FOIA Number: 2014-0224-F

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Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: National Economic Council

Series/Staff Member: Clifton "Cliff" Kellogg

Subseries:

OA/ID Number: 20815

FolderID:

Folder Title:
LIHTC [Low Income Housing Tax Credit] Amendments

Stack:	Row:	Section:	Shelf:	Position:
S	15	3	5	3

Margy Waller
07/20/2000 10:32:14 AM

Record Type: Record

To: Clifton G. Kellogg/OPD/EOP

cc:

Subject: Re: LIHTC and New Markets

Barbara Sard's LIHTC language...

---------------------- Forwarded by Margy Waller/OPD/EOP on 07/20/2000 10:31 AM ---------------------------

Barbara Sard <sard@gis.net>
07/20/2000 10:29:37 AM

Record Type: Record

To: Margy Waller/OPD/EOP, greenstein@cbpp.org

cc: hitchcock@cbpp.org, Ellen Nissenbaum <nissenbaum@cbpp.org>

Subject: Re: LIHTC and New Markets

Margy:

The added language is contained in a new paragraph (1) in Section 2(a) of the bill. Paragraphs (2) and (3) of Section 2(a) are renumbered accordingly. For your convenience, after the proposed bill language I've pasted the current section 42(m)(1)(C) of the Internal Revenue Code.

> SEC. 2. MODIFICATION OF CRITERIA FOR ALLOCATING HOUSING CREDITS AMONG
> PROJECTS.
> (a) SELECTION CRITERIA- Subparagraph (C) of section 42(m)(1)
> (relating to certain selection criteria must be used)
> is amended--
> (1) by inserting 'including, for developments expected to
house individuals who are not elderly or disabled, the
projected availability of lower-skilled employment
opportunities that are reasonably accessible from the
proposed project location' after the comma at the end of clause
(i),
(2) by inserting `, including whether the project includes the
> use of existing housing as part of a community
> revitalization plan' before the comma at the end of clause
> (iii), and
> (3) by striking clauses (v), (vi), and (vii) and inserting the

> following new clauses:
> `(v) tenant populations with special housing needs,
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> `(vii) tenant populations of individuals with
> children, and
> `(viii) projects intended for eventual tenant
> ownership.'

***

(m) Responsibilities of housing credit agencies

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The selection criteria set forth in a qualified allocation

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(i) project location,

(ii) housing needs characteristics,

(iii) project characteristics,

(iv) sponsor characteristics,

(v) participation of local tax-exempt organizations,

(vi) tenant populations with special housing needs, and

(vii) public housing waiting lists.

----- Original Message -----
From: <Margy_Waller@opd.eop.gov>
To: <greenstein@cbpp.org>; <sard@gis.net>
Cc: <hitchcock@cbpp.org>
Sent: Wednesday, July 19, 2000 2:55 PM
Subject: LIHTC and New Markets

> Can you add the 'clause' about job access that we discussed this morning
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> the language (Rep. Johnson's amendment) below? Call me to discuss:
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> Thanks!
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> HR 2400 IH
> 106th CONGRESS
> 1st Session
> H. R. 2400
> To amend the Internal Revenue Code of 1986 to modify the low-income
> housing credit.
> IN THE HOUSE OF REPRESENTATIVES

Housing Credit Allocations, 1993-1999

	Capped Housing Credits Available	Capped Housing Credits Allocated	Capped Low Income Apartments (Allocated)	Awarded to Bond Financed Projects	Apartments in Bond Financed Projects	Total Housing Credits Allocated	Total Low Income Apartments
1993	$546,407,023	$424,704,615	106,008	$3,135,588	1,667	$427,840,203	107,675
1994	$523,275,973	$495,846,892	117,099	$8,496,058	4,565	$504,342,950	121,664
1995	$432,249,822	$420,838,098	84,205	$12,185,183	7,062	$433,023,281	91,267
1996	$391,635,156	$379,877,799	77,003	$18,782,969	10,779	$398,660,768	87,782
1997	$387,283,326	$382,894,328	70,220	$29,470,205	14,750	$412,364,533	84,970
1998	$376,842,159	$373,839,910	69,091	$54,830,190	26,994	$428,670,100	96,085
1999	$374,670,775	$369,546,254	62,420	$73,800,675	38,277 *	$443,346,929	100,697 *

* estimate. Data on 1999 apartments in bond financed projects is still being compiled.

