, the budget proposes a $125 million National Family Caregiver Support Program, including $2.5 million in competitive grant funding for Native American family caregivers.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Diane Ikemiyashiro (CN=Diane Ikemiyashiro/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:16-FEB-1999 12:54:55.00

SUBJECT: 1 more -- Gov. Dean

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

TEXT:
If okay, auto or bc sig?

Thanks.

DI

Thank you for your letter regarding funding for the Low Income Housing Tax Credit and Private Activity Bonds in the fiscal 2000 federal budget. I shared your letter with members of my staff, including those in the Office of Management and Budget, and I was grateful to have the opportunity to know of your views as my Administration considered our recommendations for the budget.

As we move forward to acheive results in the programs addressed by the fiscal 2000 federal budget, I will keep your thoughts in mind and welcome your continued involvement.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:10-MAR-1999 09:18:40.00

SUBJECT: Re: Revised Strategy Document

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

TEXT:
I don't think you finished your section

Paul J. Weinstein Jr.
03/09/99 09:09:47 PM

Record Type: Record

To: Laura Emmett/WHO/EOP
cc:
Subject: Revised Strategy Document

5. COMMUNITY EMPOWERMENT

Our major objectives on community empowerment over the next few months will be to: 1) secure passage of an expansion of the Low-Income Housing Tax Credit, and 2) protect the Community Reinvestment Act from attempts by Senator Gramm to gut the law as part of passage of the Financial modernization legislation; 3) secure passage of the Better America Bonds.

A. Low-Income Housing Tax Credit (LIHTC). Legislation to increase the cap on the LIHTC by 40 percent to create an additional 150,000-180,000 new rental housing units for low-income American families over the next five years.

I. Legislative Status: Last year, over two-thirds of House and Senate members were co-sponsors on bills to raise the cap on the LIHTC -- more support than on any other tax legislation.

II. Possible Presidential Actions:
Bipartisan event after we reach a certain number of cosponsors.

III. Republican Agenda: Finance Chairman Roth ,s staff have privately indicated that LIHTC will pass if there is a tax bill this year. Representative Nancy Johnson has already introduced legislation in the House with over seventy cosponsors.

IV.Timing and Strategy: The legislation has been introduced in the House but not yet in the Senate. We can expect Republicans to take up tax legislation sometime this spring in both the House and Senate Committees. However, it is not clear whether Republicans will include the LIHTC in their committee mark. We will be working to build up as many cosponsors as possible, from both sides of the aisle. In turn, this will give us leverage when the LIHTC is offered as an amendment in committee or on the floor. No major events forseen.

B. Community Reinvestment Act -- Efforts are undwerway by Senators Gramm and Shelby to gut the CRA law by providing a &safe harbor 8 for banks.

I. Timing. Issue is currently in the forefront due to the markups of financial modernization legislation in the House and Senate.
II. Responses. We have already issued a veto threat from the President. We are continuing to press our views on CRA and will be giving the President some additional options shortly.
III. Presidential Action. Additional statements will be needed at a later date from both the President and the Vice President reaffirming our position that CRA not be weakened as part of financial modernization legislation. The President has already made these remarks (Jesse Jackson event and statement from last week).

C. Better America Bonds -- Legislation to provide tax credits for bonds in the amount of $9.5 billion to be used to purchase open spaces, improve water quality, and cleanup brownfields.

I. Legislative Status. The proposal was included in Treasury ,s &green book 8 of tax proposals. We have briefed all the staff of relevant House and Senate Committees and have now begun one on one discussions with key Senators and House Members.

II. Possible Presidential Actions. At the bill ,s introduction, we could do an event with POTUS or VPOTUS and the Members introducing the bill.

III. Republican Response. Republicans may be cool to the idea because it is closely associated with the Vice President. We are working with Senators Baucus and Daschle on securing some Republican interest, particularly among Senators Chafee, Roth, and Jeffords.

IV. Timing and Strategy. Treasury is working with House and Senate Members on drafting legislation that hopefully could be introduced in April. Out of all the livability agenda, this proposal stands the best chance of passing because it is a tax incentive. However, like all our tax ideas, it requires a resolution of the Social Security issue and then a tax bill. If reconciliation occurs, passage in early August or September likely.

7. POLITICAL REFORM

A. Bipartisan Campaign Finance Reform. The McCain-Feingold and Shays-Meehan legislation would ban soft money and increase disclosure of independent expenditures.

I. Legislative Status: Shays-Meehan passed the House last year and should be able to muster a majority again this year. The Senate sponsors are taking a House-first approach.

II. Presidential Actions:
Invite sponsors to the White House.

III. Republican Agenda: The Republican Leadership strongly opposes this legislation. Speaker Hastert has placed this bill on the back burner. Getting the bill to the floor may require another successful discharge petition.

IV.Timing and Strategy: Norm Ornstein is working with Senators Lieberman and McCain about revising the core bill from last year. He is trying to develop ways in which to add Republicans to the bill. He believes a tax credit for small contributions and an increase in the personal contribution limit may draw some additional Republican votes. The big challenge will be getting floor time. McCain may be too busy with his Presidential race in order to focus on the bill. Timing of the bill is unclear, but history suggests it will be later in the session rather than earlier before the legislation reaches the floor. prepared to release a poll on the day of the event relating to youth and

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Shannon M. Hinderliter (CN=Shannon M. Hinderliter/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:16-MAR-1999 11:36:54.00

SUBJECT: Draft Letter to Governor Dean

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

TEXT:
Would you please clear the following draft for us-Chuck Marr has cleared it with the suggestion that we should mention Better America Bonds in a second paragraph. Please let me know if you have any additional changes, or if it is ok as is. If you have any questions I can be reached at 6-5526. Thank you.

"Thank you for your letter regarding funding for the Low Income Housing Tax Credit and Private Activity Bonds. I was glad to have your insights and suggestions as my Administration prepared our budget proposal, and I forwarded your correspondence to members of my staff in the Office of Management and Budget.

As you may know, my proposed budget included a 40 percent increase in the state per-capita ceiling. This would create an additional 150,000-180,000 new rental housing units for low-income families over the next five years. To encourage investment and growth in distressed areas, I have also proposed the New Markets Initiative and an increase in Empowerment Zones and Enterprise Communities. I believe that our cities and communities must be strong if we are to meet the challenges of the next millennium, and I welcome your continued involvement as we work toward that goal.

As we continue to promote fiscal responsibility while also addressing the needs of the American people, I will keep your thoughts in mind.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: "Allen I. Polsby" <Allen_I._Polsby@hud.gov> ("Allen I. Polsby" <Allen_I._Polsby@hud.gov> [UNKNOWN])

CREATION DATE/TIME: 3-MAY-1999 09:47:27.00

SUBJECT: Re: Revised APIC draft legislation - for Tuesday mtg at OEOB

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

CC: Lisa Green (CN=Lisa Green/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

CC: "MICHAEL J. MORAN" <MICHAEL_J._MORAN@hud.gov> ("MICHAEL J. MORAN" <MICHAEL_J._MORAN@hud.gov> [UNKNOWN])
READ:UNKNOWN

CC: "Gail W. Laster" <Gail_W._Laster@hud.gov> ("Gail W. Laster" <Gail_W._Laster@hud.gov> [UNKNOWN])
READ:UNKNOWN

CC: ROBERT DUNCAN <ROBERT_DUNCAN@hud.gov> (ROBERT DUNCAN <ROBERT_DUNCAN@hud.gov> [UNKNOWN])
READ:UNKNOWN

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

CC: jorszag@doc.gov (jorszag@doc.gov [UNKNOWN])
READ:UNKNOWN

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

CC: don.christensen@sba.gov (don.christensen@sba.gov [UNKNOWN])
READ:UNKNOWN

CC: nina.levine@sba.gov (nina.levine@sba.gov [UNKNOWN])
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CC: bcurry@mbda.gov (bcurry@mbda.gov [UNKNOWN])
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CC: mcook1@doc.gov (mcook1@doc.gov [UNKNOWN])
READ:UNKNOWN

CC: "Jacquie M. Lawing" <Jacquie_M._Lawing@hud.gov> ("Jacquie M. Lawing" <Jacquie_M._Lawing@hud.gov> [UNKNOWN])
READ:UNKNOWN

CC: "Hal C. DeCell" <Hal_C._DeCell@hud.gov> ("Hal C. DeCell" <Hal_C._DeCell@hud.gov> [UNKNOWN])
READ:UNKNOWN

CC: edward-montgomer@dol.gov (edward-montgomer@dol.gov [UNKNOWN])
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CC: irma.tucker@do.treas.gov (irma.tucker@do.treas.gov [UNKNOWN])
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CC: marti.thomas@do.treas.gov (marti.thomas@do.treas.gov [UNKNOWN])
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CC: andrew.bershadker@do.treas.gov (andrew.bershadker@do.treas.gov [UNKNOWN])
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CC: jon.talisman@do.treas.gov (jon.talisman@do.treas.gov [UNKNOWN])
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CC: leonard.burman@do.treas.gov (leonard.burman@do.treas.gov [UNKNOWN])
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CC: alvin brown@ovp (alvin brown@ovp [UNKNOWN])
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CC: phyllis a. love@ovp (phyllis a. love@ovp [UNKNOWN])
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CC: Alice Veenstra (CN=Alice Veenstra/OU=OMB/O=EOP [OMB])
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CC: Charles R. Marr (CN=Charles R. Marr/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

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

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

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

CC: Thomas D. Janenda (CN=Thomas D. Janenda/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

CC: Edward A. Brigham (CN=Edward A. Brigham/OU=OMB/O=EOP [OMB])
READ:UNKNOWN

CC: Alan B. Rhinesmith (CN=Alan B. Rhinesmith/OU=OMB/O=EOP [OMB])
READ:UNKNOWN

CC: Courtney B. Timberlake (CN=Courtney B. Timberlake/OU=OMB/O=EOP [OMB])
READ:UNKNOWN

CC: Sonyia Matthews (CN=Sonyia Matthews/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

CC: Bert I. Huang (CN=Bert I. Huang/OU=CEA/O=EOP [CEA])
READ:UNKNOWN

CC: "John P. Ross" <John_P._Ross@hud.gov> ("John P. Ross" <John_P._Ross@hud.gov> [UNKNOWN])
READ:UNKNOWN

CC: "Joseph A. D'Agosta" <Joseph_A._D'Agosta@hud.gov> ("Joseph A. D'Agosta" <Joseph_A._D'Agosta@hud.gov>
[UNKNOWN])
READ:UNKNOWN

CC: "David S. Kass" <David_S._Kass@hud.gov> ("David S. Kass" <David_S._Kass@hud.gov> [UNKNOWN])
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CC: psingerm@doc.gov (psingerm@doc.gov [UNKNOWN])
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CC: millicent.hodge@sba.gov (millicent.hodge@sba.gov [UNKNOWN])
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CC: saunders.miller@sba.gov (saunders.miller@sba.gov [UNKNOWN])
READ:UNKNOWN

CC: ccox@mbda.gov (ccox@mbda.gov [UNKNOWN])
READ:UNKNOWN

CC: "Susan M. Wachter" <Susan_M._Wachter@hud.gov> ("Susan M. Wachter" <Susan_M._Wachter@hud.gov> [
UNKNOWN])
READ:UNKNOWN

CC: "John F. Bohm" <John_F._Bohm@hud.gov> ("John F. Bohm" <John_F._Bohm@hud.gov> [UNKNOWN])
READ:UNKNOWN

CC: hayes-pamela@dol.gov (hayes-pamela@dol.gov [UNKNOWN])
READ:UNKNOWN

CC: harris-seth@dol.gov (harris-seth@dol.gov [UNKNOWN])
READ:UNKNOWN

CC: lara.muldoon@do.treas.gov (lara.muldoon@do.treas.gov [UNKNOWN])
READ:UNKNOWN

CC: louise.gillespie@do.treas.gov (louise.gillespie@do.treas.gov [UNKNOWN])
READ:UNKNOWN

CC: steve.arkin@do.treas.gov (steve.arkin@do.treas.gov [UNKNOWN])
READ:UNKNOWN

CC: gary.gensler@do.treas.gov (gary.gensler@do.treas.gov [UNKNOWN])
READ:UNKNOWN

CC: michael.barr@do.treas.gov (michael.barr@do.treas.gov [UNKNOWN])
READ:UNKNOWN

CC: aram h. kailian@ovp (aram h. kailian@ovp [UNKNOWN])
READ:UNKNOWN

CC: elizabeth j. potter@ovp (elizabeth j. potter@ovp [UNKNOWN])
READ:UNKNOWN

CC: jonathan weiss@ovp (jonathan weiss@ovp [UNKNOWN])
READ:UNKNOWN

CC: Xavier Briggs <Xavier_Briggs@hud.gov> (Xavier Briggs <Xavier_Briggs@hud.gov> [UNKNOWN])
READ:UNKNOWN

TEXT:
SRW (et al.) -- Your comments are, of course, a mix of legal and policy.
On the more legal points:

"Safety and soundness" is the handmaiden of "examine" in bank regulation lingo. Treasury asked us to add the latter term, and we carried through an implication of their comment that that which constitutes a safety and soundness standard ought to be identified in the bill. In this connection, the penalties (
õ110(b)) are all linked to safety and soundness specifically and exclusively, and so, as an element of due process, I think its incumbent on us to identify clearly that to which the penalties relate. Further, the community of profit oriented entities that carry out some of HUD's programs include many that are not banks. For them, I think the added clarity is warranted, I think.

The "antipirating provision" is an adaptation of the one enacted in the Quality Housing and Work Responsibility Act of 1998. To my knowledge, the Administration has never proposed an antipirating provision, but one has been added during Congressional deliberations in the case of some economic development programs. APIC would be a clear candidate for the addition of such a provision. The policy call is whether to (a) change course by having the Administration propose such a provision, and in so doing, (b) have on the table a provision that HUD staff believes is more workable than any that have been heretofore enacted. Given the likelihood that the APIC bill will end up with an antipirating provision of some kind, in my view the one in õ107(d) would minimize the litigation risk.

The "bankruptcy exclusion" has legislative precedent in SBA programs. Its purpose is to afford the best protection we can that the APIC will use whatever stream of cash that is has, in an insovency, or near insolvency, situation, to fund the FF&C pledge, and will not be prevented from so doing by declaring bankruptcy and obtaining a Bankruptcy Judge's order to deal with its debt in any other way. I believe that Judiciary has jurisdiction over Bankruptcy, and I'm not aware of anything else in the HUD bill that would result in a referral to that Committee. AIP

Sarah_Rosen_Wartell@opd.eop.gov on 05/03/99 08:15:23 AM

To: Xavier Briggs/PDR/HHQ/HUD
cc: Bert_I._Huang@cea.eop.gov, Sonyia_Matthews@opd.eop.gov, Courtney_B._Timberlake@omb.eop.gov, Alan_B._Rhinesmith@omb.eop.gov, Edward_A._Brigham@omb.eop.gov, Thomas_D._Janenda@who.eop.gov, Paul_J._Weinstein_Jr@opd.eop.gov, Alexandra_Gianinno@omb.eop.gov, Michael_Deich@omb.eop.gov, Charles_R._Marr@opd.eop.gov, Alice_Veenstra@omb.eop.gov, jonathan_weiss%ovp@oa.eop.gov, phyllis_a._love%ovp@oa.eop.gov, elizabeth_j._potter%ovp@oa.eop.gov, alvin_brown%ovp@oa.eop.gov, aram_h._kailian%ovp@oa.eop.gov, cliff.kellogg@do.treas.gov, michael.barr@do.treas.gov, leonard.burman@do.treas.gov, gary.gensler@do.treas.gov, jon.talisman@do.treas.gov, steve.arkin@do.treas.gov, andrew.bershadker@do.treas.gov, louise.gillespie@do.treas.gov, marti.thomas@do.treas.gov, lara.muldoon@do.treas.gov, irma.tucker@do.treas.gov, harris-seth@dol.gov, edward-montgomer@dol.gov, hayes-pamela@dol.gov, Hal C. DeCell/CIR/HHQ/HUD, John F. Bohm/CIR/HHQ/HUD, Jacquie M. Lawing/SECY/HUD/GOV, Susan M. Wachter/PDR/HHQ/HUD, mcook1@doc.gov, ccox@mbda.gov, bcurry@mbda.gov, saunders.miller@sba.gov, nina.levine@sba.gov, millicent.hodge@sba.gov, don.christensen@sba.gov, jane.merkin@sba.gov, phil_rosenfelt@ed.gov, psingerm@doc.gov, jorszag@doc.gov, Francis_S._Redburn@omb.eop.gov, David S. Kass/CIR/HHQ/HUD, ROBERT DUNCAN/CPD/HHQ/HUD, Joseph A. D'Agosta/CPD/HUD/GOV, Gail W. Laster/OGC/HHQ/HUD, John P. Ross/PDR/HHQ/HUD, MICHAEL J. MORAN/OGC/HHQ/HUD, Allen I. Polsby/OGC/HUD/GOV, Lisa_Green@opd.eop.gov
Subject: Re: Revised APIC draft legislation - for Tuesday mtg at OEOB

A few minor comments:

Is the term "safety and soundness" used in the SBIC legislation. It is a banking term with specific meaning and I am not sure it works here.

In findings, the discussion is about high levels of joblessness, although our criteria for eligibility don't involve joblessnes. Shouldn't it talk about poverty and low incomes.

We need a finding about the business opportunities that existing in areas of poverty and low incomes. Congress needs to find that there is money to be made here but barriers to private investors now doing so. And that there is a need for gov't to try to create incentives to overcome those barriers.

In public purpose goals -- goal to incolve cb organizations and residents "to balance the interests of investors and residents" -- what does that mean. Scare the hell out of me as an investor.

Isn't the antipirating provision an invitation to litigation. I agree it is a goal, but should we legislate????

Why the bankruptcy exclusion? What does that do about referrral of bill to other committees?

Obviously, need to discuss big unresolved issues.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 6-MAY-1999 13:49:53.00

SUBJECT: Weekly Report

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

TEXT:
Political Reform -- Campaign Finance Reform: A group of moderate House Republicans Wednesday extracted a commitment from Speaker Hastert to bring campaign finance reform legislation to the floor by the end of September. However, Hastert's pledge may not hold off a split within the GOP over this contentious issue. According to sources at the meeting, moderate Republicans made it clear to that they believe September is too late. The discharge petition on the Shays-Meehan bill has 191 Democratic signatures but no Republicans.

Community Empowerment -- Low Income Housing Tax Credit (LIHTC): 235 Members of House of Representatives have now signed on as cosponsors of H.R. 175, the bill to expand the LIHTC. This legislation, which mirrors your proposal, has achieved wide bipartisan support. Of the 235 cosponsors, 96 are Republicans and 139 are Democrats. 69% of the Members of the House Ways and Means Committee are cosponsors of the bill. The companion bill in the Senate, Introduced by Senators Mack and Graham, has 37 cosponsors. This includes 18 Republicans and 19 Democrats.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:24-MAY-1999 17:49:58.00

SUBJECT: Re: memo to CoS

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

TEXT:
just use this but put MEMO TO THE CHIEF OF STAFF rather than the president

Neera Tanden
05/24/99 05:47:03 PM
Record Type: Record

To: Laura Emmett/WHO/EOP@EOP
cc:
Subject: memo to CoS

I'm supposed to be drafting a memo to John Podesta from Bruce -- can you send me the proper format? Thanks very much.

