Betsy.Kim@sba.gov
10/18/99 05:24:40 PM

Record Type: Record

To: Lisa Green/OPD/EOP, Natasha F. Bilimoria/OPD/EOP

cc: kris.swedin@sba.gov, Michele.Kreiss@sba.gov
Subject: vetting issues

Lisa and Natasha -- this is in response to your request to vet the 9 potential cities for any "issues" that the White House should be made aware.

No issues in Newark, Fresno or Hermitage, AR; have not heard back on North Carolina, Chicago or Michigan.

Portland, OR

1. There is a new Native American Chamber of Commerce that is attempting to pull together urban Native American businesses. This group is still relatively small, attracting about 20 people to their monthly meetings, of which approx. 12 represent actual Native American firms (not so much an "issue" as something good).

2. The Oregon Native American Business and Entrepreneurial Network (ONABEN) had received funding through SBA's 7(j) program from 1993 through 1998. Due to limited funding coupled with strong proposals received from other organizations, SBA was not able to fund ONABEN for FY99. In the past, SBA had informed ONABEN that the 7(j) program was not intended to be an unlimited source of funding, and encouraged ONABEN to seek other sources of funding.

3. Our Portland District Office informs us that most of the Native American business development-type activities occur on the reservations, and not in urban communities. For example, SBA has 3 Business Information Centers at 3 reservation sites in Oregon (in Chiloquin, Warm Springs and Grand Ronde, OR).

Hartford, CT

> City has had slow recovery from last recession.
>
> Major development activity Adrians Landing) athletic complex, retail has
> been delayed/stalled due to withdrawal of National Football League Team/
> NE Patriots move to Hartford (Spring/99)
> City was viewed as a loser in the failed attempt for team to relocate
> from Mass.
>
> Colt Firearms recently announced 300 of 700 layoffs would come from the

> Hartford facility. Layoffs due to handgun regulations
>
> City of Hartford Board of Education was deemed ineffective and state
> oversight board was appointed.
>
> City Economic Development Agency is in state of flux, no permanent head
>
> Hartford is an Enterprise Community (3 years - no real economic
> development has occurred)
>
> Key figures from Hartford have been named in possible State Treasury
> scandal (None are municipal employees)
>
> Head of CCEDA resigned 3 months due to personal scandal - has been
> replaced.
>
> $450 million state economic development funds for city have not been spent
>

- att1.htm

Betsy.Kim@sba.gov
10/18/99 04:26:08 PM

Record Type: Record

To: Lisa Green/OPD/EOP, Natasha F. Bilimoria/OPD/EOP

cc: jody.raskind@sba.gov
Subject: SBA microlenders for Second New Markets Trip

Lisa & Natasha -- per your request for info on microlending activity, see below & attached. Jody Raskind is the person who oversees SBA's microloan program. as you start to narrow potential sites, we can provide more detailed info on pertinent microlenders.

-----Original Message-----
From: Raskind, Jody
Sent: Friday, October 01, 1999 10:22 AM
To: Kim, Elizabeth O.
Cc: Tansey, Charles D.; Butler, Jane Palsgrove; Christensen, Don A.
Subject: RE: Site Selection for Second New Markets Trip

Betsy, I am attaching a list of our Microloan Intermediary Lenders and Non-Lending TA Providers. We have really good microlenders that you may want to suggest for the tour in
Connecticut -- New Haven
New Jersey-- Newark
Minnesota-- Minneapolis, St. Paul (a really outstanding non-lending TA provider that should be hi-lighted as well as a good lender), Virginia, Bemidji
North Carolina-- Both an intermediary and an NTAP that do statewide service and lots of rural work.
Arkansas-- Good lender in Pine Bluff & Arkadelphia with which the President is intimately familiar.

We have OK intermediaries in Chicago and areas of Michigan that are not on the list. I suggest that you may want to check the attached document to see if there are any organizations you want to talk to me about. I will be here most of the day. I have to go up the Hill this afternoon. Thanks.

Jody

Additional Utica Information

APAC Customer Service This project, negotiated directly by the Mayor and completed in 1998, involved the redevelopment of a formerly-vacant downtown shopping center building (the Boston Store) into a back-office call center. (Sprint and MCI are both customers of APAC.) According to the company, 700 jobs have been created. The investment includes $15,000 in CDBG funds, $800,000 in state funds and $3.2 million in private bank financing taken out by APAC. The company has 50 other sites around the country.

TOPS Plaza This project, completed in May, 1999, is the redevelopment, by the Benderson Development Corp., of a formerly-vacant, 2,000 square foot shopping plaza in the inner city. Local low-income residents now have the opportunity to shop in their neighborhood. A supermarket opened in the spring; additional retail shops continue to open at the site. The project received $555,000 in CDBG funds through the City's Economic Reinvestment Program and was financed with over $3 million in bank financing. 150 jobs have been created, and many of them are currently held by Bosnian refugees. (Utica has a high concentration of Bosnian refugees.)

Office of

Policy and Strategic Planning

U.S. Department of Commerce

facsimile coversheet

Date: 10/20 Fax #: 456-2223

To: Lisa /Natasha Phone: (202) 482-1707

From: Dawn Evans Cromer Fax: (202) 482-4191

Number of pages including coversheet: 4

Subject: Brooklyn options

Message:

In case email did not work

US. Department of Commerce
Washington, D.C. 20230

UNITED STATES DEPARTMENT OF COMMERCE
Office of the Secretary
Washington, D.C. 20230

October 20, 1999

MEMORANDUM FOR Lisa Green
Natasha Bilimoria

FROM: Dawn Cromer

SUBJECT: Options for Brooklyn, NY visit during the November New Markets Initiative Tour

Per you request, the following highlights two projects that are ready for events. Again, our the focus is on the Digital Divide and the importance of education through technology and innovation.

1. Theme: Partnership for Higher Acheivement

Event: Interactive Discussion and Demonstration with students

Recipient: Brooklyn College
Brooklyn College, four Brooklyn public high schools, the City University of New York (CUNY), and the College Board have formed a partnership to connect the schools to the Internet and develop Learning Cafes in each of them.

Project Description:

Brooklyn College will expand its campus into the community by establishing Internet "Learning Cafes" that will serve over 3,500 at-risk, economically disadvantaged children in underserved, inner-city Brooklyn communities. A Learning Cafe is an Internet-connected facility, located at the high schools, with a menu that offers information about academic resources, rather than cappuccino and croissants.

Project Goals:

- to improve academic performance, graduation rates, and college enrollment rates of the at-risk high school students through information resources, college prep courses by integrating the Learning Cafe curriculum into students' academic programs.

