FOIA Number: 2014-0224-F

FOIA MARKER

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

Collection/Record Group:	Clinton Presidential Records
Subgroup/Office of Origin:	Domestic Policy Council
Series/Staff Member:	Andrea Kane
Subseries:	

OA/ID Number:	20330
FolderID:	

Folder Title:
Housing - FY 1999 Appropriations Including Welfare to Work Vouchers

Stack:	Row:	Section:	Shelf:	Position:
S	95	3	4	3

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release October 21, 1998

STATEMENT BY THE PRESIDENT

Today I have signed into law H.R. 4194, the "Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999."

This Act will fund vital environmental, veterans, housing, community development, space, and science programs. Specifically, it provides funding for the Departments of Veterans Affairs (VA) and Housing and Urban Development (HUD), the Environmental Protection Agency (EPA), the National Aeronautics and Space Administration, the Federal Emergency Management Agency (FEMA), the National Science Foundation, and several other agencies.

The Act funds a number of my Administration's high priorities, including the Corporation for National and Community Service and the Community Development Financial Institutions (CDFI) fund. National Service gives young people the opportunity to obtain funding for a college education while serving the country in areas of great need, such as the environment, public safety, and human services. The CDFI fund is helping to create a network of community development banks across the country, thereby spurring the flow of capital to distressed neighborhoods and their currently underserved low-income residents and providing financing for neighborhood redevelopment and revitalization efforts. That is why I am pleased that the Congress agreed to a 19 percent increase in funding for CDFI.

The Act provides $7.56 billion for the EPA, which will enable the agency to enforce our environmental laws adequately. I am pleased that the Congress modified language in the Act concerning the Kyoto Protocol on global climate change and clarified what this language means in the Statement of Managers. In particular, the Congress made it clear that it does not intend to limit my Administration's ability to carry out common-sense actions to reduce greenhouse gas emissions; its intent, rather, is only to limit funding that would implement actions called for solely under the Kyoto Protocol. As we have said on many occasions, my Administration will not seek to implement that Protocol prior to its ratification by the Senate. I am also pleased that H.R. 4194 fully funds my request for EPA's portion of the Clean Water Action Plan and the Drinking Water State Revolving Fund, and adequately funds the Clean Water State Revolving Fund.

The Act provides $24.4 billion in funding for the Department of Housing and Urban Development, including full funding for my request to renew expiring Section 8 contracts, thus assuring continuation of HUD rental subsidies for low-income tenants in privately owned housing and 50,000 additional welfare-to-work housing vouchers to assist those welfare recipients for whom housing assistance is critical to getting or keeping a job. This Act provides increased funding to help revitalize communities through such programs as the HOME Investment Partnership; Community Development Block Grants; and HOPE VI, an initiative for severely distressed public housing and Brownfields redevelopment, which returns abandoned sites to productive uses. I am pleased that the bill continues to support States and cities through these vital economic development programs.

As I requested, the Act provides increased funding for Homeless Assistance Grants and Housing Opportunities for Persons with AIDS and for anti-discrimination efforts, including the Fair Housing Initiatives program. The Act also increases funds for the Office of Lead Hazard Control to reduce the risk of childhood lead poisoning and other health hazards.

I am encouraged by our efforts to work with the Congress to provide additional resources for a number of our priority programs in the FY 1999 Omnibus appropriations bill.

The Act includes my Administration's proposal to reform HUD's single-family property disposition program, which would produce substantial savings by improving the efficiency of the Federal Housing Administration's (FHA's) property disposition processes. In addition, H.R. 4194 furthers the Administration's goal to provide greater homeownership opportunities by increasing the FHA loan limit.

The Act also makes landmark housing reform a reality. This bipartisan bill will allow more economic integration and deconcentration in our Nation's public housing; encourage and reward work; provide protections for those most in need; and put the Nation back into the housing business with the first new housing vouchers in 5 years.

I am also pleased that the Act includes $25 million for the Neighborhood Reinvestment Corporation to start my "Play-by the-Rules" homeownership initiative, which would make homeownership more accessible to 10,000 families who have good rental histories, but are not adequately served in the housing market.

Finally, the Act provides $17.3 billion for the medical care of our Nation's veterans.

WILLIAM J. CLINTON

THE WHITE HOUSE,
October 21, 1998.

# # #

Paul J. Weinstein Jr.
10/16/98 11:13:23 AM

Record Type: Record

To: jacquie_m._lawing @ hud.gov @ inet

cc: See the distribution list at the bottom of this message
Subject: Draft Housing Vouchers Directive for possible signing on Monday

Due to the President's tight schedule next week, Bruce Reed doesn't think we can do a major bill signing event on the HUD/VA--Housing Reform Bill. Therefore, he would like to have the President sign the bill in the Oval Office early next week (it has to be signed before COB on the 21st) and have some still photos taken. In addition, the President would sign the attached directive on housing vouchers. We would do a press release, and then have Secretary Cuomo and Bruce do a briefing in the White House Press Briefing Room.

What is the Secretary's schedule like on Monday, Tuesday, and Wednesday?

Also, please review the attached memorandum and get comments back to me by 5:00 today.

Bob, can you also please review.

Thanks.

---------------------- Forwarded by Paul J. Weinstein Jr./OPD/EOP on 10/16/98 11:05 AM ---------------------------

Cynthia A. Rice 10/16/98 11:01:46 AM

Record Type: Record

To: Paul J. Weinstein Jr./OPD/EOP, Jonathan Orszag/OPD/EOP, Michael Deich/OMB/EOP, Francis S. Redburn/OMB/EOP

cc: Andrea Kane/OPD/EOP
Subject: Draft Housing Vouchers Directive for possible signing on Monday

hou1016.wp

Message Copied To:

Cynthia A. Rice/OPD/EOP
Andrea Kane/OPD/EOP
Michael Deich/OMB/EOP
Jonathan Orszag/OPD/EOP
Christa Robinson @ EOP @ LNGTWY
Francis S. Redburn/OMB/EOP
Robert G. Damus/OMB/EOP

To Andrew -
Did you see?
CR

A Win-Win on Housing

10/12/98
NYT

Ever since the Republicans took control of Congress, the new majority has struggled with the Clinton Administration over the issue of low-income housing. Last week the two sides came together and passed a measure that blends conservative and liberal concerns. It is a major achievement for both the Administration and Congress.

Republicans have long wanted to give low-income working people a greater share of subsidized housing, while Democrats wanted to favor the poorest of the poor, who have no resources to obtain shelter at market rates. Both sides had a point. Housing projects need to include stable families with working adults who can serve as role models for other residents. When homelessness exploded in the 1980's, too many apartments in some projects were turned over to extremely indigent families, tipping the community balance.

But the Republicans' proposed solutions went too far. One particularly bad idea was to change the income mix eligible for rent subsidy vouchers, a program that does not suffer from the same problems as traditional housing projects. Unlike public housing residents, who live in a closed community, people who receive the vouchers are dispersed throughout the private housing market. To the delight of housing advocates, the final bill creates 90,000 much-needed new vouchers and requires that 75 percent go to the poorest of the poor. The bill relaxes some of the income limits for housing projects to make room for more of the working poor, although many units must still be reserved for the very poor. In New York City, 40 percent of project residents would have to have incomes at or below $15,000, but other residents would be able to make up to $40,150.

Other compromises were equally sensible. The Republicans got concessions aimed at rewarding effort, including very modest community service requirements. Democrats got additional controls to make sure that allowing more high-income families does not lead to racial or economic segregation. The bill bows to the animal lobby's demand that all public housing residents be allowed to keep animals, but officials in cities like New York, where vicious dogs have long terrorized residents of some large projects, will now apparently be able to impose reasonable restrictions.

Housing Secretary Andrew Cuomo and Representative Rick Lazio of Long Island, the Republican point man on housing issues, have represented two poles in this long struggle. This bill is a win for both men. Mr. Cuomo, and his predecessor Henry Cisneros, have given what was known as the Federal Government's worst-run bureaucracy some credibility with Congress. Mr. Lazio has finally won his long battle to make public housing a bipartisan issue. While some Republicans will always have an ideological objection to Federal housing subsidies, Mr. Lazio has always argued that many others can be brought around, once they are convinced that the system is well run and aimed at encouraging self-sufficiency. We believe he is right, and this bill may be a big step in that direction.

HUD No. 98-482
Further Information:
In the Washington, DC area: 202/708-0685
Or contact your local HUD office

For Release
Thursday
October 8, 1998

CUOMO SAYS BILL WINNING FINAL PASSAGE IN SENATE TODAY WILL INCREASE HOMEOWNERSHIP AND REVITALIZE PUBLIC HOUSING

WASHINGTON - Housing and Urban Development Secretary Andrew Cuomo said a bill that won final legislative approval in the Senate today on a 96-1 vote "is an important victory for President Clinton's policies to increase homeownership, expand the supply of affordable housing and transform public housing."