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

TEXT:
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StyleO XX2PQ XP\ P6Q May 21, 1999
StyleO
MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
X` hp x (#` hp x (# Elena Kagan
`hp x (#` hp x (#
SUBJECT: DPC Weekly Report

e Education ! Coverdell/Torrecelli Bill: On Wednesday the Senate Finance Co
mmittee approved legislation that would allow parents to save up to $2,000 a ye
ar in Education IRAs, and withdraw the money taxfree for elementary and seconda
ry education related costs including private school tuition, fees, books and co
mputers. Currently, the Education IRAs are capped at a $500 contribution annua
lly, and savings may only be withdrawn taxfree to be used for higher education
expenses. This bill, sponsored by Senators Coverdell and Torrecelli, is almost
identical to one that you vetoed last year. Secretaries Rubin and Riley sent
a joint letter to the Hill opposing the bill and saying that if it passed, they
would recommend that you veto it again. Their letter explained that this prop
osal would provide little benefit to lower and middleincome families, and that
the money would be better spent on muchneeded school construction. Committee D
emocrats attempted to delete the IRA provision from the Coverdell/Torrecilli bi
ll, and replace it with your school construction proposal, but voting largely a
long party lines, the Finance Committee defeated the amendment, 128, and then a
pproved the original bill, with three committee Democrats in support.
e
XP\ P6Q Health Care Update on Privacy Legislation: Next Tuesday, Senator
Jeffords Labor Committee is scheduled to begin marking up its version of medica
l records privacy legislation. In your State of the Union, you called on the C
ongress to pass privacy legislation this year to ensure that medical records re
main confidential and are adequately protected against misuse. Although you in
dicated at the time that your preference was to pass legislation, you also stat
ed that you would use the regulatory authority KennedyKassenbaum law gave you t
o implement protections in August if the Congress had not passed legislation by
then. The pledge to move forward on the regulation in August is driving the a
ttempt to develop bipartisan legislation later this month and early into June.
There are numerous outstanding issues that could stand in the way of Congress
passing this legislation, including issues related to state preemption, law enf
orcement access to medical records, access to records by the research community
, and patient authorization for release of their medical records. However, the
insurance industry and the business community may well be open to compromising
on a strong privacy protection bill because they fear the implementation of ou
r regulation and are at least as concerned that different states are developing
privacy legislation that is difficult if not impossible to administer for nati
onal companies. In short, they will trade the federal preemption of state laws
for a number of provisions that they heretofore opposed. The Committee is wor
king over the weekend to prepare for the Chairmans mark; if they make significa
nt process towards resolving many of our topline issues, we may wish to authori
ze the release of a supportive letter from Secretary Shalala to encourage conti
nued progress.

Health Care Release of Africa Report: Next week, USA Today is planning on r
eleasing a major story on the AIDS crisis in Africa. This report will no doubt

highlight the fact that in subSaharan Africa, more than 11,000 additional peop
le become HIV+ every day and 10 million people in this region have already died
from the disease (83 percent of all AIDS deaths to date). The article will do
cument Sandy Thurmans recent trip to Africa and will preview the fact that you
will soon receive a detailed report documenting the problem and providing speci
fic policy recommendations. We are currently considering unveiling this report
in conjunction with the dedication of the NIH building being named after Senato
r Dale Bumpers which is tentatively scheduled for June 9.

Health Care Patients Bill of Rights Update: Next week, Congressman Gephardt
is planning to ask Congressman Marion Berry to introduce a resolution that beg
ins the process for a discharge petition to be filed for the Patients Bill of R
ights. Congressman Gephardts office believes that this would effectively highl
ight the Republican leaderships lack of commitment to moving this legislation t
his year. They have requested that we publicly commend this action in order to
increase attention for it. Our primary concern remains whether it will be per
ceived as an overly partisan act since there will be no Republican cosponsors o
f this resolution at the time of its filing. We are contemplating suggesting t
o Mr. Gephardt to wait to file this resolution until after the Memorial Day rec
ess to increase the likelihood that Republicans will cosponsor it (some of thes
e members have indicated that they are going to give their leadership until the
end of the recess to make such a commitment before they consider breaking part
y ranks).

Health Care Innovative Nutrition/Lifestyles Demonstration Approved: We info
rmed Dean Ornish that the Health Care Financing Administration, pending final a
nd expected OMB clearance, will be setting up a Medicare demonstration for his
nutrition / lifestyle program. It will be designed exclusively for beneficiari
es who have heart disease, which government researchers and the advocates of th
is program believe would best measure the cost effectiveness of this program. T
he only remaining issue is determining appropriate reimbursement rates for the
program. HHS and OMB will likely want to review all the private market contrac
ts to determine an appropriate rate of reimbursement. However, this is not exp
ected to be a major hurdle, and according to Nancy Ann Min DeParle, the demo sh
ould be up and running by late summer.

Health Care Market Oriented Approaches to Medicare are being Rejected by In
surers and Providers: In 1997, the Administration successfully secured demons
tration authority to test market oriented approaches to purchase health care in
the Medicare program. Specifically, we were given the authority to engage in c
ompetitive bidding for managed care, durable medical equipment, and other limit
ed services provided by the program. Having received this authority, we worked
with HHS to set up demonstrations in Florida, Arizona, and Kansas. Ironically,
the same industry representatives and members of Congress who frequently criti
que the program as being inefficient strongly oppose even this demonstration au
thority. In every case, providers have balked and done everything possible to
stop these demonstrations, either by lobbying Congress to urge HCFA to delay or
withdraw their plans, or through appealing to the courts to block our efforts.
Our efforts have been largely validated by health policy analysts. In fact, t
he Wall Street Journal recently quoted Ira Loss, a leading equities researcher,
as saying that Medicare providers are interested in the free market only if i
t means that the government is getting away from bothering them. But when it c
omes to the government actually forcing them to compete for business, they are
unhappy about it. This development points to the challenge we will have to ena

cting more nationally oriented competitive purchasing mechanisms as we unveil o
ur Medicare reform proposal. XP\ P6Q

Style0 XX2PQ XP\ P6Q Tobacco Recoupment: As you know, we faced a diffic
ult battle on tobacco recoupment during the conference on the supplemental spen
ding bill. Regardless of our clear opposition to this proposal negotiators acc
epted a provision in the Senate bill to let states keep all tobacco settlement
funds without any commitment to spend funds to reduce youth smoking. Despite o
ur requests, none of our allies offered a simple alternative along the lines of
a proposal we were discussing with Democratic governors ensuring each state h
as a basic antiyouth smoking program by requiring each state to spend funds equ
al to a certain percent of their yearly settlement payments on such programs.
Senator Specter offered an all or nothing motion to drop the Senate provision a
ltogether, which failed. Later, Representative Obey offered a complicated amen
dment requiring that 40 percent of the settlement be spent on health care and t
obacco prevention, which also failed. We do, however, believe that the major p
ublic health groups know how hard we fought to amend this provision. We recomm
end that in your signing statement for the supplemental bill that you say you a
re extremely disappointed that the Congress forfeited federal taxpayer claims t
o the tobacco settlement without any commitment whatsoever from the states to u
se a portion of the settlement funds to prevent youth smoking, that Congress pa
ssed up an important opportunity to protect our children from the death and dis
eases caused by tobacco, and that you will closely monitor state efforts in thi
s area and continue to fight for a nationwide effort to reduce youth smoking th
rough counteradvertising, prevention activities, and restrictions on youth acce
ss to tobacco products.

Style0 Tobacco International: Secretary Shalala participated last week in
a meeting of the World Health Assembly in Geneva, pledging U.S. support for the
World Health Organizations plans to develop a framework convention on tobacco
control. This convention would establish a multilateral framework to reduce to
bacco use worldwide. The framework is expected to take several years to develo
p and ratify and may be followed by negotiated protocols which would address sp
ecific obligations. The State Department has authorized HHS to lead the negoti
ating team for the framework convention which would include representatives fro
m the State Department and other interested agencies. We will conduct an inter
agency process to coordinate these efforts. You may recall that during last ye
ars consideration of the McCain legislation, some members of Congress wanted to
include provisions which would have imposed U.S. laws overseas, which the Stat
e Department and USTR strongly opposed. These provisions were removed from the
bill at our urging, and instead language was included Xx6X@DQ XP\ P6Q encou
raging U.S. involvement in multilateral efforts such as this one.

Immigration New Regulations: On May 20, the Department of Justice (DOJ) is
sued proposed rule implementing NACARA. This rule seeks to address the inequit
ies created by NACARA for Salvadorans and Guatemalans but DOJ was legally unabl
e to address fully the inequities in this regulation. In addition, consistent
with your statements during your recent trip to Central America, we are prepari
ng legislation that would address these inequities. On May 25, the Vice Presid
ent will announce a proposed rule to clarify that immigrants who receive Medica
id, Children Health Insurance Program (CHIP), and a variety of other benefits w
ill not face immigration penalties.

Style0 XX2PQ XP\ P6Q Welfare Transportation Grants: Last week, the Vice

President released the first round of grants funded under your Access to Jobs initiative which was enacted as part of last years transportation bill. A tota l of $71 million will go to 179 urban, suburban and rural communities in 42 sta tes to help welfare recipients and other lowincome workers get to where the job s are. The Indianapolis Public Transit agency received a $500,00 grant on beha lf of a consortium of transportation providers including the organization that employed Elaine Kinslow, the welfare to work success story you praised in last years State of the Union.

Welfare Linking WelfaretoWork and Census 2000: Also last week, the Depart ment of Labor announced the availability of $20 million in WelfaretoWork funds for a competitive project to employ welfare recipients as Census 2000 enumerato rs and to connect these individuals with permanent jobs once the Census work en ds. This collaborative effort between Labor and Commerce builds on the Census Bureaus success in hiring over 4,700 welfare recipients. This initiative will provide approximately 10,000 welfare recipients with wellpaying, flexible tempo rary employment near their homes, while helping to improve the Census count in lowincome neighborhoods. We plan to explore announcement opportunities when a grantee is selected this summer.

Style0 Welfare Guide for Using TANF Funds: HHS has released a helpful guid e Helping Families Achieve Self-Sufficiency: A Guide on Funding Services for C hildren and Families Through the TANF Program to illustrate how states may use TANF funds to support working families and address the needs of families with the greatest challenges. We believe that the flexibility provided in the TANF rule you announced on April 10th and the additional examples in this guidance w ill inspire states and communities to use TANF funds in creative and constructi ve ways to promote work and Xx6X@DQ XP\ P6Q responsibility.

Community Empowerment State of the Cities Report 1999: At the Conference of Mayors meeting in June, the Vice President will present HUD's State of the Cit ies 1999. This report will underscore that we are witnessing an encouraging sh ift in the state of the cities and a reversal of several fundamental trends tha t often made cities seem like the problem centers of American life. The report will highlight the following important data: 1) wages are rising in central c ities at a faster rate than the nation as a whole; 2) twothirds of central citi es increased in population from 1980 to 1996; 3) central city urban unemploymen t rates have fallen from 8.1 percent in 1992 to 4.8 percent today; 4) central c ity poverty rates are at their lowest level since 1990; and 5) for the first ti me in history, more than half of central city house holds are homeowners. The report credits these important changes to the growing economy and your economic plan, the Administration's community empowerment agenda, the success of privat eprivate partnerships, and a revitalized HUD. The report will also point out t hat a significant number of central cities are still lagging behind, supporting the argument for strengthening the Administration's community empowerment stra tegy, including passage of the New Markets Initiative, expanding the Low Income Housing Tax Credit, and enactment of XX2PQ XP\ P6Q the Better American Bond s program.================== END ATTACHMENT 1 ==================

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jennifer M. Palmieri (CN=Jennifer M. Palmieri/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 8-JUN-1999 11:51:56.00

SUBJECT: Re: Conference of Mayors Video

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

CC: june shih (CN=june shih/OU=who/O=eop@eop [WHO])
READ:UNKNOWN

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

CC: thomas d. janenda (CN=thomas d. janenda/OU=who/O=eop@eop [WHO])
READ:UNKNOWN

CC: karin kullman (CN=karin kullman/OU=opd/O=eop@eop [OPD])
READ:UNKNOWN

CC: lisa green (CN=lisa green/OU=opd/O=eop@eop [OPD])
READ:UNKNOWN

CC: courtney m. manning (CN=courtney m. manning/OU=who/O=eop@eop [UNKNOWN])
READ:UNKNOWN

CC: loretta m. ucelli (CN=loretta m. ucelli/OU=who/O=eop@eop [WHO])
READ:UNKNOWN

TEXT:
Paul -- we also plan - at HUD's urging -- on leaking the State of Cities report Thursday for Friday. Do you think that's advisable? thanks.

Paul J. Weinstein Jr.
06/08/99 11:38:41 AM

Record Type: Record

To: Loretta M. Ucelli/WHO/EOP@EOP
cc: See the distribution list at the bottom of this message
Subject: Conference of Mayors Video

I am sorry I missed the meeting yesterday in your office. Andrea has briefed me on the message strategy and I concur in general. However. I want to emphasize that the President's remarks and the paper we hand out regarding the report should focus on the positive message of what is happening in our cities (eg the first time in history that a majority of individuals own their own home in central cities) rather than on HUD's negative message of what a disaster we face in urban America. The President's remarks should not include a discussion of HUD's three findings, they are not helpful. Instead it should focus on the positives we have achieved and the need for the Mayors to support our budget initiatives, including new markets, expansion of the Low-Income Housing Tax Credit, Better America Bonds (which they are endorsing this week), and to protect CRA. Cuomo will inevitably call you at some put to twist your arm about the findings, let me know, I will twist it back.

I also understand from Bruce we may want to highlight some of our gun stuff.

June, call me if you need any more guidance on the remarks, I agree with you it only needs to be about seven minutes.

Message Copied
To:

Thomas D. Janenda/WHO/EOP@EOP
Courtney M. Manning/WHO/EOP@EOP
Andrea Kane/OPD/EOP
Lisa Green/OPD/EOP@EOP
June Shih/WHO/EOP@EOP
Jennifer M. Palmieri/WHO/EOP@EOP
Karin Kullman/OPD/EOP@EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:10-JUN-1999 13:04:02.00

SUBJECT: Re: draft remarks to mayors -- pls do not circulate but do comment to Jeff Shesol ASAP 6-2796

TO: Jeffrey A. Shesol (CN=Jeffrey A. Shesol/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

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

TEXT:
I like it. I think you did the transition well to guns. I would tone down in the first paragraph the line about Cuomo singlehandedly reinventing. Seems a little gratuitous and probably Secretary Cisneros would find it insulting.

My one edit would be the following:

"Third, we want to make housing even more affordable and available, that is why we should expand the Low-Income Housing Tax Credit"

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Sonya N. Hebert (CN=Sonya N. Hebert/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 5-JAN-2000 17:09:37.00

SUBJECT: treasury regs

TO: Setti D. Warren (CN=Setti D. Warren/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

CC: Stephanie A. Cutter (CN=Stephanie A. Cutter/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TEXT:
Hi Setti, Hope your holiday was excellent!! I have a quick question for you. The Dec. 17 Summary of Cabinet Weekly Reports indicated that Treasury will be issuing the final regs on the low-income housing tax credit which will implement some recommendations from a GAO 97 report to Congress and provide for improved oversight by state and local housing agencies of low-income housing projects qualifying for the credit.

Do you know if these regs have been issued yet? If not, when will they be issued?

thanks for your help!!
sonya

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:20-JAN-2000 13:14:13.00

SUBJECT: RE: President Clinton: New Opportunities for Higher Education

TO: Jonathan M. Young (CN=Jonathan M. Young/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

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

CC: j. eric gould (CN=j. eric gould/OU=opd/O=eop@eop [OPD])
READ:UNKNOWN

TEXT:
Andrea and I work on housing vouchers, though not all housing issues.

People with disabilities would be eligible for the new housing vouchers, so long as they met the income criteria. Is she upset because there's no set-aside for people with disabilities as a group?

Specifically, the budget proposes 120,000 new housing vouchers. Of these, 32,000 will be targeted to families moving from welfare to work, 18,000 vouchers will help homeless individuals and families who would otherwise have the most difficult time securing permanent housing, and 10,000 vouchers will be used to help low-income families move to new housing constructed through the Low Income Housing Tax Credit. The remaining 60,000 vouchers will be allocated to local areas to help address the large unmet need for affordable housing.

Of course people with disabilities could qualify under any or all of these categories.

Here's the paper that went out between Christmas and New Year's.

Jonathan M. Young
01/20/2000 12:34:18 PM
Record Type: Record

To: Cynthia A. Rice/OPD/EOP@EOP, J. Eric Gould/OPD/EOP@EOP

cc:
Subject: RE: President Clinton: New Opportunities for Higher Education

Do you guys handle housing issues? What do you think about this issue? (If you don't, can you let me know who handles housing in DPC?). Thanks.
---------------------- Forwarded by Jonathan M. Young/WHO/EOP on 01/20/2000 12:33 PM ---------------------------

Kathy McGinley <McGinley@thearc.org>
01/20/2000 10:38:32 AM
Record Type: Record

To: Jonathan M. Young/WHO/EOP
cc: 'Andrew Sperling' <Andrew@nami.org>, 'suellen galbraith' <suellenancor@radix.net>, 'Ann O'Hara' <aohara@tacinc.org>
Subject: RE: President Clinton: New Opportunities for Higher Education

It is nice to hear all the good things that the Administration is proposing. However, it continues to be extremely disturbing that in the housing arena when the Admin. announces its plans for new rental assistance vouchers, it includes all types of groups with needs -- except people with disabilities. It is not like we have not provided data that demonstrate that people with disabilities are among the poorest of the poor and that those who live on SSI cannot afford to rent a modest apartment ANYWHERE in the U.S. and still stay inside the HUD guidelines of 30% of your income for rent. It is not like HUD has not seen all the public housing that has been designated elderly only in the past several years and, therefore, lost to non-elderly people with disabilities. Unfortunately, HUD has no record of all the assisted housing also designated as elderly-only and lost to people with disabilities -- although it has been directed by Congress to do an inventory. In many places, this lost assisted housing is the only accessible housing around....It would appear that HUD should think of itself as part of the solution when it comes to the Olmstead issue -- if people with disabilities are going to have more access to the community, where and how are they supposed to live?

Kathy McGinley, The Arc GA Office --
http://TheArc.org/ga/governmental_affairs.html
CCD Housing Task Force -- http://www.c-c-d.org/tf-housing.htm
"Opening Doors" -- http://www.c-c-d.org/doors.html
CCD Health Task Force -- http://www.c-c-d.org/tf-health.htm

Blessed are those who can laugh at themselves for they will never cease to be amused..........

-----Original Message-----
From: Jonathan_M._Young@who.eop.gov [SMTP:Jonathan_M._Young@who.eop.gov]
Sent: Thursday, January 20, 2000 10:29 AM

Subject: President Clinton: New Opportunities for Higher Education

I figured everyone could probably use a little break from my email stream -- it was a successful, but extremely Fall. With President Clinton's final State of the Union Address approaching on January 27, however, just one week from today, it's time to get back into high gear. Throughout this month, President Clinton is making announcements about some of the initiatives he is including in his FY2001 budget, which will be released in early February. Today's education announcement and yesterday's long term care announcement are examples. You'll be hearing from me often over the next two weeks about budget initiatives, including items from the last couple of weeks.

Below please find two fact sheets about President Clinton's announcement about increasing tax incentives and other investments to improve access to higher education.

======================================

A New Opportunity Agenda for Higher Education:
Making Critical Investments in Education and Training
January 20, 2000

Today, the President will announce that his FY2001 budget will include new critical investments in higher education, training, and youth opportunities as part of his New Opportunity Agenda. These initiatives include:

I. A $30 Billion College Opportunity Tax Cut to provide Tax Relief for Millions of Families Struggling to Make College More Affordable.

II. Nearly $1 Billion for College Completion Challenge Grants, Pell Grants, and Other Initiatives to Help Students Afford and Be Able to Stay in School.