- learn to use the World Wide Web for academic purposes, Web page design, and for those who qualify, college core curriculum course via the Learning Café;

- high school teachers and counselors who staff the cafes will be trained to teach electronic information literacy, and deliver the electronic courses that the college will provide; and
- manage an electronic college application module, teach students to create home pages, and integrate technology into curricula.

Each Cafe will be equipped with 30 multimedia, fully networked, Internet-accessible computers, and will link to the Internet using the City University of New York's (CUNY) telecommunications network.

Partners
This partnership involves Brooklyn College, the College Board, Brooklyn College Academy, Midwood High School, Edward R. Murrow High School, and Samuel J. Tilden High School.

Funding History:

Project Start Date:	October 1997
Project End Date:	September 30, 1999
Total Project Cost:	$1,300,000
NTIA funding:	$650,000

Contact: Barbara Higginbotham
2900 Bedford Avenue
Brooklyn, NY 11210
(718) 951-5342

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2. Theme: Technology as a Tool for Welfare to Work

Event: Community Roundtable and Demonstration

Recipient: National Urban Technology Center

Project Description:
The Community Employment Network will link two community-based organizations with the Urban Technology headquarters in Manhattan, as well as connect ten public access sites. Using the network, the community organizations can automate their administrative processes and offer more efficient, personalized employment-related training by using computerized individual development plans to help people find and retain jobs.

The Community Employment Network will be physically located in the inner-city community of Bedford-Stuyvesant, Brooklyn.

Project Goals:

- will connect public assistance recipients, such as foster care youth, with community resources, their caseworkers, and on-line business mentors for continuing support.
- provide employment training and listings for technology-related jobs, internships, and job opportunities.

In addition, 100 re-built Urban Technology computers will be put into the homes of public assistance recipients so they can work closely with their caseworkers as they work their way off of public assistance.

Partners:
Urban Technology are two community-based organizations, Concord Family Services and Latimer-Woods Economic Development Association. Other partners include Technology Service Solutions, a joint venture between IBM and Kodak, who will provide training and mentors; AT&T, who will provide mentors and network design; Concord Baptist Church, who will provide public access sites; Central Brooklyn Federal Credit Union; and Alliance of Black Telecommunications Employees, who will also provide on-line mentors.

Funding History:

Project Start Date:	October 1996
Project End Date:	September 30, 1998
Total Project Cost:	$1,048,334
NTIA Grant Amount:	$399,703

Contact: Patricia Bransford
1204 Third Avenue
New York, NY 10021
1-800-998-3212
pbransford@cfs.urbantech.com

Cc: Jon Orszag

Office of

Policy and Strategic Planning

U.S. Department of Commerce

facsimile coversheet

Date: 10/21 Fax #: 456-2223

To: Lisa/Natasha Phone: (202) 482-1707

From: Dawn Evans Cromer Fax: (202) 482-4191

Number of pages including coversheet: 3

Subject: Contact info. for Newark, NJ

Message:

US. Department of Commerce
Washington, D.C. 20230

UNITED STATES DEPARTMENT OF COMMERCE
Office of the Secretary
Washington, D.C. 20230

October 19, 1999

MEMORANDUM FOR Lisa Green
Natasha Bilimoria

FROM: Dawn Cromer

SUBJECT: List of Project Summaries and Contact Information for the Commerce Department proposed activities for the New Market Tour in November

Per your request, the following outlines project summaries and contact information for those projects identified for the President's New Market's Tour in November 1999:

Event: Demonstration and Discussion with Community Captains at neighborhood recreation center, school, or library

Making Healthy MUSIC (Multi-User Sessions in Community) - Newark, NJ

Newark Public Schools, in partnership with the New Community Corporation and the New Jersey Medical School of the University of Medicine and Dentistry-New Jersey, received a two awards from TIIAP (in 1994 and 1995) to develop the Making Healthy MUSIC project in an inner-city neighborhood of Newark, New Jersey. The primary goal of the project is to improve the delivery of primary health care to community residents by empowering the community to begin to focus on and manage their own health issues. A secondary goal of the project is to redefine the relationship between the local school and the community in order to foster higher levels of student literacy.

Community residents use grant-provided computers in their homes or in the homes of their neighbors to access the MUSIC system, through which they can communicate directly with local health and social services providers and participate in discussions. Information resources, such as a weekly calendar on available health services, school bulletins, on-line news from the Newark Star Ledger, and the Newark Public Library, are also available through the MUSIC system.

Contact: Pamela Morgan, Newark Public Schools
(201) 733-8290, PEMorgan@aol.com

2. Event: Site Visit and Demonstration

Urban League of Essex County - Newark, NJ

The Urban League of Essex County is one of four National Urban League affiliates selected to participate in a 1997 TIIAP award. Under this project each affiliate has designed a Technology Education and Access Center (TEAC).

These affiliates represent four states in urban areas targeting low-income an disadvantaged adults and children. Programs offered by the centers include adult literacy, computer literacy, Internet training, web design, employment readiness, job searching, after school enrichment, and summer youth programs. All of the centers structured programs and set hours for public access/walk-in clients.

The TEAC in Newark has 30 Personal Computers connected to the Internet through an ISDN connection. Seven instructors provide classes covering topics from computer literacy to basic Internet skills. The average class size is around 30 students.

Contact: B. Keith Fulton
(212) 558-5394, bkfulton@nul.org

Lisa Green
10/22/99 09:44:20 AM

Record Type: Record

To: Marjorie Tarmey/WHO/EOP@EOP

cc: Melissa G. Green/OPD/EOP@EOP, Natasha F. Bilimoria/OPD/EOP@EOP
Subject: Upsate New York

Per your request this morning here are ideas that we have recieved from HUD for deliverables in Upstate New York. Unfortunately, most of these ideas can not be considered new deliverables and several are just not substantial enough to warrant a visit at this time. There are several excellent venues but not enough deliverables to connect them to the President's mobilization of **new, private investment**.

