

# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. fax	To Lisa Green From Bobbie Singh-Allen; RE: DOBs/SSNs [partial] (1 page)	08/05/1999	P6/b(6)

### COLLECTION:

Clinton Presidential Records  
Policy Development  
Lisa Green  
OA/Box Number: 20586

### FOLDER TITLE:

[New Markets---Ideas] [1]

2012-0043-S

ms239

### RESTRICTION CODES

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

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
- RR. Document will be reviewed upon request.

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

Julia Payne

JK -

This is the  
SBA 7j  
proposal w/ VNC  
that I gave you  
the needs. up  
about last month

Thanks



Barry White  
09/13/99 05:57:39 PM

*Handwritten signature: Barry White*

Record Type: Record

To: Lisa Green/OPD/EOP@EOP

cc:

Subject: Re: New Markets Brainstorming Session - Thursday, September 16



Thanks for including me on your invitation list. Because I'm leaving government in November, I will tag one of my people (probably Larry Matlack as the lead, Maureen Walsh, or Anil Kakani as back up) with participating on an on-going basis, though I'd like to come to meetings while I can.

As an initial suggestion, you could include Labor and Education and HHS in your meeting. That way, you'll have those who do people programs in the same room with those hoping to generate jobs for those people.

My guess is you can have far more interesting and exciting events around a blend of the President's goals -- economic investment on the one hand, and jobs for welfare recipients, dislocated workers, and others on the other hand.

It would not, for example, be all that hard to imagine an EZ/EC where some tax incentives for a business would create jobs 6 to 18 months out, during which time the workforce investment act or TANF program could be preparing poor people to take those jobs, and the school district for the area could be ensuring that its curriculum gave kids coming through the basic skills they need to fill jobs as they open up year after year.

Just a thought.



**Andrew J. Mayock**  
09/15/99 11:06:11 AM

*New Markets  
10/1/99*

Record Type: Record

To: Lisa Green/OPD/EOP@EOP  
cc: Linda L. Moore/WHO/EOP@EOP, Minyon Moore/WHO/EOP@EOP  
Subject: Re: new markets - Ag/farm - IA

Lisa - I'm not sure if you've seen this info before, but an Iowa site should be seriously considered for the following reasons if we do a rural-based economy event. Please place this in the mix of ideas for the tour II.

Thanks, Linda.

----- Forwarded by Andrew J. Mayock/WHO/EOP on 09/15/99 11:03 AM -----

Linda L. Moore	09/13/99 06:38:08 PM
----------------	----------------------

Record Type: Record

To: Andrew J. Mayock/WHO/EOP@EOP  
cc: Minyon Moore/WHO/EOP@EOP  
Subject: Re: new markets - Ag/farm - IA

pls factor this into the new mkts planning - from an August IA pol. brfg.

On July 12, Governor Vilsack publicly warned of an agricultural economic crisis involving U.S. farmers. He believes the crisis rivals the 1980s agricultural economic crisis and that it requires an immediate Federal bailout. Farmers are suffering from record low commodities prices as government price supports are phased out. He has asked the Iowa congressional delegation to put pressure on all of the presidential candidates to address the issue.

On Monday, August 2, Governor Vilsack sent a letter to the President urging him to support Senator Tom Harkin's \$10.7 billion farm-relief bill and to call on Congress to pass it right away. The Vice President called Governor Vilsack that same evening to inform him of his decision to endorse Harkin's plan. The bill did not pass on a 54-44 vote on Tuesday, August 3. Vilsack believes the \$7.5 billion Republican plan passed by the Senate on August 4 is woefully inadequate.

Governor Vilsack has asked Iowans who visit the Iowa State Fair this month to write down their thoughts about the farm crisis. He has also invited the Farm Bureau and various farm commodity groups to take part in the project. After the fair, the writings will be reproduced in a book and distributed to the presidential candidates and the news media.

Last Saturday in St. Louis, during a meeting of the Democratic governors (held in conjunction with the National Governors' Association conference), Governor Vilsack read a suicide note written by an Iowa farmer. In the note, which was forwarded to Governor Vilsack by the farmer's widow, the man explained how hard he had tried to save his farm, but that he had come to the realization that he had failed. As you can imagine, this letter put a "face" on the farm crisis for the other governors and Administration officials attending the meeting as nothing else could have. Vilsack read the letter during the time on the program reserved for "success stories" from the new governors. Vilsack asked to depart from the program, explaining that he does not feel like a success right now. In response, President Clinton said a good deal more about the crisis in his remarks on Sunday to the NGA than had been previously planned. He stated that short-term help was urgently needed, but that we must find a long-term solution to the problem as well.

**addendum to AM:** Also, Vilsack personally asked the Pres. at the DLC Nat'l Conversation, held a week or so after the New Mkts tour, to do a New Mkts visit related to ag./farm communities. Vilsack has repeated this request to me and other staffers (and probably the President as well). To do an ag/farm hit outside of IA, without Gov Vilsack, could be regarded as not so good a move by the President (and Vilsack, of course).

cc:  
GMS  
follow up  
william

Rev. Graham Hodges sends op-ed he wrote for the Herald American in Syracuse. It is an open letter to Andrew Young, Jesse Jackson, Henry Louis Gates, Al Sharpton, and other African-American leaders calling for black-owned retail stores so that black youth can get experience working in business.

LUSA -

POTUS is asking for  
follow-up w/ Rev. Hodges.  
Kaplan

out

Rev. Graham R. Hodges  
Minister, United Church of Christ (Ret.)  
8006 Chariot Lane  
Liverpool, New York 13090  
(315) 622-4193

7-7-99

Dear President Clinton,

Enclosed F.Y.I.

Your Staff has my permission to circulate these items. a touchy issue, but once it is Public will seem so common sense, so down home.

What I suggest is a good and logical complement to corporate and government programs and investment.

Andy Young's and Jesse Jackson's hearts are in the right place but need backing.

I believe Martin Luther King would have done something long ago -  
God Bless You and Your family.

No Reply needed.

Graham R. Hodges



*COPY*

# Trinity United Church of Christ

400 West 95th Street • Chicago, Illinois 60628-1120 • Telephone (773) 962-5650  
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June 24, 1999

V. DR. JEREMIAH A. WRIGHT, JR.  
Senior Pastor

V. BARBARA J. ALLEN  
Executive Minister

Dr. James H. Dawkins  
Associate Pastor  
Sick/Visitation Ministry Services

Wanda J. Washington  
Associate Pastor  
Director Pastoral Services

Barbara A. Heard  
Associate Pastor  
Women's Ministries

Charlene Wordlaw Porter  
Associate Pastor  
Counseling Services

Julia Speller  
Director, Christian Education

Ann Patton  
Minister of Christian Education

Michael Jacobs  
Student Assistant  
Youth Ministries

My Bims-Ellis  
Administrator  
The Center for African Biblical Studies

Derry  
Director, Financial Operations

Williams  
Director, College Placement

E. Wooten  
Executive Director  
Special Projects

Gill  
Director, Media Services

P. Radford  
Director of Music

Wright  
Executive Secretary

Rev. Graham R. Hodges  
8006 Chariot Lane  
Liverpool, NY 13090

Dear Pastor Hodges:

*Fifty years in the pastorate is a tremendous record in and of itself! I salute you for that record and I salute you also, Graham for the work you did on behalf of all of our children (black and white) in terms of getting the Voting Rights Act and the Civil Rights Act passed.*

*I salute you for trying to start an "Economic Revolution" by putting a fire under Andrew Young and the other African American leaders. Hopefully they will hear you.*

*I have been trying to get them to purchase at least one Communications outlet! With the kind of money that Oprah and Michael make alone, they can team up with Bill Cosby to purchase a network television station!*

*With their combined efforts, they can purchase a company like Chancellor Media, which owns the so-called "black-oriented" radio stations in over 120 cities! My pleas have fallen on deaf ears like your letters seem to have, ~~Andy~~ **GRANAW**!*

*Maybe the 21<sup>st</sup> century will bring about a marked change. Let us hope so!*