III. Over $400 Million in Increases in Initiatives to Keep Young People on the Track to Success.

I. COLLEGE OPPORTUNITY TAX CUT TO MAKE COLLEGE MORE AFFORDABLE FOR MORE AMERICANS

\+ The President will propose a College Opportunity Tax Cut costing $30 billion over 10 years to provide tax relief for millions of families struggling to make college more affordable. When fully phased in, the President's proposal would give families the option to claim a tax deduction or a tax credit on up to $10,000 of tuition and fees for any post-secondary education including college, graduate study, or training courses. In general, the proposal would provide up to $2,800 annually in tax relief per family. In order to expand this tax cut to more families, the College Opportunity Tax Cut would phase out for married filers with incomes between $100,000 and $120,000. The College Opportunity Tax Cut builds on the Lifetime Learning tax credit that the President signed into law in 1997. In addition, the President's FY2001 budget contains other education tax incentives that were originally proposed in the FY2000 budget, including $1 billion over 10 years to provide tax-free treatment for employer-provided graduate education and increased deductibility of student loan interest.

II. NEARLY $1 BILLION IN INCREASES TO PELL GRANTS, SEOG, WORK STUDY, AND THE NEW COLLEGE COMPLETION AND DUAL DEGREE INITIATIVES:

+ College Completion Challenge Grants. The FY2001 budget creates a new initiative within the TRIO program called College Completion Challenge Grants (CCCG). Although college enrollment rates have risen, 37 percent of students that go on to post-secondary school drop out before they get a certificate or a degree [Source: U.S. Department of Education, The Condition of Education: 1999]. The problem is especially acute for minorities: 29 percent of African Americans and 31 percent of Hispanics drop out of college after less than one year, compared to 18 percent of whites. The CCCG program is designed to address this problem with a comprehensive approach including pre-freshman summer programs, support services and increased grant aid to students. This $35 million initiative will improve the chances of success for nearly 18,000 students.

+ Dual Degree Programs for Minority-Serving Institutions. The FY 2001 budget proposes a new program to increase opportunities for students at minority-serving institutions that offer four-year degrees. Students would receive two degrees within five years: one from a minority-serving institution, and one from a partner institution in a field in which minorities are underrepresented. This new $40 million program will serve an estimated 3,000 students.

+ Pell Grants. The Pell Grant program provides grants to economically disadvantaged young people to help pay the cost of a postsecondary education. The maximum Pell Grant in FY2000 is $3,300. The President's FY2001 budget increases the maximum to $3,500, more than 50 percent larger than the maximum grant in 1993, to make a college education more affordable for the nearly 4 million Pell Grant recipients. Funding for the Pell Grant program is increased by over $716 million, bringing the total Pell Grant appropriation to $8.356 billion.

+ SEOG. SEOG, the Federal Supplemental Educational Opportunity Grant program, provides campus-based grant assistance to needy undergraduate students. Generally, this program supplements the aid students receive from other sources, and leverages institutional aid by at least one dollar for every three federal dollars. The FY2001 budget provides $691 million for SEOG, a $60 million increase, the largest increase in 10 years. An estimated 1.2 million students (over 60,000 more than in 2000) will receive
awards in 2001.

+ Work Study. Work Study provides students the opportunity to work their way through college. The FY 2000 budget achieved the goal of giving one million students the opportunity to participate in Work Study. The

FY2001 budget includes $1.011 billion for Work Study, an increase of $77 million to continue this commitment to serve one million students.

III. OVER $400 MILLION IN INCREASES TO KEEP YOUNG PEOPLE ON THE TRACK TO SUCCESS

\+ GEAR UP. GEAR UP is a nationwide initiative to encourage more disadvantaged young people to have high expectations, stay in school, study hard, and take the right courses to go to and succeed in college. GEAR UP is funded at $200 million in FY 2000, enough to provide services to over 750,000 students. The FY 2001 budget provides a 62.5% increase to $325 million, enough to provide services to 1.4 million students.

\+ TRIO. The TRIO programs seek to motivate and prepare students to go to and stay in college. The FY 2001 budget provides $725 million for TRIO, an increase of $80 million to help provide assistance to over 760,000 students, 37,000 more than in 2000.

\+ Youth Opportunity Grants and Youth Training Formula Grants. Youth Opportunity Grants are an initiative to provide comprehensive employment and training assistance to all out-of-school young people in high poverty areas. The program was passed as part of the bipartisan Workforce Investment Act and is a critical component of the New Markets Initiative. Funded at $250 million in FY 2000, this program would serve up to 50,000 of the most disadvantaged young people in central cities and rural communities
across America. The President's FY2001 budget provides a 50 percent increase in funding to $375 million, enough to serve an additional 25,000 youth in high poverty areas. In addition, the FY2001 budget provides a $25 million increase (from $1.001 billion to $1.022), to the Youth Training Formula Grants, enough to provide job training and summer job opportunities to nearly 600,000 disadvantaged young people.

\+ Youthbuild. The Youthbuild program, is targeted to 16-24 year old high school dropouts, and provides disadvantaged young adults with education and employment skills through rehabilitating and building housing for low-income and homeless people. The program also helps to expand the supply of housing in these categories. Funded at $42.5 million, the Youthbuild programs will provides opportunities for approximately 2,000 trainees in 2000. The FY2001 increases funding by 76% to $75 million, enough to serve approximately 3,330 trainees.

\+ Job Corps. Job Corps is the nation's largest and most comprehensive residential education and job training program targeted at impoverished young people. The FY2001 budget increases Job Corps funding by $33 million, bringing the total Job Corps budget to $1.392 billion.

COLLEGE OPPORTUNITY TAX CUT: PROVIDING TAX INCENTIVES TO MAKE HIGHER EDUCATION MORE AFFORDABLE

January 20, 2000

Investing $30 Billion in a College Opportunity Tax Cut. Since 1993 the President has taken numerous steps to make college more affordable and accessible, including direct student loans, Pell Grant increases, and the Hope Scholarship and the Lifetime Learning tax credits producing the biggest expansion in college support since the GI bill. But tuition costs continue to rise and many students and their families are still struggling to make ends meet. That is why today the President will propose the College Opportunity Tax Cut that will, when fully phased in, provide up to $2,800 in tax relief for students or their families. The President's proposal would cost $30 billion over 10 years.

How the College Opportunity Tax Cut Works. The President's proposal would help make college, graduate school, and job training more affordable for millions of families -- including expanding the tax cut and making it available to more families. In general, the proposal would provide up to $2,800 annually in tax relief per family.

+ Providing a Deduction or 28 Percent Tax Credit for Higher Education. The President's proposal would give families the option of taking a tax deduction or claiming a 28 percent credit for tuition and fees to pay for college and other higher education. The proposal would cover up to $5,000 of educational expenses in 2001 and 2002 and rise to $10,000 of educational expenses from 2003 forward. When fully phased in, this proposal would provide up to $2,800 in tax relief annually to help American families pay for college.

+ The College Opportunity Tax Cut Would Cover College, Graduate Work, or Job Training. Students or families could use the College Opportunity Tax Cut to help pay for college, graduate work, or courses taken to enhance job skills. There is no limit to the number of years that a taxpayer could take this credit, although when fully phased in it is limited to $10,000 in educational expenses per family per year. A family could choose between the Hope Scholarship or the College Opportunity Tax Cut, but could not take both for the same student.

+ Expanding the Tax Cut to More Families. The College Opportunity Tax Cut would phase out for individuals with incomes between $50,000 and $60,000 and married filers with incomes between $100,000 and $120,000. This are higher than the income thresholds for any of the education tax cuts currently available.

What the College Opportunity Tax Cut Would Mean for Typical Families

+ A Family Sends a Child to College. A family sends a child to a four-year college. The tuition costs the family $11,000 after financial aid. The College Opportunity Tax Cut would generally provide a tax break of $2,800 annually to offset the cost of tuition. (This example is based on the fully phased in proposal.)

+ An Automobile Mechanic Takes Night Classes in Computers at a Local Technical College. She will pay tuition of $1,200. The College Opportunity Tax Cut would generally provide a tax break of $336 to offset the cost of tuition.

+ A Homemaker Joins a Graduate Teacher Training Program. After being out of college for 20 years, a homemaker enters a graduate teacher training program with tuition of $4,000. The College Opportunity Tax Cut would generally provide a tax break of $1,120 to offset the cost of tuition.

+ A Family Plans for Its Education. The combination of the existing Hope Scholarship and the proposed College Opportunity Tax Cut provides a powerful way for a family to plan for its education. Each member of a family of four is pursuing higher education. The father is working on a masters degree part-time; the mother, a computer technician, is attending a two-year program at a local community college; the daughter is a senior in high school who eventually hopes to go on to medical school; and the son is a freshman at a small private college and plans to earn a master's degree to become a teacher. Based on typical tuition expenses incurred for these programs, a combination of Hope Scholarships and the new College Opportunity Tax Cut would generally reduce this family's Federal income taxes by $28,000 over the nine years its members attend school, or an average of over $3,000 per year.

The President's New Proposal Builds on His Previous Steps to Make College More Affordable. Since 1993, President Clinton has been dedicated to expanding access to education and training beyond high school. New and expanded programs provide over $50 billion in student aid annually -- compared to $22 billion when he took office.

+ Hope Scholarship and Lifetime Learning Tax Credit. In 1997, the President signed the Hope Scholarship and Lifetime Learning Tax Credit into law. In 1999, these two measures provided an estimated $3.5 billion in tax relief for 4.8 million families.

+ Hope Scholarship. The Hope Scholarship is part of the President's goal to make the first two years of college as universal as high school. It provides a tax credit worth up to $1,500 per student against educational expenses for the first 2 years of college. (The credit provides a tax break of 100 percent of the first $1,000 of tuition and 50 percent of the next $1,000.) Both the Hope Scholarship and the Lifetime Learning tax credit phase out for individuals with incomes between $40,000 and $50,000 and married filers with incomes between $80,000 and $10,000.

+ Lifetime Learning Tax Credit. The President's proposed College Opportunity Tax Cut builds on the Lifetime Learning tax credit. Under current law, the Lifetime Learning tax credit provides a 20 percent credit on educational expenses for college, graduate study, or job training. The credit covers up to $5,000 of expenses per family through 2002 and then up to $10,000 thereafter.

+ More Affordable Student Loans. The President's Direct Lending Program and improvements to the student loan program have saved students an estimated $8.7 billion on their loans over the last five years while taxpayers have saved over $5 billion through student loan reform.

+ $8.7 Billion in Savings for Students. Students who borrowed student loans since 1993 will save $100 annually for each $10,000 in outstanding loans -- and a total of $5 billion -- due to the lower interest rate formula. Also, in 1993, the Administration reduced loan origination fees, saving students nearly $3.7 billion to date. In 1999, in recognition of widespread discounts available on guaranteed student loans, the Administration reduced direct loan fees even further.

+ More Repayment Options. Since 1993, borrowers have more flexibility in managing their student loan debt. The income-contingent repayment plan allows direct loan borrowers to repay their loans based upon their income; after 25 years, any remaining loan balance is discharged.

+ Creating the Direct Loan Program. Under the Direct Loan program, students receive loans directly from the Education Department rather than through government-guaranteed lenders. Because the Direct Loan program is substantially less expensive for taxpayers than the guaranteed loan program, taxpayers have saved over $4 billion over the past five years. The program has pioneered the use of new technology, streamlined loan processing and disbursement, and improved customer service in both programs through competition.

+ Strengthening the Guaranteed Loan Program. Federal subsidies for banks and guaranty agencies have been pared down, saving taxpayers $1.6 billion over the past five years.

+ Reducing Loan Defaults. The national cohort default rate has been reduced from 22.4 percent seven years ago to a record-low 8.8 percent. At the same time, collections on defaulted loans have more than doubled, from $1 billion in FY1993 to $2.2 billion in FY1998.

+ Expanded Student Aid Opportunities.

+ Larger Pell Grant Awards For Needy Students. When President Clinton took office in 1993, the Pell Grant maximum award was $2,300, the same as it was in 1989. The maximum award has since increased by 43 percent to $3,300 in 2001. The FY 2001 budget proposes increase in the maximum to $3,500, a 52 percent increase over the 1993 level.

+ Early Intervention to Help Low-income Students Prepare for College. Based on an Administration proposal, the new GEAR UP program funds partnerships between colleges and high-poverty middle schools. It was funded at $200 million in FY2000. The President's FY2001 budget proposes to increase GEAR UP funding by 62.5 percent, bringing the total to $325 million to fund mentoring, tutoring, and college scholarships for an estimated 1.4 million low-income students.

+ College Outreach and Support for Disadvantaged Students. The Department's TRIO programs helps low-income, first-generation students succeed in college. Since 1993, funding for the program has increased from $388 million to $645 million; it now serves 730,000 students. The President's FY2001 budget proposes to expand TRIO by $80 million, to serve an additional 37,000 students.

+ More Work-study Opportunities. Spending for Federal Work-Study increased by 41 percent from 1993 to 2000. The President has requested a $77 million increase in FY2001 to continue to allow one million students to work their way through college.

\+ AmeriCorps education awards. Since 1994, over 150,000 AmeriCorps volunteers have earned up to $4,725 for college while serving local communities.

\+ Enrollment Rates Have Risen Under President Clinton. The percentage of students who completed high school and went directly to college rose from 61.9 percent in 1992 to 67.0 percent in 1997 -- an 8 percent increase in the enrollment rate.Proportionately, enrollment rates increased even more for African Americans and Hispanics over this period. For African Americans, enrollment rates increased from 48.2 percent to 58.5 percent -- a 21 percent increase. Over this period Hispanics enrollment rates increased from 55.0 percent to 65.6 percent -- a 19 percent increase. [Source: U.S. Department of Education, The Condition of Education 1999]

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D40]ARMS230330825.046 to ASCII,
The following is a HEX DUMP:

================== END ATTACHMENT 2 ==================

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release December 29, 1999

STATEMENT BY THE PRESIDENT

I am pleased to announce that my budget for FY 2001 will include $690 million for 120,000 new housing vouchers to help America's hard-pressed working families. These housing vouchers subsidize the rents of low-income Americans, helping them to move closer to job opportunities. Housing vouchers are a critical part of my Administration's efforts to reform welfare, reward work, support working families, and provide affordable housing for low-income families.

In today's booming economy, about two-thirds of new jobs are being created in the suburbs -- far from where many low-income families live. These new housing vouchers will enable families to move closer to a new job, reduce a long commute, or secure more stable housing that will help them get or keep a job. We should use 32,000 of the 120,000 new housing vouchers to help families moving from welfare to work, and use 18,000 vouchers to help homeless individuals and families secure permanent housing.

Last year, we worked with Congress to secure 50,000 housing vouchers, the first in four years. This November, we fought hard to provide 60,000 additional vouchers for hard-pressed working families in the final FY 2000 budget agreement -- after having been eliminated by both the House and Senate bills. As we work on the next budget, I urge Congress to join me in a bipartisan effort to fund new housing vouchers that will make housing more affordable for more working Americans.

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release December 29, 1999

PRESIDENT CLINTON'S NEXT BUDGET WILL INCLUDE 120,000 NEW HOUSING VOUCHERS FOR AMERICA'S WORKING FAMILIES

December 29, 1999

Today, President Clinton will announce that his FY 2001 budget will include $690 million for 120,000 new housing vouchers to help America's hard-pressed working families. These housing vouchers subsidize the rents of low-income Americans, enabling them to move closer to job opportunities. Last year, the President secured 50,000 housing vouchers, the first in four years. This November, thanks to the President's leadership, 60,000 additional vouchers were included in the final FY 2000 budget agreement -- after having been eliminated in both the House and Senate bills. Now, as the President prepares to unveil his budget for the next fiscal year, he will urge Congress to fund this initiative and help make housing more affordable for more working Americans.

NEW VOUCHERS WILL HELP FAMILIES MOVE CLOSER TO JOBS. In today's booming economy, about two-thirds of new jobs are being created in the suburbs -- far from where many low-income families live. The new housing vouchers that are part of the President's new budget will help families move closer to a new job, reduce a long commute, or secure more stable housing that will help them get or keep a job. Families with housing vouchers pay about a third of their income in rent, with the vouchers paying the remainder of the cost (up to a maximum rent for a modest apartment in that locality.)

Of the 120,000 new housing vouchers proposed by the President, 32,000 will be targeted to families moving from welfare to work, 18,000 vouchers will help homeless individuals and families who would otherwise have the most difficult time securing permanent housing, and 10,000 vouchers will be used to help low-income families move to new housing constructed through the Low Income Housing Tax Credit. The remaining 60,000 vouchers will be allocated to local areas to help address the large unmet need for affordable housing.

HOUSING VOUCHER PROPOSAL BUILDS ON RECORD OF HELPING HARD-PRESSED WORKING FAMILIES. Housing vouchers are an integral part of the Administration's efforts to reform welfare, reward work, support working families, and provide affordable housing for low-income families.

110,000 Housing Vouchers Over Past Two Years. In FY 1999, the President proposed and Congress approved $283 million for 50,000 new welfare to work housing vouchers, which are now available to help 50,000 current or former welfare recipients in 35 states and two tribes to get or keep a job. Thanks to the President's leadership, the final FY 2000 budget included $347 million for an additional 60,000 housing vouchers for hard-pressed working families, as well as $10.8 billion for the renewal of all Section 8 rent subsidy contracts.

EITC Puts Money Back in Working Families' Pockets. In President Clinton's 1993 Economic Plan, EITC was expanded to make work pay for 15 million working families, and in 1998, the EITC lifted 4.3 million Americans out of poverty.

Health Care for Low-Income Working Families. The President has successfully fought to increase low-income families' access to health care. The President, with bipartisan support from the Congress, created the Children's Health Insurance Program (CHIP). The Balanced Budget Act of 1997 allocated $24 billion dollars over the next five years to extend health care coverage to uninsured children through State-designed programs. States will cover up to 5 million children through a combination of Medicaid and CHIP outreach.

Job Access Transportation Grants to help those on Welfare get to Work. The Transportation Equity Act for the 21st Century (TEA-21) authorized $750 million over five years for the President?s Job Access initiative and reverse commute grants. The Job Access competitive grants assist states and localities to develop flexible transportation alternatives, such as van services, for welfare recipients and other low-income workers. This program was funded at $75 million in FY 1999 and FY 2000. Last May, Vice President Gore awarded $71 million in FY 1999 funds to 179 communities in 42 states around the country.

Millions Moving from Welfare to Work. In 1992, President Clinton promised to end welfare as we know it, and three years after the enactment of the welfare reform law, welfare reform is working. We've seen revolutionary changes to promote work and responsibility: welfare rolls are down by half to their lowest level in 30 years, nearly four times more of those on welfare are working, and the employment rate of people receiving welfare in the previous year has increased by 70 percent. All fifty states are meeting the law's overall work requirement, and numerous independent studies confirm that people are moving in record numbers from welfare to work.

Child Care for Working Families. Under the Clinton-Gore Administration, federal funding for child care has increased by 80 percent, helping parents pay for the care of about 1.25 million children. Last year, the President proposed an historic child care initiative, but Congress failed to include these critical investments in the final FY 2000 budget.

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Sarah Rosen Wartell (CN=Sarah Rosen Wartell/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:28-FEB-2000 20:49:18.00

SUBJECT: LISC on New Markets and Other items

TO: Jamie H. Ginott (CN=Jamie H. Ginott/OU=OPD/O=EOP@EOP [WHO])
READ:UNKNOWN

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

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

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

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

TEXT:
Gene --

Buzz Roberts and Bobby Rosen came in to see me today. They are still very hopeful that they will get to meet with you soon, but wanted to "touch base" in the meantime, knowing how difficult your schedule has been. You are now scheduled to meet with them on Friday. Attached to this email is a series of papers that they provided to me that summarize what they want to discuss with you. (Melissa -- Will send over tomorrow.) Short summary below.