The legislation is part of a larger bill that includes HUD's $24.5 billion budget. The bill, passed by the House Tuesday, now goes to President Clinton. Key provisions would:

- **Increase homeownership** by raising the limit on home mortgages insured by the Federal Housing Administration from the current range of $86,317 in low-cost housing areas to $170,362 in high-cost areas. The bill increases the loan limits to a range of $109,032 in low-cost areas to $197,621 in high-cost areas. The higher ceiling on FHA-insured home mortgages opens the door of homeownership to thousands of families needing FHA insurance to get mortgages, but locked out now because the current ceilings have not kept pace with rising home prices.

- **Expand the supply of affordable housing** by enabling 90,000 more families to get Section 8 rental assistance vouchers that will subsidize their rents in privately owned apartments - the first increase in vouchers in four years.

- **Transform public housing** by reducing segregation by race and income, encouraging and rewarding work, bringing more working families into public housing, and increasing the availability of subsidized housing for very poor families. In addition, the bill improves living conditions in public housing, gives the poorest families neighbors who will be role models of working families, and reduces crime. The bill also allows HUD to continue to tear down the largest failed public housing projects and replace them with new townhouse-style developments.

President Clinton said: "I am pleased that my Administration has agreed with the Congress on a bipartisan housing bill that incorporates all of the essential principles for which we have fought during the long, difficult negotiations that led to this agreement.... This legislation will put America back in the business of providing new affordable housing, will transform public housing, and will increase homeownership opportunities.... I thank HUD Secretary Andrew Cuomo for his extraordinary work on this legislation and the many Democrats who worked tirelessly to make significant progress in our housing policies, and I commend those Republicans who cooperated in our efforts to transform public housing. "

"I must note, however, that this legislation is contained within the Fiscal Year 1999 Appropriations bill for VA, HUD and other Independent Agencies - and that I remain concerned about the funding levels provided for certain environmental and economic development programs in that bill," the President said.

Funding for HUD's key programs and renewals of Section 8 rental assistance is increased by a total of about $2.7 billion in the budget over 1998 levels (about $1.3 billion in increased program spending and about $1.4 billion more for Section 8 renewals). Spending wasn't cut in any programs.

"The higher FHA loan limits will help transform homeownership from a distant dream into a sweet reality for more hard-working middle-class families," Cuomo said. "This will return FHA to its historic role as the driving force for homeownership across the nation."

"As a result of President Clinton's successful economic policies and homeownership strategy, our nation's homeownership rate stands at 66 percent -- the highest level in American history," Cuomo said. "Nearly 68 million American families now own their homes -- 6 million more than when President Clinton took office. The* approval of higher FHA loan limits, which President Clinton proposed, will drive the homeownership rate even higher in the years ahead. "

Addressing the public housing reforms, Cuomo said: "The bipartisan legislation implements President Clinton's visionary plans to transform public housing from segregated ghettos of poverty and despair into economically integrated communities of opportunity. I would especially like to thank Senator Paul Sarbanes and Congressman Joseph Kennedy for their effective work to win approval of this important legislation."

Here are more details of the legislation:

FHA LOAN LIMITS

The higher loan limits will not cost the government any money, because FHA insurance is funded.by premiums paid by borrowers.

Because FHA loan limits have failed to keep up with rising home values, the agency's share of home mortgage volume has declined dramatically over the years. In 1970, FHA accounted for 24 percent of home mortgage volume, but by 1996 FHA's share had plummeted to just 10 percent.

FHA's single-family home mortgage insurance program has been one of the most successful public-private partnerships in history. Over its six-decade history, the FHA has made homeownership available to about 24 million families.

FHA does not make mortgage loans directly, but rather insures loans made by private lenders to homebuyers. The FHA insurance guarantees the lender timely payment of principal and interest, in the event the homebuyer defaults on the loan.

Because the FHA mortgage insurance protects lenders from losses, it enables millions of Americans who would otherwise have been locked out of the mortgage market and homeownership to qualify for mortgages. Cuomo said the higher loan limits will particularly benefit first-time homebuyers, who receive over 70 percent of FHA-insured home loans.

NEW SECTION 8 VOUCHERS

After a four-year hiatus, the new HUD budget puts America back in the housing business for 90,000 more families this year through the Section 8 rental assistance program, which helps pay the rent of people with low-and moderate-incomes in privately owned affordable housing.

50,000 new vouchers would be created for families moving from welfare to work, and 40,000 vouchers would be made available by eliminating a mandatory three-month waiting period to reissue vouchers that go from one family to another. In addition, the bill authorizes another 200,000 vouchers - 100,000 in the year 2000 and an additional 100,000 in the year 2001.

PUBLIC HOUSING AND SECTION 8 REFORMS

Under the bill, more moderate-income working families can be admitted to public housing where the poorest residents on welfare are now concentrated. At the same time, apartments in public housing are reserved for the poorest families with the greatest need, and more rental assistance vouchers under the Section 8 program will go to the poorest families.

Cuomo said that as important as what the legislation contains are the provisions that were scrapped from inclusion in the bill. He said the legislation does not contain sections of a public housing bill passed earlier by the House that "repeal" the 1937 Housing Act, or harmful income eligibility provisions, or a punitive mandatory work provision for public housing residents that some members of Congress wanted. The House replaced the old version of the bill on Tuesday with the version approved today by the Senate.

To promote access by the poorest families to public and assisted housing where families with relatively higher incomes live, the final legislation provides that at least 75 percent of Section 8 vouchers go to families with incomes below 30 percent of the area median income - compared with just 40 percent in the earlier version of the bill passed by the House.

In public housing, the final bill says that at least 40 percent of newly available public housing units will go to the poorest households (with limited exceptions) - compared with only 35 percent (with broad exceptions) under the original House bill. Median family income varies from city to city. Nationally, it stands at $45,300. Housing authorities would have to adopt admission plans consistent with these goals of access for the poorest families.

The legislation also implements long-pending public housing reforms that were proposed by the Clinton Administration to require improved public housing management and increased program efficiency. These include: mandatory court-ordered receiverships for housing authorities that perform poorly for two years, requirements that housing authorities spend funds to assist residents more quickly, and consolidation of several programs to make them easier to administer and monitor.

The bill also allows well-run housing authorities to operate with less HUD oversight and more flexibility, as the Clinton Administration proposed. This will enable housing authorities performing acceptably to devote less time and resources to reporting to HUD and to focus on delivering good housing.

In addition, the bill limits a House "home rule" provision that would have allowed cities to take over even well-managed public housing authorities and would have allowed the cities to take away significant resident protections. The number of cities chosen, and any waiver of current protections, would be left to HUD. Over five years, cities could take over no more than 100 housing authorities with performance problems.

Last revised: October 08, 1998

HUD No. 98-478
Further Information:
In the Washington, DC area: 202/708-0685
Or contact your local HUD office

For Release
Tuesday
October 6, 1998

CUOMO SAYS HUD LEGISLATION APPROVED BY HOUSE TODAY MAKES PRESIDENT CLINTON'S VISION FOR HUD AND HOUSING A REALITY

WASHINGTON - Housing and Urban Development Secretary Andrew Cuomo said public housing legislation overwhelmingly approved today by the House on a 409-14 vote "makes President Clinton's landmark housing reforms a reality and achieves his key goals."

The public housing legislation is part of a larger measure that includes HUD's $24.5 billion budget for the current fiscal year. Funding for HUD's key programs and renewals of Section 8 rental assistance is increased by a total of about $2.7 billion in the budget over 1998 levels (about $1.3 billion in increased program spending and about $1.4 billion more for Section 8 renewals). Spending was not cut in any HUD programs in the budget. The legislation, which was approved by a House-Senate Conference Committee on Monday, is scheduled to go to the Senate this week.

The measure also raises the loan limits on mortgages insured by HUD's Federal Housing Administration, to help more families become homeowners.

Commenting on the public housing legislation, President Clinton said: "I am pleased that my Administration has agreed with the Congress on a bipartisan housing bill that incorporates all of the essential principles for which we have fought during the long, difficult negotiations that led to this agreement.... This legislation will put America back in the business of providing new affordable housing, will transform public housing, and will increase homeownership opportunities.... I thank HUD Secretary Andrew Cuomo for his extraordinary work on this legislation and the many Democrats who worked tirelessly to make significant progress in our housing policies, and I commend those Republicans who cooperated in our efforts to transform public housing. "

"I must note, however, that this legislation is contained within the Fiscal Year1999 Appropriations bill for VA, HUD and other Independent Agencies - and that I remain concerned about the funding levels provided for certain environmental and economic development programs in that bill," the President said.

Secretary Cuomo said: "The bipartisan legislation implements President Clinton's visionary plans to transform public housing from segregated ghettos of poverty and despair into economically integrated communities of opportunity. The legislation also creates affordable housing for 90,000 more families and promotes homeownership through higher FHA loan limits."

"I would especially like to thank Senator Paul Sarbanes and Congressman Joseph Kennedy for their effective work to win approval of this important legislation," Cuomo said.