Sincerely yours,

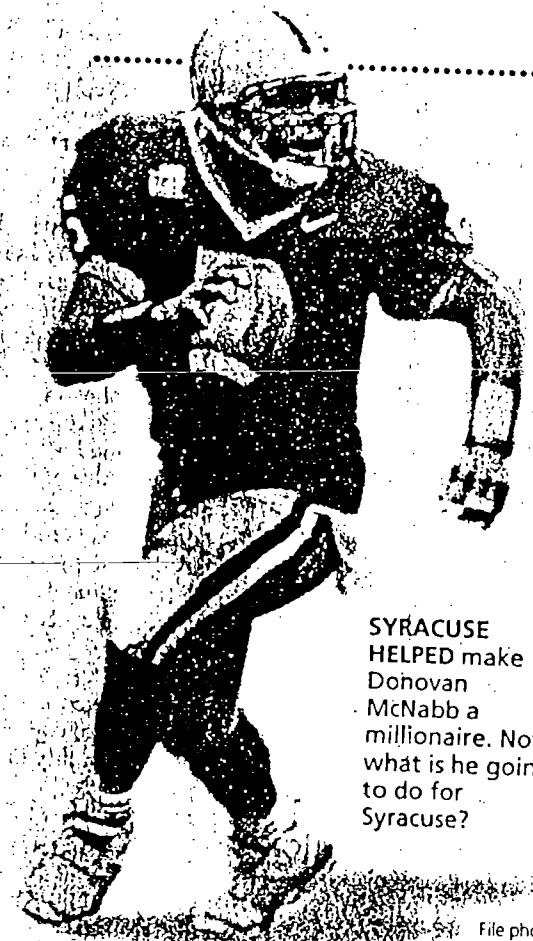
*Rev. Jeremiah A. Wright, Jr.*  
Pastor Jeremiah A. Wright, Jr.

JAW/klc

*Trinity is the largest U.C.C. Church in the Nation. African-American - over 10,000 members.*

*rd*

# OPINION



SYRACUSE HELPED make Donovan McNabb a millionaire. Now what is he going to do for Syracuse?

File photo

## Black celebrities should help their own

*Editor's note: The following is an open appeal to Andrew Young, Jesse Jackson, Prof. Henry Louis Gates of Harvard, Al Sharpton and other African-American leaders, from Rev. Graham R. Hodges of Liverpool:*

Andy, when I heard you were coming to Syracuse to speak at a public event honoring Dr. Martin Luther King, Jr., I called you on the phone to express some concerns and facts of long standing. Your secretary advised me to write. I wrote. No reply. The same treatment as from other black leaders I have written.

I wanted to share with you, for your speech here, all the stabbings and shootings by youths, mainly boys, in Syracuse's inner city. Hardly a day without them. So many are blacks. The same goes on all over America in our inner cities, day and night.

After each bad stabbing or

shooting the usual candlelight marches, prayer vigils, "enough is enough" speeches. But the stabbings continue. These youths, especially boys, have so little to do. A few years ago they wore diapers. In a few years many will be in state prison. They literally rot, for many reasons, one of which is so little economic opportunity or hope.

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Andy, you and other famous black leaders travel about making speeches but seldom mention these sad facts.

I wanted to ask you, why in this city where so many famous and highly paid athletes got name and fame in the Carrier Dome, Syracuse University, as a springboard to big NFL and NBA salaries, the black kids get so little spin off. The Dome was constructed with tax fund help. An SU product, Derrick Coleman of the Nets, gets \$8 million a year salary alone. He puts his money in expensive antique cars, a warehouse full of them. Jim Brown, SU All American, comes and is written up in the papers. But the stabbings and shootings continue.

And now the papers announce that Donovan McNabb, SU quarterback, may sign with the Philadelphia Eagles for \$50 million.

Rev. Graham R. Hodges  
Minister, United Church of Christ (Ret.)  
8006 Chariot Lane  
Liverpool, New York 13090  
(315) 622-4193

# Black youth need the experience of working in black-owned stores

BLACK YOUTH, FROM PAGE D-1

\$10 million of it just for signing. Will there be McNabb groceries in Syracuse, giving work to black adults and youths, providing the kind of first-class groceries at decent prices that suburban people get? Will McNabb stores help give black kids a way out, learning that the old American way of hard work? Or will it continue to be just dribble, dribble on the asphalt into nothingness? What will McNabb do for the place that provided him name, fame and fortune? Probably nothing.

Properly run, competitively priced black-managed and operated stores could quickly put the competition out of business, especially if the celebrity bankroller was frequently seen greeting his or her public. Instead, the tin cup is held out to whites and the government.

Jesse Jackson's inner city campaign on Wall Street is just that, asking shareholders and taxpayers to provide starting funds while these young black stars spend their millions selfishly in an infantile manner. Black-owned movie houses and fancy restaurants don't mean much for inner city kids.

As recently as 1960, few Koreans resided in New York City. Today Koreans own more than 5,000, yes 5,000 retail stores there. They didn't offer excuses, request a level playing field, seek government help, or complain. Recently Al Sharpton pleaded for Koreans to employ neighborhood residents, meaning blacks. Why didn't he put the arm on those rich young athletes for help?

Why don't you, Sharpton, Jesse and others call a national summit for Operation Bootstrap, Down Home Affirmative Action? If nobody comes, then march on Yankee Stadium, Madison Square Garden, The Meadowslands, Turner Stadium, Hollywood. Go where the money is.

A disillusioned Hank Aaron recently wrote of the new young black athletes: "Their collective creed is greed."

Read the papers. Ken Griffey, Jr., Seattle, may become the next \$100 million man. Not the first, mind you. Black safety back Steve Atwater signs with the Jets for \$8 million a year. Bernie Williams (Yankee), \$12 million a year. Jayson Williams is mentioned with the figure of \$100 million. Albert Belle, Orioles, \$13 million a year. Are the black kids of Baltimore any better off for his princely income?

Michael Jordan's 1997 salary alone was \$78 million, without endorsement income. Hundreds of millions total over the years. By now there should be lots of small "Jordan" groceries and supermarkets in Chicago. Instead, a fancy restaurant in Manhattan. What is Tiger Woods' salary? Or Michael Jackson's? Anybody know? Oprah Winfrey got over \$450 million last year. Why no Oprah stores run by black women? They could do it.

In the South in the old days, African-Americans had to buy at the plantation store owned by Anglo-Saxons. Now they're

doing the same thing only the plantation stores are owned by recently arrived ethnics often unable to speak good English, charging blacks prices that would enrage white suburban dwellers.

Andy, we know you have arranged many million-dollar business deals in Africa. Now arrange for the rich black Atlanta Falcons and Braves to bankroll black operated stores in Atlanta. Then fly to Syracuse and work on McNabb, Brown, Coleman et al. Then, over America, wherever rich young black entertainers and athletes rake it in.

Andy, it was white liberals who stopped slave importation into America, who fought the Civil War; it was an all-white, all-male Supreme Court that handed down in 1954 the Brown vs. Board of Education decision about segregated schools. Whites gave Martin Luther King the political clout to help President Johnson, a Southerner, push a reluctant Congress to pass the Civil Rights and the Voting Rights Acts of the 1960s. Yes, it was white Jews, Catholics and Protestants, now forgotten and unthanked, who made these political and educational advances of African Americans possible.

But the economic advances must come more from inside the black community. You, Jesse, Sharpton and others must exert more influence. To say you can't swing it is to say there is lack of will and imagination, an unwillingness to confront your rich young brothers and sisters spending their millions in an infantile manner while black kids stab and

shoot and wind up behind bars.

For the past 50 years I worked hard, as a pastor, to help children have a level playing field. I worked very hard to help the Voting Rights and Civil Rights Acts pass, possibly more than many African-Americans. Now, the economic revolution is in your court.

Andy, I may sound angry, but more than angry, I am sad. Sad thinking of the thousands of black children, year after year, denied the experience of working in black-owned stores. The media is afraid to say what I am saying. The term "racist" is a dreaded term in the media.

No, you can't do it all. But you and other black leaders can exert moral pressure on these rich young people, organize their wealth wisely and give economic hope to young kids who today are rotting. You can effect the economic revolution that will give them hope, set them free. You can control a new affirmative action that doesn't depend on the winds of politics, elections and referenda.

Will you and others dare lead this economic revolution? Don't bother to write me. You didn't before. But get busy where rich young blacks play for the Falcons and Braves. Good luck. If there is the kind of will that desegregated the buses and lunch counters, we will see lots more black-owned businesses in our inner cities, with black youngsters happily employed and a creative economic revolution bursting at the seams.