BUFFALO, NY

- The City transformed a mile-long abandoned rail corridor with a new parkway directly accessible to regional and interstate highway systems. This $7m investment in the City's infrastructure included $1m ECZ and $1m HUD funds. This new parkway is anchored by the American Axle & Manufacturing facility (former General Motors Saginaw Gear plant), and the former GM-Harrison plant. The purchase of the former GM-Saginaw plant by the newly created American Axle & Manufacturing company has resulted in a private investment of over $100 m, creating the largest manufacturing employer in the City of Buffalo. Purchase of the plant resulted in the location of seven new businesses and the creation of over 300 jobs at this facility. The construction of the parkway resulted in the construction of American Axle's paint shop headquarters for a capital outlay of $3m and the creation of 125 high-salary, UAW jobs. **NOTE: These are excellent examples of New Markets activity. However, it is not clear how much we could get out of billing this as new investment related to the President's visit. These appear to be annnouncements that have already been made.**
- A $1.3 m loan funds the construction of a business incubator adjacent to the Parkway to house up to 10 minority-owned light industrial, commercial warehousing or distribution companies and create 200 permanent jobs. This is in addition to $1m in funding from the US Economic Development Agency.The small business incubator is expected to house five companies and create 75 jobs. Adjacent to the business center, Rural Metro Ambulance will build its new headquarters resulting in 90 new jobs over three years, with an capital outlay of over $2m. **NOTE: This appears to be new and could be a good grand opening type of announcement. No real hook however, as compared with other sites that we have been considering for the trip.**

UTICA, NY

- Loretto Utica - This $25 million development project is the adaptive re-use of a historic former school building. (Secretary Cuomo was present at the groundbreaking for this project.) It has created a multi-purpose residential and health care complex designed to provide jobs and services in the central city neighborhood of Cornhill. It includes a

156-bed adult care residence, a primary care clinic and 120-bed nursing home, a community center and a day care center. There would be good visuals -- juxtaposition of a run-down neighborhood with new construction. **NOTE: This might otherwise be a good deliverable, but as indicated it is not a new announcement.**

- Center City Project - The former Adirondack Bank building, which had been abandoned for many years, located in downtown Utica, has been renovated using CDBG monies to provide an indoor food court and incubator space for 15 start-up retail businesses, which are given a year's free rent. The project is intended to bring new life to the moribund downtown area, provide dining and shopping opportunities in the inner city, and support local start-up businesses. This initiative has already created 23 jobs. The start-up businesses have collectively invested $500,000 in equipment costs, build-outs for their businesses, etc. The business include a t-shirt business, candy business, and other retail ventures. **NOTE: Although this would be a good visual for a site visit there is no new announcement here.**
- Mayfield Project - In partnership with a local not-for-profit, Genesee-Oneida Housing Opportunities, Utica has undertaken a major housing rehabilitation initiative designed to reduce the stock of substandard housing and provide rental units to local residents. Under Phase I and Phase II, 38 units of larger (3+ bedroom) housing units have been rehabbed. Section 108s have been used (one for $750,000 and one for $674,000) and mortgage financing from Key Bank has been secured in the amount of $2.6 million.
- Other Projects - HUD provided other ideas (including two shopping center sites), but the ideas are related to old projects -- nothing new.

ROCHESTER, NY

- Upper Falls Shopping Center: Part of the City's ECZ strategic plan identified the need for a neighborhood grocery store. The City developed a successful collaboration and partnership building initiative which culminated in major economic development and job creation endeavor known as the Upper Falls Shopping Center. This is an $11.3 million project: $3m Federal ECZ, $980,000 CDBG, $2.3m Rochester Econ. Dev. Corp, $2.2M Urban Renewal Trust Fund. **NOTE: This would be a great visual, but again no new announcements.**
- Brooks Landing: The City's current plans call for the development of Brooks Landing which is a major economic development project along the Erie Canal which will provide restaurants, retail shops, boat docks, and a City park which would stimulate other commercial development in neighborhood near the University of Rochester. The City's Local Waterfront Revitalization Program outlines the future use of Lake Ontario for a future project to include a fast ferry service that would link Rochester with Toronto, Canada.**NOTE: These ideas has potential but would take work to identify what private sector ivnestors would be ready to make announcements.**
- **High Falls:** The City also has another extremely successful economic development project in the High Falls District which is a themed, family-oriented entertainment area. City investment in a downtown area of former manufacturing sites are now successful businesses, restaurants, theaters and retail shops. **NOTE: Again good visual, but no new announcement.**

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE OFFICE OF THE SECRETARY
WASHINGTON, DC 20410-0001

TO: Lisa Green

FROM: Ariel Zwang, Jacquie Lawing

DATE: October 20, 1999

RE: Possible Brooklyn Events

Attached please find, as you requested, information about possible Brooklyn events. You will see that not all are equally fleshed out; this is, of course, a result of our wanting to get information you as quickly as possible. We are continuing to research this site; please let us know if there are particular areas of interest where we should concentrate.

Brooklyn, NY

Possible Visits

Alliance for Neighborhood Commerce and Home-Ownership Revitalization Program (ANCHOR) This is a city-wide partnership that includes New York City, HUD (through Section 108 loans), and the New York City Housing Partnership (a private entity). Its purpose is to revitalize distressed or abandoned commercial corridors with mixed-use affordable housing and retail.

One location in Brooklyn is complete: the Fulton Ralph Plaza, which was completed in June, 1999. It consists of more than 19,000 square feet of retail space, with tenants including Rite Aid Pharmacy, State Farm Insurance, and a local entrepreneur, who owns a luncheonette and laundromat.

Two other locations in Brooklyn are planned, but are awaiting commitment from key tenants in order to begin redevelopment. **They are close to the Fulton Ralph Plaza, so the President could consider a before-and-after comparison**; each consists of a strip of 3-4 blocks, largely abandoned, which will serve as the nucleus for redvelopment. The area looks like a residential street, with storefronts at ground level and apartments on upper floors. The locations are along Broadway in Brooklyn, which has an elevated subway line there.

Atlantic Terminal Urban Revitalization Area This is a large-scale redevelopment in a distressed and severely under-retailed area, on the site of what was to have been the new Ebbetts Field before the Dodgers left Brooklyn in 1950s. It is being undertaken by Forest City Ratner, a private developer. Phase I, completed in 1997, includes retail stores, a below-grade public parking garage and owner-occupied housing. The affordable housing component of Atlantic Center is sponsored by The New York City Partnership, the New York City Department of Housing, Preservation and Development, the New York State Affordable Housing Corporation, New York State Mortgage Agency's Mortgage Insurance Fund, and the U.S. Department of Housing and Urban Development. (Please note that the Federal investments are, in general, not recent; the project has been in development for many years.)