The historic legislation approved today would overhaul HUD's policies and programs by:

- **Transforming Public Housing:** The legislation would transform public housing into a setting that encourages and rewards work, would increase the availability of subsidized housing for very poor families much closer to the targeting limits proposed by HUD, and would tear down the largest failed public housing projects and replaces them with new townhouse-style developments through the HOPE VI program. In public housing, the legislation would change the admissions policies for new families to reduce income and racial concentrations. The bill would enable more moderate-income working families to live in public housing where the poorest residents on welfare are now concentrated, while providing additional Section 8 vouchers for the poorest families.
- **Putting America Back in the Housing Business.** After a four-year hiatus, the new HUD budget would put America is back in the housing business for 90,000 more families this year through the Section 8 rental assistance program, which helps pay the rent of people with low- and moderate-income in privately

owned affordable housing. 50,000 new vouchers would be created for families moving from welfare to work, and 40,000 vouchers would be made available by eliminating a mandatory three-month waiting period to reissue vouchers that go from one family to another. In addition, the bill would authorize another 200,000 vouchers - 100,000 in the year 2000 and an additional 100,000 in the year 2001.

- **Increasing Homeownership Opportunities.** Building on Clinton Administration policies that have helped America achieve the highest homeownership rate in history, the budget approved by the Conference Committee would help move the nation to an even higher homeownership rate by increasing limits on home mortgage loans insured by the Federal Housing Administration. The change achieves a Clinton Administration goal of enabling more families to qualify for FHA-insured mortgages. In most communities today, FHA mortgages are limited to $86,317. In some high-cost communities, the FHA can insure mortgages up to $170,362. The appropriations bill approved by the Conference Committee raises the limit on FHA-insured mortgages to a range of $109,000 to $197,000. The higher ceiling opens the door of homeownership to middle-class families needing FHA insurance to get mortgages, but locked out now because the current ceilings have not kept pace with rising home prices.

Cuomo said that as important as what the legislation contains are the provisions that were scrapped from inclusion in the bill. He said the legislation does not contain sections of a public housing bill passed earlier by the House that "repeal" the 1937 Housing Act, or harmful income eligibility provisions, or a punitive mandatory work provision for public housing residents that some members of Congress wanted.

Senator Paul Sarbanes of Maryland, Ranking Democrat on the Senate Banking, Housing and Urban Affairs Committee said: "This bipartisan agreement marks a significant milestone in helping to meet the housing needs of this nation. It provides for new solutions, adds needed resources, and gives local agencies greater flexibility in making public housing and homeownership opportunities available to more families throughout the country."

Senator John Kerry of Massachusetts, ranking Democrat on the Housing Subcommittee, said: "This legislation will put public housing on a strong footing for the future. It provides for increased flexibility for housing agencies, demands increased accountability, and encourages important new public-private partnerships. Finally, I am particularly pleased that it continues to target federal housing assistance to the poor and working poor."

Congressman John LaFalce of New York, Ranking Democrat on the House Committee on Banking and Financial Services, said: "I believe the four-year campaign of Congressional Democrats, the Administration and tenant advocates against onerous rent reforms and irresponsible targeting levels has finally brought positive results."

Congressman Joseph Kennedy of Massachusetts, Ranking Democrat on the House Subcommittee on Housing and Community Opportunity, said: "This historic reform bill strikes a balance between protecting our nation's commitment to housing the poorest Americans while opening up units in public housing to middle-income families. This win-win legislation is the result of negotiations led by HUD Secretary Andrew Cuomo, who worked with both sides of the aisle to find a way to uphold Democratic principles and deconcentrate poverty in our urban centers."

Here are more details of the HUD public housing bill. The legislation would:

- Improve living conditions in public housing, give the poorest families role models of working families, reduce crime, help low-wage working families struggling to make ends meet, and foster more integration in public housing as a result of increased economic integration.

- Promote access by the poorest families to public housing where families with relatively higher incomes live, a key goal of the Clinton Administration. In the area of Section 8 vouchers, the legislation passed today provides that at least 75 percent of Section 8 vouchers go to families with incomes below 30 percent of the area median income - compared with just 40 percent in the bill passed earlier by the House. In public housing, the bill says that at least 40 percent of newly available public housing units would go to the poorest households (with limited exceptions) - compared with only 35 percent (with broad exceptions) under the House bill. Median family income varies from city to city. Nationally, it stands at $45,300. Housing authorities would have to adopt admission plans consistent with these goals of access for the poorest families.

- Enact long-pending public housing reforms that were proposed by the Clinton Administration to require improved public housing management and increased program efficiency. These include: mandatory court-ordered receiverships for housing authorities that perform poorly for two years, requirements that housing authorities spend funds to assist residents more quickly, and consolidation of several programs to make them easier to administer and monitor.

- Allow well-run housing authorities to operate with less HUD oversight and more flexibility, as the Clinton Administration proposed. This will enable housing authorities performing acceptably to devote less time and resources to reporting to HUD and to focus on delivering good housing.

- Limit a House "home rule" provision that would have allowed cities to take over even well-managed public housing authorities and would have allowed the cities to take away significant resident protections. The number of cities chosen, and any waiver of current protections, would be left to HUD. Over five years, cities could take over no more than 100 housing authorities with performance problems.

Last revised: October 06, 1998

Francis S. Redburn 10/08/98 10:17:07 AM

Record Type: Record

To: Andrea Kane/OPD/EOP

cc:

Subject: Re: WTW Housing Vouchers

In the dropped language, it's "or" rather than "of" as you typed. Dropping the entire clause is more restricting than I had previously thought.

In new merged certificate/voucher program
some flexibility to flex the payment standard
can be 90 - 110% of FMR w/o going to HUD, or
can request more if have a reasonable case.

Home rule provision -- allows mayor to merge
pub housing/sec 8, w/ performance plan, v. flexible
[Like MTW demo]
HUD cd use this authority

Is there general waiver authority?
now have broader language to disregard income for
sec 8,

Andrea Kane

Record Type: Record

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

cc: Jacquie_m._lawing_at_ospost @ hud.gov @ inet, john_f._bohm @ hud.gov
Subject: WTW Housing Vouchers

Below is text from the Congressional Record on bill passed by the House, with my annotations of substantive changes in brackets. The language is nearly identical to ours. Most interesting, while they dropped our sentence granting HUD broad waiver authority, they left in language asking applicants to specify waiver requests (in bold below). This appears to provide at least some flexibility on waivers. HUD: can you please review this and let us know whether the language left in is sufficient, or, does the Department need specific waiver authority to approve any waivers the applicants might request?

"For tenant-based assistance under the United States Housing Act of 1937 to help eligible families make the transition from welfare to work, $283,000,000 from the total amount provided under this heading, to be administered by public housing agencies (including Indian tribes and their tribally designated housing entities, as defined by the Secretary of Housing and Urban Development), and to remain available until expended: Provided, That families initially selected to receive assistance under this paragraph: (1) shall be eligible to receive, shall be currently receiving, or shall have received within the preceding two [we had one year] years, assistance or services funded under the Temporary Assistan Needy Families (TANF) program under part A of title IV of the Social Security Act or as part of a State's qualified State expenditure under section 409(a)(7)(B)(i) of such Act; (2) shall be determined by the agency to be families for which tenant-based housing assistance is critical to successfully obtaining or retaining employment; and (3) shall not already be receiving tenant-based assistance under the United States Housing Act of 1937: Provided further, That each application shall: (1) describe the proposed program, which shall be developed by the public housing agency in consultation with the State, local or Tribal entity administering the TANF program and the entity, if any, administering the Welfare-to-Work grants allocated by the United States Department of Labor pursuant to section 403(a)(5)(A) of the Social Security Act, and which shall take into account the particular circumstances of the community; (2) demonstrate that tenant-based housing assistance is critical to the success of assisting eligible families to obtain or retain employment; (3) specify the criteria for selecting among eligible families to receive housing assistance under this paragraph; (4) describe the proposed strategy for tenant counseling and housing search assistance and landlord outreach; **(5) include any requests for waivers of any administrative requirements or any provisions of the United States Housing Act of 1937, with a demonstration of how approval of the waivers would substantially further the objective of this paragraph;** (6) include certifications from the State, local, or Tribal entity administering assistance under the TANF program and from the entity, if any, administering the Welfare-to-Work grants allocated by the United States Department of Labor, that the entity supports the proposed program and will cooperate with the public housing agency that administers the housing assistance to assure that such assistance is coordinated with other welfare reform and welfare to work initiatives; however, if either does not respond to the public housing agency within a reasonable time period, its concurrence shall be assumed, and if either objects to the application, its concerns shall accompany the application to the Secretary, who shall take them into account in this funding decision; and (7) include such other information as the Secretary may require and meet such other requirements as the Secretary may establish: Provided further, That the Secretary, after consultation with the Secretary of Health and Human Services and the Secretary of Labor, shall select public housing agencies to receive assistance under this paragraph on a competitive basis, taking into account the need for and quality of the proposed program (including innovative approaches), the extent to which the assistance will be coordinated with welfare reform and welfare to work initiatives, the extent to which the application demonstrates that tenant-based assistance is critical to the success of assisting eligible families to obtain or retain employment; and other appropriate criteria established by the Secretary: [dropped our broad waiver language here--see below] Provided further, That the Secretary may use up to one percent of the amount available under this paragraph, directly or indirectly, to conduct detailed evaluations of the effect of providing assistance under this paragraph: Provided further, That of the amount made available under this paragraph, at least $4,000,000 each shall be made available for local self-sufficiency/welfare-to-work initiatives in San Bernardino County, California; Cleveland, Ohio; Kansas City, Missouri; Charlotte, North Carolina; Miami/Dade County, Florida; Prince Georges County, Maryland; New York City, New York; and Anchorage, Alaska [added earmarks totalling $32 M].