Source: National Council of State Housing Agencies

incl. carryforward frm prior years unused

1. apts more expensive
2. more 9% deals (rehab)

- all 4% credits
- more often w/mkt. rate apts incl. in project
- most states still require that proposal meets state "allocation plan" – comp'n is among other uses of bonds rather than among other LIHTC applic'ns.

CENTER ON BUDGET AND POLICY PRIORITIES

To: Cliff Kellogg

From: Barbara Sard and Bob Greenstein

Subject: A Proposed Addition to New Markets Legislation Concerning the Low Income Housing Tax Credit

Date: June 27, 2000

The House version of the New Markets legislation includes provisions that would increase the amount of the Low Income Housing Tax Credit (LIHTC) and make some programmatic changes in the LIHTC legislation. We think it could be important to the Administration's efforts to support working families and move families from welfare to work to add a provision that would encourage states to allocate housing tax credits to projects in areas of high job growth. This is particularly important because the changes the New Markets legislation would make in the LIHTC legislation are likely to direct a greater share of tax credits to central cities than was previously the case.

Section 502(b) of H.R. 3832 (the compromise "New Markets" bill introduced in the House) would require states to give preference in the allocation of housing tax credits to projects that are located in "qualified census tracts" and that contribute to "a concerted community revitalization plan." A "qualified census tract" is an area in which at least half of the households have incomes below 60 percent of the area median — about $30,000 per year nationally. While it is difficult to predict the precise effect of this provision, one likely effect would be to increase the proportion of LIHTC projects developed in central city areas. To the extent that LIHTC projects are developed in the central city, it makes sense for them to be part of a community revitalization plan. It would be unfortunate, however, if this preference had the effect of isolating LIHTC residents from employment opportunities.

A Brookings Institution paper, "Barriers to Work: The Spatial Divide Between Jobs and Welfare Recipients in Metropolitan Areas" (Margaret Pugh, Sept. 1998), is the latest in a series of studies showing that families endeavoring to leave welfare for work often live in areas with poor access to jobs. As the study reports: "[T]here is a "spatial mismatch" between where workers live and where jobs are located, and low-income workers often have no easy way to travel between home and work. . . ." While transportation initiatives can help overcome this hurdle, it also is important to provide more affordable rental housing in areas where job opportunities are expanding. These are the areas where the recent escalation in rents has generally been the steepest, placing more of the rental housing out of reach of low-income workers and families with Section 8 vouchers.

We are unaware of any studies that examine whether LIHTC units are located in areas with good access to jobs or transportation to jobs. We know, however, that significantly more LIHTC units are being produced in central cities than in the suburban areas that are the source of most of the job growth in many metropolitan areas. An Abt study found that 26 percent of tax-credit units put into service between 1992 and 1994 were located in suburban areas. In contrast, 54 percent of such units were located in central cities.[1]

States are currently required to specify criteria regarding project location in their allocation plans for housing tax credits.[2] We suggest requiring states, in setting such location criteria, to consider the projected availability of lower-skilled jobs accessible to residents of the proposed development. (This additional consideration would be required only for developments expected to house individuals who are not elderly or disabled.) States could meet such a requirement either by consulting available information on recent and projected growth of jobs of various skill levels, or by requiring private developers seeking tax credits to report this information.[3] Note that although this proposal would encourage development in suburban portions of many metropolitan areas, that would not always be the case. Where there is high job growth in the central city or where city residents have good transportation access to high-growth areas, the preference would favor the city.

Such an initiative would dovetail with Administration efforts to promote welfare reform through the use of housing initiatives such as Section 8 welfare-to-work vouchers. Two years ago, Congress provided funds the Administration requested for 50,000 new welfare-to-work vouchers. The President has requested an additional 32,000 such vouchers for FY 2001, as well as 10,000 new vouchers linked to tax credit developments outside of lower-income areas. We are concerned that if the amendments to the LIHTC legislation now included in the New Markets bill were to pass without something like the additional provision we suggest, the new requirement to prefer tax-credit projects in lower-income areas could reduce the availability of well-located projects to which new vouchers could be linked.

---

[1] Abt Associates, Development and Analysis of the National Low-Income Housing Tax Credit Database (July 1996).

[2] 26 U.S.C. § 42(m)(1)(C)(i).