What is there to stop you?

*Jesse Jackson*

NM Ideas

THE WHITE HOUSE  
WASHINGTON

to: Gene Sperling  
from: Sara LaMann

F/1 - see  
attached

102

William F. Winter thanks you for calling the meeting of lawyers at the White House.

There is no question that the Bar, if it will exert its leadership, can make a huge difference in solving the problems relating to race. Per your request, he suggests

Clarksdale and the Vicksburg, Mississippi - Tallulah, Louisiana area as communities in the Mississippi Delta that would have the potential leadership to sustain a major economic development initiative.

*cc: Ben Johnson, Scheduling*

*ice Miller  
at School*

WATKINS LUDLAM WINTER & STENNIS, P.A.

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July 27, 1999

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RICKY G. LUKE

The Honorable Bill Clinton  
President of the United States  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, D.C. 20500-2000

Dear Mr. President:

Let me thank you for calling the meeting of lawyers at the White House last week. There is no question that the Bar, if it will exert its leadership, can make a huge difference in solving the problems relating to race. Your charge was right on target.

In our conversation afterward you asked me to suggest two communities in the Mississippi Delta that would have the potential leadership to sustain a major economic development initiative.

Let me suggest Clarksdale and the Vicksburg, Mississippi - Tallulah, Louisiana area. Both communities have strong leaders who extend across both races. The Mayor of Vicksburg is a wonderful African-American, Robert Walker. I believe that these two places would be good bets. Bill Bynum of the Enterprise Corporation of the Delta and George Penick of the Foundation for the Mid South share this opinion.

We stand ready to provide you with additional information to help implement any plans that may be proposed to do this.

I want to express my gratitude again for your leadership.

Sincerely,

William F. Winter

WFW/sjt  
Enclosure

cc:  
GUS  
Andrew  
Young  
William

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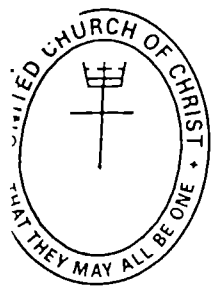
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*COPY*

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June 24, 1999

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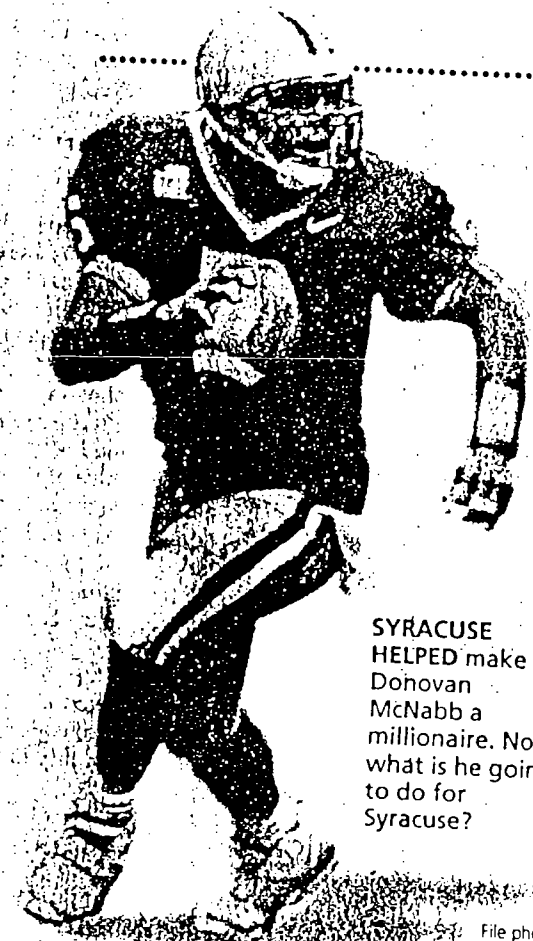
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JAW/klc

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BLACK YOUTH, FROM PAGE D-1

\$10 million of it just for signing. Will there be McNabb groceries in Syracuse, giving work to black adults and youths, providing the kind of first-class groceries at decent prices that suburban people get? Will McNabb stores help give black kids a way out, learning that the old American way of hard work? Or will it continue to be just dribble, dribble on the asphalt into nothingness? What will McNabb do for the place that provided him name, fame and fortune? Probably nothing.

Properly run, competitively priced black-managed and operated stores could quickly put the competition out of business, especially if the celebrity bankroller was frequently seen greeting his or her public. Instead, the tin cup is held out to whites and the government.

Jesse Jackson's inner city campaign on Wall Street is just that, asking shareholders and taxpayers to provide starting funds while these young black stars spend their millions selfishly in an infantile manner. Black-owned movie houses and fancy restaurants don't mean much for inner city kids.

As recently as 1960, few Koreans resided in New York City. Today Koreans own more than 5,000, yes 5,000 retail stores there. They didn't offer excuses, request a level playing field, seek government help, or complain. Recently Al Sharpton pleaded for Koreans to employ neighborhood residents, meaning blacks. Why didn't he put the arm on those rich young athletes for help?

Why don't you, Sharpton, Jesse and others call a national summit for Operation Bootstrap. Down Home Affirmative Action? If nobody comes, then march on Yankee Stadium, Madison Square Garden, The Meadows, Turner Stadium, Hollywood. Go where the money is.

A disillusioned Hank Aaron recently wrote of the new young black athletes: "Their collective creed is greed."

Read the papers. Ken Griffey, Jr., Seattle, may become the next \$100 million man. Not the first, mind you. Black safety back Steve Atwater signs with the Jets for \$8 million a year. Bernie Williams (Yankee), \$12 million a year. Jayson Williams is mentioned with the figure of \$100 million. Albert Belle, Orioles, \$13 million a year. Are the black kids of Baltimore any better off for his princely income?

Michael Jordan's 1997 salary alone was \$78 million, without endorsement income. Hundreds of millions total over the years. By now there should be lots of small "Jordan" groceries and supermarkets in Chicago. Instead, a fancy restaurant in Manhattan. What is Tiger Woods' salary? Or Michael Jackson's? Anybody know? Oprah Winfrey got over \$450 million last year. Why no Oprah stores run by black women? They could do it.

In the South in the old days, African-Americans had to buy at the plantation store owned by Anglo-Saxons. Now they're

doing the same thing only the plantation stores are owned by recently arrived ethnics often unable to speak good English, charging blacks prices that would enrage white suburban dwellers.

Andy, we know you have arranged many million-dollar business deals in Africa. Now arrange for the rich black Atlanta Falcons and Braves to bankroll black operated stores in Atlanta. Then fly to Syracuse and work on McNabb, Brown, Coleman et al. Then, over America, wherever rich young black entertainers and athletes rake it in.

Andy, it was white liberals who stopped slave importation into America, who fought the Civil War; it was an all-white, all-male Supreme Court that handed down in 1954 the Brown vs. Board of Education decision about segregated schools. Whites gave Martin Luther King the political clout to help President Johnson, a Southerner, push a reluctant Congress to pass the Civil Rights and the Voting Rights Acts of the 1960s. Yes, it was white Jews, Catholics and Protestants, now forgotten and unthanked, who made these political and educational advances of African Americans possible.

But the economic advances must come more from inside the black community. You, Jesse, Sharpton and others must exert more influence. To say you can't swing it is to say there is lack of will and imagination, an unwillingness to confront your rich young brothers and sisters spending their millions in an infantile manner while black kids stab and

shoot and wind up behind bars.

For the past 50 years I worked hard, as a pastor, to help children have a level playing field. I worked very hard to help the Voting Rights and Civil Rights Acts pass, possibly more than many African-Americans. Now, the economic revolution is in your court.

Andy, I may sound angry, but more than angry, I am sad. Sad thinking of the thousands of black children, year after year, denied the experience of working in black-owned stores. The media is afraid to say what I am saying. The term "racist" is a dreaded term in the media.

No, you can't do it all. But you and other black leaders can exert moral pressure on these rich young people, organize their wealth wisely and give economic hope to young kids who today are rotting. You can effect the economic revolution that will give them hope, set them free. You can control a new affirmative action that doesn't depend on the winds of politics, elections and referenda.

Will you and others dare lead this economic revolution? Don't bother to write me. You didn't before. But get busy where rich young blacks play for the Falcons and Braves. Good luck. If there is the kind of will that desegregated the buses and lunch counters, we will see lots more black-owned businesses in our inner cities, with black youngsters happily employed and a creative economic revolution bursting at the seams.