Low Income Housing Tax Credit:

Was part of the Republican's tax bill that the President vetoed -- the only provision inserted over the objection (however muted) of Archer.
LISC believes the Administration should make raising the cap on the LIHTC a key element of their New Markets agenda and insist on it during negotiations with the Republicans.
LISC supports 4 key changes to the credit to make it work better (which they argue all would help it work to support our new markets approach). First three were in the Republican tax bill last year. Treasury okay with first two (and checking on the rest).
Add a preference for projects that contribute to "concerted community development revitalization plans"
Facilitate use of LIHTC for projects that include child care and other public services that serve other community residents beyond the project's tenants.
Reduce hurdles for projects in rural areas by allowing use of a higher credit in census tracts with 25% poverty rate. (Similar with what we did to New Markets credit to address Kanjorski issue, but Treasury hasn't

reviewed)
Allow use of higher levels of LIHTC for projects with HOME funding (Jt Tax Committee opposes because of double dipping).
Likely that any bill the Republicans advance this year will again include the first three. Challenge for them is ensuring we don't oppose the three changes and getting the fourth.
We talked about how LIHTC is a priority for the Administration, but given the frame for New Markets discussions and it is hard for us to add to our "must do" list; however, if Republicans were to ask for it there would not be resistance provided it didn't open us up to other unrelated provisions ..... (Santorum is a lead sponsor of the LIHTC, but Archer is no fan.)

New Markets Tax Credit:

LISC loves it, applauds us for promoting it, and happy to see it increased but they have a list of 10 "technical" and not so "technical" changes that they hope we would consider supporting. (They envision a world where we have the pen in drafting New Markets sections in any bill. Not only want us not to object to these changes but also to push for them.)
Cliff was with me. Treasury Community Development (unofficially) shares some (although not all) of their concerns, but tax policy staff is largely opposed (although a few are technical that can be worked out.) I urged them to share their views with Talisman directly. They have not, instead trying to rely on us and Barr/Kellogg to intermediate.
The heart of the matter is the depth of the subsidy. They think the New Markets tax credit doesn't sweaten the deal enough to make the more important deals happen -- especially for the real estate model of deals for which they are likely to use the credit.
They argue for a longer term of the credit -- i.e., 6% a year for 10 years (net present value more like 40% than 25%) -- and to not reduce the investors' basis by the amount of the credit. Both would sweeten the subsidy and they argue wouldn't cost that much since some of the cost would be outside the 10 year window.
They argue we might give a party and no one will come if the program isn't sweeter. Part of the problem is the venture fund model of investment (that we used to develop the program) versus the real estate model (retail shopping centers, etc.) that they would use it for.
They suggested an option -- not clear if it would fly at Treasury -- where the sweeter subsidy went to more targeted deals -- i.e., ones in really low income areas -- the kind LISC is likely to do. A distant second for them, but they realize this is a hard sell.

APICS:

LISC is interested. They want to do APICs for retail shopping center investment and other things. They have been working hard to generate a coalition in support. Think they have two major banks (each doesn't want to be the only one, but with two ....) who will announce their support and bring others with them. But the energy isn't there as it is for the tax credit and the NMVCs. Struggling to find others to involve. (I reminded them of the Appalachian Regional Commission and the interest of some Governors in using the model to spur investment from companies in their state in businesses in their state.)
AFL-CIO is also interested. They want to run an APIC for their economic

development investment. (Cool!)
They think that House may work with Lazio and Leach, but fear Senate (with Kit Bond in opposition) will be a roadblock.
Eager to work with us.

CRA:

Melissa says they want to discuss this with you as well, but it wasn't mentioned during our discussions. Key issues are the upcoming Federal Reserve Study on the profitability of CRA lending (worried about what it will say) (mandated by Fin Mod, due March 15th, will be late but unclear how late), upcoming Treasury baseline study on the effectiveness of CRA (mandated by Fin Mod, preliminary report due March 15th), regulations implementing the "sunshine" provisions, and the CRA roundtable.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Melissa G. Green (CN=Melissa G. Green/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:22-MAY-2000 20:15:43.00

SUBJECT: some details for itchy

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

TEXT:
The final agreement includes all of your initial New Markets ideas)

APICs, Tax Credit, NMVC) as well as nine new empowerment zones while

extending all the existing zones until 2009. On the Republican side the

deal creates 40 renewal communities) competitively selected low-income

communities) with similar tax incentives to EZs, but with slightly richer

capital gains provisions and no discretionary spending. In addition, the

deal enacts a 40% increase in the low-income housing tax credit and the

charitable choice provisions that allow religious organization to compete

for drug treatment funds.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: David W. Beier (CN=David W. Beier/OU=OVP/O=EOP [OVP])

CREATION DATE/TIME:22-MAY-2000 21:23:58.00

SUBJECT: EZs and New markets

TO: Alvin Brown (CN=Alvin Brown/OU=OVP/O=EOP@EOP [OVP])
READ:UNKNOWN

TO: Charles W. Burson (CN=Charles W. Burson/OU=OVP/O=EOP@EOP [OVP])
READ:UNKNOWN

TO: Laura M. Quinn (CN=Laura M. Quinn/OU=OVP/O=EOP@EOP [OVP])
READ:UNKNOWN

TO: Monica M. Dixon (CN=Monica M. Dixon/OU=OVP/O=EOP@EOP [OVP])
READ:UNKNOWN

CC: Andrew F. Schneider (CN=Andrew F. Schneider/OU=OVP/O=EOP@EOP [OVP])
READ:UNKNOWN

CC: Matthew L. Bennett (CN=Matthew L. Bennett/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TEXT:
The White House reached an agreement (as of this evening) on New Markets.

The agreement includes $ 200 million for the Second Round of Empowerment Zones (of which $100 million will be put into the Supplemental ---- which at this point means the Ag FY 2001 bill). EZs will also get the enhanced wage credit, and a zero capital gains "roll over" for investments made within an EZ.

As previously discussed this agreement also includes the Low Income Housing Tax credit, and tax provisions that benefit New Markets. The bill creates 40 Renewal Communities, with D.C. type capital gains treatment for individuals who hold equities for businesses or commercial real estate within a RC for 5 years. A version of the wage credit will also apply in these areas.

The Hill Republicans have already talked with the press, so this will be in the papers in the morning. Gene Sperling has briefed reporters and put the VP into the story with respect to EZs.

There will be a ceremony on this announcement ---- tentatively set for 11:35 a.m. to 12:05 p.m. in the Rose Garden. Hastert will be there and my assumption is that Watts and Talent will attend as well.

The Vice President was briefed on this developed at the State dinner by Gene.

I do not have any paper, and do not currently know anything about the plans to invite any other members or dignitaries.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Matthew L. Bennett (CN=Matthew L. Bennett/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:25-MAY-2000 10:46:44.00

SUBJECT: EZs and New markets

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

TO: Zina C. Pierre (CN=Zina C. Pierre/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TEXT:
This answers the question regarding the money portion.

---------------------- Forwarded by Matthew L. Bennett/WHO/EOP on

05/25/2000 10:46 AM ---------------------------

David W. Beier

05/22/2000 09:23:58 PM

Record Type: Record

To: Charles W. Burson/OVP/EOP@EOP, Monica M. Dixon/OVP/EOP@EOP,

Laura M. Quinn/OVP/EOP@EOP, Alvin Brown/OVP/EOP@EOP

cc: Andrew F. Schneider/OVP/EOP@EOP, Matthew L. Bennett/WHO/EOP@EOP

Subject: EZs and New markets

The White House reached an agreement (as of this evening) on New Markets. The agreement includes $ 200 million for the Second Round of Empowerment Zones (of which $100 million will be put into the Supplemental ---- which at this point means the Ag FY 2001 bill). EZs will also get the enhanced wage credit, and a zero capital gains "roll over" for investments made within an EZ.

As previously discussed this agreement also includes the Low Income Housing Tax credit, and tax provisions that benefit New Markets. The bill creates 40 Renewal Communities, with D.C. type capital gains treatment for individuals who hold equities for businesses or commercial real estate within a RC for 5 years. A version of the wage credit will also apply in these areas.

The Hill Republicans have already talked with the press, so this will be in the papers in the morning. Gene Sperling has briefed reporters and put the VP into the story with respect to EZs.

There will be a ceremony on this announcement ---- tentatively set for 11:35 a.m. to 12:05 p.m. in the Rose Garden. Hastert will be there and my assumption is that Watts and Talent will attend as well.

The Vice President was briefed on this developed at the State dinner by Gene.

I do not have any paper, and do not currently know anything about the plans to invite any other members or dignitaries.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:10-JUL-2000 16:44:21.00

SUBJECT: Re: private activity bonds

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

TEXT:
How soon do you need to respond to this letter? There is new legislation has been proposed that might pass that will increase the PAB cap much faster that currently authorized. Either send this out today or wait until legislation is passed.

Renee Sagiv
07/10/2000 04:41:47 PM
Record Type: Record

To: Alexandra Gianinno/OMB/EOP@EOP
cc:
Subject: private activity bonds

Hi, Alex. Gov. Shaheen wrote in about this and about the LIHTC. I based my response mostly on the response to Gov. Davis that you cleared for me back in May. Please let me know if you think it's ok as is, or if you have any recommendations. I'll fax you a copy of the incoming letter. Thanks!

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

TEXT:
Unable to convert NTNFS301:[ATTACH.D37]ARMS35000ZE8G.001 to ASCII,
The following is a HEX DUMP:

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

Dear Jeanne:

Thank you for your letter regarding private activity bonds and the Low-Income Housing Tax Credit.

As you know, in 2003, the private activity bond cap will gradually begin to increase so that by 2007 the cap for each state will be set at either $75 per capita or the state limit, whichever is greater. I have shared with members of my staff in the Office of Management and Budget your recommendation that the cap be increased immediately. Although my 2001 budget does not propose to increase the cap ahead of schedule, I recognize that private activity bonds are useful tools for making a broad spectrum of activities affordable -- including student loans, industrial development, redevelopment of blighted areas, manufacturing, municipal services, hazardous waste disposal sights, and single and multi-family housing.

I was pleased to learn of your support for raising the Low-Income Housing Tax Credit volume cap from $1.25 per capita to $1.75 per capita. My 2001 budget includes this measure and also proposes indexing the cap to inflation after 2001.

As my Administration continues our efforts to ensure that all Americans have access to safe and affordable housing, I'm grateful for your insights.

Sincerely,

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Alison N. Cantu (CN=Alison N. Cantu/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:10-JUL-2000 17:15:17.00

SUBJECT: Re: gov. shaheen

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

TEXT:
All that can clear on this are at Nat'l Govs Assoc. meeting. I will make sure I get this to you tomorrow.
thanks

Renee Sagiv
07/10/2000 05:06:12 PM
Record Type: Record

To: Alison N. Cantu/WHO/EOP@EOP
cc:
Subject: gov. shaheen

Hi! I need IGA clearance for the attached draft response to gov. Shaheen, who wrote to POTUS re: private activity bonds and the low-income housing tax credit. It's been cleared by Alex Gianinno in OMB, but she said that the situation may change quickly, so she'd like us to get the response out ASAP, before it becomes outdated. If it could be cleared by IGA by tomorrow afternoon, I'd be very grateful! Thanks.

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

TEXT:
Unable to convert NTNFS301:[ATTACH.D78]ARMS35000ZFF9.001 to ASCII,
The following is a HEX DUMP:

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

Dear Jeanne:

Thank you for your letter regarding private activity bonds and the Low-Income Housing Tax Credit.

As you know, in 2003, the private activity bond cap will gradually begin to increase so that by 2007 the cap for each state will be set at either $75 per capita or the state limit, whichever is greater. I have shared with members of my staff in the Office of Management and Budget your recommendation that the cap be increased immediately. Although my 2001 budget does not propose to increase the cap ahead of schedule, I recognize that private activity bonds are useful tools for making a broad spectrum of activities affordable -- including student loans, industrial development, redevelopment of blighted areas, manufacturing, municipal services, hazardous waste disposal sights, and single and multi-family housing.

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Sincerely,

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Renee Sagiv (CN=Renee Sagiv/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:10-JUL-2000 16:56:30.00

SUBJECT: Re: private activity bonds

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

TEXT:
I assume, then, that the response is ok as is until further action is taken? If so, I'll try to get the letter out in the next couple of days, and then if you could let me know when the situation changes, that would be great. Does that sound good?

Alexandra Gianinno
07/10/2000 04:48:18 PM
Record Type: Record

To: Renee Sagiv/WHO/EOP@EOP
cc:
bcc:
Subject: Re: private activity bonds

Unfortunately I don't know. It should be soon but I can't promise anything. I guess sending this out as quickly as you can would be the best idea.

Renee Sagiv
07/10/2000 04:48:33 PM
Record Type: Record

To: Alexandra Gianinno/OMB/EOP@EOP
cc:
bcc:
Subject: Re: private activity bonds

I wouldn't be able to send it out today, so I guess we should wait... any idea how long a wait it will be?

Alexandra Gianinno
07/10/2000 04:42:33 PM
Record Type: Record

To: Renee Sagiv/WHO/EOP@EOP
cc:
bcc:
Subject: Re: private activity bonds

How soon do you need to respond to this letter? There is new legislation has been proposed that might pass that will increase the PAB cap much faster that currently authorized. Either send this out today or wait until legislation is passed.

Renee Sagiv
07/10/2000 04:41:47 PM
Record Type: Record

To: Alexandra Gianinno/OMB/EOP@EOP
cc.
Subject: private activity bonds

Hi, Alex. Gov. Shaheen wrote in about this and about the LIHTC. I based my response mostly on the response to Gov. Davis that you cleared for me back in May. Please let me know if you think it's ok as is, or if you have any recommendations. I'll fax you a copy of the incoming letter. Thanks!

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

TEXT:
Unable to convert NTNFS301:[ATTACH.D53]ARMS35000ZEPK.001 to ASCII,

The following is a HEX DUMP:

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

Dear Jeanne:

Thank you for your letter regarding private activity bonds and the Low-Income Housing Tax Credit.

As you know, in 2003, the private activity bond cap will gradually begin to increase so that by 2007 the cap for each state will be set at either $75 per capita or the state limit, whichever is greater. I have shared with members of my staff in the Office of Management and Budget your recommendation that the cap be increased immediately. Although my 2001 budget does not propose to increase the cap ahead of schedule, I recognize that private activity bonds are useful tools for making a broad spectrum of activities affordable -- including student loans, industrial development, redevelopment of blighted areas, manufacturing, municipal services, hazardous waste disposal sights, and single and multi-family housing.

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As my Administration continues our efforts to ensure that all Americans have access to safe and affordable housing, I'm grateful for your insights.

Sincerely,

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Alison N. Cantu (CN=Alison N. Cantu/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:11-JUL-2000 19:28:33.00

SUBJECT: Re: gov. shaheen

TO: Matthew L. Bennett (CN=Matthew L. Bennett/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TEXT:
thanks matt.

Matthew L. Bennett
07/11/2000 05:24:47 PM
Record Type: Record

To: Alison N. Cantu/WHO/EOP@EOP
cc:
Subject: gov. shaheen

This is what I sent to Alex. We need to get a response from OMB.
---------------------- Forwarded by Matthew L. Bennett/WHO/EOP on
07/11/2000 05:24 PM ---------------------------

Matthew L. Bennett
07/11/2000 02:14:54 PM
Record Type: Record

To: Alexandra Gianinno/OMB/EOP@EOP
cc:
Subject: gov. shaheen

Alex: Why do we want to force out this Shaheen letter? My understanding is that the deal that we cut with Hastert includes an increase in the PAB cap -- is that what is likely to change? Why don't we just wait for the situation to evolve before sending this (relatively anemic) letter)?

MLB
---------------------- Forwarded by Matthew L. Bennett/WHO/EOP on
07/11/2000 02:13 PM ---------------------------

Alison N. Cantu
07/11/2000 02:11:59 PM

Record Type: Record

To: Matthew L. Bennett/WHO/EOP@EOP
cc:
Subject: gov. shaheen

Can you look at this draft-
thanks
---------------------- Forwarded by Alison N. Cantu/WHO/EOP on 07/11/2000 02:11 PM ---------------------------

Renee Sagiv
07/10/2000 05:06:12 PM
Record Type: Record

To: Alison N. Cantu/WHO/EOP@EOP
cc:
Subject: gov. shaheen

Hi! I need IGA clearance for the attached draft response to gov. Shaheen, who wrote to POTUS re: private activity bonds and the low-income housing tax credit. It's been cleared by Alex Gianinno in OMB, but she said that the situation may change quickly, so she'd like us to get the response out ASAP, before it becomes outdated. If it could be cleared by IGA by tomorrow afternoon, I'd be very grateful! Thanks.

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

TEXT:
Unable to convert NTNFS301:[ATTACH.D90]ARMS350010ASI.001 to ASCII,
The following is a HEX DUMP:

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

Dear Jeanne:

Thank you for your letter regarding private activity bonds and the Low-Income Housing Tax Credit.

As you know, in 2003, the private activity bond cap will gradually begin to increase so that by 2007 the cap for each state will be set at either $75 per capita or the state limit, whichever is greater. I have shared with members of my staff in the Office of Management and Budget your recommendation that the cap be increased immediately. Although my 2001 budget does not propose to increase the cap ahead of schedule, I recognize that private activity bonds are useful tools for making a broad spectrum of activities affordable -- including student loans, industrial development, redevelopment of blighted areas, manufacturing, municipal services, hazardous waste disposal sights, and single and multi-family housing.

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As my Administration continues our efforts to ensure that all Americans have access to safe and affordable housing, I'm grateful for your insights.

Sincerely,

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Mark D. Magana (CN=Mark D. Magana/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:14-JUL-2000 13:54:05.00

SUBJECT: New Markets Deal Issues

TO: Charles M. Brain (CN=Charles M. Brain/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TEXT:
New Markets Deal Issues

1st. Tier

Low Income Housing Tax Credit) Issue: difference in phase in. Archer = $1.25-$1.65/5 yr (indexing for inflation?). Admin = $1.25-$1.75/1st yr (indexing for inflation). 380 cosponsors of Nancy Johnson bill (HR 175) to increase the same as Admin. 16 of 23 W&M GOP members on the bill (14 of 16 Dems).
Options:
1. Make good Hastert/Brain/Sperling deal on LIHTC [ex. $1.25-$1.75/ 2 yrs (indexing for inflation)],
2. Make not as good Hastert/Brain/Sperling deal on LIHTC [ex. $1.25-$1.70/3-4 yrs (indexing for inflation)] convince Rangel to agree, let Senate pass Admin. provision and fix in conference (Rangel doesn ,t trust that this will be fixed in conference if he lets it go now).
3. Wait and let N. Johnson other GOP cosponsors of HR 175 pressure Archer (not likely)

Private Activity Bond)per capita cap agreed to at $75 per capita. Issue is phase in: This cap would accelerate on same timetable as Low Income Housing Tax Credit.

Capitol Gains Rollover in EZs) Zero capital gains tax for businesses who rollover their capital into new ventures in the EZ. Issue is business eligibility: Businesses that started in EZ since designation vs. businesses that started in EZs since date of passage. Jefferson would like a broader interpretation of the rollover provision. Administration generally supports Jefferson but never specified issue in prior negotiations.

2nd Tier

DC tax treatment) Admin wants current tax incentives continued until 2009, GOP wants to designate DC a renewal community instead of continuing current tax incentives. Benefits to DC are less under a renewal community

Territories Eligibility for tax Credits -- Yes or No?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Margy Waller (CN=Margy Waller/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:21-JUL-2000 16:09:08.00

SUBJECT: Re: HUD/Treasury/DOJ MOU on LIHTC

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

CC: Michelle M. Aronowitz (CN=Michelle M. Aronowitz/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TEXT:
My understanding is that it will not be announced by the President, but
may be announced by the Secy.'s in the "amplification" days (TH and FR).