[3] Among other sources of data on job growth, states can use unemployment insurance data to determine the net job growth in different areas of the state and at different wage levels. Other data on job growth are maintained by the U.S. Bureau of Labor Statistics; state, local and regional planning boards; state departments of labor and commerce; universities; and nonprofit organizations. Analysis of employment and transportation data has been required by other federal programs. For example, the Federal Transit Administration's *Notice of Funding Availability for Job Access and Reverse Commute Competitive Grants* requires applicants to "[i]dentify the geographic distributions of employment centers and employment-related activities in the region" and "[i]dentify transportation gaps between the geographic distributions of [welfare recipients and low-income people in the region]. . . and employment [centers] . . ."

Margy Waller
07/20/2000 10:32:14 AM

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> following new clauses:
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> HR 2400 IH
> 106th CONGRESS
> 1st Session
> H. R. 2400
> To amend the Internal Revenue Code of 1986 to modify the low-income
> housing credit.
> IN THE HOUSE OF REPRESENTATIVES

> June 30, 1999
> Mrs. JOHNSON of Connecticut introduced the following bill; which was
> referred to the Committee on Ways and Means
>
>
> A BILL
> To amend the Internal Revenue Code of 1986 to modify the low-income
> housing credit.
> Be it enacted by the Senate and House of Representatives of the
> United States of America in Congress assembled,
> SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.
> (a) SHORT TITLE- This Act may be cited as the `Affordable Housing
> Improvement Act of 1999'.
> (b) AMENDMENT OF 1986 CODE- Except as otherwise expressly provided,
> whenever in this Act an amendment or
> repeal is expressed in terms of an amendment to, or repeal of, a
> section or other provision, the reference shall be
> considered to be made to a section or other provision of the
> Internal Revenue Code of 1986.
> SEC. 2. MODIFICATION OF CRITERIA FOR ALLOCATING HOUSING CREDITS AMONG
> PROJECTS.
> (a) SELECTION CRITERIA- Subparagraph (C) of section 42(m)(1)
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> following new clauses:
> `(v) tenant populations with special housing needs,
> `(vi) public housing waiting lists,
> `(vii) tenant populations of individuals with
> children, and
> `(viii) projects intended for eventual tenant
> ownership.'
> (b) PREFERENCE FOR COMMUNITY REVITALIZATION PROJECTS LOCATED IN
> QUALIFIED CENSUS
> TRACTS- Clause (ii) of section 42(m)(1)(B) is amended by striking
> `and' at the end of subclause (I), by adding `and' at
> the end of subclause (II), and by inserting after subclause (II)
> the following new subclause:
> `(III) projects which are located in qualified
> census tracts (as defined in subsection (d)(5)(C))
> and the development of which contributes to a
> concerted community revitalization plan,'.
> SEC. 3. ADDITIONAL RESPONSIBILITIES OF HOUSING CREDIT AGENCIES.
> (a) MARKET STUDY; PUBLIC DISCLOSURE OF RATIONALE FOR NOT FOLLOWING
> CREDIT
> ALLOCATION PRIORITIES- Subparagraph (A) of section 42(m)(1)
> (relating to responsibilities of housing credit
> agencies) is amended by striking `and' at the end of clause (i), by
> striking the period at the end of clause (ii) and inserting
> a comma, and by adding at the end the following new clauses:

> `(iii) a comprehensive market study of the housing
> needs of low-income individuals in the area to be
> served by the building is conducted before the
> credit allocation is made and at the developer's
> expense by a disinterested party who is approved by
> such agency, and
> `(iv) a written explanation is available to the
> general public for any allocation of a housing credit
> dollar amount which is not made in accordance with
> established priorities and selection criteria of the
> housing credit agency.'.
> (b) SITE VISITS- Clause (iii) of section 42(m)(1)(B) (relating to
> qualified allocation plan) is amended by inserting
> before the period `and in monitoring for noncompliance with
> habitability standards through regular site visits'.
> SEC. 4. MODIFICATIONS TO RULES RELATING TO BASIS OF BUILDING WHICH IS
> ELIGIBLE FOR CREDIT.
> (a) HOME ASSISTANCE NOT TO DISQUALIFY BUILDING FOR ADDITIONAL
> CREDIT AVAILABLE TO
> BUILDINGS IN HIGH COST AREAS- Clause (i) of section 42(i)(2)(E)
> (relating to buildings receiving HOME
> assistance) is amended by striking the last sentence.
> (b) ADJUSTED BASIS TO INCLUDE PORTION OF CERTAIN BUILDINGS USED BY
> LOW-INCOME
> INDIVIDUALS WHO ARE NOT TENANTS AND BY PROJECT EMPLOYEES- Paragraph
> (4) of section 42(d)
> (relating to special
> rules relating to determination of adjusted basis) is amended--
> (1) by striking `subparagraph (B)' in subparagraph (A) and
> inserting `subparagraphs (B) and (C)',
> (2) by redesignating subparagraph (C) as subparagraph (D), and
> (3) by inserting after subparagraph (B) the following new
> subparagraph:
> `(C) INCLUSION OF BASIS OF PROPERTY USED TO PROVIDE
> SERVICES FOR CERTAIN
> NONTENANTS-
> `(i) IN GENERAL- The adjusted basis of any building
> located in a qualified census tract (as defined
> in paragraph (5)(C)) shall be determined by taking
> into account the adjusted basis of property (of a
> character subject to the allowance for depreciation
> and not otherwise taken into account) used
> throughout the taxable year in providing any
> community service facility.
> `(ii) LIMITATION- The increase in the adjusted basis
> of any building which is taken into account by
> reason of clause (i) shall not exceed 20 percent of
> the eligible basis of the qualified low-income
> housing project of which it is a part. For purposes
> of the preceding sentence, all community service
> facilities which are part of the same qualified
> low-income housing project shall be treated as 1
> facility.
> `(iii) COMMUNITY SERVICE FACILITY- For purposes of

> this subparagraph, the term
> `community service facility' means any facility
> designed to serve primarily individuals whose income is
> 60 percent or less of area median income (within the
> meaning of subsection (g)(1)(B)).'.
> SEC. 5. OTHER MODIFICATIONS.
> (a) CREDIT ALLOWED AGAINST REGULAR AND MINIMUM TAX-
> (1) IN GENERAL- Subsection (c) of section 38 (relating to
> limitation based on amount of tax) is amended by
> redesignating paragraph (3) as paragraph (4) and by inserting
> after paragraph (2) the following new paragraph:
> `(3) SPECIAL RULES FOR LOW-INCOME HOUSING CREDIT OF
> NONCORPORATE TAXPAYERS-
> `(A) IN GENERAL- In the case of the low-income housing
> credit allowable to a taxpayer other than a
> corporation--
> `(i) this section and section 39 shall be applied
> separately with respect to the credit, and
> `(ii) in applying paragraph (1) to the credit--
> `(I) subparagraph (A) shall not apply, and
> `(II) the limitation under paragraph (1) (as
> modified by subclause (I)) shall be reduced by the
> credit allowed under subsection (a) for the
> taxable year (other than the low-income housing
> credit).
> `(B) LOW-INCOME HOUSING CREDIT- For purposes of this
> subsection, the term `low-income
> housing credit' means the credit allowable under
> subsection (a) by reason of section 42(a).'
> (2) CONFORMING AMENDMENT- Subclause (II) of section
> 38(c)(2)(A)(ii) is amended by inserting `or the
> low-income housing credit' after `employment credit'.
> (b) ALLOCATION OF CREDIT LIMIT TO CERTAIN BUILDINGS-
> (1) The first sentence of section 42(h)(1)(E)(ii) is amended
> by striking `(as of' the first place it appears and
> inserting `(as of the later of the date which is 6 months
> after the date that the allocation was made or'.
> (2) The last sentence of section 42(h)(3)(C) is amended by
> striking `project which' and inserting `project which
> fails to meet the 10 percent test under paragraph (1)(E)(ii)
> on a date after the close of the calendar year in which
> the allocation was made or which'.
> (c) DETERMINATION OF WHETHER BUILDINGS ARE LOCATED IN HIGH COST
> AREAS- The first
> sentence of section 42(d)(5)(C)(ii)(I) is amended--
> (1) by inserting `either' before `in which 50 percent', and
> (2) by inserting before the period ` or which has a poverty
> rate of at least 25 percent'.
> SEC. 6. EFFECTIVE DATE.
> (a) IN GENERAL- Except as otherwise provided in this section, the
> amendments made by this Act shall apply to--
> (1) housing credit dollar amounts allocated after December 31,
> 1999, and
> (2) buildings placed in service after December 31, 1999, to