What is there to stop you?

*James Wright*

*cc: GWS*

~~William F. Winter~~ thanks you for calling the meeting of lawyers at the White House.

There is no question that the Bar, if it will exert its leadership, can make a huge difference in solving the problems relating to race. Per your request, he suggests Clarksdale and the Vicksburg, Mississippi - Tallulah, Louisiana area as communities in the Mississippi Delta that would have the potential leadership to sustain a major economic development initiative.

*cc: Ben Johnson, Scheduled*

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July 27, 1999

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The Honorable Bill Clinton  
President of the United States  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, D.C. 20500-2000

Dear Mr. President:

Let me thank you for calling the meeting of lawyers at the White House last week. There is no question that the Bar, if it will exert its leadership, can make a huge difference in solving the problems relating to race. Your charge was right on target.

In our conversation afterward you asked me to suggest two communities in the Mississippi Delta that would have the potential leadership to sustain a major economic development initiative.

Let me suggest Clarksdale and the Vicksburg, Mississippi - Tallulah, Louisiana area. Both communities have strong leaders who extend across both races. The Mayor of Vicksburg is a wonderful African-American, Robert Walker. I believe that these two places would be good bets. Bill Bynum of the Enterprise Corporation of the Delta and George Penick of the Foundation for the Mid South share this opinion.

We stand ready to provide you with additional information to help implement any plans that may be proposed to do this.

I want to express my gratitude again for your leadership.

Sincerely,

William F. Winter

WFW/sjt  
Enclosure

via ~~Gene~~  
Fyl - ~~me~~ my  
Be

7-12-99

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Echaveste  
Sperting  
Podesta  
Berckhardt  
(original for  
reply)



SMITH WHILEY & COMPANY

June 22, 1999

The Honorable William Jefferson Clinton  
The White House  
Washington, D.C.

Dear President Clinton,

As a native of Harlem, an investment banker and a yellow dog Democrat, I can't begin to tell you how thrilled I am over your New Markets Initiative and the promise it holds both for communities like the one I grew up in as well as for the bottom line interests of the business community, if only they can see it.

In my twenty years in the finance business, most recently in private equity, I have continued to be mystified by the fact that Wall Street is a mere twenty minute subway ride away from Harlem but somehow there has never been a way to connect the dots. My concerns have been heightened over the past few years as money poured into the private equity business buoyed in part by U.S. pensions funds' new appetite for private equity's historically enviable investment returns. Just last year, \$85 billion in private equity was raised and invested primarily in some of the massive industry consolidations we read about daily. Ironically, this surge in investment has resulted in huge amounts of capital chasing very few deals, a spiraling of prices paid for business acquisitions and, consequently, a general decrease in the potential investment returns.

Given these marketplace dynamics, some time ago my company took a close look at where we thought the next opportunities would be to achieve the most attractive private equity returns. First we concluded that the small and middle market companies who would never even be on the radar screen of the multi-billion dollar private equity funds offered the best opportunity to create value for our investors. Second, we looked at demographics and reached the startling but obvious conclusion that given the spending power, the consumer spending patterns, the population density and the unavailability of capital, the urban markets which we personally know so well offered the potential for outstanding investment returns. The spending power in the African American community alone is \$500 billion and when combined with other minority communities reaches over \$1 trillion, an incredible business and investment opportunity for those who recognize it. With 75% of African Americans residing east of the Mississippi and 80% of Hispanic Americans residing in just 5 states, it required no rocket science for us to conclude that investing in companies which effectively target and sell to these marketplaces spelled opportunity in capital letters. Moreover, when we looked at the

7-12-99  
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Carl

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 availability of capital to minority businesses targeting these communities, we found that last year only \$1-2 billion private equity capital was available versus an estimated need of \$144 billion annually. Consequently, we formed the VISION FUND, a summary of which is enclosed, with the goal of raising \$250 million to make private equity investments in businesses in our untapped urban markets. We will invest in both minority and majority owned firms and, hopefully, we will be able to spur the creation of some joint ventures akin to Magic Johnson's endeavors, i.e., impressive investment successes which also create employment opportunities, spur additional economic development in the communities they serve and, importantly, bring a new aesthetic, a new standard of excellence which has been a sorely missing ingredient in economic development in urban America.

We believe in what we are doing and in the outstanding investment potential it offers. Equally important to us is establishing for mainstream America that our underserved communities can become a vibrant force in our economy if those dots between opportunity and capital can be connected. But we also know that we could proselytize about an opportunity that we find is so patent from now until the cows come home with little success unless that vision is shared by someone with credibility and influence who buys into the concept and can act on it. That is why it was like manna from the heavens when I heard your references to America's untapped markets in your State of the Union address. I ran around Washington D.C. furiously trying to get details which I am delighted to see have culminated in this creative, bold initiative to spur private sector investment in both urban and rural America.


 I know that parts of the plan require legislation and I will be working doggedly to garner support from my colleagues in the business community. I also plan to be as active as possible in spreading the word to potential supporters and investors. And, after attending last week's magnificent presentation of the Congressional Gold Medal to Rosa Parks, I thought that perhaps an aggressive education of some radio personalities on this Initiative might be a dramatic way to start phones ringing off the hook on Capitol Hill in support of the upcoming legislation.

Finally, your initiative also has personal meaning for me. I became active in national Democratic politics when Ron Brown became chairman of the Democratic National Committee and I was a Wall Street neophyte and somewhat of a pioneer at Salomon Brothers. Ron and I spent many hours talking about how to change the community we grew up in, the community we wanted to live in and where we felt we should and could

have every service available to us that we could have anywhere else. So it is especially meaningful that the President he worked so closely with is the person creating the vehicle for the kinds of changes we envisioned.

Thank you for being so smart, so bold and for seeing things as they should be not as they are. That is what leadership is all about.

Very truly yours,

MARIANNE CAMILLE SPRAGGINS  
Senior Managing Director

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---



August 9, 1999

Dear Friend:

I was unable to schedule a meeting with your office and wanted to bring your attention to important and time sensitive information. Currently there is no consistent methodology by which nonprofit down payment assistance programs are being approved or evaluated by the Department of Housing and Urban Development.

Nehemiah intends to advocate for increased regulation of down payment assistance gift fund programs. I have attached for your review, a copy of our recommendations. We invite you to join us in advocating for clear regulatory guidance that will allow our organization and others like us to advance the national interest in promoting homeownership in a responsible manner.

As pioneers of this unique program, we have assumed a leadership role as part of our due diligence to force the discussion on increased regulations and standards for programs of this type. Nehemiah will join other similar organizations in a concerted effort to champion industry wide-standards.

Please send a letter to the individuals attached to share your concerns. With increased regulations and standards for compliance, we can jointly promote the American Dream of Homeownership responsibly. A sample letter is attached for your convenience.

Sincerely,

Don F. Harris  
President and Executive Director

## SAMPLE LETTER

Don Harris, the president and executive director for Nehemiah Progressive Housing Development Corporation, met with my office to share his concerns about a lack of standardized regulations that would be applicable to all nonprofit down payment assistance programs like the Nehemiah Program.

To advance the national interest in promoting homeownership in a responsible manner, there is a need for standard regulations and guidelines. This will protect against increasing defaults or imposing additional undue risk to the FHA insurance fund. Nehemiah has played an instrumental role expanding homeownership for over 20,000 families nationwide. Several other groups have also contributed to increasing homeownership which jointly contribute to achieving the American Dream of homeownership.