Andrea Kane
07/21/2000 04:06 PM
Record Type: Record

To: Margy Waller/OPD/EOP@EOP
cc:
Subject: Re: HUD/Treasury/DOJ MOU on LIHTC

---------------------- Forwarded by Andrea Kane/OPD/EOP on 07/21/2000
04:06 PM ---------------------------

Andrea Kane
07/21/2000 04:06 PM
Record Type: Record

To: Michelle M. Aronowitz/WHO/EOP@EOP
cc:
bcc: Records Management@EOP
Subject: Re: HUD/Treasury/DOJ MOU on LIHTC

that seems to be the case but I'm not positive

Michelle M. Aronowitz
07/21/2000 03:16:21 PM

Record Type: Record

To: Andrea Kane/OPD/EOP@EOP
cc:
Subject: Re: HUD/Treasury/DOJ MOU on LIHTC

i've heard a lot about it but haven't seen it yet. I heard from DOJ that it won't be announced next week?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Michelle M. Aronowitz (CN=Michelle M. Aronowitz/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:21-JUL-2000 16:08:38.00

SUBJECT: Re: HUD/Treasury/DOJ MOU on LIHTC

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

TEXT:
the relevance of my question being, of course, whether i have to look at this asap, or i can do it on monday. i'm still looking at the docs from last night.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Mark D. Magana (CN=Mark D. Magana/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:21-JUL-2000 14:51:55.00

SUBJECT: New Markets

TO: Joel K. Wiginton (CN=Joel K. Wiginton/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

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

TO: Lisa M. Kountoupes (CN=Lisa M. Kountoupes/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

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

TO: Charles M. Brain (CN=Charles M. Brain/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TEXT:
Chuck -- You probably already know this (you probably caused it) but it looks like New Markets is going to hit the House floor next week (Tues?). Rangel will probably go to rules with a substitute that fixes the Low income housing tax credit, the private activity bond and the EZ cap gains rollover provision. Hastert was supposed to make some kind of announcement today.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Mark D. Magana (CN=Mark D. Magana/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:21-JUL-2000 17:15:43.00

SUBJECT: weekly new markets paragraph

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

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

TEXT:
Next Week, the New Markets legislation that you and Speaker Hastert agreed upon may come to the House floor for a vote. It appears that Speaker Hastert has decided to take the bill directly to the floor, bypassing the Ways and Means Committee. Rep. Archer has successfully insisting that the rate of increase in the low income Housing tax credit and the Private activities bond cap be less than what was agreed to in May. The Legislation will probably be considered under suspension of the rules or under a closed rule, neither of which would allow for any amendments to be considered. Rep. Rangel, who is a strong supported of our negotiated low income housing tax credit increase, my try to go to rules and offer a substitute that fixes the low income housing tax credit, the private activity bond and the empowerment zone capital gains rollover provision.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Andrea E. Jacobson (CN=Andrea E. Jacobson/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:21-JUL-2000 15:21:28.00

SUBJECT: Re: MOU between treasury, hud, and justice

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

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

TEXT:
Thanks. I've forwarded it to other members of the branch as well, since it covers a couple different program areas that i don't work on.

Margy Waller
07/21/2000 03:12:08 PM

Record Type: Record

To: Andrea E. Jacobson/OMB/EOP@EOP
cc:
Subject: MOU between treasury, hud, and justice

I am faxing a draft MOU between these three agencies to you. While it doesn't need to be cleared, i would be interested in your thoughts from a housing perspective. this my be announced next week after the ada even at the WH on wednesday.

I wondered in particular whether the implication of problems with LIHTC and Section 8 vouchers would raise any concerns.

I know you are busy - but if you have time to glance at it between now and monday morning, I'd appreciate the input.

Thx.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-JUL-2000 17:23:07.00

SUBJECT: Treas/HUD/DOJ MOU

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

TO: Michelle M. Aronowitz (CN=Michelle M. Aronowitz/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

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

TEXT:
Sarah: it occurs to me that you may have views on this and we'll get you a copy 1st thing Monday. It's an MOU I just learned about on Friday that the agencies were developing as part of a package of ADA anniversary deliverables. It will not be released by the White House - the agencies have their own set of deliverables for amplification after POTUS/FLOTUS event on Wed (VP doing an event Tues).

I don't see any major problems but I do have a few general questions.
1) What is the problem/issue the MOU is intended to address? Have there been specific problems of FHA violations in LIHTC properties? I recall various racial situations, but have there also been disability-related incidents? Or, is this trying to increase coordination of enforcement activities among the 3 agencies?

2) I don't know much about FHA, but I assume it deals with discrimination against people on the basis of factors beside disability. It appears that the MOU also applies much more broadly than just issues of disability-related discrimination. While that may be appropriate, it seems a bit odd to then pitch this as an ADA-related deliverable.

3) This seems like it could scare off LIHTC projects at the time we're trying to encourage construction of more affordable housing. I wonder if there's a way to put the scary sounding stuff in a broader context, by adding an introductory graph such as: We recognize that LIHTC plays a critical role in expanding the supply of affordable housing and that most property owners comply with the FHA. However, to ensure that [insert whatever FHA is intended to ensure], we need to ...

4) the refererence to 'enhanced' compliance in 1st graph leaves the impression that compliance is weak now - is it?

5) In 2nd graph, would be helpful to explain what is meant by "in a manner consistent with the Act".

Let;s compare reactions then we can get back to Treasury or other agencies as appropriate.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Margy Waller (CN=Margy Waller/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:24-JUL-2000 12:37:11.00

SUBJECT: Re: Treas/HUD/DOJ MOU

TO: michelle m. aronowitz (CN=michelle m. aronowitz/OU=who/O=eop@eop [who])
READ:UNKNOWN

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

CC: Clifton G. Kellogg (CN=Clifton G. Kellogg/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

CC: sarah rosen wartell (CN=sarah rosen wartell/OU=opd/O=eop@eop [opd])
READ:UNKNOWN

TEXT:
Sarah concurs with our comments and questions. She also recommends (and we agree) that an introduction clarifying the need for the MOU be added. She suggests (Sarah - feel free to amplify) that we add a couple lines explaining that:

1) compliance with all applicable laws is a basic eligibility requirement for LIHTC projects.
2) historically, the agencies charged with enforcement of these laws have not had a mechanism for communicating and coordinating to ensure that the full range of enforcement tools are utilized.
3) this MOU is intended to accomplish improve coordination, communication and enforcement.

Cliff - I will get you copy of the draft ASAP. Please share your thoughts with us as well. Then we should get back to Treasury. I told Melissa Schroeder that we would talk today.

Andrea Kane
07/22/2000 05:22 PM
Record Type: Record

To: Michelle M. Aronowitz/WHO/EOP@EOP, Margy Waller/OPD/EOP@EOP
cc: Sarah Rosen Wartell/OPD/EOP@EOP
Subject: Treas/HUD/DOJ MOU

Sarah: it occurs to me that you may have views on this and we'll get you a copy 1st thing Monday. It's an MOU I just learned about on Friday that the agencies were developing as part of a package of ADA anniversary deliverables. It will not be released by the White House - the agencies have their own set of deliverables for amplification after POTUS/FLOTUS event on Wed (VP doing an event Tues).

I don't see any major problems but I do have a few general questions.
1) What is the problem/issue the MOU is intended to address? Have there been specific problems of FHA violations in LIHTC properties? I recall various racial situations, but have there also been disability-related incidents? Or, is this trying to increase coordination of enforcement activities among the 3 agencies?

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4) the refererence to 'enhanced' compliance in 1st graph leaves the impression that compliance is weak now - is it?

5) In 2nd graph, would be helpful to explain what is meant by "in a manner consistent with the Act".

Let;s compare reactions then we can get back to Treasury or other agencies as appropriate.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jodi R. Sakol (CN=Jodi R. Sakol/OU=OVP/O=EOP [OVP])

CREATION DATE/TIME:25-JUL-2000 09:44:17.00

SUBJECT: Re: NM statement

TO: Kristina Wolfe (CN=Kristina Wolfe/OU=OVP/O=EOP@EOP [OVP])
READ:UNKNOWN

CC: james e. kennedy (CN=james e. kennedy/OU=who/O=eop@eop [who])
READ:UNKNOWN

TEXT:
yes. i think it's important to remind our friends of our strong and unwavering support for empowerment zones and investment in distressed communities. jim, what do you think??

Kristina Wolfe
07/25/2000 09:38:19 AM
Record Type: Record

To: James E. Kennedy/WHO/EOP@EOP, Jodi R. Sakol/OVP/EOP@EOP
cc:
Subject: NM statement

Do you want to put out a statement?
---------------------- Forwarded by Kristina Wolfe/OVP/EOP on 07/25/2000 09:38 AM ---------------------------

Paul Thornell
07/25/2000 09:15:10 AM
Record Type: Record

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

See below from Cliff at NEC.
---------------------- Forwarded by Paul Thornell/OVP/EOP on 07/25/2000 09:20 PM ---------------------------

Clifton G. Kellogg
07/24/2000 06:58:41 PM

Record Type: Record

To: Phyllis A. Love/OVP/EOP
cc: aram h. kailian/ovp/eop, alvin brown/ovp/eop, Paul Thornell/OVP/EOP
bcc:
Subject: Re: House NM legislation

Here's some possible language for you to work with, should the House pass the EZ/New Markets bill this week:

I am pleased that today the House approved the historic bi-partisan agreement on New Markets, Empowerment Zones and Community Renewal announced May 23 between the Administration and the Speaker, however, important work remains to be done on this bill and the upcoming final Congressional appropriations for FY01 to fully reflect that agreement. Unfortunately, some in the House have resisted following through on the terms of the Administration-Speaker agreement. Compared the the negotiated deal, the House bill slows down the increase in the Low Income Housing Tax Credit and Private Activity Bonds, restricts the capital gains rollover in EZs and the extension of DC tax incentives, and upsets the careful balance among the different incentives. In terms of appropriations, the House VA-HUD bill does not provide funding for Empowerment Zones or for the New Markets programs. In these times of economic prosperity, we must assure that no communities are left behind. Congress should pass this legislation, but these important weaknesses must be addressed if we are to honor the bi-partisan spirit of those negotiations.

Phyllis A. Love
07/21/2000 04:36:24 PM
Record Type: Record

To: Clifton G. Kellogg/OPD/EOP@EOP
cc: Aram H. Kailian/OVP/EOP@EOP, Alvin Brown/OVP/EOP@EOP
Subject: House NM legislation

I will be on vacation next week and I understand that the House NM legislation is supposed to hit the floor next week. There are some issues that are still contentious such as the low income tax credit, the private activity bond, and EZ rollover issue. In addition, the $200M of funding for the EZ's are not included since it must go through the Approps process.

We may want to issue a statement from the VP regarding any passage. Can you draft something and give it to Aram in my absence? A major issue from our side will continue to be the lack of funding of the $200M in the package.

Message Sent
To:
David W. Beier/OVP/EOP@EOP
Andrew F. Schneider/OVP/EOP@EOP
James E. Kennedy/WHO/EOP@EOP
Jodi R. Sakol/OVP/EOP@EOP
Kristina Wolfe/OVP/EOP@EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Clifton G. Kellogg (CN=Clifton G. Kellogg/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:25-JUL-2000 18:59:57.00

SUBJECT: Robb bill summary

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

TEXT:
I found something that work. Let me know if you need more info. Cliff
---------------------- Forwarded by Clifton G. Kellogg/OPD/EOP on
07/25/2000 06:59 PM ---------------------------

James_Dennis@robb.senate.gov (James Dennis)
07/25/2000 02:57:47 PM
Record Type: Record

To: Clifton G. Kellogg/OPD/EOP
cc:
Subject: Re[2]:

Sorry.

______________________________ Reply Separator
____

Subject: Re:
Author: Clifton_G._Kellogg@opd.eop.gov at Internet
Date: 7/25/2000 2:34 PM

James -- This is only the LIHTC provisions. Do you have a longer
description of the bill? I could use it ASAP. Cliff

(Embedded image moved James_Dennis@robb.senate.gov (James
Dennis) to file: 07/25/2000 02:33:44 PM PIC31938.PCX)

Record Type: Record

To: Clifton G. Kellogg/OPD/EOP

cc:
Subject:

- summarym.wpd

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

TEXT:
Unable to convert NTNFS202:[ATTACH.D22]ARMS22000RV08.001 to ASCII,
The following is a HEX DUMP:

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

"Creating New Markets and Empowering America Act of 2000" Summary

There are three New Markets proposals that have been included in the bill, all of which are designed to provide capital to lower income communities. The lack of capital has always been a major impediment to growth in lower income neighborhoods. These New Markets provisions take different approaches to accomplish the goal of building up from within.

Title I. New Markets Tax Credit

This provision is designed to attract new capital to businesses in our nation's inner cities and isolated rural communities that traditionally have had difficulty getting capital. This provision would infuse $15 billion in investments over the next 7 years through a 30 percent tax credit for businesses who provide capital to these low income communities.

Title II. America's Private Investment Companies

This program would provide matching funds for large capital investments. HUD would authorize investment companies (APICs) that would have to invest at least $25 million of their own capital. Overall this would allow $1 billion in low-cost loans to match $500 million in private investment creating a total of $1.5 billion of investments in lower income communities.

Title III. New Market Venture Capital Firms

The third New Market initiative would create a new class of venture capital funds for businesses in lower income communities. Unlike the other New Markets provisions that are focused on start-up money, this program would fund the operation and administration of ongoing businesses to help them with growth potential to continue to expand. In order to qualify, the NMVC must have $5 million in equity, plus $1.5 million in cash or in-kind commitments for operations. The SBA would give provide $1.50 in loan guarantees for every $1 raised by the NMVC. These loans, which would be operated through the SBA, could guarantee up to $150 million to match $100 million in private equity. SBA can also make $30 million in matching grants for operating expenses.

Title IV. Empowerment Zones

- **Round II**

As part of the 1997 Balanced Budget Act, a second round of Empowerment Zones and Enterprise Communities were created. Although they were given the same tax advantages as the Round I zones, these entities were not given mandatory funding as was done for the Round I EZ/ECs. Urban EZs were supposed to receive $10 million each year for 10 years; rural EZs $4M each year for 10 years; ECs a one time grant of $3 million. This has not happened. This bill would require that these funds be made mandatory, so that each community has an opportunity to create and implement their plans.

- **Round III**

A third round of 9 (7 urban and 2 rural) empowerment zones will be created. The criteria for the rural zones will be changed from existing law in that "outmigration" will be added as a criteria to be considered when awarding the new rural zones.

- **All Zones**

All of the empowerment zones, including the District of Columbia, will be extended until 2009. The zones will have the following tax advantages:

- the employer receives a tax credit (20 percent) on the first $15,000 paid to the employee.
- the ability to issue tax-exempt bonds.
- the ability to deduct an additional $35,000 in capital expenditures instead of amortizing the cost.
- no taxes are due when stock from one business in an empowerment zone is rolled over for stock in another business in the zone.
- the 50 percent capital gains exclusion on the sale of small business stock is increased to 60 percent.
- the rules on intangibles which have been an impediment to high technology companies have been changed so that these companies are better able to take advantage of the tax incentives in the zones.
- brownfields remediation will be extended in these zones and Renewal Communities through 2009.

Title V. Renewal Communities

The Renewal Communities provisions represent the agreement between President Clinton and Speaker Hastert. This Agreement would create 40 (32 urban, 8 rural) Renewal Communities which would allow businesses that operate in these areas to benefit from a variety of tax provisions.

- increased expensing for small businesses up to $35,000 (same as empowerment zones)
- a smaller employer wage credit than the empowerment zones (15% on the first $10,000 paid to each worker.
- no capital gains taxes paid on the sale of assets that are held for at least 5 years.
- a commercial revitalization deduction for those taxpayers who rehabilitate or revitalize the buildings in the RC.

Title VI. Low Income Housing Tax Credit

Since its inception in 1986, it has been estimated that over 750,000 affordable housing units have been provided that utilize the low income housing credit. Although the program has been quite successful over time it has become clear that some changes are necessary. The primary improvement is modifying the selection criteria so that agencies must take into account the accessibility of jobs to the area, whether or not the project would be part of a community revitalization plan and whether the occupants have children. The legislation will also require that before a housing credit is allocated, a comprehensive market study must be completed to be sure that the housing is needed and in the right location. Finally, the bill would raise the per capita rate from $1.25 to $1.75 immediately and index it for inflation after 2001 .

Home Ownership Tax Credit

The values of home ownership are undeniable. Not only does it offer an effective procedure for wealth accumulation, but it creates a sense of civic pride and enhanced interest in community. The low income housing tax credit has been effective in making low income housing available, however, its focus is on providing rental housing not ownership. The home ownership tax credit is a means of helping lower income individuals purchase housing.

Each state would receive a 40 cents per capita allocation of tax credits. These credits would be auctioned off to mortgage lenders who would provide a second mortgage pool for low income lenders. These second mortgages would either be a no-interest 25 year balloon mortgage or a low-interest amortized loan that could be paid at the same time as the primary loan. These second mortgages would be used by lower income people to reduce their monthly mortgage and would help them qualify for a traditional first mortgage.

Historic Homes Renovation Deduction

This provision would allow a 50 percent limited tax deduction for the rehabilitation of historic buildings for home ownership. The restoration of existing historic structures is important for any community renewal effort. This legislation is similar to S. 664 which has broad bi-partisan support and 38 co-sponsors.

Private Activity Bonds

This provision would increase the private activity tax-exempt bond cap to $75 per capita or $225 million, if greater, and index the cap to inflation. The current cap placed on each state of $50 per capita or $150 million that was not indexed to inflation has restricted this program from maximizing its potential. The caps were scheduled to increase, but this provision would make the increase immediate.

Private activity bonds have been used successfully as applied to mortgage revenue bonds and other bonds for multifamily housing, redevelopment of blighted areas, student loans, manufacturing, and hazardous waste disposal facilities. This provision mirrors S. 459 that was introduced by Senators Breaux and Hatch and has 78 co-sponsors.

HUD Transfer

HUD would be able sell unoccupied and substandard homes and housing projects in lower income communities to community development corporations.

Title VII. Trade-Affected Communities Relief

This provision would provide Trade Adjustment Assistance to assis
with income support and retraining for new jobs when an industry

[Automated Records Management System Hex-Dump Conversation] suddenly closes its doors. Unless the community gets back on its feet, there will be no jobs available for those workers who are retrained. This provision mirrors S.2445, the Assistance in Development for Communities Act, or the "AID for Communities" Act, that helps these communities in transition. This provision assists communities in developing a plan to retool their economies and offers financial assistance and tax incentives to help communities implement those plans.

This legislation provides automatic assistance by providing a one-time grant, up to $100,000, which gives communities the immediate resources they need to develop a long-term plan to readjust their economic base. Once an economic development plan is developed, the next step is implementing the plan. This legislation would establish a second, competitive grant program to help communities fulfill the promise of their new vision. These funds can be used to improve transportation, increase educational opportunities, establish small business incubators or expand commercial infrastructure. Finally, this bill would expand the Work Opportunity Tax Credit (WOTC) to provide employers with a tax credit if they hire someone who lives in an affected community and has lost a job due to trade.

Title VIII. Delta Regional Authority

The Delta Regional Authority would provide technical assistance to small, poorer localities that have only part-time staff to negotiate the sometimes complicated application process necessary for acquiring federal funding for critically important transportation, housing, infrastructure and economic development projects. It would also aid needy localities in meeting the matching fund requirements of federal programs that require such matches and foster cooperation among state, localities, private sector interests and charitable, non-profit groups to determine region-wide solutions to regional problems. Finally it would provide a regional view on issues that cannot be adequately addressed on a state-by-state basis.

This bill is identical to S. 1622 that was introduced by Senator Lincoln and co-sponsored by Senators Breaux, Durbin, Fitzgerald, Frist, Hutchinson, and Landrieu.

Title IX. New Millenniums Classrooms Act

By encouraging the donation of computer equipment and software to schools, libraries, senior centers, and nonprofit vocational training centers, we would be taking a large step towards reducing the digital divide. This provision would allow for a credit of 30 percent of the fair market value of the donated computer equipment and allow equipment up to 3 years old to be eligible. The credit would be expanded to 50% for equipment donated to schools within designated Empowerment Zones, Enterprise Communities, Indian reservations and Renewal Communities. It would also expand the world of eligible donors by allowing the original equipment manufacturers or any corporation that reacquires the equipment to get the credit.