Our proposed waiver language that was dropped
Provided further, That the Secretary may waive any administrative requirement of any provision of the United States Housing Act of 1937 if the Secretary determines that the waiver would substantially further the objective of the assistance under this head, and in the event of any waiver, may make provisions for alternative conditions or terms where appropriate.

Message Sent To:

Paul J. Weinstein Jr./OPD/EOP
Cynthia A. Rice/OPD/EOP
Emil E. Parker/OPD/EOP
Jonathan Orszag/OPD/EOP
Francis S. Redburn/OMB/EOP

Andrea Kane

Record Type: Record

To: WEINSTEIN_P @ A1 @ CD @ VAXGTWY, Emil E. Parker/OPD/EOP, Francis S. Redburn/OMB/EOP

cc: Cynthia A. Rice/OPD/EOP
Subject: WTW Housing Vouchers

1. Steve mentioned that Urban Institute is doing a briefing on Thursday at 1 (NEOB 9116) re: Moving to Work demo. This would be a good place for us to hear more about the kinds of waivers PHAs are seeking that might help us decide whether we should go back and ask Congress to give HUD waiver authority for WTW vouchers.

2. Barbara Sard from CBPP said they are planning a large mailing next week to people interested in the housing/welfare reform connection and would like to be able to say something about time frame for NOFA on vouchers. Recognizing that HUD will have lots on its plate w/ passage of this bill that could make early release of the NOFA difficult, Barbara suggested some kind of pre-notice. This would give communities an early alert to begin planning in anticipation of the NOFA.. We might think about combining this w/ asking the field to comment on several key issues that HUD will want input on as they design the NOFA. We should discuss this more with HUD but it's got potential. Also, the Center is working on a paper on how states/communities are using TANF and other non-housing assistance funds to provide housing assistance for people moving from welfare to work. They hope to get this out in November -- which will be helpful in terms of rolling out the vouchers.

Francis S. Redburn 10/02/98 06:00:59 PM

Record Type: Record

To: Andrea Kane/OPD/EOP

cc:

Subject: Re: Great news on the 50K vouchers....

they stripped out our statutory waiver discretion, I understand -- otherwise, without having seen it, sounds like our language is intact. There may be some earmarking; I don't know.

President Clinton and Vice President Gore Call for 50,000 Housing Vouchers to Help Those Moving From Welfare to Work

September 4, 1998

The House and Senate have both recognized the important connection between housing vouchers and welfare reform, but so far have not provided sufficient funding for this critical initiative. The HUD/VA Appropriations bill passed by the House provides $100 million for 17,700 Welfare to Work Housing Vouchers. The bill passed by the Senate provides only $40 million for 7,000 housing vouchers. In addition, the Senate bill earmarks most of the vouchers, whereas the House proposes an open, competitive process that would foster local innovation. The Congress should increase the number of vouchers funded and adopt the competitive grant process proposed by the President and adopted by the House. This will increase the number of communities who can access vouchers and increase their effectiveness by giving communities more flexibility to align housing and welfare reform strategies.

The President's FY99 budget proposed an important additional step to promote work and welfare reform through a plan to provide 50,000 new housing vouchers to welfare recipients who need housing assistance in order to get or keep a job. Families could use these housing vouchers to move closer to a new job, to reduce a long commute, or to secure more stable housing to eliminate emergencies that keep them from getting to work every day on time. These targeted vouchers will give people on welfare a new tool to make the transition to a job and succeed in the work place.

The $283 million proposal would help address the problem, in many regions, that jobs are being created far from where many welfare recipients live. Currently, about two-thirds of new jobs are being created in the suburbs, but three of four welfare recipients live in rural areas or central cities. The funding for the Administration's Access to Jobs initiative in the Transportation Equity Act for the 21st Century (TEA-21) will assist states and localities to develop flexible transportation alternatives for welfare recipients and other low income workers. But in some cases it makes more sense for someone to move closer to work -- and this new proposal will make that move from welfare to work possible.

How It Will Work

These vouchers will provide States and communities with a new flexible tool to help families who need housing assistance in order to achieve self-sufficiency.

- The additional vouchers will be available on a ***competitive basis*** to local housing agencies and Indian tribes through their tribally designated housing entities. Applications must be developed in consultation with the state, local, or tribal welfare agency and the local Welfare-to-Work formula funds grantee (typically the Private Industry Council), to ensure that services are coordinated.

- The vouchers will be used where they are ***essential to a successful transition from welfare to work--that is, where housing assistance is critical for a family to get or keep a job***.

- Families who receive the vouchers must be ***eligible for or currently receiving Temporary Assistance for Needy Families (TANF) or have received TANF within the past year***.

The initiative recognizes the direct link between affordable housing and self-sufficiency. Along with the Administration's proposal to increase the Low-Income Housing Tax Credit, this initiative will make decent, affordable housing available to more Americans.

Paul J. Weinstein Jr.
07/16/98 06:25:13 PM

Record Type: Record

To: jacquie_m._lawing @ hud.gov

cc: Andrea Kane/OPD/EOP
Subject: Welfare To Work Housing Vouchers

FYI -- Michael Deich, Andrea Kane, and I met with Mikulski's appropriations staff yesterday. We had a positive meeting on vouchers. Going into the meeting, we were concerned by Mikulski's reputation of being wary of vouchers. It is clear that her staff are mainly concerned about the cost. We also did a nice job of emphasizing the need for the House language, in order to make these real welfare-to-work housing vouchers, and not just regular housing vouchers.

Michael Deich
07/13/98 09:31:34 PM

Record Type: Record

To: Cynthia A. Rice/OPD/EOP
cc: See the distribution list at the bottom of this message
bcc:
Subject: Re: visit with andy givens regarding va/hud approps

pat will try to set up a mtg for us tomorrow so that we can get our ducks in line before mtg w/andy etal. thanks.
Cynthia A. Rice

wd we need to go to mtg?
→ make sure OMB knows how to pitch
→ OK for CR to call Roberta?
→ she doesn't need to attend mtg w/ Givens
→ do we support Wellstone amend, how does this affect other things?
→ do we have votes
→ Paul wants to go

Cynthia A. Rice 07/10/98 10:45:14 AM

Record Type: Record

To: Michael Deich/OMB/EOP
cc: Patricia E. Romani/OMB/EOP, Theodore Wartell/OMB/EOP, Andrea Kane/OPD/EOP, Emil E. Parker/OPD/EOP
Subject: visit with andy givens regarding va/hud approps

HUD had suggested I call Andy or David Bowers to make a pitch about why these vouchers are important to welfare reform -- but if you're organizing a sit down meeting, I'll hold off. Do you need one of us at your meeting?

What I <u>would</u> like to do is call Roberta Haberle, Mikulski's LD whom I know from our work together on welfare reform, and remind her of our proposal and tell her we're organizing a sit down meeting with Andy for next week -- just so it's on her radar screen. Does that make sense to you?

And if we can get any blessing from Mikulski before this goes to the floor, I would be prepared to raise Wellstone's expansion with moderate Republican staff I know to see if there are any votes for this.

---------------------- Forwarded by Cynthia A. Rice/OPD/EOP on 07/10/98 10:35 AM ---------------------------

Andrea Kane

Record Type: Record

To: Cynthia A. Rice/OPD/EOP
cc:
Subject: visit with andy givens regarding va/hud approps

Maybe you and Michael should coordinate on this call to Mikulski's office.

---------------------- Forwarded by Andrea Kane/OPD/EOP on 07/09/98 08:57 AM ---------------------------

Michael Deich
07/08/98 08:23:08 PM

Record Type: Record

To: Emil E. Parker/OPD/EOP, Andrea Kane/OPD/EOP

cc: Patricia E. Romani/OMB/EOP, Theodore Wartell/OMB/EOP
Subject: visit with andy givens regarding va/hud approps

this slipped away from me. pat will set up something for the beginning of next week rather than the end of this one.

Message Copied To:

Patricia E. Romani/OMB/EOP
Theodore Wartell/OMB/EOP
Andrea Kane/OPD/EOP
Emil E. Parker/OPD/EOP
Alan B. Rhinesmith/OMB/EOP
Francis S. Redburn/OMB/EOP
James F. Jordan/OMB/EOP
Paul J. Weinstein Jr./OPD/EOP

Cynthia A. Rice 07/10/98 10:45:14 AM

Record Type: Record

To: Michael Deich/OMB/EOP

cc: Patricia E. Romani/OMB/EOP, Theodore Wartell/OMB/EOP, Andrea Kane/OPD/EOP, Emil E. Parker/OPD/EOP

Subject: visit with andy givens regarding va/hud approps

HUD had suggested I call Andy or David Bowers to make a pitch about why these vouchers are important to welfare reform -- but if you're organizing a sit down meeting, I'll hold off. Do you need one of us at your meeting?