Without proper guidelines to follow for all down payment assistance gift fund programs, there remains the possibility for abuse. It is good public policy to ensure a set of standards and regulation for all programs, including the Nehemiah Program to observe. (Optional- provide recommendations)

Sincerely, (NAME)

**Please send copies of your correspondence to:**

Andrew Cuomo  
Secretary  
Department of Housing and urban Development  
451 7<sup>th</sup> Street, SW Suite 10000  
Washington, D.C. 20410

William Apgar  
Assistant Secretary for Housing  
Department of Housing and Urban Development  
451 7<sup>th</sup> Street, SW Suite 9100  
Washington, D.C. 20410

Hal C. Decell  
Assistant Secretary for Congressional and Intergovernmental Relations  
Department of Housing and Urban Development  
451 7<sup>th</sup> Street, SW Suite 10120  
Washington, D.C. 20410

**Please forward copies of correspondence to our office:**

Bobbie Singh-Allen  
Director of Government Relations  
1851 Heritage Lane, Suite 201  
Sacramento, CA 95815

# Withdrawal/Redaction Marker

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. fax	To Lisa Green From Bobbie Singh-Allen; RE: DOBs/SSNs [partial] (1 page)	08/05/1999	P6/b(6)

### COLLECTION:

Clinton Presidential Records  
Policy Development  
Lisa Green  
OA/Box Number: 20586

### FOLDER TITLE:

[New Markets---Ideas] [1]

2012-0043-S

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### RESTRICTION CODES

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- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

[001]



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**FAX COVER**

**TO:** Lisa Green  
(202) 456-2223

**FROM:** Bobbie Singh-Allen

**RE:** Meeting

**DATE:** August 5, 1999

**PAGES:** 6

P6/(b)(6)

P6/(b)(6)

P6/(b)(6)

P6/(b)(6)

**WHO:** Don Harris and Mike Gunning

**WHEN:** August 11<sup>th</sup> at 10:00 a.m.

**PURPOSE:** Provide overview on who we are; discuss our concerns about a lack of HUD regulations on non-profit down payment assistance gift funds that appear to be similar to the Nehemiah Program but are not; discuss recommendations and solutions for the problem; CDFI; community development; empowerment zones, etc.

Please let me know if you need additional information

August 1999



# Nehemiah

Nehemiah Progressive Housing Development Corporation • 1851 Heritage Lane, Suite 201, Sacramento, CA 95815



Like our namesake,  
we want to continue to  
develop **innovative**  
ways to improve  
communities.

[www.nehemiahprogram.org](http://www.nehemiahprogram.org)

## Partnering for Community Restoration

Nehemiah Progressive Housing Development Corporation, a charitable housing organization, was organized in 1994, a time when government funds for housing were diminishing and the future of many affordable housing programs, such as the low-income tax credit program, were in jeopardy.

Since that time we have established The Nehemiah Program, a national down payment assistance program, which is the largest privately funded down payment assistance gift fund program in the nation. Nehemiah has assisted more than 18,000 families to become homeowners by gifting over \$70 million dollars in down payment assistance representing over \$1.8 billion dollars in total real estate value. Nehemiah works closely with HUD through the Federal Housing Administration (FHA) to ensure that persons purchasing homes through The Nehemiah Program are educated about home ownership, and encouraged to seek additional protection through home inspections and home warranties. We have formed the Nehemiah Home

Owner's Club, an organization designed to provide post-acquisition education and discounted goods and services to homebuyers who have purchased homes through The Nehemiah Program.



**by Don Harris**  
Harris is President, Founder and Executive Director of Nehemiah Progressive Housing Development Corporation. He is also Assistant Pastor at Antioch Progressive Baptist Church.

The Nehemiah Program is one of several affordable housing programs administered by Nehemiah. Since 1994 we have developed 1200 low-income apartments for families and seniors, utilizing the low-income housing tax credit program. We are also involved in community redevelopment as well as the acquisition and rehabilitation of distressed inner city homes.

As Nehemiah continues to grow and mature as an organization, we are committed to creating partnerships with organizations that share our vision for a renewed urban America. We have established a national partnership with Habitat for Humanity. Under this partnership Nehemiah has committed \$1 million over the next two years to assist HHH in rehabilitating and building homes across America.

- continued on Page 4

# Nehemiah

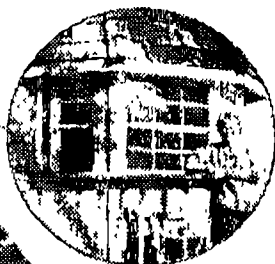
## Connects the Community

Nehemiah Progressive Housing Development Corporation is the parent organization of several community programs and affiliated nonprofit organizations involved in restoring and rebuilding communities and the lives of people in the communities.

### 1 The Nehemiah Program

The Nehemiah Program has provided thousands of qualified individuals and families down payment assistance to purchase homes. Qualified buyers are individuals who are credit approved and ready to buy, with one percent of the purchase price of a participating home.

This program helps low to moderate income individuals and families who most likely would not be able to experience the reality of home ownership otherwise.



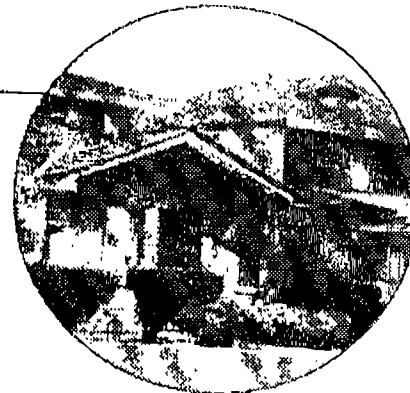
### 2 Low Income Housing Tax Credit Program

Nehemiah is involved in affordable housing for seniors and families. It is a partner in affordable apartment developments in Sacramento, Elk Grove, Roseville, Davis, Vacaville and Santa Rosa, which involves the construction of more than 1000 housing units. Because of the success of this program, it will be expanding to many other communities. These new facilities offer attractive, safe and affordable living for individuals with very limited income.



### 3 Nehemiah Community Redevelopment Program

Nehemiah is involved in community redevelopment. It acquires and rehabilitates boarded and vacant homes from Department of Housing and Urban Development. Nehemiah's goal is to establish a standard for other cities to follow; a standard of rebuilding communities while creating opportunities for people in the communities to regain a sense of independence and pride in their neighborhoods.



### 4 Nehemiah Urban Ministries, Inc. (NUMI)

NUMI's mission is to generate hope in broken communities by empowering the people through a holistic Christian mission. It assigns missionaries to live in designated communities to provide spiritual and educational support to members of the neighborhood. The missionaries in these communities are building relationships, gaining the confidence of the residents and providing them with resources to reach their potential.

### 5 Communities Reclaiming Ownership and Pride, Inc.

CROP's mission is to improve and enhance the quality of life for the residents of Franklin Villa, a community in South Sacramento. It's goal is to create homeownership opportunities and empower resident owners by providing for security, maintenance and overall community revitalization. One of the programs provided by CROP is the Wellness Clinic. Members in the community can have their blood pressure checked and receive valuable health information and resources.

### 6 Nehemiah Community Reinvestment Fund

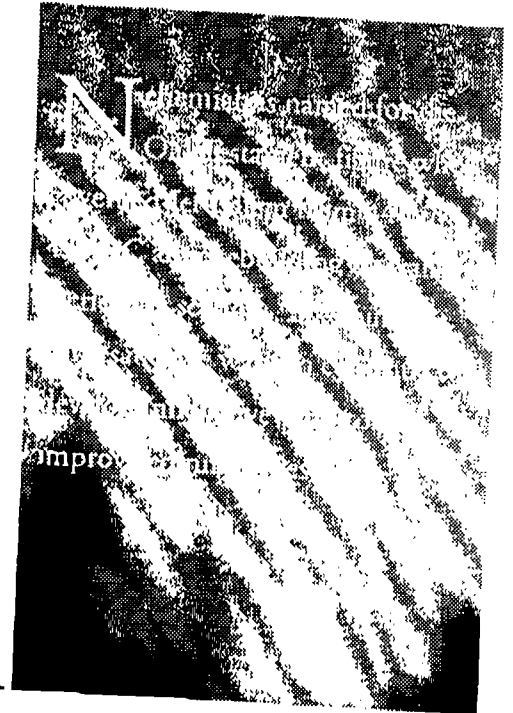
Nehemiah has established the Nehemiah Community Reinvestment Fund, Inc., an affiliate nonprofit organization established to be a community development financial institution (CDFI). The fund will provide low interest loans to community development projects in urban areas.

Rebuilding the American Dream | continued from Page 1

We have organized **Nehemiah Urban Ministries, Inc. ("NUMI")** with a vision of providing resources to persons committed to carrying out Christian ministry through community development. This year NUMI will be partnering with the **Christian Community Development Corporation (CCDA)**. This partnership provides paid internship opportunities for young people interested in hands-on experience working with CCDA affiliates.