Finally, it would require that the equipment have an operating system so that the computers are usable by the recipients.

This legislation is similar to S. 542 and has wide bi-partisan support.

Title X. Assisting Religious and Other Community Organizations to Participate in Federal Grant Programs

In an effort to familiarize religious and community organizations with federal grant programs, this bill includes language that would require the Substance Abuse and Mental Health Services Administration to set up an office similar to HUD's Office of Community and Faith-Based Organizations that would assist faith based and community organizations in applying for federal grant funds to provide substance abuse treatment. It would also require the IRS to provide guidance and make information available to assist religious and community organizations in establishing tax-exempt entities that can be used to operate social services. Many of these organizations are unfamiliar with the process necessary to set up a tax-exempt organization and are therefore unable to participate in federal grant programs. This provision would provide them with the necessary information and assistance.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Kristina Wolfe (CN=Kristina Wolfe/OU=OVP/O=EOP [OVP])

CREATION DATE/TIME:25-JUL-2000 09:38:26.00

SUBJECT: NM statement

TO: Jodi R. Sakol (CN=Jodi R. Sakol/OU=OVP/O=EOP@EOP [OVP])
READ:UNKNOWN

TO: James E. Kennedy (CN=James E. Kennedy/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TEXT:
Do you want to put out a statement?
---------------------- Forwarded by Kristina Wolfe/OVP/EOP on 07/25/2000
09:38 AM ---------------------------

Paul Thornell
07/25/2000 09:15:10 AM
Record Type: Record

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

See below from Cliff at NEC.
---------------------- Forwarded by Paul Thornell/OVP/EOP on 07/25/2000
09:20 PM ---------------------------

Clifton G. Kellogg
07/24/2000 06:58:41 PM
Record Type: Record

To: Phyllis A. Love/OVP/EOP
cc: aram h. kailian/ovp/eop, alvin brown/ovp/eop, Paul
Thornell/OVP/EOP
bcc:
Subject: Re: House NM legislation

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Congressional appropriations for FY01 to fully reflect that agreement. Unfortunately, some in the House have resisted following through on the terms of the Administration-Speaker agreement. Compared the the negotiated deal, the House bill slows down the increase in the Low Income Housing Tax Credit and Private Activity Bonds, restricts the capital gains rollover in EZs and the extension of DC tax incentives, and upsets the careful balance among the different incentives. In terms of appropriations, the House VA-HUD bill does not provide funding for Empowerment Zones or for the New Markets programs. In these times of economic prosperity, we must assure that no communities are left behind. Congress should pass this legislation, but these important weaknesses must be addressed if we are to honor the bi-partisan spirit of those negotiations.

Phyllis A. Love
07/21/2000 04:36:24 PM
Record Type: Record

To: Clifton G. Kellogg/OPD/EOP@EOP
cc: Aram H. Kailian/OVP/EOP@EOP, Alvin Brown/OVP/EOP@EOP
Subject: House NM legislation

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We may want to issue a statement from the VP regarding any passage. Can you draft something and give it to Aram in my absence? A major issue from our side will continue to be the lack of funding of the $200M in the package.

Message Sent
To:
David W. Beier/OVP/EOP@EOP
Andrew F. Schneider/OVP/EOP@EOP

James E. Kennedy/WHO/EOP@EOP
Jodi R. Sakol/OVP/EOP@EOP
Kristina Wolfe/OVP/EOP@EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: mfeichter@state.de.us (Martha Feichter) (mfeichter@state.de.us (Martha Feichter) [UNKNOWN])

CREATION DATE/TIME:28-JUL-2000 14:55:26.00

SUBJECT: Community Renewal Bill

TO: Scott Beale (CN=Scott Beale/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

TEXT:
The Community Renewal and New Markets Act of 2000, HR 4923, passed on the 25th in the HOuse by a vote of 394-27. I am told (by Frank Shafroth) that it
was brought up under suspension of the rules so that Rangel could not offer an amendment on two issues: 1) an accelleration in the private activitiy bond
volume cap; and 2) acceleration in the low-income housing tax credit, but that there was an agreement to address the two issues in conference. The paper reported that the President signed off on the bill, but it is not clear
whether he signed off on the actual bill or the likely bill once the two issues are addressed in conference. Can you look into this and let me know what you find out. Thanks!

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:31-JUL-2000 11:40:21.00

SUBJECT: LIHTC and PAB

TO: Jeffrey H. Oakman (CN=Jeffrey H. Oakman/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

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

TEXT:
The bill that passed last week did include increases in the caps for both of those but the increases are not what had been agreed to in the Clinton-Hastert agreement. Senator Robb has a bill that does include increases per the agreement. But, based on the current legislation that has passed here is some info for your letter.

The House bill, H.R. 4923, that was passed last week authorized an increase in the low-income housing credit cap from $1.25 to $1.75 per resident by 2006; and the bill accelerates the phase-in of an increase in the private activity bond cap, from $50 to $75 per resident of each state, or $225 million (if greater), beginning in 2007. These increases are less than we expected and less than the overwhelming majority of Democrats and Republicans in the House support. We are deeply committed to accelerating this increase in the Conference.

Jeffrey H. Oakman
07/31/2000 11:14:42 AM
Record Type: Record

To: Alexandra Gianinno/OMB/EOP@EOP
cc:
Subject: LIHTC

Hi Alex,

I have a letter form Gov Dean of Vermont encouraging POTUS to increase the LIHTC and raise the private activity bond cap to what will be its 2007 levels immediately. I know that at least the LIHTC part of this was in the New Markets, Empowerment Zone and Community Renewal agreement between POTUS and Hatsert. Was it still in the legislation that was passed last week? Also, what can we say about the bond caps?

Please let me know if I should fax you the incoming. Thanks very much,
Jeffrey, x65517

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jeffrey H. Oakman (CN=Jeffrey H. Oakman/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:31-JUL-2000 15:26:53.00

SUBJECT: letter for Gov Dean

TO: Alison N. Cantu (CN=Alison N. Cantu/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TEXT:
Howard Dean wrote in about the dearth of low income housing in Vermont. he was concerned particularly to increase the Low Income Housing Tax Credit and the Private Activity Bond Cap. i got this draft cleared thru OMB, and was wondering if y'all think it's OK. Also, is there anyone else who should vet it?

Thanks much,
jeffrey

DRAFT:
Dear Howard:
Thanks for your letter regarding low income housing in Vermont. I'm always glad to hear from you, and I've shared your correspondence with the appropriate members of my staff.

I am pleased that on July 25, the House of Representatives passed H.R. 4923, the "Community Renewal and New Markets Act of 2000," which includes authorization for an increase in the low-income housing credit cap from $1.25 to $1.75 per resident by 2006. The bill also accelerates the phase-in of the private activity bond cap so that by 2007 the cap for each state will be set at either $75 per capita or $225 million, whichever is greater. However, as you may know, I had hoped for a shorter timeframe for bolstering these programs, and I will continue to push hard to accelerate the increases when the bill goes to conference.

As my Administration continues working to ensure that all Americans have access to safe and affordable housing, I ,m glad to know I can count on your help. Best wishes.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jeffrey H. Oakman (CN=Jeffrey H. Oakman/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:31-JUL-2000 11:14:47.00

SUBJECT: LIHTC

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

TEXT:
Hi Alex,

I have a letter form Gov Dean of Vermont encouraging POTUS to increase the LIHTC and raise the private activity bond cap to what will be its 2007 levels immediately. I know that at least the LIHTC part of this was in the New Markets, Empowerment Zone and Community Renewal agreement between POTUS and Hatsert. Was it still in the legislation that was passed last week? Also, what can we say about the bond caps?

Please let me know if I should fax you the incoming. Thanks very much,
Jeffrey, x65517

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Charles M. Brain (CN=Charles M. Brain/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:24-AUG-2000 10:32:41.00

SUBJECT:

TO: Rebecca_Hunter@who.eop.gov (Rebecca_Hunter@who.eop.gov [UNKNOWN])
READ:UNKNOWN

TEXT:
New Markets

Status: The House passed the bill on July 25th by the overwhelming vote of 394 to 27. The Speaker was instrumental in moving the bill to the floor in spite of the inability of Chairman Archer and Cong. Rangel to resolve differences between them regarding the duration and phase in of the low income housing tax credit and the private activity bond cap. The Speaker agreed to work with Cong. Rangel to ensure that the final bill contains provisions acceptable to him. In addition, a technical change needs to be made to {check w/ Cliff}. The only controversy regarding the bill related to the &charitable choice 8 provisions which allow religious groups that offer drug and alcohol treatment to receive federal funds. Cong. Scott took time in opposition to the bill on the basis of these provisions.

In the Senate Senators Santorum and Lieberman have introduced their version of the legislation. In addition to containing the version of the housing tax credit and bond cap which Cong. Rangel supports, the bill also contains broader &charitable choice 8 language that would let faith-based groups provide any service that the governbment contracts out to private organizations. Sen. Robb has announced that he will introduce an alternative to the Santorum legislation which would require faith-based organizations to obey federal anti-discrimination laws if they receive federal money. These provisions are more acceptable to us and both sides have promised to work to design a mutually acceptable.

Prognosis: Sen. Lott is much less committed to moving New Markets legislation than is the Speaker. The bill has been referred to the Finance Committee and there is some indication that Chairman Roth might take the bill up in the middle of September. However, given the crowded Senate calendar and the short legislative schedule, there is no guarantee that this bill will be able to move through the regular legislative process. You should discuss with the Speaker how we can work with him to ensure that the Senate does not prevent New Markets from becoming law this year.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Rebecca Hunter (CN=Rebecca Hunter/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:24-AUG-2000 15:02:49.00

SUBJECT: Memo to POTUS

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

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

TO: Joel K. Wiginton (CN=Joel K. Wiginton/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TEXT:
Chuck and Sylvia Mathews are sending a memo to the President regarding a converstation that will more than likely will take place with Speaker Hastert during the Colombia trip. We think the Speaker will raise with the President what they can get done during the remainder of this Congress. Chuck asked that you take a look at the section on New Markets as soon as possible and let me know if you have any changes or additions. Thanks.

New Markets
Status: The House passed the bill on July 25th by the overwhelming vote of 394 to 27. The Speaker was instrumental in moving the bill to the floor in spite of the inability of Chairman Archer (R-TX) and Rep. Rangel (D-NY) to resolve differences between them regarding the duration and phase in of the low income housing tax credit and the private activity bond cap. The Speaker agreed to work with Rep. Rangel to ensure that the final bill contains provisions acceptable to him. In addition, a technical change needs to be made to {check w/ Cliff}. The only controversy regarding the bill related to the &charitable choice 8 provisions which allow religious groups that offer drug and alcohol treatment to receive federal funds. Rep. Scott (D-VA) took time in opposition to the bill on the basis of these provisions.

In the Senate, Senators Santorum (R-PA) and Lieberman (D-CT) have introduced their version of the legislation. In addition to containing the version of the housing tax credit and bond cap which Rep. Rangel supports, the bill also contains broader &charitable choice 8 language that would let faith-based groups provide any service that the government contracts out to private organizations. Sen. Robb (D-VA) has announced that he will introduce an alternative to the Santorum legislation, which would require faith-based organizations to obey federal anti-discrimination laws if they receive federal money. These provisions are more acceptable to us and both sides have promised to work to design a mutually acceptable provisions.

Prognosis: Majority Leader Lott is much less committed to moving New

Markets legislation than the Speaker is. The bill has been referred to the Finance Committee and there is some indication that Chairman Roth (R-DE) might take the bill up in the middle of September. However, given the crowded Senate calendar and the short legislative schedule, there is no guarantee that this bill will be able to move through the regular legislative session. You should discuss with the Speaker how we can work with him to ensure that the Senate does not prevent New Markets from becoming law this year. In addition, you should raise inclusion in this bill of the authorization of the Delta Regional Commission, which is not likely to move independently.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Clifton G. Kellogg (CN=Clifton G. Kellogg/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:25-AUG-2000 12:17:05.00

SUBJECT: Re: Memo to POTUS

TO: Joel K. Wiginton (CN=Joel K. Wiginton/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

CC: sarah rosen wartell (CN=sarah rosen wartell/OU=opd/O=eop@eop [opd])
READ:UNKNOWN

CC: rebecca hunter (CN=rebecca hunter/OU=who/O=eop@eop [who])
READ:UNKNOWN

CC: clifton g. kellogg (CN=clifton g. kellogg/OU=opd/O=eop@eop [opd])
READ:UNKNOWN

CC: charles m. brain (CN=charles m. brain/OU=who/O=eop@eop [who])
READ:UNKNOWN

TEXT:
Yes. The 3 outstanding issues in the House bill were LIHTC phase-in, extending DC incentives, and the start date for the EZ cap gains rollover. In addition, Treasury has numerous technical fixes in the NMTC, and SBA has a few in the NMVenture Capital.

Regarding DC, the House-passed bill would give DC preference to win "Renewal Community" status when DC existing incentives expire 12/31/02. The Renewal Community tax incentives are not as generous as the current DC incentives, so we would prefer a simple extension of current DC tax incentives to end of 2009 (same expiration date as RCs and EZs). Furthermore, to win an RC, DC would need to satisfy the minimum requirements of all RC applicants (reduced regulation and certain economic growth initiatives), which we're not wild about.

Cliff

Joel K. Wiginton
08/25/2000 12:03 PM
Record Type: Record

To: Clifton G. Kellogg/OPD/EOP@EOP, Charles M. Brain/WHO/EOP@EOP
cc: rebecca hunter/who/eop@eop, clifton g. kellogg/opd/eop@eop,

sarah rosen wartell/opd/eop@eop
bcc:
Subject: Re: Memo to POTUS

Chuck -- I spoke with Cliff, and I think what he drafted below is the best way of addressing the DC issue. In fact, Cliff's version is quite clear compared to the actual issue. I think I was mistaken in the piece I just wrote regarding DC. Cliff, please correct me if I'm wrong, but based on our conversation I believe the "technical changes" are more closely related to the NM's Tax Credit, not DC and that the DC fixes are more complicated and substantive???

Clifton G. Kellogg
08/24/2000 04:24:08 PM
Record Type: Record

To: Joel K. Wiginton/WHO/EOP@EOP
cc: rebecca hunter/who/eop@eop, clifton g. kellogg/opd/eop@eop, sarah rosen wartell/opd/eop@eop
Subject: Re: Memo to POTUS

Building on Joel's suggestions:

New Markets
Status: The House passed the bill on July 25th by the overwhelming vote of 394 to 27. The Speaker was instrumental in moving the bill to the floor in spite of the inability of Chairman Archer (R-TX) and Rep. Rangel (D-NY) to resolve differences between them regarding the duration and phase in of the low income housing tax credit (LIHTC) and the private activity bond cap. The Speaker agreed to work with Rep. Rangel to ensure that the final bill contains provisions acceptable to [ ] Mr. Rangel. We were disappointed that the Speaker could not get Chairman Archer to accept the final terms of the deal we negotiated with the Speaker's Office, but we thought it was wiser to move the bill forward with the Speaker's commitment to fix the bill in conference [Our goal is that the increase in the LIHTC be effective immediately with cost-of-living indexing in the future; the House bill proposes a 6-year phase-in of the increase.]

In addition, our agreement with the Speaker included extending the existing tax incentives for the District of Columbia, currently due to expire in 2002, through 2009. The Speaker's Office has also agreed to work with us on this, though they are less committed to one of the incentives, a tax credit for first-time homebuyers. Finally, the Congressional Black Caucus would like the new capital gains provisions in Empowerment Zones to apply to business investments made since EZ designation (rather than from the date of this bill), though we have not made any public commitments to this position.

The only controversy regarding the bill related to the &charitable choice 8 provisions that allow religious groups that offer drug and alcohol treatment to receive federal funds [awk sentence]. Rep. Scott (D-VA) took time in opposition to the bill on the basis of these provisions, especially arguing that religious organizations' receiving federal funds should not be able to retain their exemption from Title VII that allows them to favor members of their own religion in hiring practices.

In the Senate, Senators Santorum (R-PA) and Lieberman (D-CT) have introduced their version of the legislation. Although the Santorum-Lieberman bill contains the version of the housing tax credit and bond cap which Rep. Rangel supports, the bill also contains substantially broader &charitable choice 8 language that would explicitly allow religious organizations to compete for federal funding in nearly all federal grant programs. In addition to the broad scope, the charitable choice language raises several problematic issues for civil liberties groups. For example: it allows religious organizations to require employees to adhere to religious tenets, teaching, and rules forbidding alcohol or drug use; and provides weaker protections for beneficiaries using vouchers.

Sen. Robb (D-VA) has [ ] introduced an alternative to the Santorum legislation with a much more narrowly tailored charitable choice provision that also avoids the Title VII issue. The Robb bill is generally more acceptable to us, but we expect to work with all of the key Senators on a final bill.

Prognosis: Majority Leader Lott is much less committed to moving New Markets legislation than the Speaker is. The bill has been referred to the Finance Committee and there is some indication that Chairman Roth (R-DE) might take the bill up in the middle of September. However, given the crowded Senate calendar and the short legislative schedule, there is no guarantee that this bill will be able to move through the regular legislative session. You should discuss with the Speaker how we can work with him to ensure that the Senate does vote on [] New Markets [] this year. In addition, you should raise inclusion in this bill of the authorization of the Delta Regional Authority, which is part of the Robb bill (but was not part of the original negotiation with Speaker Hastert), but is not likely to move independently.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: "Douglas S. Kantor" <Douglas_S._Kantor@HUD.GOV> ("Douglas S. Kantor" <Douglas_S._Kantor@HUD.GOV> [UNKNOWN])

CREATION DATE/TIME: 1-SEP-2000 14:39:27.00

SUBJECT: New York Hot Issues

TO: Raj Adlakha (CN=Raj Adlakha/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

CC: William Kooper <William_Kooper@HUD.GOV> (William Kooper <William_Kooper@HUD.GOV> [UNKNOWN])
READ:UNKNOWN

CC: "Jennifer M. Quinn" <Jennifer_M._Quinn@HUD.GOV> ("Jennifer M. Quinn" <Jennifer_M._Quinn@HUD.GOV> [UNKNOWN])
READ:UNKNOWN

TEXT:
Housing Authority Lawsuits: The NYC Housing Authority (NYCHA) has filed
suit in
federal court to require HUD to provide financial assistance to aid 6,659
public
housing units. Joining the NYCHA were housing authorities from Auburn and
Plattsburgh, New York, who are also seeking funding to help rehabilitate
developments that have fallen into disrepair. The claim is that the
Quality
Housing and Work Responsibility Act of 1998 requires HUD to
?federalize?
troubled projects. The Department?s position is that it would be illegal
to use
HUD funding to cover a state shortfall, and Congress acted last year to bar
federalization of these and other state-assisted public housing units.
Congress
must fist authorize the funding.

Temple Fires: Sheepshead Bay, Brooklyn?s Beth Aaron Temple was a haven
for the
homeless, but was lost to fires earlier this week. Sadly, this tradgedy
comes
very soon to the Jewish High Holy Days. The Temple has a congregation of
as
many 150 families. There have been rumors from neighbors that someone
might
have tossed an accelerant into the building, where a handful of homeless
men
were sleeping. Fire officials are only saying that that are investigating.
Firefighters were able to save the Temple?s Torah, which was taken to a
nearby
Temple to dry out.

In a separate incident, a fire at Temple Beth Chai in Hauppauge on Long Island is being investigated as a bias crime. There were no reported injuries and it was unclear whether anyone was in the temple at the time of the fire. The Suffolk Police Arson Squad determined the fire had been intentionally set. The Suffolk County bias crimes unit declared it a bias crime. The metropolitan area and much of the country have been on the alert for hate crimes after last week's shooting at a Jewish community center in Los Angeles.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Hildy Kuryk (CN=Hildy Kuryk/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 8-SEP-2000 13:35:34.00

SUBJECT: Briefing Paper

TO: Joel K. Wiginton (CN=Joel K. Wiginton/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TEXT:
Here is your language from the Colombia memo. Karen said this is what we are going with. Hope this helps. thanks.