- When the Village at Atlantic Center is complete it will include a total of 417 units within 139 three-family homes. Phase I, completed and occupied in 1994, consists of 53 three-family houses, each sold for $225,000. Phase II, completed and occupied in 1997, consists of 54 three-family houses, each sold for $235,000. Phase III, expected to be completed in 2000, consists of 32 three-family houses, a building for a six-story senior citizens center, and a 24,000 square foot public park. Again, **the President could show "before and after" examples of revitalization in progress.**

Atlantic Center Plaza, the second phase of the commercial development, is currently under construction. It will be a retail and entertainment development of approximately 400,000 square feet. Key components will include a 160,000-square-foot Sears, Roebuck & Co. department store, A 12-14 screen cinema, with approximately 2,750 seats, a food court of approximately 15,000 square feet, and a half-acre of public open space. The Plaza is estimated to generate 800 jobs.

This site, though its appearance is less "blighted" than some others, would be an excellent example of the effects of private investment several years out, after some of the benefits have rippled out to the neighboring community.

Strategic Planning Community Brooklyn sought designation as an Empowerment Zone but, unfortunately, was not successful. However, it has a newly-designated Strategic Planning Community, which includes the largely manufacturing-zoned Greenpoint area and the lower-income Williamsburg community. One possibility that could be considered is a check-presentation, if funds can be released for the Strategic Planning Community. We might then, in turn, announce those projects that the SPC has been "holding" pending receipt of funds.

Prospect Plaza HOPE VI This Crown Heights/Prospect Heights project, which was awarded HOPE VI last year, involves demolition of 100 units of obsolete housing that will make way for new, mixed-use, affordable housing and commercial development in a very low-income section of Brooklyn. Current tenants are largely supportive of the redevelopment and excited about the new construction.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE OFFICE OF THE SECRETARY
WASHINGTON, DC 20410-0001

TO: Lisa Green

FROM: Ariel Zwang, Jacquie Lawing

DATE: October 20, 1999

RE: Utica, NY as Possible New Markets Site

Secretary Cuomo has requested that we forward to you information about Utica, NY, and that we ask you to consider it in connection with the New Markets tour.

Please note that, in discussions with the field, we have learned that the IG recently completed an investigation in Utica. It seems that the Mayor felt that an employee might have been getting kickbacks from a housing rehabilitation program, and requested the investigation. We do not yet know the outcome. However, investigations of this sort are not uncommon, and its scope appears to be limited.

L

Utica, NY

Background

Utica is a multi-racial (predominantly African-American, Hispanic/Puerto Rican and Asian), small city. Its population is now just over 68,000, and it experienced the second highest rate of population decline among New York State's 15 largest cities from 1980-1990. The unemployment rate is 9.9% -- significantly higher than the statewide average of 6.5%. More than 21% of Utica's residents currently live below the poverty line; 60% of the city's residents are low- to moderate-income.

Utica's Consolidated Plan identifies the need to enhance neighborhood stabilization (particularly improving housing opportunities), improve job training, provide for early childhood intervention programs and create employment opportunities for low-income residents.

There are no large scale employers in Utica; the city highlights the need to focus on job retention and small business development as the most viable means of enhancing job opportunities.

Possible Visits

Loretto Utica

This $25 million development project is the adaptive re-use of a historic former school building. (Secretary Cuomo was present at the groundbreaking for this project.) It has created a multi-purpose residential and health care complex designed to provide jobs and services in the central city neighborhood of Cornhill. It includes a 156-bed adult care residence, a primary care clinic and 120-bed nursing home, a community center and a day care center. The project is expected to produce 200 jobs when fully ramped up, with employment priority given to local residents. The development is also expected to spur revitalization of the Cornhill neighborhood, with a particular focus on housing rehabilitation, facade improvements and infrastructure upgrades.

Loretto Utica has been financed with $19 million in tax exempt bonds backed by HUD Mortgage Insurance, $750,000 in HOME funds, $205,000 in rental rehabilitation funds, $250,000 in CDBG funds, and a $2.95 million Section 108 Loan Fund.

The project is 100% built out, but not entirely occupied; the facility is currently in the process of marketing the nursing home and assisted living beds. There would be good visuals -- juxtaposition of a run-down neighborhood with new construction.

Center City Project

The former Adirondack Bank building, which had been abandoned for many years, located in downtown Utica, has been renovated using CDBG monies to provide an indoor food court and incubator space for 15 start-up retail businesses, which are given a year's free rent. The project is intended to bring new life to the moribund downtown area, provide dining and shopping opportunities in the inner city, and support local start-up businesses.

This initiative has already created 23 jobs. The start-up businesses have collectively invested $500,000 in equipment costs, build-outs for their businesses, etc. The business include a t-shirt business, candy business, and other retail ventures.

Mayfield Project

In partnership with a local not-for-profit, Genesee-Oneida Housing Opportunities, Utica has undertaken a major housing rehabilitation initiative designed to reduce the stock of substandard housing and provide rental units to local residents. Under Phase I and Phase II, 38 units of larger (3+ bedroom) housing units have been rehabbed. Section 108s have been used (one for $750,000 and one for $674,000) and mortgage financing from Key Bank has been secured in the amount of $2.6 million.

Phase I and II are complete and Phase III is in the planning stage. The units are owned and managed by Housing Visions of Syracuse.

Clearing Abandoned Properties

The issue of what to do with abandoned buildings is one that is particularly salient in upstate New York, where adjustment and transformation to the new economy has been slow in coming, and the tangible remnants of a former manufacturing base are very much still apparent.

The City of Utica once had the highest rate of arson in the country, according to FEMA. Housing stock and neighborhood stabilization have been significantly hampered by the vast number of condemned buildings. With HUD funding, the City of Utica has undertaken a targeted initiative that has identified 350 properties for demolition. HUD investment in demolition activities has totaled $3.75 million over the past 2 years.

Significant blight and public safety hazards are being removed, and properties are being marketed by the City for mixed use development, though there are no mixed-use developments yet planned. However, many properties have been acquired by adjacent owners and are now contributing (although modestly) to the tax base.

Visuals are striking -- neighborhoods in decline are being cleaned up.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE OFFICE OF THE SECRETARY
WASHINGTON, DC 20410-0001

Please note Clark Univ in Worcester, MA

TO: Lisa Green

FROM: Jacquie Lawing, Ariel Zwang

DATE: October 13, 1999

RE: University Programs at HUD

We are delighted that the NEC is considering University Programs as a potential theme for a New Markets site, and are glad to send information about HUD's University Programs. These include the Hispanic-serving Institutions Assisting Communities Program, the Historically Black Colleges and Universities Program, Joint Community Development Program, Community Development Work Study Program, and Doctoral Dissertation Grant Program. But the cornerstone is the Community Outreach Partnership Centers Program (COPC).

Attached please find general information about COPC's economic development activities; some more detailed case studies of programs that have made substantial progress; and a list of current grantees.