> the extent paragraph (1) of section 42(h) of the
> Internal Revenue Code of 1986 does not apply to any building
> by reason of paragraph (4) thereof, but only with
> respect to bonds issued after December 31, 1999.
> (b) SECTIONS 2 AND 3- In the case of the amendments made by
> sections 2 and 3, subsection (a) of this section shall
> be applied by substituting `December 31, 2000' for `December 31,
> 1999' each place it appears.
> (c) CREDIT ALLOWED AGAINST MINIMUM TAX- The amendments made by
> section 5(a) shall apply to taxable
> years beginning after December 31, 1999.
>
>
>
>
>

NCSHA

444 North Capitol Street, NW, Suite 438
Washington, DC 20001
Phone: 202/624-7710 Fax: 202/624-5899

FAX TRANSMISSION
FOR IMMEDIATE DELIVERY

TO:	Cliff Kellogg
COMPANY:	Barbara Thompson
FAX:	(202) 456-2223
FROM:	Barbara Thompson
DATE:	October 11, 2000

__4__ PAGE(S) INCLUDING COVER

COMMENTS:

Since these letters were not addressed to the President or Gene Sperling directly, I wanted to be sure you were aware of them.

STATE OF GEORGIA

OFFICE OF THE GOVERNOR

ATLANTA 30334-0900

Roy E. Barnes
GOVERNOR

September 22, 2000

The Honorable Max Cleland
United States Senate
Washington, D.C. 20510

Dear Senator Cleland:

I am writing to request your continued support of two specific tax proposals, the per capita increase in the Private Activity Bond Volume Cap and the Low Income Housing Tax Credit.

The proposed increase in the bond volume cap from $50 per capita to $75 per capita enjoys widespread support in Congress. More than eighty percent of both the House and Senate are signed on as co-sponsors. The Low Income Housing Tax Credit legislation increases the per capita amount for the Low Income Housing Tax Credit from $1.25 to $1.75. The entire Georgia delegation, as well as over eighty percent of Congress, are co-sponsors of this bill.

This legislation is important to Georgia and I ask for your support of full and immediate increases in both of these programs.

Sincerely,

Roy E. Barnes

Roy E. Barnes

REB:mdh

STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR
20301 MAIL SERVICE CENTER • RALEIGH, NC 27699-0301

FIRST

JAMES B. HUNT JR.
GOVERNOR

September 21, 2000

Mr. John Podesta
Chief of Staff to the President
The White House
Washington, DC 20500

Dear John:

I am writing to again thank you for all your help and hard work on behalf of North Carolina's continuing recovery from the devastation of Hurricane Floyd, and to once again ask your help with a matter of critical importance.

We are making great progress on our recovery efforts, but we need additional resources to replace rental housing destroyed and damaged by Floyd. Specifically, we need an additional $25 million in FY 2001 HUD HOME program funds to support our North Carolina Housing Finance Agency in its mission of leveraging public and private resources to put our people back in safe, sanitary and affordable rental housing.

Of a total need of some 6,500 rental units, the $25 million allocated to NCHFA and the funding for USDA multi-family construction in the FY 2000 supplemental appropriations package enacted this summer with the decisive help of President Clinton will address approximately 3,000 units. The State of North Carolina has appropriated $20 million for rental production, which will produce an additional 1,000 units. We need an additional FY 2001 allocation of $25 million designated to NCHFA to finish the job. We have already identified funding for the required state match for this amount, and NCHFA will leverage it for maximum impact.

I need your help and that of President Clinton and Jack Lew to insist on this designated amount as you work this fall to meet the needs of the nation and bring the 106th Congress to a successful close. I hope you will make this item a "must-have" for the Administration.

Mr. John Podesta
Page 2
September 21, 2000

On a related matter of great importance in meeting housing needs, I also help that as you work towards enactment of the President's excellent community renewal legislation that you will push for immediate implementation of the increased cap on private activity bonds and the increase in the low income housing tax credit volume cap. These tools, if increased immediately rather than phased in, will mean over $715 million in additional near-term financial support for housing in North Carolina.

My warmest personal regards.

Sincerely,

James B. Hunt Jr.