We are forming a partnership with the **National Congress for Community Economic Development ("NCCED")**, and our affiliate, **The Nehemiah Community Reinvestment Fund, Inc. ("NCRF")**, a community development financial institution. NCCED and NCRF will focus on providing low-interest loans for development in Enterprise Zones and Empowerment Communities.

Nehemiah continues to be a leader in creating homeownership opportunities across America. We are committed to partnering with other organizations to "repair the breach" and restore America's communities through community development.

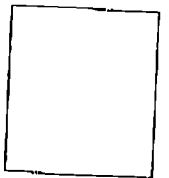


*To learn more about Nehemiah, please visit our web-site at [www.nehemiahprogram.org](http://www.nehemiahprogram.org)*



**Nehemiah Progressive Housing  
Development Corporation**

1851 Heritage Lane, Suite 201  
Sacramento, CA 95815  
(916) 231-1999



**Don F. Harris, Executive Director**  
**Nehemiah Progressive Housing Development Corporation**

Don F. Harris is President and Executive Director of Nehemiah Progressive Housing Development Corporation, a Sacramento based nonprofit housing organization that is involved in an array of affordable housing activities. Nehemiah administers The Nehemiah Program, the largest privately funded down payment assistance program in the nation. Since January 1, 1997, Nehemiah has provided \$74 million in grants to over 19,000 individuals and families nationwide. This means \$2.0 billion in real estate transactions.

Don is Assistant Pastor of the Antioch Progressive Baptist Church, Sacramento, California. He holds a B. A. in political science from Wittenberg University, where he was named a Harry S. Truman Scholar. He completed a special program in Urban Studies and Economic Policy while serving as a Congressional Intern to former Congressman William H. Gray III. Don earned his law degree from the University of California, Davis School of Law.

Don is frequently a keynote speaker and is recognized nationally as a leader in affordable housing. Don is a member of the Board of Directors for the national Christian Community Development Association and a member of the Urban Land Institute. He, his wife, Alisa, and their daughter, Brittany, live in Elk Grove, California.

## **Michael A. Gunning - Biographical Statement**

Michael A. Gunning has over 20 years experience in the area of finance and public policy. His background includes; Banking Officer for First Interstate Bank of California; serving as the Executive Assistant to the Missouri State Treasurer; Public Finance Investment Banker and Vice President with George K. Baum & Company; and with the California Legislature - Assembly Republican Office of Policy as a Senior Policy Consultant for the Insurance and Banking and Finance Committees. Mr. Gunning maintains an active role in the community serving on a number of boards and committees, including the Sacramento chapter of the Claremont McKenna College Alumni Association, The Republican Ethnic Coalition of Sacramento, and The California Black Republican Council, Sacramento Chapter. He is a Registered Representative (Series 7) with the New York Stock Exchange and the National Association of Securities Dealers. He resides in Sacramento with his wife Kelly and daughters Elon and Emma.

Mr. Gunning is a former director of COIN (Department of Insurance's California Organized Investment Network) where he was responsible for seek to match insurance industry investment capital for community economic development and affordable housing in urban and rural areas of the state. He will resume his new role as the executive director of the Nehemiah Community Reinvestment Fund, a community development financial institution in Sacramento, California.

Mr. Gunning holds a B.A. in political science and history from Claremont McKenna College, and a M.A. from Claremont Graduate University in Public Policy Analysis.

## Nehemiah's Recommendations for a New Mortgagee Letter Regarding Nonprofit Down Payment Assistance Gift Fund Programs

*Nehemiah Progressive Housing Development Corporation and its affiliate, Nehemiah Home Ownership 2000, Inc. developed its down payment assistance program after extensive review of FHA guidelines and regulations, including HUD Handbook 4155.1 REV-4 CHG 1, Section 3, Paragraph 2-10.C and Mortgagee Letters 96-18 and 96-52. Nehemiah also evaluated its program with respect to paragraph 6 of Mortgage Letter 97-05. Nehemiah has always intended to comply with both the technical and programmatic objectives of FHA guidelines with respect to the provision of gift funds to homebuyers using FHA-insured mortgage loans. HUD's approval of the Nehemiah Program was based upon substantial review of the above guidelines and Nehemiah's program-specific approval from the IRS.*

*However, we also recognize that a program such as ours is subject to abuse. In fact, since the inception of the Nehemiah Program we have become aware of the development (or attempted development) of programs that may appear to operate in a similar manner to our program, but which we believe are not as carefully constructed to avoid abuses from parties to the real estate transaction or to protect the interests of homebuyers. Given this, below is a list of our recommendations for a new mortgagee letter pertaining to nonprofit down payment assistance gift fund programs.*

### **5 Gifts per Year or an Acceptable Affordable Housing Program**

HUD Handbook 4155.1 REV-4 CHG1, Section 3, Paragraph 2-10.C provides that:

“An outright gift of the [borrower’s] cash investment is acceptable if the donor is a relative of the borrower, the borrower’s employer or labor union, **a charitable organization**, a governmental agency or public entity that has a program to provide homeownership assistance to low-to-moderate income families or first time homebuyers, or a close friend with a clearly defined interest in the borrower.”

Currently, this provision does not define “charitable organization.” The provision also does not distinguish between organizations that may intermittently provide down payment assistance gifts (such as churches) and organizations that have developed comprehensive programs to provide down payment assistance such as The Nehemiah Program. First, we believe that the phrase “charitable organization” should specifically mean an organization that exempt under Section 501 (c) 3 of the Internal Revenue Code. Second, if any organization provides more than 5 gift funds per calendar year, we believe that it should be automatically deemed to be operating a “program” which must qualify as an “Affordable Housing Program” under Mortgagee Letter 96-52. We believe that the following components should be required for any organization operating a down payment assistance gift program as an acceptable “Affordable Housing Program”:

- 1. The nonprofit must be tax exempt under Section 501(c)(3) of the Internal Revenue Code, and must be able to provide a “Letter of Determination” as verification of its tax exempt status. In addition to the foregoing, the nonprofit must have received its tax exemption based on an “Application for Exemption (1023) which included relief of poverty, lessening the burdens of government, or community beautification and maintenance as its stated purpose. In addition, the administration of a down payment assistance program should be specifically mentioned in the 1023 application.**

**COMMENT:** There are several different types of exempt organizations under Section 501 (c)(3) of the Internal Revenue Code. Exempt organizations that provide less than 5 down payment assistance gifts per

year should be treated generally under 4155.1. However, exempt organizations that provide more than 5 down payment assistance gifts per year should be considered as operating an Affordable Housing Program. Given this, these organizations should be able to demonstrate that the provision of down payment assistance falls within their tax-exempt function. The criteria underlined above (relief of poverty, lessening the burdens of government, or community beautification and maintenance) are those generally used by nonprofit organizations involved in other HUD affordable housing programs, such as the HUD 203(k) program and HUD 202 program. By using the above criteria, HUD can significantly reduce the participation of sham nonprofit organizations in down payment assistance gift programs.

**2. The nonprofit must have a full two years experience as a housing provider.**

COMMENT: The issue here is capacity, commitment and a record of accomplishment of community service. HUD has used the two-year requirement in other programs, such as the 203(k) program. We believe that this requirement will discourage formation of nonprofit organizations solely for structuring questionable down payment gift practices.

**3. The nonprofit should be required to provide free (3-hour minimum) approved homeownership counseling courses as a component of its down payment assistance gift program.**

COMMENT: Mortgagee Letter 96-52 already suggests this component, but it is not currently required. We believe that it should be required to decrease default rates. FHA should provide a list of approved courses. These courses could be the same courses for which a reduction in the mortgage insurance premium is allowed.

**4. None of the pooled down payment funds should come from fees or contributions from mortgagees or real estate agents.**

COMMENT: This suggestion may seem too broad. For example, we have heard of programs that require lender and agent participation in the pool as a basis for participating in the program. In fact, this was once a requirement of the Nehemiah Program. While it seems reasonable that such contributions should be permissible if the pool “has several donors contributing separately to a fund with the prospective homebuyer not compelled to use only the services of any particular donor” (Mortgagee Letter 96-18), the reality of the matter is that real estate agents and lenders will only participate in such a “pool” if they have some clear advantage over other lenders or real estate agents. We believe that any pooled program that is only available to select real estate agents or select lenders violates RESPA if a contribution to the pool is the basis for the selection. (See Memorandum dated April 8, 1999 regarding mortgage industry self-regulation.) Given the foregoing, we recommend that none of the pooled funds come from mortgagees, real estate agents, or brokers.