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In addition, our agreement with the Speaker included extending the existing tax incentives for the District of Columbia, currently due to expire in 2002, through 2009. (The House bill does not provide this, but rather would provide that D.C. would receive priority for designation as a &renewal community. 8) The Speaker ,s office has also agreed to work with us on this, though they are less committed to one of the incentives, a tax credit for first time home)buyers in the District.

The only controversy during House consideration of the bill involved the & charitable choice 8 provisions in the bill, which allows religious groups that offer drug and alcohol treatment to receive federal funds. Rep. Scott (D-VA) took time in opposition to the bill on the basis of these provisions, especially arguing that religious organizations receiving federal funds should not be able to retain their exemption from Title VII that allows them to favor members of their own religion in hiring practices.

In the Senate, Senators Santorum (R-PA) and Lieberman (D-CT) have introduced their version of the legislation. Although the Santorum) Lieberman bill contains the version of the low-income housing tax credit and private activity bond cap which Rep. Rangel supports, the bill also contains broader &charitable choice 8 language that would explicitly allow religious organizations to compete for federal funding in nearly all federal grant programs. In addition to the broad scope, the &charitable choice 8 language raises several problematic issues for civil liberties groups. For example, it allows religious organizations to require employees to adhere to religious tenets, teaching, and rules forbidding alcohol or drug use; and provides weaker protections for beneficiaries using vouchers.

Senator Robb (D-VA) has introduced an alternative to the Santorum) Lieberman legislation with a much more narrowly tailored &charitable choice 8 provision that also avoids the Title VII issue. The Robb bill is generally more acceptable to us, but we expect to work with all of the key Senators on a final bill. Both the Santorum)Lieberman bill and the Robb bill contain additional tax provisions that were not part of the House) passed bill. Treasury has concerns about some aspects of these new provisions.

Prognosis: Majority Leader Lott is much less committed to moving New Markets legislation than the Speaker is. The bill has been referred to the Finance Committee and there is some indication that Chairman Roth (R-DE) might take the bill up in the middle of September. However, given the crowded Senate calendar and the short legislative schedule, there is no guarantee that this bill will be able to move through the regular legislative session. You should discuss with the Speaker how we can work with him to ensure enactment of New Markets this year. You should get his reaction to the possibility of including New Markets in the reconciliation bill. (See Reconciliation section below.) In addition, you should raise inclusion in this bill of the authorization of the Delta Regional Authority, which is part of the Robb bill (but was not part of the original negotiation with Speaker Hastert), but which is not likely to move independently. Funding for the Delta Regional Authority contained in the Senate Energy and Water appropriation bill is made contingent on authorization.

Hate Crimes

Status: On June 20th the Senate passed (57-42) Senator Kennedy ,s Hate Crimes bill as an amendment to the Department of Defense Authorization bill. (Senator Byrd was the only Democrat to oppose the amendment). The amendment would expand the federal Hate Crimes law to include crimes committed because of the victim's gender, sexual orientation, or disability. In addition, the amendment would create a federal grant and technical assistance program under which states and municipalities could receive aid in their investigation and prosecution of hate crimes.

Prognosis: Despite our victory in the Senate, the ultimate prospects for the Hate Crimes bill are uncertain. The Hate Crimes language is not part of the House Defense Authorization bill, and given the probable conferees on this measure, it is unlikely that the Kennedy amendment will be included in the Conference Report. The House Democrats (led by Rep.

Conyers and Mr. Gephardt) are, therefore, attempting to get a floor vote on a bill that mirrors the Kennedy amendment. It remains unclear, however, whether they will be successful. And regardless whether there is a successful House floor vote, it is unlikely that the Republican Leadership will allow for another Senate vote on the Kennedy language as a stand-alone bill.

You should impress upon the Speaker that this is an important issue to you and your Administration and that you will be looking for any opportunity to include it in moving legislation, possibly in one of the final appropriations bills.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Hildy Kuryk (CN=Hildy Kuryk/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 8-SEP-2000 16:18:21.00

SUBJECT: Re: Briefing Paper

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

TEXT:
Joel's piece for the briefing paper.
---------------------- Forwarded by Hildy Kuryk/WHO/EOP on 09/08/2000 04:18 PM ---------------------------

Joel K. Wiginton
09/08/2000 03:59 PM
Record Type: Record

To: Hildy Kuryk/WHO/EOP@EOP
cc:
bcc:
Subject: Re: Briefing Paper

Hey Hildy -- here are my sections:

New Markets
Status: The House passed H.R. 4923, The Community Renewal and New Markets Act of 2000, on July 25th by the overwhelming vote of 394 to 27. The bill includes the Administration ,s &New Markets Tax Credit, 8 extension of the existing empowerment zones and the designation of nine new empowerment zones, new tax incentives for &renewal communities, 8 and an increase in the low)income housing tax credit. The Speaker was instrumental in moving the bill to the floor in spite of the inability of Chairman Archer (R-TX) and Rep. Rangel (D-NY) to resolve their differences regarding whether the increase in the low-income housing tax credit was immediate or phased)in over six years. The Speaker also agreed to work with Rep. Rangel to ensure that the final bill contains provisions acceptable to Rep. Rangel. In addition, the Speaker promised to provide a $200 million increase in appropriations for empowerment zones. This funding has not yet been included in the House bill. We were disappointed that the Speaker could not get Chairman Archer to accept the final terms of the deal we negotiated with the Speaker ,s office, but we thought it was wiser to move the bill forward with the Speaker ,s commitment to fix the bill in conference.

In addition, our agreement with the Speaker included extending the existing tax incentives for the District of Columbia, currently due to expire in 2002, through 2009. (The House bill does not provide this, but rather would provide that D.C. would receive priority for designation as a &renewal community. 8) The Speaker ,s office has also agreed to work with us on this, though they are less committed to one of the incentives, a tax credit for first time home)buyers in the District.

The only controversy during House consideration of the bill involved the & charitable choice 8 provisions in the bill, which allows religious groups that offer drug and alcohol treatment to receive federal funds. Rep. Scott (D-VA) took time in opposition to the bill on the basis of these provisions, especially arguing that religious organizations receiving federal funds should not be able to retain their exemption from Title VII that allows them to favor members of their own religion in hiring practices.

In the Senate, Senators Santorum (R-PA) and Lieberman (D-CT) have introduced their version of the legislation. Although the Santorum) Lieberman bill contains the version of the low-income housing tax credit and private activity bond cap which Rep. Rangel supports, the bill also contains broader &charitable choice 8 language that would explicitly allow religious organizations to compete for federal funding in nearly all federal grant programs. In addition to the broad scope, the &charitable choice 8 language raises several problematic issues for civil liberties groups. For example, it allows religious organizations to require employees to adhere to religious tenets, teaching, and rules forbidding alcohol or drug use; and provides weaker protections for beneficiaries using vouchers.

Senator Robb (D-VA) has introduced an alternative to the Santorum) Lieberman legislation with a much more narrowly tailored &charitable choice 8 provision that also avoids the Title VII issue. The Robb bill is generally more acceptable to us, but we expect to work with all of the key Senators on a final bill. Both the Santorum)Lieberman bill and the Robb bill contain additional tax provisions that were not part of the House) passed bill. Treasury has concerns about some aspects of these new provisions.

Prognosis: Although Majority Leader Lott is much less committed to moving the New Markets legislation than the Speaker, the Speaker has convinced Lott to bypass the Committee process and bring the bill to the Senate floor, if the Democrats agree to offer only germane amendments. However, there is no guarantee that the Democrats will agree to limit their amendments (indeed, many Democrats and Republicans will have their own pet programs they will want to add to this measure). In addition, the charitable choice provisions are objectionable enough to a large number of Democrats that they may block passage or consideration of the bill over this one issue. All this combined with the crowded Senate calendar and the short legislative schedule, make it unclear whether this bill will indeed be brought to the floor and passed by the full Senate. We should, therefore, continue to explore the possibility of adding the New Markets Initiative to the Reconciliation bill, Minimum Wage, or some unrelated measure.

Hate Crimes

Status: On June 20th the Senate passed (57-42) Senator Kennedy ,s Hate Crimes bill as an amendment to the Department of Defense Authorization bill. (Senator Byrd was the only Democrat to oppose the amendment). The amendment would expand the federal Hate Crimes law to include crimes committed because of the victim's gender, sexual orientation, or disability. In addition, the amendment would create a federal grant and technical assistance program under which states and municipalities could receive aid in their investigation and prosecution of hate crimes.

Prognosis: Despite our victory in the Senate, the ultimate prospects for the Hate Crimes bill are uncertain. The Hate Crimes language is not part of the House Defense Reauthorization bill, and given the probable conferees on this measure, it is unlikely that the Kennedy amendment will be included in the conference report. The House Democrats (led by Rep. Conyers, Mr. Gephardt, and Mr. Frank) are, therefore, attempting to force a floor vote on a Motion to Instruct the conferees to include the Kennedy amendment in DoD Reauthorization. It remains unclear, however, whether they will be successful. And regardless whether there is a successful House floor vote, it is unlikely that the Republican Leadership will ultimately allow the language to be maintained in the conference report.

Bankruptcy

In response to your letters to the Hill and your staff's offer to the Senate Republican Leadership, Senator Lott recently presented a written counteroffer on the Bankruptcy bill. The written offer was unacceptable, and, indeed, was significantly worse than the verbal offer Senator Lott's staff presented to us last month. Although the Republican counteroffer does make a reasonable proposal on homestead, it: (1) eliminates Senator Schumer's clinic violence amendment (and even omits the less favorable, but still helpful, Rep. Hyde clinic violence amendment); (2) maintains Senator Hatch's objectionable Fair Debt Collection Practices Act amendment; (3) adds in an anti-consumer provision supported by the rent-to-own industry and Rep. Armey that has already been considered and rejected by the conferees; and (4) adds in a somewhat helpful, but slightly flawed, means-test safe-harbor.

We plan to respond to the Republican counteroffer on Monday, September 12th. The response will note that we appreciate the Republican's willingness to make a good faith offer on homestead but also note that the remainder of the counteroffer -- and to a large extent the underlying bill -- still fall short of something you could support. We do not plan on making a counteroffer to the Republican offer, but we will make it clear that we are still open to talking.

Prognosis:

Given the short time remaining in the legislative calendar, the prospects for the Bankruptcy bill are unclear. The Republicans still need to obtain unanimous consent to bring the bill to the Senate floor or attach the bill to another conference report, because of the "blue slip" issue. In addition, although there remains significant Democratic support for the bill, many Democratic backers of the bill have suggested that they could not support the measure if it contains the Republican counteroffer. In the end, therefore, the Republican Leadership will likely attempt to attach the Bankruptcy bill to some other measure and force you to decide whether to veto the underlying bill.

Hildy Kuryk 09/08/2000 01:35:29 PM

Record Type: Record

To: Joel K. Wiginton/WHO/EOP@EOP
cc:
Subject: Briefing Paper

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In addition, our agreement with the Speaker included extending the existing tax incentives for the District of Columbia, currently due to expire in 2002, through 2009. (The House bill does not provide this, but rather would provide that D.C. would receive priority for designation as a &renewal community. 8) The Speaker ,s office has also agreed to work with us on this, though they are less committed to one of the incentives, a tax credit for first time home)buyers in the District.

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Joel K. Wiginton (CN=Joel K. Wiginton/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:11-SEP-2000 13:43:57.00

SUBJECT: Bankruptcy Stuff

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

TEXT:
Sarah -- Here's Hoppe's number -- 224-3135. When Gene calls Hoppe, can you call or page me so I can call Hatch and Grassley -- in particular, I feel like I should give McMickle a heads up.

Also, here is the stuff we wrote on NMs and Bankruptcy. I'm not quite sure if this is final, however:

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Clifton G. Kellogg (CN=Clifton G. Kellogg/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:15-SEP-2000 16:02:51.00

SUBJECT: CHC para on New Markets

TO: Mark D. Magana (CN=Mark D. Magana/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TEXT:
New Markets:
The House passed the New Markets package 394-27 on July 25. The CHC members were supportive. The package includes:
New Markets Initiative (New Markets Tax credit for investors, America's Private Investment Companies and New Market Venture Capital firms, modeled after SBA and OPIC's equity funds.)
Empowerment Zones (creating 9 new zones, standardizing all the incentives, adding capital gains reductions, and $200 million in discretionary spending.)
Renewal Communities (40 competitively selected communities, with similar tax incentives as EZs, but a lower wage credit and 0% capital gains rate.)
Low Income Housing Tax Credit and Private Activity Bond Cap, and "Charitable Choice" for SAMHSA drug counseling programs at HHS.

We continue to do the groundwork in preparation for Senate action on the New Markets bill. We now believe that the Finance Committee will mark-up the tax provisions next week or the week following. Senator Lott also promised Hastert he would take up the bill on the floor if Democrats would not seek to offer their nonrelevant message amendments. It is unclear if the Senate would consider the full House bill, as amended by the Senate Finance Committee or only the tax provisions.

The most uncertain policy issue, and one that has attracted opposition from Rep. Bobby Scott and civil liberties groups, remains "charitable choice." The House bill would allow religious organizations to provide drug counseling services under SAMSA. The most contentious aspect is whether religious organizations, when they receive these federal funds, may retain their exemption from Title VII that allows them to favor members of their own religion in their hiring practices. The Santorum-Lieberman bill would apply "charitable choice" to additional programs and provides fewer protections to beneficiaries and employees. We hope to hold the line on the House version, despite the opposition of Scott and the groups.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Zina C. Pierre (CN=Zina C. Pierre/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:19-SEP-2000 17:07:02.00

SUBJECT:

TO: Ed Rosado@202-942-4281@fax (Ed Rosado@202-942-4281@fax [UNKNOWN])
READ:UNKNOWN

TEXT:
September 11, 2000

TO: John Podesta
Chief of Staff, The White House

FROM: Mayor H. Brent Coles

RE: Priority Items for Inclusion in Omnibus Budget Package

As President of The United States Conference of Mayors, I wanted to convey the mayors , interest in a number of key legislative items that we would urge you to include among your priorities in the closing weeks of the 106th Congress, as you negotiate an omnibus budget package.

CARA
passage of the CARA legislation which calls for permanent full funding of the stateside assistance program of the Land and Water Conservation Fund (LWCF), with a 50 percent guaranteed pass-through to local governments, and $125 million annually for the Urban Parks and Recreation Recovery Program (UPARR). We know that there is ongoing work on an amendment on federal land acquisition issues; we would urge you to continue working with the Congress to secure a final agreement this year.

Appropriations
CDBG ($5 billion) and HOME ($2 billion) -- increased funding for HUD ,s two key block grants to cities;
Housing Vouchers -- full funding of Administration ,s request (120,000 new incremental housing vouchers);
Homeless Assistance -- $1.2 billion for Continuum of Care Homeless Assistance grant program and $37 million for Shelter Plus Care grant renewals; Youth Opportunity Grants -- seeking at least $125 million increase for this program which serves out-of-school youth (part of the President ,s original budget); and Youth Formula Funding -- seeking at least $254 million (funding level offered in the Kennedy Amendment) in Youth Formula Funding under the Workforce Investment Act, to assure level year-round service to youth who were not served in the Summer Jobs program.

Brownfield Reform Legislation
support efforts to include key brownfields provisions (funding for city cleanup programs and liability reforms to protect innocent parties).

High-Speed Rail Investment
inclusion of the High-Speed Rail Investment Act, S. 1900, which provides for tax credit-backed bonds to support state and Amtrak delivery of new capital investment for the development of high-speed intercity rail service.

New Markets/Low-Income Housing Tax Credit/Empowerment Zones
inclusion of the New Markets Initiative which provides tax credits to stimulate private investment in distressed neighborhoods; and inclusion in this package key additional incentives, such as expansion and indexing of the Low-Income Housing Tax Credit and full funding of existing and new empowerment zones.

School Modernization Bonds
inclusion of the full-scale school modernization program in the final budget package.

Better America Bonds
inclusion of this initiative in the package (key Senate Finance Committee members -- Senators Baucus and Hatch have crafted a slightly revised version (S. 1558), which the mayors , support).

On behalf of the nation ,s mayors, thank you for your strong support of our priorities.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: mfeichter@state.de.us (Martha Feichter) (mfeichter@state.de.us (Martha Feichter) [UNKNOWN])

CREATION DATE/TIME:21-SEP-2000 11:02:10.00

SUBJECT: NGA Letter

TO: Scott Beale (CN=Scott Beale/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

TEXT:
FYI

NGA CORRESPONDENCE
----
1. September 20, 2000 letter (from Governor Glendening and Governor Engler)
to Chairman Roth and Senator Moynihan thanking the Finance Committee for
scheduling a markup of Community Renewal legislation, and urging support
for
the provisions to accelerate the increase in the private activity bond cap
and the Low Income Housing Tax Credit, as well as the provisions for
brownfields and high speed rail bonds. In addition, the letter urged
support
for an amendment by Senator Bob Graham (D-Fla.) to restore funding and
flexibility to the Social Services Block Grant (SSBG) program. (Contact:
Frank Shafroth)

To view this letter, go to:

http://www.nga.org/EconDev/Letter20000920Renewal.asp

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Matthew M. Sonne (CN=Matthew M. Sonne/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:25-SEP-2000 17:14:01.00

SUBJECT: Paul Weinstein's Letter

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

TEXT:
Thanks for your help, Leanne! Here's the draft:

Dear Paul:

I have received your thoughtful letter, and I want to thank you for your service on the Domestic Policy Council and for everything you have done to help me address the needs of the American people.

From the days we worked on the campaign in Little Rock, through your tenure in the DPC, you have carried out your responsibilities superbly. As a Special Assistant to the President for Domestic Policy and Chief of Staff, you served with distinction through demanding and challenging times. Whether you were working to expand the Low-Income Housing Tax Credit, or reform the Community Reinvestment Act, you demonstrated a firm commitment to excellence and a strong devotion to public service. Vice President Gore is lucky to have you on board.

On behalf of all those who have benefited from your service, I thank you for a job well done. Hillary joins me in wishing you great success and every happiness.