What I would like to do is call Roberta Haberle, Mikulski's LD whom I know from our work together on welfare reform, and remind her of our proposal and tell her we're organizing a sit down meeting with Andy for next week -- just so it's on her radar screen. Does that make sense to you?

And if we can get any blessing from Mikulski before this goes to the floor, I would be prepared to raise Wellstone's expansion with moderate Republican staff I know to see if there are any votes for this.

--------------------- Forwarded by Cynthia A. Rice/OPD/EOP on 07/10/98 10:35 AM ---------------------------

Andrea Kane [illegible] AM

Record Type: Record

To: Cynthia A. Rice/OPD/EOP

cc:

Subject: visit with andy givens regarding va/hud approps

Maybe you and Michael should coordinate on this call to Mikulski's office.

--------------------- Forwarded by Andrea Kane/OPD/EOP on 07/09/98 08:57 AM ---------------------------

Michael Deich
07/08/98 08:23:08 PM

Record Type: Record

To: Emil E. Parker/OPD/EOP, Andrea Kane/OPD/EOP

cc: Patricia E. Romani/OMB/EOP, Theodore Wartell/OMB/EOP

Subject: visit with andy givens regarding va/hud approps

this slipped away from me. pat will set up something for the beginning of next week rather than the end of this one.

Patricia E. Romani
07/10/98 11:06:51 AM

Record Type: Record

To: Cynthia A. Rice/OPD/EOP

cc: See the distribution list at the bottom of this message
Subject: Re: visit with andy givens regarding va/hud approps

FYI: Michael will be meeting w/Andy Givens re. VA/HUD approps. (Andy's office, Dirksen 114) on Wednesday, July 15 @ 11:00am. Pat

Message Copied To:

Michael Deich/OMB/EOP
Theodore Wartell/OMB/EOP
Andrea Kane/OPD/EOP
Emil E. Parker/OPD/EOP
Alan B. Rhinesmith/OMB/EOP
Francis S. Redburn/OMB/EOP
Elizabeth M. DiGennaro/OMB/EOP

Charles E. Kieffer 07/15/98 09:48:50 PM

Record Type: Record

To: Francis S. Redburn/OMB/EOP

cc: See the distribution list at the bottom of this message
Subject: Re: Stokes Amendment to VA/HUD for More Housing Vouchers

There were outlays left on the table in the Committee bill. Stokes is going to try to offer the amendment without a cut in HUD S&E. He will only propose that cut if someone objects to the use of outlays on the table.

Message Copied To:

michael deich/omb/eop
alan b. rhinesmith/omb/eop
theodore wartell/omb/eop
patricia e. romani/omb/eop
katherine l. meredith/omb/eop
james f. jordan/omb/eop
joanne chow/omb/eop
andrea kane/opd/eop
eleanor s. parker/who/eop

Francis S. Redburn 07/15/98 06:03:10 PM

Record Type: Record

To: Michael Deich/OMB/EOP

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

Subject: Stokes Amendment to VA/HUD for More Housing Vouchers

HUD believes that Rep. Stokes will offer an amendment tomorrow on the floor to increase HUD's housing vouchers (presumably wefare to work vouchers) by $98 million (another 17,000 families).

This amendment will be in order because it is fully offset: by $98 million rescission of unneeded BA for Section 8 amendments (HUD is providing assurance that this money is unneeded in 1999) and $8 million reduction in salaries & expenses (which provides the necessary first year outlay savings). It may stand a decent chance of passage for the following reasons: it is Stokes' last amendment from the floor, it is modest, and it is fully offset within HUD.

Message Copied To:

Alan B. Rhinesmith/OMB/EOP
Theodore Wartell/OMB/EOP
Patricia E. Romani/OMB/EOP
Katherine L. Meredith/OMB/EOP
James F. Jordan/OMB/EOP
Joanne Chow/OMB/EOP
Charles E. Kieffer/OMB/EOP
Andrea Kane/OPD/EOP
Eleanor S. Parker/WHO/EOP

Andrea Kane [illegible]

Record Type: Record

To: Michael Deich/OMB/EOP, Paul J. Weinstein Jr./OPD/EOP

cc: Cynthia A. Rice/OPD/EOP

Subject: Follow up on Housing Vouchers

We need to talk about next steps following the meeting with Andy and David, including how to bring HUD up to date. John Bohm knew we might be talking to Mikulski's staff and has now called to ask how it went.

Also, I want to make sure I'm clear on the multi-year funding commitment issue that Hill staff seemed so interested in. I know our budget proposal included 5 yr funding, with $283 million BA for 99. With inflation increases, the amount grew to $308 M by 2003. Was Hill staff asking a) whether we intended to continue funding of what would essentially be the baseline amount into the out years (so that the individuals receiving vouchers could continue to use them, or the localities could recycle these for other people), b) whether we'd be asking for additional vouchers in future years (i.e. increasing the number), or c) whether this money would actually end after one year? See helpful explanation from Katherine back in January on this below.

Katherine L. Meredith

Katherine L. Meredith
01/23/98 12:47:31 PM

Record Type: Record

To: Francis S. Redburn/OMB/EOP, Cynthia A. Rice/OPD/EOP

cc: James F. Jordan/OMB/EOP

Subject: Re: Will the budget show or assume 5 year numbers for housing vouchers?

Per your question on the budget streams for Welfare to Work Housing Vouchers:

	99	00	01	02	03	Total
Budget Authority (BA)	283	285	292	300	308	$1,468
Outlays (OL)	27	126	212	260	294	$ 919

Jim had given you the following numbers: average Federal subsidy is $377 per month or about $400 per month. [($592 FMR) - ($215 tenant contribution) = ($377 HUD subsidy)]

The 99 Budget Authority was calculated by taking the number of vouchers (50,000) and multiplying it by the overall average cost of a voucher to HUD (rent contract less tenant contribution). The overall cost of a vouchers would take $400 * 12 = $4,800. Additionally, administrative PHA fees of roughly 7 % are added in, calculated off the GROSS yearly contract cost of $592 per month, totaling $500 (($592 * 12)* 7%). Thus, 1998, the total average two-bedroom cost is $5,300. However, this assumes that all units would be two-bedroom in size. Therefore, HUD uses a slight higher budget authority ($5,657) to take into account that some families will require a bigger unit than two bedrooms and slight inflation to bring the 1998 figure into a 1999 estimate. For 1999, the average cost is $5,657; 50,000 * 5,657 = $283 million. For the outyears, the budget authority for contract renewals assumes an inflationary increase; thus, there is an increase each year in budget authority.

The outlays lag behind the budget authority. This is because HUD is not authorized to begin this program until the Appropriations Act is passed, and HUD traditionally is very slow about getting the units under contract. However, the 1999 estimate assumes obligation of a full year's worth of budget authority, even though there will be a lag between the start of the fiscal year and when the first contract rent is paid by HUD. After that, the spendout of the program starts to catch up with the request for budget authoity. This lag does not affect the next year's request for another years worth of budget authority. Eventually, the outlays should start to match the budget authority--however, you can see that in 2003 this is not the case. Why? First, the budget authority estimate assumes 100% of the units are under contract all year--no vacancies at any time. This is generally not the case in reality. HUD or the PHA have time lags getting the units under contract and additionally, the Congress has in 1996, 1997, and 1998 imposed a 3-month delay in issuing vouchers. This has resulted in excess BA and the outlays never catch up to the full amount of BA. What happens to the excess budget authority if it is not used? HUD 'sweeps' the excess authority every year in its settlement with the public housing agencies. This recaptured funding is brought back into the account and can be used to renew expiring contracts. This can amount to large amounts of funding--$3.650 billion was recaptured in FY 1997.

Thanks,

KM

Andrea Kane

Record Type: Record

To: Cynthia A. Rice/OPD/EOP, Paul J. Weinstein Jr./OPD/EOP

cc:
Subject: andy givens meeting

This is set for 11:15 tomorrow. Michael Deich, Paul and I will attend from EOP. Paul, I told Michael we'd meet him in his office just before 11. Cynthia, Michael thought it would be very helpful for you to call Roberta and make the plug from the welfare reform side, and let her know we're meeting with Andy (maybe she wants to attend). Any intelligence you get re: where Mikulski is on either vouchers or welfare reform generally would be great to have before our meeting. The general way we agreed to do the meeting tomorrow is:

1. Listen to their views on the vouchers (so we know which concerns we're addressing)
2. Pitch vouchers as:

- This is about welfare reform, MD is a leader in welfare reform, this will take it to the next step
- This will break the mold in terms of housing--it rewards success, it will help individuals who are playing by the rules, are going to work (emphasize how providing stable housing helps people get and more importantly keep a job, not portability).
- The vouchers will bring together key stakeholders at local level, reward and encourage collaboration among housing, welfare, employment etc.

3. Our approach sets up a permanent, modest framework which Congress could expand on once we see how this works--it's not a demo.

Deich felt strongly that we should discuss where Mikulski is on the vouchers before getting into the Wellstone amendment. He thought this should be a follow-up call. He's concernced that if we point out the big offset and they're not crazy about more vouchers, they may just take the savings.