**5. The nonprofit must be able to demonstrate that a builder, developer, real estate broker or agent, or mortgagee has not established it. This may be accomplished by the nonprofit providing evidence (such as its 990 returns to the IRS) that its operating capital for its first two years of operations was not derived primarily from a single source which is also a builder, developer, real estate broker or agent, or mortgagee.**

COMMENT: We have heard of a situation where a lender attempted to form a nonprofit organization that would provide gift funds to buyers that used that particular lender. We believe that such situations, in the words of Mortgagee Letter 96-18 “cloud the motivations of the purchaser/borrower as well as the donor.” From an Internal Revenue Code perspective, an organization that receives most of its support from a single source, for-profit entity in exchange for an exclusive arrangement that primarily benefits the for-

profit organization will not qualify as a charitable organization, especially under an exempt application that states an exempt purpose of “relief of poverty, lessening the burdens of government, or community beautification and maintenance.” (See Item #1 above.) Given this, HUD should require that a nonprofit organization demonstrate that its operating capital for its first two years of operations was not derived primarily from a single source which is also a builder, developer, real estate broker or agent, or mortgagee. NOTE: This comment is not meant to affect multiple-source contributions for which there is no ongoing quid pro quo or exclusivity. Many organizations, such as Habitat for Humanity, operate by receiving multiple-source contributions from builders, developers, real estate agents and lenders.

**6. The buyer receiving gift funds from the nonprofit must be able to use any FHA-approved lender and be represented by any licensed real estate agent or broker and should not be obligated to purchase the home of any particular contributor to a pooled fund.**

COMMENT: Based on our interpretation of existing regulations and guidelines, this is not new. We believe that any program that restricts the buyers’ rights to use any FHA-approved lender or licensed real estate agent probably is based on a structure that violates RESPA by providing an unfair advantage to a select group of real estate professional who could use the provision of gift funds as a basis for providing other services to the buyer that are not competitive relative to other services provided in the marketplace.

**7. In the case that the nonprofit derives its funds from fees imposed on sellers (such as The Nehemiah Program), the nonprofit must be able to clearly demonstrate that funds provided to the buyer are not specifically derived from the seller in the same transaction. In short, gift funds (and not merely a verification of the availability of funds) should actually be received by the nonprofit from a pre-existing source of funds that are clearly the funds of the nonprofit prior to the close of the sales transaction. Any fees for service paid to a nonprofit by the seller must be received after gift funds have been disbursed to the buyer. Also, the buyer must be able to purchase any home that is offered by any participating seller.**

COMMENT: The Nehemiah Program is based on the fact that sellers benefit from nonprofit activities that increase the number of eligible, qualified buyers, and are willing to pay for the nonprofit’s efforts to identify, educate, and qualify buyers who may qualify to purchase the sellers’ homes. If, for example, there was an endless supply of taxpayer funds for down payment assistance, sellers would always offer their houses for full price, knowing that buyers could obtain gifts funds. In this instance, although taxpayer funds would create homeownership, it would also create higher net gains to sellers. Under The Nehemiah Program, sellers voluntarily forego what would otherwise be higher than normal gains to assist in creating homeownership opportunities for low to moderate-income individuals through the program. From an Internal Revenue Code perspective, nonprofit organizations may collect fees for service as long as those services are substantially related to the nonprofit’s charitable purpose. In Nehemiah’s case, its stated charitable purposes include (1) relief of poverty, (2) lessening the burdens of government, and (3) community beautification and maintenance. The Nehemiah Program obtains fees from sellers for helping sellers sell their homes to low-to-moderate income homebuyers (i.e., affordable housing and homeownership). Affordable housing and homeownership are Nehemiah’s primary functions, and therefore fees derived for this activity are substantially related to its charitable purpose. Since the fees are always paid after the close of escrow, there is never an instance where the buyer of a property obtains fees that were derived from the seller in the same transaction.

**Nehemiah is seeking mortgage industry input on these recommendations.** Please send all comments to: Nehemiah Housing Corp., 1851 Heritage Lane, Suite 201, Sacramento, CA 95815, Attention: DAP Program Manager, or fax to (916) 923-2457, or E-mail to [aarona@nehemiahprogram.org](mailto:aarona@nehemiahprogram.org).

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# Nehemiah brings you home!

August 1999

Nehemiah Progressive Housing Development Corporation • 1851 Heritage Lane, Suite 201, Sacramento, CA 95815



## Partnering for Community Restoration

Nehemiah Progressive Housing Development Corporation, a charitable housing organization, was organized in 1994, a time when government funds for housing were diminishing and the future of many affordable housing programs, such as the low-income tax credit program, were in jeopardy.

Since that time we have established **The Nehemiah Program**, a national down payment assistance program, which is the largest privately funded down payment assistance gift fund program in the nation. Nehemiah has assisted more than 18,000 families to become homeowners by gifting over \$70 million dollars in down payment assistance representing over \$1.8 billion dollars in total real estate value. Nehemiah works closely with HUD through the **Federal Housing Administration (FHA)** to ensure that persons purchasing homes through The Nehemiah Program are educated about home ownership, and encouraged to seek additional protection through home inspections and home warranties. We

have formed the **Nehemiah Homeowners' Club**, an organization designed to provide post-acquisition education and discounted goods and services to homebuyers who have purchased homes through The Nehemiah Program.



**by Don Harris**  
Harris is President, Founder and Executive Director of Nehemiah Progressive Housing Development Corporation. He is also Assistant Pastor at Antioch Progressive Baptist Church.

The Nehemiah Program is one of several affordable housing programs administered by Nehemiah. Since 1994 we have developed 1200 low-income apartments for families and seniors, utilizing the low-income housing tax credit program. We are also involved in community redevelopment as well as the acquisition and rehabilitation of distressed inner city homes.

As Nehemiah continues to grow and mature as an organization, we are committed to creating partnerships with organizations that share our vision for a renewed urban America. We have established a national partnership with **Habitat for Humanity**. Under this

- continued on Page 4

Parabot /  
One America

THE WHITE HOUSE  
WASHINGTON

to : Gene Spedding  
from : Sara LaMann -

F/1 - see  
attached

50  
William F. Winter thanks you for calling the meeting of lawyers at the White House.

There is no question that the Bar, if it will exert its leadership, can make a huge difference in solving the problems relating to race. Per your request, he suggests

X Clarksdale and the Vicksburg, Mississippi - Tallulah, Louisiana area as communities in the Mississippi Delta that would have the potential leadership to sustain a major economic development initiative. cc: Ben Johnson, Scheduling

*1 cc Miller  
1 cc [unclear]  
cc [unclear]*

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July 27, 1999

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The Honorable Bill Clinton  
President of the United States  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, D.C. 20500-2000

Dear Mr. President:

Let me thank you for calling the meeting of lawyers at the White House last week. There is no question that the Bar, if it will exert its leadership, can make a huge difference in solving the problems relating to race. Your charge was right on target.

In our conversation afterward you asked me to suggest two communities in the Mississippi Delta that would have the potential leadership to sustain a major economic development initiative.

Let me suggest Clarksdale and the Vicksburg, Mississippi - Tallulah, Louisiana area. Both communities have strong leaders who extend across both races. The Mayor of Vicksburg is a wonderful African-American, Robert Walker. I believe that these two places would be good bets. Bill Bynum of the Enterprise Corporation of the Delta and George Penick of the Foundation for the Mid South share this opinion.

We stand ready to provide you with additional information to help implement any plans that may be proposed to do this.

I want to express my gratitude again for your leadership.

Sincerely,

William F. Winter

WFW/sjt  
Enclosure

LG/MS

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1600 Pennsylvania Avenue, NW  
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*LG  
Fuj  
Kaplan*

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Sincerely,  
*Bill*  
William F. Winter


WFW/sjt  
Enclosure

**JONATHAN A. KAPLAN**

08/11/99 08:45:44 AM

*Strategy!  
1 Jan for Joel Jan*

Record Type: Record

To: Lisa Green/OPD/EOP@EOP  
cc: Patrick M. Dorton/OPD/EOP@EOP  
bcc:  
Subject: Re: FROM KAPLAN 

You raise a good point. I think the fact that business schools are doing this already strengthens the argument for expanding the effort, highlighting the successes, linking it to the NMI, and taking some credit for our guys. Let's think through from a communications angle (PD, you may want to brainstorm with Jake, Lisa, and perhaps others) on how to build this up) -- it could be a nice piece for the next trip. Perhaps someone could do a preliminary memo on options to consider. If no one can do it, I will.