Please let us know if you would like additional information on other COPC sites. There are exciting things going on with all the grantees, and if you have an interest in a particular geographical area not already on the "short list," we can quickly provide information on the university's economic development-related activities there.

As for the "short list" sites, we are preparing a comprehensive list of HUD programs (not just University programs) in operation there, and will forward it to you shortly.

I. Overview of COPC

The campus-community partnership supported by HUD's Community Outreach Partnership Centers program (COPC) are contributing directly to the creation and retention of jobs, the training and hiring of local residents, and the development of strategies by which lower-income neighborhoods and cities will become more economically competitive. They employee universities' technical and research expertise, facilities, local spending, and capital investments, along with the students' and faculty members' commitments to community service. Since 1994, HUD has awarded 98 COPC grants, totaling $45 million. In addition, $12 million was awarded in 1995 under the Joint Community Development program to five universities for intensive neighborhood revitalization partnerships.

Creating mixed-use, mixed-income retail and residential developments that address local consumer demand for goods, services and quality housing. Universities are investing their own funds in affordable housing and retail for inner-city residents, and are providing the planning and business expertise for new construction and rehabilitation. For example, the East St. Louis Action Research Project, which is the COPC of the University of Illinois at Urbana-Champaign, has worked with the City, a local CDC, and private developers to create a large housing and commercial development project tied to the extension of the regional light rail transit system.

Devising strategies for retention and attraction of business and industry. Many COPC colleges and universities are central to the planning in many regions to attract new knowledge-based industries and to retain key manufacturing sectors. For example, Los Angeles Trade-Tech Community College is enhancing the viability of the local apparel and textile industry by developing sophisticated forecasts of industry needs and improving workers' skills to match those increasingly technical requirements.

Starting and expanding small businesses: Colleges are assisting small firms to reach new markets, improve management practices, and obtain financing. For example, the COPC at Fitchburg State College in Massachusetts has created an innovative micro-enterprise tracking and reporting software program which is being used not only in Fitchburg but statewide to greatly improve the capacity of business assistance programs. The COPC award also funds the College's Business Support Center for other financial and technical assistance to local firms.

Preparing a competitive workforce. COPC partnerships are designing and carrying out a wide variety of innovative training strategies for youth and adults, going well beyond their traditional degree programs. For example, Hunter College is collaborating with a

8

youth service organization to prepare high school students for technical and leadership careers in health sciences, one of New York City's growth sectors.

II. Case Studies

Clark University, Worcester, MA Located in a post-industrial urban area, Clark's immediate neighborhood has suffered increased levels of poverty, crime, and arson for profit. The largely immigrant neighborhood has a high concentration of rental housing with absentee landlords. With a five-year, $2.4 million JCD grant from HUD, Clark was able to capitalize on neighborhood partnerships to accomplish the following:

- Together with the Main South Community Development Corp. (which Clark had helped to form in the 1980s), the City of Worcester, and the Boys and Girls Clubs, plan a $30 million joint project on a 30-acre parcel in the neighborhood, which will include 100 new units of housing, a $5 million Boys and Girls Club, and a new athletic center.
- Provide a $1 million line of credit for the Main South CDC, which has built hundreds of units of housing over the past several years.
- Offer free tuition to any student from a nearby public high school who meets Clark's admissions requirements and has lived in the neighborhood for five years.
- Offer staff incentives for homeownership in the immediate neighborhood: a $5,000 downpayment grant and 12% of the employee's salary, up to $4,000 per year for seven years, toward mortgage payments.
- The HUD grant has leveraged an additional $7.2 million from Clark's endowment to support these and other community development and educational activities with a 100 block radius of the campus.

University of California at Berkeley The Joint Community Development Program, funded by HUD(a total of $2.4 million, in the period 1995-1999) and the University (which has marshaled $2 million in matching private resources), is a partnership making positive impacts in many of Oakland's most economically challenged neighborhoods. So far, the Program has involved more than 15 University departments, 44 small businesses, 30 community-based organizations, and six City agencies.

Partnership initiatives include:

- A Commercial Facade Improvement program, which includes a design manual produced by a UC architecture student; matching grants of up to $10,000 provided by UC and the City's Community Economic Development Agency for commercial façade improvement work; and assistance in preparing drawings and bids from local architects. In Oakland's Fruitvale District, this includes completion by the University, City and local CDC of more than 30 facades and related investments in commercial

C

district street and open space improvements, which are key elements of the Fruitvale Transit Village.

- The Fruitvale Transit Village, a path-breaking mixed-use development with housing, retail, and community services. This program is a partnership of public, private, and nonprofit investors led by the Spanish-Speaking Unity Council, a community development corporation.
- Credit Union: A group of residents from Oakland neighborhoods abandoned by commercial banking have worked with University graduate students and community organizations to complete a business plan, and have gathered several hundred thousand dollars in investments for a new low-income people's credit union. The credit union will provide basic consumer banking services and loans for small business and personal needs

Trinity College, Hartford, CT Trinity College, located in downtown Hartford, was funded in the first round of the HUD's COPC (Community Outreach Partnership Centers) program in 1994, for $580,000. Our support was for the initial planning, neighborhood organizing and partnership building that has led to a now massive amount of new investment by university, private, and other public sources in the low-income areas around the Trinity campus, and more broadly in Hartford, and which all together represent $175 million of investment. Programs include the Center for Neighborhoods, Southside Institutions Neighborhood Alliance (SINA), and The Learning Corridor

Cityscape is sponsored by SINA (see above), which was founded by Trinity College, Connecticut Public Television, and area hospitals. The effort is well underway with a new Boys and Girl's club in service, beautiful new schools under construction, and some housing units complete. On July 16th, a $2 million EDI with a $6.2 million 108 loan was announced. The EDI included the commitment of $2.3 million in private funds for retail development.

Potential Announcement: The Cityscape visit could include the announcement of three private donations which have not been made public. They are almost $400,000 from the Hartford Foundation, $50,000 from Lincoln Trust, and $10,000 from the Hartford Courant Foundation. These funds are for youth education associated with the project. There is a possibility of announcing the tenants who will occupy some of the retail space in this low income community. The sponsors would work very hard to facilitate a meaningful visit for the president and the community.

The Learning Corridor is a 16-acre campus adjacent to Trinity College (nine of the acres formerly were used for a bus maintenance facility). When the campus is complete in the summer of 2000, it will include an inter-district, Montessori-style elementary school; a Hartford public middle school; and a high school resource center.