Andy Givens, Dale Bevers (Mikulski) committee
HUD
Wellstone amend - FD lang. not hunting for authorizers + approps.
- impact on distressed neighb-
if something cannot unwind it - realtors concerns
Voucher issues:
(1) cost
~~Bud proposed~~
~~how do we pay for it~~ - do not have to be renewed
- do something small -
issues
- recurring costs
- issue → HUD mgmt
- why start new program for one grp when we have huge waiting list
- concerns re FCO

no guarantee that will accept PD as pay for
are there other housing progs that cd be
funded other than vouchers?

clearly a cong discussion on amount, whether earmarked,
how much been to
- Cuomo has not hinged it of appropriately
- dollar issue w prog -
- issue of ongoing line item to fund 202 program

1 of 4 in cong
where is this in our priorities -
when we get to cong
what does admin really want - how do we pay for it
Concern re: renewal issue

Cynthia A. Rice 01/23/98 01:04:34 PM

Record Type: Record

To: Katherine L. Meredith/OMB/EOP
cc: Francis S. Redburn/OMB/EOP, James F. Jordan/OMB/EOP, Andrea Kane/OPD/EOP
bcc:
Subject: Re: Will the budget show or assume 5 year numbers for housing vouchers?

Thank you. This is just what I needed to know.
Katherine L. Meredith

Katherine L. Meredith
01/23/98 12:47:31 PM

Record Type: Record

To: Francis S. Redburn/OMB/EOP, Cynthia A. Rice/OPD/EOP
cc: James F. Jordan/OMB/EOP
Subject: Re: Will the budget show or assume 5 year numbers for housing vouchers?

Per your question on the budget streams for Welfare to Work Housing Vouchers:

	99	00	01	02	03	Total
Budget Authority (BA)	283	285	292	300	308	$1,468
Outlays (OL)	27	126	212	260	294	$ 919

Jim had given you the following numbers: average Federal subsidy is $377 per month or about $400 per month. [($592 FMR) - ($215 tenant contribution) = ($377 HUD subsidy)]

The 99 Budget Authority was calculated by taking the number of vouchers (50,000) and multiplying it by the overall average cost of a voucher to HUD (rent contract less tenant contribution). The overall cost of a vouchers would take $400 * 12 = $4,800. Additionally, administrative PHA fees of roughly 7 % are added in, calculated off the GROSS yearly contract cost of $592 per month, totaling $500 (($592 * 12)* 7%). Thus, 1998, the total average two-bedroom cost is $5,300. However, this assumes that all units would be two-bedroom in size. Therefore, HUD uses a slight higher budget authority ($5,657) to take into account that some families will require a bigger unit than two bedrooms and slight inflation to bring the 1998 figure into a 1999 estimate. For 1999, the average cost is $5,657; 50,000 * 5,657 = $283 million. For the outyears, the budget authority for contract renewals assumes an inflationary increase; thus, there is an increase each year in budget authority.

The outlays lag behind the budget authority. This is because HUD is not authorized to begin this program until the Appropriations Act is passed, and HUD traditionally is very slow about getting the units under contract. However, the 1999 estimate assumes obligation of a full year's worth of budget authority, even though there will be a lag between the start of the fiscal year and when the first contract rent is paid by HUD. After that, the spendout of the program starts to catch up with the request for budget authoity. This lag does not affect the next year's request for another years worth of budget authority. Eventually, the outlays should start to match the budget authority--however, you can see that in 2003 this is not the case. Why? First, the budget authority estimate assumes 100% of the units are under contract all year--no vacancies at any time. This is generally not the case in reality. HUD or the PHA have time lags getting the units under contract and additionally, the Congress has in 1996, 1997, and 1998 imposed a 3-month delay in issuing vouchers. This has resulted in excess BA and the outlays never catch up to the full amount of BA. What happens to the excess budget authority if it is not used? HUD 'sweeps' the excess authority every year in its settlement with the public housing agencies. This recaptured funding is brought back into the account and can be used to renew expiring contracts. This can amount to large amounts of funding--$3.650 billion was recaptured in FY 1997.

Thanks,

KM

AK:

I got this from HUD, and an update: Cuomo called Mikulski, and they're suggesting I follow-up w/ her staff on the merits re: welfare.

CR

Single Family Property Disposition
Talking Points

- HUD's single family property disposition legislative proposal recodifies and streamlines FHA's property disposition efforts. It virtually will transform HUD property disposition efforts, taking advantage of private sector efficiencies in loan loss mitigation and property disposition, while still maintaining HUD's long standing mission to carve out properties in distressed neighborhoods for special revitalization efforts with local governments and not for profit organizations.

- The provisions transfer a lengthy, labor intensive disposition process to third party financial experts with the staff capacity and resources to mitigate losses, keep families in their homes longer, or, if need be, sell properties quicker if there is a foreclosure.

- It provides authority for HUD to sell foreclosed properties or future streams of foreclosed properties to third parties or to contract on a fee for service basis to third party, private entities experienced in property disposition.

- It further provides authority for HUD to sell mortgage notes in advance of foreclosure to third party financial experts to service the loans, engage in loss mitigation activities, including restructuring debt, to keep the families in their homes, and ultimately to foreclose and sell if necessary. With this new authority, HUD will be virtually out of the property disposition business because HUD will never have to take title to foreclosed properties. Only the notes will be sold in certain circumstances.

- The provision also establishes a new authority for HUD to address the blight of distressed neighborhoods and communities with high concentrations of FHA foreclosed and defaulted properties. With this new authority, HUD will be able to develop special disposition efforts in conjunction with local governments and community based not for profit organizations to revitalize distressed neighborhoods by concentrating on rehabilitation and resale of foreclosed properties to new homeowners.

- The new authority to sell notes in advance of foreclosure and the streamlined property disposition efforts is expected to generate $400 million in savings as well as improving the financial position of the mutual mortgage insurance fund. More importantly it removes or prevents the scar of vacant homes from neighborhoods much more quickly.

Michael Deich, Alan, Melissa Benton, Steve, Emil

Caseload #s
House SAP - version

Tomorrow 11:15 Andy Givens
who → M. Deich,
what to say
These are diff vouchers
we shd listen

1) Vouchers
2) audit based testing
3) ROCs

→ Bridges to Work demo
→ Moving to Opportunity
→ Moving to Work → get info for
housing conf in MD
welf reform
tie to ROCs - don't steer people

40
- 32 (8 x 4m)
8

1) TB about urban
2) Breaking the mold in housing
3) Bring stakeholders together
4) MH has been a leader
what have issue of
talk to Andy criteria

Approach
1) listen - - what is concern

2) bring together local stakeholders - reward programs that work

3) reward those who play by rules

authorizes a framework

Subcommittee on Labor, Health and Human Services, and Education (Y = Ex officio member)

MEMBER	DATE APPOINTED			
Specter (PA)	**01-22-81**	**Harkin (IA)**	**03-06-85**	
Cochran (MS)	02-03-89	Hollings (SC)	01-31-71	
Gorton (WA)	02-06-91	Inouye (HI)	02-15-79	
Bond (MO)	02-02-93	Bumpers (AR)	01-14-87	
Gregg (NH)	01-11-95	Reid (NV)	02-03-89	
Faircloth (NC)	01-28-97	Kohl (WI)	02-02-93	
Craig (ID)	01-28-97	Murray (WA)	01-28-97	
Hutchison (TX)	01-28-97	Byrd (WV)	01-31-59	Y
Stevens (AK)	01-28-97	Y		

Subcommittee on VA, HUD, and Independent Agencies

MEMBER	DATE APPOINTED			
Bond (MO)	**02-05-91**	**Mikulski (MD)**	**01-14-87**	
Burns (MT)	02-02-93	Leahy (VT)	02-23-77	
Stevens (AK)	01-11-95	Lautenberg (NJ)	03-06-85	
Shelby (AL)	01-11-95	Harkin (IA)	01-28-97	
Campbell (CO)	10-20-95	Boxer (CA)	01-28-97	
Craig (ID)	01-28-97	Byrd (WV)	02-03-89	Y

Welfare-to-Work Vouchers
Questions and Answers

Q. HUD already administers 1.4 million tenant-based certificates and vouchers. Why should we request another 50,000 for this purpose?

A. Despite serving 446,000 families with children whose primary source of income is welfare, HUD provides housing assistance to only one-quarter of all welfare recipients. Long waiting lists make it difficult for PHAs to respond to this need. With 50,000 vouchers targeted specifically to welfare recipients, we can help make a real difference in the lives of many families who must respond to the demands of welfare reform.

Q. Why is tenant-based assistance so important to the challenge of welfare reform?

A. One of the challenges of moving from welfare to work is the disconnect between the location of appropriate, entry level jobs and the people who need them. About two-thirds of new job creation is in the suburbs, but three-fourths of welfare recipients live in rural areas or central cities. Long commutes are also a problem within many cities where jobs are located far from residential neighborhoods and transportation routes are not efficiently planned to connect the two. The portability feature of vouchers offers welfare recipients the residential flexibility they need to find and keep jobs in both of these situations. It will also help them overcome other transportation problems caused by nontraditional work hours or the need to make multiple stops to take their children to school or childcare.

Q. Moving is very stressful. How can we expect families from the city to find housing in unfamiliar suburban communities?