JBH/jm

cc: Jack Lew, Director
Sylvia Matthews, Deputy Director
Office of Management and Budget

Mickey Ibarra, Director
Office of Intergovernmental Affairs

CALIFORNIA HOUSING FINANCE AGENCY

THERESA A. PARKER
Executive Director

CLARK WALLACE
Chairman

FACSIMILE TRANSMITTAL

DATE: **10/11/00**

TO: Gene Sperling, Assistant to the President for Economic Policy

cc Cliff Kellogg, Senior Policy Advisor, National Economic Council

FROM: Terri Parker, Executive Director

TOTAL NUMBER OF PAGES (including cover sheet): 3

SACRAMENTO HEADQUARTERS
1121 L STREET, SEVENTH FLOOR
SACRAMENTO, CA 95814-3974
(916) 322-3991

www.chfa.ca.gov

LOS ANGELES OFFICE
100 CORPORATE POINTE, SUITE 250
CULVER CITY, CA 90230-7641
(310) 342-1250

CALIFORNIA HOUSING FINANCE AGENCY

THERESA A. PARKER
Executive Director

CLARK WALLACE
Chairman

October 11, 2000

Gene Sperling
Assistant to the President for Economic Policy
West Wing
The White House
1600 Pennsylvania Avenue, NW
Washington DC 20500

Dear Mr. Sperling,

Please let me add my voice to those of other housing finance colleagues from North Carolina, Kentucky, New Hampshire and Alabama in thanking you for Cliff Kellogg's availability to us so that we could communicate the absolute necessity for action to increase the bond and housing credit caps. After listening to each of us talk about our Governor's commitments, Cliff shared with us the President's commitment to stand firm in the negotiations with Congress for full and immediate bond and credit cap increases in any year-end budget negotiations. Given the importance of his clarification and the importance of this issue to Governor Davis, I shared Cliff's comments with the Governor's staff in his Washington office immediately following the conference call.

As you are aware, Governor Gray Davis has sent three previous letters to the White House requesting the full and immediate increases to the Low Income Housing Tax Credit and Housing Bond caps (December 1998, April 2000 and September 2000). Despite California's booming economy, many working families are finding it nearly impossible to secure safe and affordable housing in our state. California's homeownership rate has declined from 47th nationally to 49th, with only 32% of Californians being able to afford the dream of owning their own homes. The Housing Bond Cap is the only tool that can be used to offer low to moderate income homebuyers an affordable mortgage. In addition, finding affordable rental housing has played out like the gold fields in California during the 1850's. For instance, at the most recent tax credit allocation committee meeting in August, there were 139 projects that were ready to be built to provide additional affordable housing in California. However, because of the limitation on tax credits, only 39 (28%) of these projects received these scarce resources.

Sacramento Headquarters
1121 L Street, Seventh Floor
Sacramento, CA 95814-3974
(916) 322-3991

www.chfa.ca.gov

Los Angeles Office
100 Corporate Pointe, Suite 250
Culver City, CA 90230-7641
(310) 342-1250

Recent census information indicates our state's population will grow from the approximate 35 million of today by another 6 million each decade. Housing is a fundamental issue to our state's economic viability and is why 91% California's bipartisan delegation supports the full and immediate bond and tax credit increases.

In closing, we recognize that a victory in achieving full and immediate increases in the bond and housing credit caps will only occur with the persistence and perseverance of the White House. The President has been a strong supporter for our housing cause, with his commitment to permanence for the caps earlier in his Administration. The inclusion of bond and credit cap increases in the final budget negotiations in Congress will be an important legacy to the Clinton Administration, and the affordable housing built in California will be a lasting testament to his leadership.

Again, thank you for Cliff's time and your hard work on this issue on behalf of the President.

Sincerely,

Theresa A. Parker

Theresa A. Parker
Executive Director

TAP/jdb

cc Cliff Kellogg, Senior Policy Advisor
National Economic Council

ALABAMA HOUSING
FINANCE AUTHORITY

FAX LETTER

October 11, 2000

Mr. Gene Sperling
Assistant to the President for Economic Policy
The White House, West Wing
1600 Pennsylvania Avenue NW
Washington, DC 20500
FAX 202/456-2223

Dear Mr. Sperling:

Thank you for your dedication and attention to the issue of full and immediate bond and Housing Credit cap increases. We appreciate Cliff Kellogg's commitment that the Administration will stand firm on the matter in the final budget negotiation with Congress.