III. This Year's COPC Grantees

New Grants:

Occidental College, Los Angeles, CA	$399,654
Georgetown University, Washington, DC	$399,463
University of West Florida, Pensacola, FL	$399,999
Mercer University, Macon, GA	$400,000
Loyola University Chicago, Chicago, IL	$399,984
Butler University, Indianapolis, IN	$399,145
Valparaiso University, Valparaiso, IN	$399,740
Springfield College, Springfield, MA	$399,843
Rowan University, Glassboro, NJ	$397,900
Cornell University, Ithaca, NY	$399,770
State University of New York College at Cortland, Cortland, NY	$400,000
University of Toledo, Toledo, OH	$399,650
University of Oregon, Eugene, OR	$399,765
University of Tennessee at Chattanooga, Chattanooga, TN	$399,919
Lynchburg College, Lynchburg, VA	$399,838
University of Vermont, Burlington, VT	$399,845

New Directions Grants (Repeat-Year Grants)

Howard University, Washington, DC	$150,000
University of South Florida, Tampa, FL	$150,000
University of Michigan-Flint, Flint, MI	$149,931
Pratt Institute, Brooklyn, NY	$150,000
University of Tennessee Knoxville, Knoxville, TN	$149,998
University of Texas-Pan American, Edinburg	

CENTER ON BUDGET AND POLICY PRIORITIES

820 First Street, NE, Suite 510
Washington, DC 20002
http://www.cbpp.org

Telephone: 202-408-1080
Fax: 202-408-1056
nissenbaum@cbpp.org

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CENTER ON BUDGET AND POLICY PRIORITIES

October 20, 1999

SPENDING A NON-EXISTENT SURPLUS

by James Horney

Several pieces of legislation now under serious consideration in Congress entail either substantial increases in expenditures or substantial reductions in revenues starting in fiscal year 2001. These pieces of legislation include: the health insurance tax cuts that the House attached to the patients' bill of rights legislation; the package of tax cuts the House Republican Leadership plans to add to minimum wage legislation; pending legislation to roll back some of the Medicare savings provisions included in the 1997 Balanced Budget Act; and legislation the House Ways and Means Committee has passed to extend a series of expiring tax credits.

Promoters of these pieces of legislation generally argue that these tax reductions and expenditure increases will be financed from the non-Social Security surplus. Such statements seem to reflect a belief that although Congress is encountering major difficulty in avoiding a non-Social Security deficit for fiscal year 2000, this problem is a one-year phenomenon and ample non-Social Security surpluses will appear starting in 2001.

This view is mistaken. Based on the levels of discretionary spending reflected in Congressional action to date on appropriations bills for the current fiscal year, the best prognosis now is that *no significant non-Social Security surplus can be counted on until about fiscal year 2006.* As a result, the pending legislation would likely result in non-Social Security deficits over the next five years.

This does not mean all such legislation should be summarily dismissed. As budget analysts have noted, modest non-Social Security deficits in the next few years would injure neither Social Security nor the economy.[1] But Congress should understand — and be straight with the public — about the fiscal consequences of actions it is taking. Members of Congress should not simply assert despite contrary evidence that these tax reductions and expenditure increases will readily be covered by non-Social Security surpluses.

Background

There has been considerable controversy concerning claims by the Republican Leadership that its budget plan will produce balance in the non-Social Security part of the budget in fiscal year 2000. According to Congressional Budget Office estimates, the legislation the House and

[1] See James Horney and Robert Greenstein, *"A Small Non-Social Security Deficit In Fiscal Year 2000 Would Not Adversely Affect Social Security,"* Center on Budget and Policy Priorities., September 17, 1999 (http://www.cbpp.org/9-17-99socsec.htm).

820 First Street, NE, Suite 510, Washington, DC 20002
Tel: 202-408-1080 Fax: 202-408-1056 center@center.cbpp.org http://www.cbpp.org

Senate have produced to date falls well short of this goal.[2] To try to support this claim, the Leadership has issued directives that various appropriation bills be assumed to result in billions of dollars less in expenditures than CBO believes the bills actually will cost. Even with those unrealistic estimates, however, the spending provided in the House and Senate appropriation bills would produce a non-Social Security deficit. Thus, Congress now is considering a variety of devices to produce "savings" that will allow the Leadership to continue to maintain that it is balancing the non-Social Security part of the budget. Among the proposals that are under consideration or have been adopted are a delay in the earned-income tax credit refunds that low- and moderate-income working families are due; a slight delay in some payments to defense contractors; and, a three-day delay in the last fiscal year 2000 paycheck for military personnel so that a portion of their 2000 pay will count as expenditures in fiscal year 2001.

On top of this, lawmakers and Congressional committees seeking to move tax and entitlement legislation are resorting to a variety of other devices to keep the tax cuts and entitlement spending increases they are promoting from resulting in increased expenditures or reduced revenues in fiscal year 2000. For example, a bill that the House Ways and Means Committee has passed to extend expiring tax credits would offset the cost of the extensions in fiscal year 2000 by temporarily changing the rules that govern estimated tax payments from high-income taxpayers; this maneuver would shift $1.8 billion of these estimated tax payments from 2001 into 2000. In other cases, the date on which the provisions of a tax or entitlement bill become effective would be delayed to postpone costs until 2001. For instance, the package of health insurance-related tax breaks that the House recently tacked on to the patients' bill of rights would reduce revenues by about $9 billion over the 2001-2004 period but have no cost in 2000 because the tax cuts would not take effect before 2001.

One common element in these efforts to avoid both expenditure increases and revenue losses in 2000 is that, at best, they do nothing to improve the budget picture in 2001 and years after that. In fact, in most cases, these efforts make the budget situation more problematic in 2001 and subsequent years. This is seen, for example, in provisions to shift estimated tax payments scheduled for 2001 forward into 2000 and to shift pay dates from the end of 2000 into the first days of 2001.

In part, this pushing of problems into later years — and this solving of an immediate fiscal problem at the expense of fiscal conditions in subsequent years — reflect the normal human tendency to address today's problems today and worry later about tomorrow. But the growing momentum toward such schemes on Capitol Hill also reflects two assumptions that many policymakers appear to hold: 1) that under CBO's current projections, there will be a large non-Social Security surplus available that can readily cover increased spending or tax cuts in 2001 and years after that; and 2) that the budget projections which CBO will produce early next year will reflect substantially larger non-Social Security surpluses.

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[2] See James Horney, "Would Congressional Spending Plans Avert a Non-Social Security Deficit?" Center on Budget and Policy Priorities, October 6, 1999 (http://www.cbpp.org/9-24-99bud.htm).