A. One requirement of the competition for these additional vouchers will be a PHA plan for tenant counseling and housing search assistance to assure success in the search for housing and to help relieve the stress of the move. In addition, not all families will move to the suburbs; some will move within the city to neighborhoods more convenient to their jobs or transportation lines.

Q. How can the program overcome landlord and community resistance to poor families from the city?

A. The tenant counseling will help families seeking housing understand what is involved in being a good tenant and a good neighbor. The PHA who compete for these vouchers must also discuss how they will reach out to landlords in communities where the jobs are located so that voucher holders will have a better chance of succeeding in their housing search.

Will families who receive this housing assistance be serious about making the move to work, and not just interested in the voucher?

Each PHA who applies for the vouchers will propose its own criteria for selecting the families who receive the housing assistance. Eligible families include those eligible for, currently receiving , or graduated from welfare within the pasts year. Some PHAs, for example, may decide to offer assistance to former welfare recipients who already have gone to work but are having difficulty with their commute. Others may focus on families in job search. Still others may use it to help a welfare-eligible family go to work and never enter the welfare system at all. In each case, the community will determine the best way to assure local success. Our proposal also calls for permitting statutory waivers, as appropriate. One option might be to establish a program where housing assistance is ended if the participant leaves her job without good cause; this could serve as an incentive for the family to succeed and a deterrent to families who are not serious about making the move off of welfare.

Q. HUD is a housing agency. Why should we get involved in welfare problems?

A. HUD's involvement in welfare reform is as a housing agency. Our Welfare-to-Work voucher proposal is an example of how housing assistance can serve two functions: not only can it help a family obtain decent affordable housing, HUD's basic housing mission, but it also can support the family's efforts to become and stay employed and move off of welfare. HUD is already involved in welfare reform because we house a large number of families whose principal source of income is welfare. Because many of these families had problems accessing services in the community that would help them go to work, we have worked with PHAs to create programs that help coordinate service delivery from community resources, or where necessary, directly from the PHA.

Q. PHAs also have a history of being "bricks and mortar" housing agencies. Can they possibly work well with welfare and employment agencies?

A. Many PHAs already have successful track records in establishing and maintaining these important relationships. Two HUD programs offer excellent examples.

Family Unification offers Section 8 assistance to help families who have lost or are at risk of losing their children because of a lack of adequate housing. PHAs must work in close cooperation with their local child welfare agencies to identify eligible families and to offer them housing and other assistance. Originally authorized as a 16 state demonstration, the program has been successful enough that Congress expanded it to serve the entire country.

Family Self-Sufficiency requires that PHAs receiving increments of housing assistance offer public housing residents and Section 8 recipients a coordinated program of resources to help them become self-sufficient. Each PHA must establish a local coordinating committee to design its program and locate resources to permit the delivery of services. Welfare agencies, as well as a host of other local social service agencies, play an important part in FSS coordinating committees. PHAs operating FSS will have ongoing relationships with their welfare and employment agencies that should permit them to work together in designing and implementing a Welfare-to-Work voucher program.

Q. If the goal of welfare reform is to become self-sufficient, why are we proposing a voucher that offers another form of subsidy? Aren't we simply substituting one large benefit for another?

A. All of the research done on welfare-to-work like efforts has shown that it is exceedingly difficult to make the permanent transition from welfare to work. Even the most admired models, which are based on quickly putting clients to work and providing additional training and support to them as they work, have relatively small success rates. People are going to work, but find it difficult to keep their jobs and move out of poverty. One potential problem is that the cost of decent housing can use a very high percent of the take home pay of families in low-wage or entry level jobs, leaving little money to pay the other costs of supporting a family and going to work. Many workers get discouraged and quit. With housing assistance as an underlying support, families can afford to go to work and to take the steps necessary to move from entry level to higher wage jobs that will allow them to wean themselves off of housing assistance as well as welfare. PHAs competing for the Welfare-to-Work vouchers will be able to encourage such progress in the way they design their programs.

Katherine L. Meredith
06/25/98 12:17:18 PM

Record Type: Record

To: Paul J. Weinstein Jr./OPD/EOP, Andrea Kane/OPD/EOP

cc: See the distribution list at the bottom of this message
Subject: Questions on HUD vouchers

Attached is a table that should address your questions on the HUD vouchers proposed in the Budget. Please let me know if you need any more information.

The following is the position the Administration is taking on each of the voucher proposals in the SAPs:

<u>Welfare-to-Work</u>: Highest priority. Encouraging full funding and adoption of Administration's proposal.

<u>Homeless Assistance</u>: Priority. Encouraging funding the Homeless Assistance Grants program at the Administration's requested level.

<u>Elderly</u>: Both House and Senate fund construction instead of vouchers and add $500 million in BA above the request. Same number of elderly units will be provided, but through new construction, not vouchers.

[FYI--Disabled language permits vouchers, which is the same as the Administration's request. No comment in the SAPs because Congress is criticizing the Administration for not having enough BA for the *elderly*.]

<u>Other Targeted Vouchers</u>: Both House and Senate fund at Administration's request, therefore, no comment in SAP.

vouchers.wk

--KM

<u>Message Copied To:</u>

Michael Deich/OMB/EOP
Theodore Wartell/OMB/EOP
Patricia E. Romani/OMB/EOP
Alan B. Rhinesmith/OMB/EOP
Francis S. Redburn/OMB/EOP
James F. Jordan/OMB/EOP

Summary of Housing Vouchers for FY 1999

(dollars in millions)

WELFARE TO WORK

	Number of Vouchers 1998	Number of Vouchers 1999	B.A. 1999
Administration Request	0	50,000	[$283]
Senate	0	7,000	[40]
House	0	17,700	[100]

Comments: President proposed 50,000 welfare to work vouchers. House has adopted Administration's appropriations language, but only funds 1/3 of the Administration's request (17,700 vouchers). Senate did not adopt Administration's appropriations language. Senate funds $40 million (7,000 vouchers) and designates 8 demonstration sites to receive $4 million each in Section 8 assistance. President, House, and Senate vouchers are new incremental.

HOMELESS INDIVIDUALS AND FAMILIES

Administration Request	0	34,000	[$192]
Senate	0	Unknown	Unknown
House	0	Unknown	Unknown

Comments: The Administration requested $1.15 billion for Homeless Assistance Grants, including 34,000 new incremental vouchers targeted for homeless assistance. The President's request earmarks vouchers; the Senate and House do not earmark. The Senate funds Homeless Assistance at $1 billion, with a requirement that 30 percent of funds be allocated to permanent housing. This could fund some vouchers under the existing homeless assistance programs. Appropriations language only states the requirement; HUD would need to work out how that requirement is met. The House funds Homeless Assistance Grants at $975 million. House Report language directs HUD to target any permenant housing, certificates or vouchers to individuals and families with chronic disabilities.

ELDERLY

Administration Request	0	8,800	[$50]
Senate	0	0	0
House	0	0	0

Comments: The President's Budget proposes to fund the same number of housing units for the elderly as had been provided with the FY 98 appropriation through a mix of new construction and vouchers. The Senate and House fund the same number of units but all through new construction.

OTHER TARGETED PURPOSES

Administration Request	**8,639	10,600	[$60]
Senate		10,600	[60]
House		10,600	[60]

Comments: The House and Senate fund the Administration's request for other targeted vouchers. This includes the witness relocation and family unification programs, and tenant protection vouchers.

** Budget Authority of $59,000,000

25-Jun-98

Funded all our renewals, so this is additional over we proposed as separate pot -- H has it as w/in Housing Certificate pot - No difference from funding perspective.

S is also incremental. V. tiny amount for family unification

Katherine L. Meredith
06/23/98 12:55:22 PM

Record Type: Record

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

cc: See the distribution list at the bottom of this message
Subject: Welfare to Work language

	H	S
WTW 50,000	17,000	7,000
Homeless 34,000	not clear	$15 - not clear vouchers
Elderly/Disabled	none	none
Disabled		up to 25% can be used to

HOUSE: Good news. The House Subcommittee bill adopts our welfare-to-work proposed appropriations language word for word, but with only 1/3 of the funding level requested.

The House funds welfare-to-work at $100 million (17,677 vouchers) in the Housing Certificate Fund, instead of our request for $283 million as a separate program (50,000 vouchers).

Comments in House Report: "In addition to HUD's proposed requirements, the Committee encourages HUD to revise its Performance Plan to incorporate performance measures designed to gauge whether, and to what extent, the housing vouchers funded under this section further the objectives of welfare reform. In particular, the Committee urges HUD to measure the extent to which these vouchers result in (a) increased earnings; (b) increased employment (e.g. an increase in number of weeks employed or number of hours worked per week); (c) improved coordination among housing and welfare agencies; and (d) improvements in housing quality and affordability. The Committee encourages HUD to track the different ways localities use the vouchers to further the goals of welfare reform and the relative success of different approaches in achieving the program's objectives. HUD is directed to implement an evaluation of these approaches and is authorized to use up to one percent of the funds provided under this set-aside for those purposes." We believe this advice should be acceptable to HUD.

Status: To Full Committee on Thursday, June 25th.