I want to take this opportunity to express to you the importance of full and immediate bond and Housing Credit cap increases in Alabama. The economic development efforts of Governor Don Siegelman's administration are producing an accelerating demand for homes by Alabamians who are benefiting from the growing job market. The Alabama Housing Finance Authority's programs are tailored to meet this need, but are struggling to actually do so under current cap limits. Combined, these proposals will enable AHFA to provide about 1,000 more of Alabama's hard-working families with affordable homes.

AHFA uses its share of state private activity bond cap to administer the Mortgage Revenue Bond program, which has provided lower-than-market mortgage interest rates to 40,000 first-time and lower-income home buyers since 1980. Though we strive to keep these MRB funds supplied to the home-buying public throughout the year, availability of the program is severely limited by bond cap restrictions.

The Housing Credit has provided apartments for 21,000 families and elderly or disabled individuals throughout Alabama. At the request of Gov. Siegelman, AHFA has dedicated its 2001 allocation of Housing Credits to providing housing for people with mental disabilities in fulfillment of the *Wyatt v. Sawyer* agreement. Though AHFA has long been known for its ability to stretch scarce resources, program constraints are making this task increasingly difficult.

Again, thank you for your support in this matter. If I may be of further assistance, do not hesitate to call on me.

Sincerely,

Robert Strickland
Executive Director

RS/adh

CC: Cliff Kellogg

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NORTH CAROLINA
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To:	**Cliff Kellogg**
Company:	Senior Policy Advisor, National Economic Council
Fax:	202-456-2223
From:	Bob Kucab
Phone:	919-877-5600
Date:	10/12/00
Re:	**Pages:** 2 (including cover)

Comments:

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October 11, 2000

Mr. Gene Sperling
Assistant to the President for Economic Policy
West Wing
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. Sperling:

I appreciate you making Cliff Kellogg available on Tuesday to listen to the concerns and priorities of our states.

Please ask President Clinton to insist on the full and immediate Bond and Credit cap increases in this year's crucial budget negotiations.

As Governor Hunt wrote on September 21, 2000, our state needs to rebuild from the devastating floods following Hurricane Floyd. Our state had over 8,000 housing units destroyed, thousands of families are now being relocated from the floodplains, while thousands more still work to rebuild their homes and their lives. This was the worst natural disaster in the history of our state.

The immediate increase of the Bond and Credit caps will mean over $715 million in added near-term financial support for housing in North Carolina--we desperately need that help and we cannot succeed without them!

Thanks for your interest in this very critical issue.

Sincerely,

A. Robert Kucab
Executive Director

ARK:dp

Cc: Mr. Cliff Kellogg
Governor Jim Hunt

FAX

FOR IMMEDIATE DELIVERY

from

Kentucky Housing Corporation
1231 Louisville Rd.
Frankfort, KY 40601

TO: Cliff Kellogg, Sr. Policy Advisor, National Economics Council

FROM: James R. Ackinson

REGARDING: **Bond and Credit Cap Increases**

Date: October 11, 2000 Time: 11:10:22 AM

Total number of pages is 2, including this cover page.

Reply requested: ☐ Yes ☐ No

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KENTUCKY HOUSING CORPORATION

Pathways Home

October 11, 2000

Mr. Gene Sperling
Assistant to the President for Economics Policy
West Wing
The White House
1600 Pennsylvania Ave., N.W.
Washington, DC 20500

Dear Mr. Sperling:

I was pleased to participate in a conference call yesterday with Cliff Kellogg and members of the National Council of State Housing Finance Agencies.

I want to thank you for making Cliff available for the call and for his firm commitment that the Administration will fully back immediate Bond and Credit Cap increases in the impending final budget negotiations. During the call, each participant expressed the significance of mortgage revenue bonds in their state and why each state's governor has actively fought for immediate cap increases.

In Kentucky, mortgage revenue bonds are vital to Governor Paul Patton's overall goal of improving the quality of life for all Kentuckians while promoting economic development. As Cliff remarked at the end of the call, "We all agree it is good policy, the right thing to do and it makes a difference in people's lives."

Thank you again for the Administration's support of immediate Bond and Credit Cap increases. These are the most important tools states have in the production of affordable housing.

Sincerely,

James R. Ackinson
Deputy Director and
Chief Financial Officer

JRA:pj

cc: Cliff Kellogg, Senior Policy Advisor, National Economic Council
F. Lynn Luallen, Chief Executive Officer, Kentucky Housing Corporation