Unfortunately, the first of these assumptions is simply incorrect, while the second is highly speculative. As a result, the easy assumptions that various pieces of legislation can readily be financed from non-Social Security surpluses in years after 2000 lack any firm foundation.

Non-Social Security Surpluses Under Current Assumptions

CBO's most recent baseline, issued in July 1999, projects that the non-Social Security part of the budget will feature a surplus of $14 billion in fiscal year 2000 and that this surplus will grow to $38 billion in 2001 and larger amounts in subsequent years (see table on page 5). These projections, however, assume that Congress and the President will strictly comply with the discretionary caps in 2000 through 2002 and that discretionary spending will be held, after 2002, to the level of the cap for 2002 adjusted only for inflation. These CBO projections also assume there will be *no* emergency spending outside the caps in any year.

The assumption that discretionary spending will stay within the caps is not realistic.

- Actions taken so far on appropriation bills for fiscal year 2000 demolish the assumption that discretionary spending in 2000 will be held to the level of the discretionary spending cap. According to CBO's estimates (and excluding the effects of the proposed delay in earned income tax credit refunds), the outlays flowing from appropriation bills the House has adopted exceed the cap level assumed by CBO for fiscal year 2000 by $36 billion.[3]

- Excluding the emergency funding provided in the appropriation bill for the Department of Agriculture, total discretionary spending in fiscal year 2000 under the House bills is just about equal to the amount CBO estimated would be expended if Congress provided the same level of appropriations for fiscal year 2000 (excluding emergencies) as the level appropriated for fiscal year 1999, adjusted for inflation. The Senate-passed bills are not substantially different in total.

  In addition, the $8 billion in expenditures that would result from the emergency appropriation for farmers included in the agriculture appropriation bill is roughly equal to the average amount of emergency spending provided from 1991 through 1998.[4]

- In short, despite the caps, Congress has not been willing or able to cut discretionary spending for fiscal year 2000 below the 1999 level as adjusted for

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[3] In the case of the appropriation bill for the Departments of Labor, Health and Human Services, and Education, the bill approved by the House Appropriations Committee is used in these calculations, since the full House has not considered the bill.

[4] This $8 billion on average for fiscal years 1991 through 1998 excludes emergency expenditures in the early 1990s for Operation Desert Storm.

inflation. It is unrealistic — and unreasonable — to assume that Congress will somehow make the even-larger cuts in discretionary programs in 2001 or 2002 that would be required to comply with the caps for those years.

- It is increasingly evident that a much more prudent and realistic assumption to make is that non-emergency discretionary spending in fiscal year 2001 and years thereafter will remain at the 1999 level, adjusted for inflation, and that emergency spending will continue to consume at least its $8 billion-a-year average level. Under these far more plausible assumptions (and CBO's economic and technical assumptions), there will be *a $13 billion non-Social Security deficit in 2001* (see table on next page).

  Furthermore, while there would be a $7 billion surplus in 2002, the non-Social Security budget would dip back into deficit in 2003. *Not until 2006 would there be consistent non-Social Security surpluses.*

These more realistic projections assume no changes in the laws governing entitlements or taxes. As noted above, various pieces of legislation before Congress would change tax and entitlement laws in ways that would cost more money. Those bills would add to non-Social Security deficits in 2001 and years after that.

For example, H.R. 2923, the bill the House Ways and Means Committee approved to extend the expiring tax credits, would reduce revenues by $7 billion in 2001 and $23 billion over the next five years. Tax cuts that the House may attach to legislation increasing the minimum wage reportedly would reduce revenues by more than $30 billion over the next five years. The health-insurance tax cuts tacked on to the patients' bill of rights also would reduce revenues in 2001 and subsequent years, while legislation the Ways and Means Health Subcommittee approved last week to scale back some of the Medicare savings provisions of the 1997 Balanced Budget Act would increase entitlement costs in these years. Under CBO's current forecast, the non-Social Security part of the budget would be in deficit every year until 2006 if these various pieces of legislation become law.

Will The Budget Outlook Be Brighter In CBO's Next Baseline?

Some policymakers understand that current CBO projections show no significant non-Social Security surpluses for a number of years when realistic discretionary spending assumptions are used, but do not worry about this matter because they assume the revised budget projections that CBO will issue in January 2000 will eliminate this problem. These policymakers are counting on the new CBO projections to show non-Social Security surpluses large enough to absorb the costs of the tax extenders, Medicare relief, health insurance tax cuts, and the tax cuts slated for inclusion in the minimum wage bill, while also accommodating realistic discretionary spending levels.

On-budget Surpluses Assuming Realistic Discretionary Spending and Proposed Tax and Entitlement Legislation
(By fiscal year, in billions of dollars)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	10-Year
CBO July 1999 Baseline											
On-budget Surplus[1]	14	38	82	75	85	92	129	146	157	178	996
Realistic Discretionary Spending[2]											
Appropriations at 1999 inflation-adjusted level	-25	-39	-61	-62	-62	-67	-66	-66	-72	-75	-595
Emergencies at 1991-1998 average level	-8	-8	-8	-8	-8	-8	-8	-8	-8	-8	-80
Subtotal	-33	-47	-69	-70	-70	-75	-74	-74	-80	-83	-675
Debt service	-1	-3	-6	-10	-14	-19	-23	-28	-34	-40	-178
Total surplus effect	-34	-50	-75	-80	-84	-93	-97	-102	-114	-123	-853
On-budget Deficit (-) /Surplus	-20	-13	7	-4	0	-2	32	44	43	55	143
MEMORANDUM:											
Cost of Proposed Tax and Entitlement Legislation											
Ways & Means extension of expiring tax credits[3]	0	-7	-5	-6	-6	-5	-4	-5	-6	-7	-51
Tax provisions in House HMO legislation[4]	0	-1	-2	-3	-3	?	?	?	?	?	?
Medicare Balanced Budget Act revisions[5]	-1	-3	-2	-2	-1	-1	-1	-1	-1	-1	-14
Tax provisions in minimum wage bill[6]	?	?	?	?	?	?	?	?	?	?	?

NOTES:
1. Assumes that discretionary spending will equal the statutory caps in 2000 through 2002 and will grow at the rate of inflation thereafter.
2. Increases in spending are shown with a negative sign because they reduce the surplus.
3. H.R. 2923, as reported by the House Ways and Means Committee on September 28, 1999. The Senate Finance Committee has approved a bill extending expiring credits that would have no net effect on the surplus over 10 years but would reduce the surplus by $4 billion in 2001.
4. Estimates of the revenue losses in years beyond 2004 are not available.
5. As proposed by Senator Roth on October 13, 1999. Increases in spending are shown with a negative sign because they reduce the surplus.
6. The tax provisions that are likely to be added to the minimum wage bill in the House reportedly would reduce revenues by more than $30 billion over the next five years, but the exact package of tax cuts has not yet been determined and year-by-year estimates are not available.