SENATE: Bad news. The Senate did not adopt our language or our proposal.

As reported to you earlier, the Senate Subcommittee appropriations language reads: "$40,000,000 shall be made available on a fair share basis to public housing agencies as section 8 assistance for families on waiting lists who agree to participate in local self-sufficiency/welfare to work initiatives, of which $4,000,000 shall be made available each to public housing agencies for demonstration local self-sufficiency/welfare to work initiatives in Los Angeles, CA, [etc.] . . . ."

Comments in Senate Report: "In response to concerns raised by the Department and others for welfare-to-work initiatives, the Committee has included $40 million in incremental section 8 assistance to be administer by public housing agencies as part of local self-sufficiency/welfare-to-work initiatives for families on waiting lists. The Committee has designated eight demonstration sites to receive 44 million in section 8 assistance each: Los Angeles, CA; Cleveland, OH; Kansas City, MO; Charlotte, NC; Miami/Dad County, FL; Prince Georges County, MD; New York City, NY; and Anchorage, AD. The funding level reflects the Committee's lack of confidence in HUD's capacity to manage these resources efficiently, including HUD's continuing inability to provide accurate accounting of existing funds and outyear obligations."

Status: Reported out of Full Committee.

--KM

Message Sent To:

Paul J. Weinstein Jr./OPD/EOP
Andrea Kane/OPD/EOP
Emil E. Parker/OPD/EOP
Michael Deich/OMB/EOP
Charles E. Kieffer/OMB/EOP

Message Copied To:

Theodore Wartell/OMB/EOP
Patricia E. Romani/OMB/EOP
Alan B. Rhinesmith/OMB/EOP
James F. Jordan/OMB/EOP
Francis S. Redburn/OMB/EOP

Kennelly running ~~against~~
R Gov

Kat -

Dear colleague letter
→ in both subcomm + comm.
Lynn Woolsey + Joe Kennedy, lagro
+ some more moderate dems
→ get authorizers + some appropriators (maybe more reluctant)

225-4390

Todd Fleming or $\boxed{219-4692}$ COS in Pallast's office

(Reno Hilton)

fax in Reno -
~~702 789-2418~~

Lynn Cutler can do

Andrea/Julie
Super. Plan to (separate) weekly items on the status of WtoW vouchers and on fair housing initiative in the approps process - both House and Senate.
Elena

Andrea Kane 06/22/98 09:28:48 AM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, WEINSTEIN_P @ A1 @ CD @ VAXGTWY, Cynthia A. Rice/OPD/EOP

cc:

Subject: HUD's Appropriations, House Subcommittee Mark for FY 1999

Good news from House on welfare to work housing vouchers among other things--$100 M (compared with $40 M in Senate). I'll follow up to get details on vouchers. Bruce, did you ever have a chance to make calls to the members HUD suggested?

---------------------- Forwarded by Andrea Kane/OPD/EOP on 06/22/98 09:35 AM ---------------------------

James F. Jordan

06/19/98 03:37:12 PM

Record Type: Record

To: Michael Deich/OMB/EOP, Charles E. Kieffer/OMB/EOP, Emil E. Parker/OPD/EOP, Andrea Kane/OPD/EOP

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

Subject: HUD's Appropriations, House Subcommittee Mark for FY 1999

Good news. The House Subcommittee added $1.7 billion above the Administration's requests

Most of the overall difference in BA funding results from contract renewals and amendments. However, even after adjusting for these programs, the House adds nearly $0.6 billion above the President's request (see table below). Hence, a very good overall mark for HUD.

	(BA in millions)		
	HUD Request	House Subcommittee	Senate Full Committee
Total BA	24,835	26,554	24,269
Contract Renewals	7,190	9,600	9,540
Amendments	1,337	98	(1,400)
BA, w/o renewals and amendments	16,308	16,856	16,129

Gains. Includes $100 million for Welfare-to-Work Vouchers, $10 million for Regional Opportunity Counseling, $975 million for homeless, adequate funds for public housing and the HOME block grants. CBDG funding is adequate; while it includes more set-asides than the President's request, it still provides for a modest increase in funds distributed by formula to States and entitlement communities. Fair Housing's BA is increased from $30 million to $40 million with an allocation that supports the Administration's initiatives, including $7.5 million for a nationwide audit of housing discrimination. (The Fair Housing mark is still $12 million below the $52 million request).

Losses. While information remains preliminary, the Chairman's notes do not raise the FHA loan limits or permit more flexibility for single family property disposition. The Secretary's Economic Development Initiative was funded at $50 million within CDBG, instead of the $400 million separate appropriation that was requested. The House Subcommittee also did not provided funding for the Regional Connections Initiative; the Budget requested $100 million for this initiative as a set-aside within CDBG. The mark continues appropriation language requiring a 3-month pause in re-issuing housing vouchers and certificates (Senate language would end this objectionable practice).

Details on Major Programs.

Section 8 Contract Renewals. Provides $9.6 billion (almost identical to the Senate level). The House level exceeds our request by $2.4 billion in order to restore the $2.3 billion rescinded in the Supplemental bill. Both House and Senate levels fully fund all expiring contracts. No issue.

Section 8 Contract Amendments. Provides $98 million. Still unclear how much is needed here; however, this is much better than the Senate mark of -$1.4 billion.

Welfare-to-Work Vouchers. Provides $100 million as a set-aside in the large account for certificates. Funds one-third of our request of $283 million. **Appears to grant funding as we requested but we will need to closely examine the appropriation language before knowing if the initiative is funded.**

Regional Opportunity Counseling. Provides $10 million. First time the Administration has received funding for this mobility initiative to help assisted tenants relocate into neighborhoods with more jobs, better schools and other services. The Administration requested $20 million.

Public Housing. Provides almost $500 million above our request: + $450 million for modernization, from $2,550 million to $3,000 million; + $50 million for Revitalization of Severely Distressed Public Housing, from $550 million to $600 million, + $20 million for Indian Housing block grants, from $600 million to $620 million; -$20 million for Drug Elimination Grants, from $310 million to $290 million.

CDBG. Provides $4,725 million, the same as the request. However, it includes set asides where the Administration requested separate funding, such as the Economic Development Initiative ($50 million) Brownfields ($20 million) Youthbuild ($35 million). Senate provided $4,750 million. Still, funding available to distribute to States and entitlement communities would increase from 1998 enacted by $178 million (as compared to the $238 million increased provided by the President's Budget).

HOME. Provides $1,600 million. This is $50 million above our request without the set-aside for elderly/disabled. Senate provided $1,550 million.

Homeless. Provides $975 million versus our request of $1,150 million (FY 1998 base of $823 million). The Senate provided $1,000 million. A significant increase over last year's level but not as much as requested.

Elderly/Disabled, primarily new construction. Provides $839 million versus our request within HOME of $333 million. Senate provided $870 million.

Fair Housing. Provides $40 million versus our request of $52 million (FY 1998 Base of $30 million). House includes $7.5 million for a nationwide audit of housing discrimination, and all of the House increase is in the Fair Housing Initiative Program (FHIP). Senate provided $35 million.

Salaries & Expenses (S&E) Funding. Provides $986 million, including transfers, versus our request of $1,001 million (base of $1,001 million). Senate provided our full request. The $15 million reduction in S&E funds is the exact same amount that is added to the IG.

Inspector General (IG) Funding. Provides $82 million, including transfers, versus our request of $67 million (base of $67 million). Senate provided our request. The additional $15 million would more than double the IG's Anti-fraud initiative, which was started by the House Appropriations Subcommittee last year.

FHA Single Family Property Dispositions. Failed to provide appropriation language, which would permit more flexibility to use contractors to accelerate property disposition. CBO priced this saving proposal at $400 million. Senate also failed to include this proposal.

FHA Single Family Loan Limit Increase. An amendment, which was offered in Subcommittee markup, to increase the loan limits was rejected. Senate included modified version of our proposal.

Administrative Provisions/Savings Proposals. Continues the objectionalble language requiring a 3-month delay on reissuing housing certificates and vouchers. The House provided most of Administration's savings proposals, including authorizing single persons in the voucher program to pay efficiency rents and eliminating the shopping incentive for in-place voucher families. The Senate did not accept our proposals.

Message Copied To:

Patricia E. Romani/OMB/EOP
Theodore Wartell/OMB/EOP
Alan B. Rhinesmith/OMB/EOP
Francis S. Redburn/OMB/EOP
Alexandra Gianinno/OMB/EOP
Adam Hoffberg/OMB/EOP
Joslyn G. Mack/OMB/EOP
Katherine L. Meredith/OMB/EOP
Joshua H. Raymond/OMB/EOP
Hang T. Tran/OMB/EOP
Elizabeth M. DiGennaro/OMB/EOP
Agnes Muszynska/OMB/EOP
Susan M. Carr/OMB/EOP
Joanne Chow/OMB/EOP
Edward A. Brigham/OMB/EOP

Bruce N. Reed
06/22/98 03:35:37 PM

Record Type: Record

To: Andrea Kane/OPD/EOP

cc:
Subject: Re: HUD's Appropriations, House Subcommittee Mark for FY 1999

Great news! Put it in the weekly.