Sincerely,

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Michael Bird <michael.bird@ncsl.org> (Michael Bird <michael.bird@ncsl.org> [UNKNOWN])

CREATION DATE/TIME:26-SEP-2000 09:39:59.00

SUBJECT: community renewal

TO: Matthew L. Bennett (CN=Matthew L. Bennett/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

TEXT:
Matt - if you did not receive it yesterday, you will receive this morning a "beefed up" letter of support for H.R. 4923. Our support goes to the private activity bond and low income housing tax credit provisions, as well as what appear to be agreed to language regarding state bonding authority for high-speed rail (S.1900 - Lautenberg). Where is the administration on this provision? Roth has "perfected" this particular provision by agreeing to accept language from Baucus that won't prohibit giving Amtrak two bites at the apple (the increased state bonding authority for Amtrak high-speed rail corridor projects - and any future authority to have states use highway
trust fund monies for Amtrak). As you know, Bob Graham and Grassley are trying to add SSBG language - authorizing $2.38 billion per annum and hiking
transferability of TANF to SSBG from 4.25% to 10%, another priority for us. Where are you guys? Okay - what's today's bet on adjournment, if ever?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Grace_E._Yu@who.eop.gov (Grace_E._Yu@who.eop.gov [UNKNOWN])

CREATION DATE/TIME:26-SEP-2000 14:37:16.00

SUBJECT: HR 4923 Community Renewal & New Markets Act

TO: Scott Beale (CN=Scott Beale/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

TO: Zina C. Pierre (CN=Zina C. Pierre/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

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

TO: Matthew L. Bennett (CN=Matthew L. Bennett/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

TEXT:
FYI - H.R. 4923 is coming up for markup tomorrow.
NCSL has sent letters to Senators Roth and Moynihan articulating their support for increases in the private activity bond cap (adjusting to inflation), and low income housing tax credit. The letter also reiterates their expectations from Senators Graham and Grassley to offer an amendment to restore funding of SSBG, Title XX of Social Security Act to $2.38 billion; also advocating for a 10% transfer of TANF funds to Title XX.
Copies of the letter are in each of your boxes.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Grace_E._Yu@who.eop.gov (Grace_E._Yu@who.eop.gov [UNKNOWN])

CREATION DATE/TIME:26-SEP-2000 14:36:49.00

SUBJECT: HR 4923 Community Renewal & New Markets Act

TO: Scott Beale (CN=Scott Beale/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

TO: Zina C. Pierre (CN=Zina C. Pierre/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

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

TO: Matthew L. Bennett (CN=Matthew L. Bennett/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

TEXT:
FYI - H.R. 4923 is coming up for markup tomorrow.
NCSL has sent letters to Senators Roth and Moynihan articulating their support for increases in the private activity bond cap (adjusting to inflation), and low income housing tax credit. The letter also reiterates their expectations from Senators Graham and Grassley to offer an amendment to restore funding of SSBG, Title XX of Social Security Act to $2.38 billion; also advocating for a 10% transfer of TANF funds to Title XX.
Copies of the letter are in each of your boxes.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Matthew L. Bennett (CN=Matthew L. Bennett/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:28-SEP-2000 12:13:35.00

SUBJECT: LIHTCs, PABCs

TO: Zina C. Pierre (CN=Zina C. Pierre/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

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

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

TEXT:
This is from Cliff Kellog re: private activity bond caps and the low income housing tax credit:

The Senate Finance Committee cancelled its mark-up of the New Markets bill this morning. Roth could not win Members' agreement not to offer non-germane amendments, most notably Gramm and Grassley (see good background story in this morning's Post). Roth said he would introduce his Chairman's Mark as a new Senate bill. This means there are 3 full Senate bills (Santorum-Lieberman; Robb; and now Roth's), plus the Senate Small Business Committee mark-up of the NMVC program.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Alison N. Cantu (CN=Alison N. Cantu/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:28-SEP-2000 14:55:25.00

SUBJECT: Re: LIHTCs, PABCs

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

TEXT:
I faxed this to the Mayor.

Mickey Ibarra
09/28/2000 01:08:56 PM
Record Type: Record

To: Alison N. Cantu/WHO/EOP@EOP
cc:
Subject: LIHTCs, PABCs

Please send this update to Mayor Belton for me regarding the concern she expressed to me.
---------------------- Forwarded by Mickey Ibarra/WHO/EOP on 09/28/2000 01:07 PM ---------------------------

Matthew L. Bennett
09/28/2000 12:13:22 PM
Record Type: Record

To: Mickey Ibarra/WHO/EOP@EOP, Zina C. Pierre/WHO/EOP@EOP, Scott Beale/WHO/EOP@EOP
cc:
Subject: LIHTCs, PABCs

This is from Cliff Kellog re: private activity bond caps and the low income housing tax credit:

The Senate Finance Committee cancelled its mark-up of the New Markets bill this morning. Roth could not win Members' agreement not to offer non-germane amendments, most notably Gramm and Grassley (see good background story in this morning's Post). Roth said he would introduce his Chairman's Mark as a new Senate bill. This means there are 3 full Senate bills (Santorum-Lieberman; Robb; and now Roth's), plus the Senate Small Business Committee mark-up of the NMVC program.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Matthew L. Bennett (CN=Matthew L. Bennett/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:28-SEP-2000 10:18:19.00

SUBJECT: Mayor Belton

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

TEXT:
We are getting besieged by govs and mayors asking for our help with the private activity bond caps and the low income housing tax credit. (See e.g below) Is it correct to say that we support increases in both, but that they are bottled up with a million other things in the bloated New Markets bill that Roth is struggling with?

MLB
---------------------- Forwarded by Matthew L. Bennett/WHO/EOP on 09/28/2000 10:16 AM ---------------------------

Mickey Ibarra
09/28/2000 10:02:22 AM
Record Type: Record

To: Zina C. Pierre/WHO/EOP@EOP
cc: Alison N. Cantu/WHO/EOP@EOP, Matthew L. Bennett/WHO/EOP@EOP
Subject: Mayor Belton

I need your help responding to a request from Mayor Belton regarding legislation to increase the caps on private activity bonds adn the low income housing tax credits. You are the Housing lead for us. Several govenors have inquired as well. Please get us a talking point. Alison will fax letter to you.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Mickey Ibarra (CN=Mickey Ibarra/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:28-SEP-2000 13:09:09.00

SUBJECT: LIHTCs, PABCs

TO: Alison N. Cantu (CN=Alison N. Cantu/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TEXT:
Please send this update to Mayor Belton for me regarding the concern she expressed to me.
---------------------- Forwarded by Mickey Ibarra/WHO/EOP on 09/28/2000 01:07 PM ---------------------------

Matthew L. Bennett
09/28/2000 12:13:22 PM
Record Type: Record

To: Mickey Ibarra/WHO/EOP@EOP, Zina C. Pierre/WHO/EOP@EOP, Scott Beale/WHO/EOP@EOP
cc:
Subject: LIHTCs, PABCs

This is from Cliff Kellog re: private activity bond caps and the low income housing tax credit:

The Senate Finance Committee cancelled its mark-up of the New Markets bill this morning. Roth could not win Members' agreement not to offer non-germane amendments, most notably Gramm and Grassley (see good background story in this morning's Post). Roth said he would introduce his Chairman's Mark as a new Senate bill. This means there are 3 full Senate bills (Santorum-Lieberman; Robb; and now Roth's), plus the Senate Small Business Committee mark-up of the NMVC program.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Clifton G. Kellogg (CN=Clifton G. Kellogg/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:28-SEP-2000 12:01:04.00

SUBJECT: Re: Mayor Belton

TO: Matthew L. Bennett (CN=Matthew L. Bennett/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TEXT:
Yes. You are correct that we support increases both in LIHTC and in PABs.

This morning, Senate Finance Committee cancelled its mark-up of the New Markets bill this morning. Roth could not win Members' agreement not to offer non-germane amendments, most notably Gramm and Grassley (see good background story in this morning's Post). Roth said he would introduce his Chairman's Mark as a new Senate bill. This means there are 3 full Senate bills (Santorum-Lieberman; Robb; and now Roth's), plus the Senate Small Business Committee mark-up of the NMVC program.

Hope that helps!

Matthew L. Bennett
09/28/2000 10:18:07 AM
Record Type: Record

To: Clifton G. Kellogg/OPD/EOP@EOP
cc:
Subject: Mayor Belton

We are getting besieged by govs and mayors asking for our help with the private activity bond caps and the low income housing tax credit. (See e.g below) Is it correct to say that we support increases in both, but that they are bottled up with a million other things in the bloated New Markets bill that Roth is struggling with?

MLB
---------------------- Forwarded by Matthew L. Bennett/WHO/EOP on 09/28/2000 10:16 AM ---------------------------

Mickey Ibarra
09/28/2000 10:02:22 AM
Record Type: Record

To: Zina C. Pierre/WHO/EOP@EOP
cc: Alison N. Cantu/WHO/EOP@EOP, Matthew L. Bennett/WHO/EOP@EOP
Subject: Mayor Belton

I need your help responding to a request from Mayor Belton regarding legislation to increase the caps on private activity bonds adn the low income housing tax credits. You are the Housing lead for us. Several govenors have inquired as well. Please get us a talking point. Alison will fax letter to you.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Mickey Ibarra (CN=Mickey Ibarra/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:12-OCT-2000 13:34:56.00

SUBJECT: Re: Follow-up

TO: Jason E. Hartke (CN=Jason E. Hartke/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TEXT:
Add to my MN book. get letter from me for book too. thanks.
---------------------- Forwarded by Mickey Ibarra/WHO/EOP on 10/12/2000 01:34 PM ---------------------------

Matthew L. Bennett
10/12/2000 01:25:35 PM
Record Type: Record

To: Mickey Ibarra/WHO/EOP@EOP
cc: zina c. pierre/who/eop@eop, grace e. yu/who/eop@eop
bcc:
Subject: Re: Follow-up

On the private activity bond caps and the low income housing tax credit, those are in Roth's stripped down community development bill, along with high speed rail and some other things. This is the main, perhaps only, tax vehicle right now, so if Gene reported progress in tax discussions yesterday, I'm pretty sure that's what he meant. We strongly support those two provisions (along with almost the entire remainder of the Roth bill).

MLB

Mickey Ibarra
10/12/2000 12:01:52 PM
Record Type: Record

To: Zina C. Pierre/WHO/EOP@EOP
cc: Grace E. Yu/WHO/EOP@EOP, Matthew L. Bennett/WHO/EOP@EOP
Subject: Follow-up

What is status of Morial inquiry? and I need an update by COB today on the inquiry from Mayor Belton who I will be with tomorrow regarding the status of the increase on caps for private activity bonds and low income housing tax credits and which indexes both for inflation. Her letter was dated Sept 19. Matt provided a response that this was tied up in the New Markets bill that Sen. Roth dropped last week.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Matthew L. Bennett (CN=Matthew L. Bennett/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:12-OCT-2000 13:25:37.00

SUBJECT: Re: Follow-up

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

CC: zina c. pierre (CN=zina c. pierre/OU=who/O=eop@eop [WHO])
READ:UNKNOWN

CC: grace e. yu (CN=grace e. yu/OU=who/O=eop@eop [WHO])
READ:UNKNOWN

TEXT:
On the private activity bond caps and the low income housing tax credit, those are in Roth's stripped down community development bill, along with high speed rail and some other things. This is the main, perhaps only, tax vehicle right now, so if Gene reported progress in tax discussions yesterday, I'm pretty sure that's what he meant. We strongly support those two provisions (along with almost the entire remainder of the Roth bill).

MLB

Mickey Ibarra
10/12/2000 12:01:52 PM
Record Type: Record

To: Zina C. Pierre/WHO/EOP@EOP
cc: Grace E. Yu/WHO/EOP@EOP, Matthew L. Bennett/WHO/EOP@EOP
Subject: Follow-up

What is status of Morial inquiry? and I need an update by COB today on the inquiry from Mayor Belton who I will be with tomorrow regarding the status of the increase on caps for private activity bonds and low income housing tax credits and which indexes both for inflation. Her letter was dated Sept 19. Matt provided a response that this was tied up in the New Markets bill that Sen. Roth dropped last week.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Joel K. Wiginton (CN=Joel K. Wiginton/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:17-OCT-2000 18:45:10.00

SUBJECT: New Markets

TO: Charles M. Brain (CN=Charles M. Brain/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

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

CC: Mark D. Magana (CN=Mark D. Magana/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

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

TEXT:
Hey Chuck -- I'm sure you know all this, but Gene's folks wanted to make sure I communicate the following . . .

The tax package that the Repubs are allegedly working on is rumored to include the House-passed version of New Markets. Although we signed off on moving the bill in the House, you'll recall that there were three provisions we thought were important to be fixed:

(1) the phase in of the Low Income Housing Tax Credit;

(2) the extension of the DC tax credits; and

(3) improvements in the New Market Venture Capital section ((i.e., the small business piece); we think the House version may be unworkable; we prefer Kerry's original version and could live with the Bond-Kerry version that passed out of the Senate Small Business Committee).

If we decide that we are going to attempt to influence the process as the Repubs put together this tax package, it might be helpful for you to speak to Hastert's folks to see if they can make the above changes for us. According to NEC, Hastert has said he is with us on the LIHTC and the DC provisions and has intimated that he supports us on the NMVC fixes.

If you need specifics on the necessary fixes, Sarah Rosen Wartell (6-5386) and Cliff Kellogg (6-5377) are your best resources. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Margy Waller (CN=Margy Waller/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:14-DEC-2000 20:25:02.00

SUBJECT: Draft of tax bill: LIHTC and charitable choice

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

CC: andrea kane (CN=andrea kane/OU=opd/O=eop@eop [OPD])
READ:UNKNOWN

CC: peter j. wong (CN=peter j. wong/OU=opd/O=eop@eop [OPD])
READ:UNKNOWN

CC: david tseng (CN=david tseng/OU=opd/O=eop@eop [OPD])
READ:UNKNOWN

CC: edwin c. park (CN=edwin c. park/OU=opd/O=eop@eop [OPD])
READ:UNKNOWN

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

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

CC: Julie T. Bosland (CN=Julie T. Bosland/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

TEXT:
1) LIHTC

To correct the LIHTC language as we agreed to previously we need to add a new section

on p. 66, between ll. 4 and 5:

"(ix) the accessibility of jobs, including lower skilled jobs, to the project."

Of course, that means dropping the "and" at l. 2 at the end of section (vii) and adding one at the end of line 4 in section (viii).

2) Charitable Choice

This is the language we agreed to previously.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Scott Bernstein (Scott Bernstein [UNKNOWN])

CREATION DATE/TIME:20-DEC-2000 07:44:58.00

SUBJECT: New Markets summary

TO: steve@cnt.org (steve@cnt.org [WHO])
READ:UNKNOWN

TO: bob@cnt.org (bob@cnt.org [OVP])
READ:UNKNOWN

TO: blieberman@mediaone.net (blieberman@mediaone.net [UNKNOWN])
READ:UNKNOWN

TO: sharon@cnt.org (sharon@cnt.org [WHO])
READ:UNKNOWN

TO: campbell@transmanagement.com (campbell@transmanagement.com [WHO])
READ:UNKNOWN

TO: campsc@aol.com (campsc@aol.com [UNKNOWN])
READ:UNKNOWN

TO: campsar@aol.com (campsar@aol.com [UNKNOWN])
READ:UNKNOWN

TO: Keith E. Laughlin (CN=Keith E. Laughlin/OU=CEQ/O=EOP [CEQ])
READ:UNKNOWN

TO: hdittmar@transact.gov (hdittmar@transact.gov [UNKNOWN])
READ:UNKNOWN

TO: dchen@transact.org (dchen@transact.org [NSC])
READ:UNKNOWN

TO: rkienitz@transact.org (rkienitz@transact.org [UNKNOWN])
READ:UNKNOWN

TO: elopato@pacbell.net (elopato@pacbell.net [UNKNOWN])
READ:UNKNOWN

TO: jnixon@fwg.com (jnixon@fwg.com [UNKNOWN])
READ:UNKNOWN

TO: michael_freedberg@hud.gov (michael_freedberg@hud.gov [UNKNOWN])
READ:UNKNOWN

TEXT:
Please read. See notes at end about increase in LIHTC and private activity
bond cap

- New Markets.doc=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
Unable to convert NSREOP0201:[ATTACH.D83]SREOP02400041Q6.001 to ASCII,
The following is a HEX DUMP:

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

**PRESIDENT CLINTON'S NEW MARKETS INITIATIVE:
REVITALIZING AMERICA'S UNDERSERVED COMMUNITIES
December 14, 2000**

Today, President Clinton is pleased to announce the passage of the historic new bipartisan New Markets and Community Renewal initiative. This announcement is the outcome of the commitment President Clinton and Speaker Hastert made in Chicago last Nov. to develop a bipartisan legislative initiative on New Markets and revitalizing impoverished communities this year. This initiative will help encourage private sector equity investment in underserved communities throughout the country to ensure that all Americans share in our nation's economic prosperity. The President's New Markets Initiative was originally proposed in President Clinton and Vice-President Gore's FY 2000 budget. President Clinton has highlighted the potential of the nation's New Markets in three separate trips across America to underserved inner city and rural communities like Newark, NJ, Hartford, CT, the Mississippi Delta, Appalachia, and rural Arkansas, and the Pine Ridge Indian Reservation in S. Dakota.

THE KEY ELEMENTS OF THE LEGISLATION ARE:

NEW MARKETS INITIATIVES:

- The New Markets Tax Credit. The credit will spur $15 billion in equity investment for business growth in low- and moderate-income rural and urban communities throughout the United States and Puerto Rico. The credit, worth over 30 percent of the amount invested (in present value terms), will be available to taxpayers who invest in a wide range of privately managed community development investment funds, such as community development banks and other CDFIs, venture funds, and new investment companies, that finance businesses in low- and moderate-income communities.

- New Markets Venture Capital (NMVC) Firms. NMVC firms will provide incentives to increase the availability of venture capital in low and moderate-income communities for small businesses. Expert guidance will also be made available to small business entrepreneurs in inner city and rural areas. Ten to twenty NMVC firms are planned. The agreement authorizes the SBA to guarantee up to $150 million in loans that will match $100 million in private equity for a total of $250 million and provides $30 million in technical assistance for small businesses.

- BusinessLINC (Learning, Investment, Networking and Collaboration). The bill provides $7 million in funding for BusinessLINC -- an innovative public-private partnership launched by Vice Pres. Gore -- and designed to encourage large businesses to work with and mentor small business owners and entrepreneurs in economically-distressed communities.

EMPOWERMENT ZONES:

- Strengthened & Expanded EZs. President Clinton and Vice President Gore proposed and signed Empowerment Zone legislation in 1993 establishing 9 EZs across the country – **today there are 31 across America. This agreement:**
- A third round of 9 new EZs, bringing the total number to 40, and extends all EZs to 2009.
- An additional $110 million, for a total of $200 million in discretionary investment this year for existing EZs.
- Expansion of 20% EZ wage credit (first $15,000 in annual wages for each worker), increased small business expensing (up to $35,000 more than in current law for equipment), and enhanced tax-exempt bonds to all EZs.
- Tax-free rollovers for EZ investments, and 60% capital gains exclusion for investment in small EZ businesses.

RENEWAL COMMUNITIES:

- The creation of 40 Renewal Communities designated by the U.S. Dept. of Housing and Urban Development with targeted, pro-growth tax benefits. Key incentives aimed at spurring investment in Renewal Communities include:
- Zero capital gains rate on the sales of certain assets held for more than 5 years.
- Increased small business expensing (up to $35,000 more than in current law for equipment).
- 15% employment wage credit (first $10,000 in annual income for each worker).
- Commercial revitalization deductions for taxpayers who revitalize buildings in a Renewal Community.

In addition, the New Market/Renewal Communities legislation includes these 2 provisions:

- **EXPANSION OF THE LOW INCOME HOUSING TAX CREDIT:** To expand and improve the supply of available low-income housing, This bill increases the Low-Income Housing Tax Credit by more than 40% over two years and then indexes the credit for inflation thereafter. The increase will help to create an additional 180,000 units of affordable housing for working families over the next five years. The credit will increase to $1.50 per capita for each state in 2001 and $1.75 per capita in 2002.

- **INCREASE IN THE PRIVATE ACTIVITY BOND CAP:** The legislation increases the state private activity bond cap from $50 per resident to $75 per resident, phased in from 2001 to 2002. Private activity bonds allow states and municipalities to encourage economic growth in communities through the issuing of lower cost tax exempt bonds.

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: David Medine (CN=David Medine/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:21-DEC-2000 09:52:09.00

SUBJECT: SunAmerica Letter

TO: Matthew M. Sonne (CN=Matthew M. Sonne/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TEXT:
I have reviewed the letter from Eli Broad, Chairman and CEO of SunAmerica to President Clinton, dated October 2, 2000. In the letter, Mr. Broad encourages President Clinton contact the Treasury Department about a tax interpretation issue. While not spelled out, Mr. Broad appears to be concerned about some Technical Advice Memoranda (TAMs) that the IRS was about to issue (or by now has issued) that relate to the low income housing tax credit.

I would recommend a response deferring to the IRS process for two reasons:

1) I assume that there is a policy not to have the WH interfere with IRS proceedings; and

2) In the budget bill the President is signing today, Congress changed and expanded the low income tax credit program. Presumably, SunAmerica had the opportunity to encourage Congress to change the law to resolve its concerns about the direction in which the IRS was heading. As noted above, it cannot be determined from the incoming letter precisely what issues were concerning Mr. Broad and, therefore, it is impossible to determine whether they were addressed in the legislation.