It is, of course, possible that the budget outlook will seem significantly brighter to CBO in January. But a strong dose of caution is in order here. It is far from certain that the January CBO forecast will show any such change.

For the last few years, the budget projections that CBO has issued have improved with each new baseline, and this apparently has led some policymakers to assume this pattern will continue. Unfortunately, such an assumption is supported neither by history nor by budget and economic developments since CBO issued its last baseline in July.

History shows that CBO's projections do not consistently become more optimistic. As recently as the early 1990s, there were extended periods when unfavorable economic or budget developments led CBO to produce budget projections that became progressively bleaker with each new baseline.

Furthermore, and of particular importance, budget outcomes in fiscal year 1999, as well as economic developments since CBO issued its most recent forecast, *do not indicate that the January baseline projection will be significantly brighter.*

- The primary reason for the improvements in the baseline projections over the last few years has been an unanticipated surge in revenues. Although part of this increase was due to the economy performing better than CBO had anticipated, a substantial part of it was due to so-called "technical" factors not directly related to the economy outperforming the CBO forecast. (It should be noted that some of these technical factors — such as an increase in capital gains realizations — are related to economic developments even though they are not part of CBO's forecast of basic economic variables.) In 1998, for example, actual revenues turned out to be $56 billion higher than CBO had projected in January 1998, nine months before the end of the fiscal year. CBO estimates that only about $7 billion of this increase was attributable to better-than-anticipated performance of the economy. Nearly $50 billion was attributable to the "technical" factors. Largely on the basis of this increase in fiscal year 1998 revenues attributable to technical factors, CBO acted between January 1998 and January 1999 to increase its projection of revenues for 1999 by nearly $86 billion. (About $16 billion of this $86 billion adjustment reflected improvements in CBO's basic economic forecast.)

- The pattern of large, unexpected increases in revenues due to "technical" factors did *not*, however, continue in 1999. In January 1999, CBO projected that revenues in fiscal year 1999 would be $1,815 billion. In July, a slightly more optimistic economic forecast led CBO to increase its revenue projection for 2000 slightly to $1,821 (and to increase the projections for each of the following several years by somewhat more than $6 billion). Based on preliminary end-of-year data for fiscal year 1999, CBO now estimates that 1999 revenues were $1,826 billion, an increase of $11 billion above the January projection and $5 billion above the July number. These are very small increases — just over one-half of one percent since January — and suggest that CBO's July baseline has largely incorporated the effects of the various technical factors that have driven up revenues over the last few years. As a result, further substantial increases in CBO's revenue projections seem unlikely.

- Furthermore, the performance of the economy over the past three months has not differed significantly from what CBO forecast in July. Some news has been slightly more favorable (e.g., income growth has been a little faster than anticipated), but other news — higher-than-expected interest rates, for example — has been less favorable. Nor is there any clear evidence that long-term economic trends are more favorable than was forecast in July.

- Finally, there is no indication that expenditure projections for fiscal year 2001 and subsequent years will be significantly lower than CBO's current projections assume. Based on CBO's latest estimates, actual expenditures in fiscal year 1999 appear to have been only $5 billion lower than the estimate that CBO issued last January. Moreover, the current estimate of actual 1999 expenditures is $1 billion *higher* than the estimate CBO issued in July. And there is no indication of a change in the economic outlook that would reduce expenditure projections for 2001 and years after that.

Conclusion

The claim that a variety of policies that would reduce revenues or increase expenditures after 2000 can readily be financed by large non-Social Security surpluses is based on mistaken assumptions. Using CBO's current projections — and assuming realistic levels of discretionary spending (i.e., the 1999 level, adjusted for inflation) — yields estimates showing no significant non-Social Security surpluses until fiscal year 2006. Nor is there reason to assume that the budget projections which CBO is scheduled to release in January will be significantly more favorable. In short, legislation that would increase spending or reduce revenues in 2001 and subsequent years should not be predicated on convenient but unfounded assumptions that substantial non-Social Security surpluses will be available to finance such legislation in those years.

U.S. Department of Housing and Urban Development
Washington, DC 20410-800

From: Ariel Zwang

Phone: (202) 708-0614 x 4839
Fax: (202) 708-9981

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1199 N. Fairfax Street, Suite 300
Alexandria, VA 22314-1436
Tel (703) 519-8999 • Fax (703) 519-7213 • e-mail cis@cisnet.org

Communities in Schools /Cisco Systems/ HUD
New York Event Proposal

Project: *21st Century Workforce: Targeting Underserved Communities*

Background: Through a unique public/private/nonprofit partnership, Communities In Schools, Inc., the U.S. Department of Housing and Urban Development and Cisco Systems, Inc. are working together to close the digital divide in underserved communities across the nation.

The Cisco Networking Academy Program prepares students for the marketplace of the 21st Century and develops skills that can lead to jobs in high demand in the IT industry. Cisco Systems has made a significant commitment of corporate resources to bring computer access and technology training to underserved communities. Besides an ongoing commitment of millions of dollars in donated lab equipment in empowerment zones, Cisco is working with CIS and HUD to launch networking academies that target at risk kids and their families. **The CIS-HUD-Cisco partnership was honored as a 1999 Best Practice for HUD as a national model that promotes jobs and economic opportunities.**

Example of the three-way partnership: CIS of New York, HUD, Cisco Systems, and the New York Urban League have collaborated to open two Networking Academies, one in Brooklyn (Seth Lowe Housing Community in the Oceanhill-Brownsville area) and one in Manhattan (HUD assisted Broadhurst Housing).

Another Networking Academy will be opening at the 369th Regiment's Armory in Harlem with the assistance of the U.S. Department of Justice, New York State National Guard and Coalition of 80 Harlem Congregations. This is just one example of how this partnership has broadened to other organizations in the public, private, nonprofit sectors.

Proposed Event: Press conference at Seth Lowe computer labs to celebrate the Academy openings and the combined efforts and commitment of CIS, HUD and Cisco to bridge the digital divide and provide real jobs for the 21st Century.

Special Notes: Congressman Owens has been involved in this initiative in his role as the local representative and his identified interest within the Congressional Black Caucus on technology issues. This concept of CNAP training at non-school sites for kids and their families is being pursued as a pilot project with HUD/CIS/CISCO and could be announced at this event with permission from Cisco Systems.