JK  
Lisa Green



Lisa Green  
08/11/99 08:09:00 AM

Record Type: Record

To: Jonathan A. Kaplan/OPD/EOP@EOP  
cc:  
Subject: FROM KAPLAN

This idea is essentially a good one, however I think most business schools have already thought of it. There may be something we can do to encourage and highlight the programs already in place, but this is actually a very old idea. I believe that Gene actually worked for the Small Business Incubator at the Wharton School located in West Philadelphia, when he was a grad student there.

There still may be something here in terms of encouraging more work in New Markets -- but I believe all of the top business school programs focus on these markets anyway. Business owners in other communities can typically afford to pay for their consulting rather than rely on students. May be there is something we can do with the smaller business school programs or even community colleges, where this idea may not have spread yet.

----- Forwarded by Lisa Green/OPD/EOP on 08/11/99 08:04 AM -----



Melissa G. Green  
08/10/99 07:12:33 PM

Record Type: Record

To: Lisa Green/OPD/EOP@EOP

cc:

Subject: FROM KAPLAN

New idea for us to consider on New Markets that someone at SBA came up with (Julia Payne's brother, who works there):

Challenge business schools (using one that is willing as a model) to provide credit to students who work closely with small business owners (think BusinessLINC-style mentoring/advising) in New Market communities. This would not need to have a budget cost, and could be along the lines of a challenge to educational institutions not unlike the America Reads efforts we have had in over 1,000 colleges and universities (getting them to provide work study credit for literacy efforts through the America Reads program).

JK

# FCC dials in on phone inequities

## Regulators seek to improve service on sprawling Indian reservations

By Paul Davidson  
USA TODAY

Federal regulators are expected to propose rules today to improve phone service on Indian reservations, whose 1 million or so residents have the fewest phones of any communities in the USA.

The Federal Communications Commission proposals range from financial incentives to prod local phone and wireless companies to serve the sprawling communities to possibly ordering them to do so. New rules are expected to be adopted early next year.

About 40% to 55% of homes on reservations have phones — fewer than 20% on many tribal lands — vs. 95% of all U.S. homes. "Telephone service on Indian lands is a disgrace," says FCC Chairman William Kennard. "I am committed that we do everything we can to make sure we don't leave the Indian people in the digital dark ages."

The main problem is the prohibitively high costs to build switches and run lines to the sparsely populated regions. While a "universal service fee" collected by phone carriers from all customers subsidizes high-cost regions, serving the reservations often outstrips even that funds' limits.

Many tribes say it takes more than a decade to get phone service or that a carrier will install a line only if the customer pays the cost, which can be as high as \$150,000. "There are some areas that are so rural that the investment required to provide phone service can be astronomical," says US West's Jeremy Story.

When the grandfather of Darrel Gerlaugh, who lives in Arizona's Gila River reservation, got sick, the family had to hitchhike to the nearest pay phone to call an ambulance. Help finally came after 2 hours, but it was too late.

Such incidents prompted the

residents to start their own phone company, which hooks up households for free. Yet just 34% of homes have phones because many cannot afford it, says resident Jean Harmon, who also works at the phone company. "Most people run to neighbors," Harmon says. "They think a phone is something they can do without."

Among the ideas the FCC is considering:

▶ Asking phone companies to bid for federal subsidies to serve a reservation. The carrier requiring the lowest subsidy would win the contract. If no companies bid, the FCC could order a provider to serve an area, though it would probably have to help finance it.

▶ Providing discounts in future airwave auctions to wireless companies willing to serve reservations.

▶ Making wireless providers, which can more cheaply build networks to serve reservations, eligible for federal subsidies.

▶ Increasing the typical \$5 phone discount granted to poor families for residents of reservations.

USA TODAY THURSDAY, AUGUST 5, 1999

Lisa — we may want to do something around this. Can you poll around a little to see if anyone knows anything?  
JK

# WASHINGTON

## Senate passes GOP measure providing \$7.4B in farm aid

The Senate approved \$7.4 billion Wednesday to help struggling farmers hurt by depressed crop prices. Democratic efforts to raise the figure to \$11 billion failed, but Republicans indicated some money might be added during negotiations with the House. White House spokesman Joe Lockhart said a \$7 billion version of the bill was "clearly inadequate," and he urged Congress to overhaul the 1996 Freedom to Farm Act. That law limited subsidies to a few billion dollars a year in exchange for removing most limits on what farmers grow.



Holbrooke: Nomination can proceed

**U.N. ENVOY:** Investment banker Richard Holbrooke appeared headed for confirmation as U.N. ambassador after a key senator ended his objections to a final vote. Sen. Charles Grassley, R-Iowa, had been blocking a vote until an unrelated State Department whistle-blower case was resolved. Grassley said Secretary of State Madeleine Albright didn't seem upset at the hold on Holbrooke, so Grassley switched his hold to three other ambassadorial nominees. Holbrooke's nomination, submitted in June 1998, was stalled for months because of investigations into whether Holbrooke violated ethics laws. He paid a \$5,000 penalty but admitted no wrongdoing.

**EMBASSY THREATS:** Despite security improvements at U.S. embassies, fewer than 50 of the 265 outposts are adequately protected against bombs similar to those that hit embassies in Kenya and Tanzania a year ago Saturday, officials said. Among the improvements are 4,000 new local security guards hired, more streets closed, counterterrorism equipment installed and adjoining buffer land purchased. The State Department wants \$11.5 billion over the next 10 years for security upgrades.

**SUBPOENA TO RENO:** House Republicans angry over the Immigration and Naturalization Service's release of a Mexican drifter suspected in nine killings subpoenaed Attorney General Janet Reno for data on criminal immigrants who commit more crimes after they are released. Congressional subpoenas to Cabinet members are rare. The subpoena by the House Judiciary Committee's Immigration Subcommittee gives Reno three weeks to turn over the material. Justice has said it has no information on any additional crimes committed by the 26,870 criminal immigrants who were released in the past five years. The INS has been criticized for allowing Angel Maturino Resendiz, the suspected "railroad killer," to slip repeatedly through its grasp.

**GUN HEARING:** Federal HUD officials don't plan to sue gunmakers but may join one of the suits filed by local governments, Housing and Urban Development lawyer Gail Laster told the House Government Reform Committee. Laster said another option is to file legal arguments supporting the local lawsuits. Those suits, filed by 23 cities and counties, seek to hold gun manufacturers responsible for public money spent as a result of gun violence. Committee Democrats supported HUD for trying to improve safety at public housing sites and reduce the cost of security. Rep. John Mica, R-Fla., said he was "baffled by the idea that the makers of guns are seen by anyone as being somehow legally responsible for those who acquire the weapons and misuse them."

**SENATOR SPRINGER?** "Celebrity Senate Candidates and the Democrats Who Refuse to Love Them" might be the subtitle of Senate Minority Leader Tom Daschle's reaction to reports that syndicated TV host Jerry Springer might run for the Senate in Ohio as a Democrat. The subject arose as Daschle was telling reporters that Democrats represent the party of family values. "Jerry Springer will never join our caucus," Daschle, D-S.D., said of the man whose show is noted for sexual topics and physical brawls. "I don't want him to run," Daschle added. "I think he is a joke."  
— Kathy Kiely



Springer: No support from Daschle

## ALSO . . .

► **LAW ON UNBORN:** A House Judiciary subcommittee approved legislation that would treat a human developing in the womb as a person for purposes of federal criminal law. The National Right to Life Committee, which helped draft the measure, said it is the first such proposal at the federal level. Abortion-rights supporters oppose the measure, which is similar to the law in 11 states.

► **LEGAL AID:** The House voted 242-178 to give Legal Services Corp. \$250 million next year instead of the \$141 million the Appropriations Committee approved. The agency provides free legal help for poor people in civil cases. It got \$300 million this year, and President Clinton requested \$340 for it next year. Congressional auditors said some local offices inflated caseload data to get more money. Supporters said the errors resulted from bad record keeping.

Written by Paul Leavitt with staff and wire reports