EXECUTIVE OFFICE OF THE PRESIDENT

11-Dec-1996 03:49pm

TO: BROSTROM_M

FROM: Katherine L. Meredith

SUBJECT: Memo

Message Creation Date was at 11-DEC-1996 15:43:00

FYI--Here is what went out:

MEMORANDUM FOR LEON PANETTA

FROM: Franklin D. Raines

SUBJECT: Surplus Government Property Amendment

This memo is in response to the President ,s questions about the surplus government property amendment mentioned by Millard Fuller, President, Habitat for Humanity, in his letter dated September 24, 1996. (The President ,s response is attached.) The President wants to know why the amendment was not included in the Omnibus Appropriations Bill and what we can do now to help advance the goals of Habitat for Humanity.

The Federal Property and Administrative Services Act of 1949 gives homeless assistance providers preferential access to surplus Federal properties. (State and local governments have next priority.) Representative Boehner ,s proposed amendment to the Omnibus Bill would have permitted &self-help 8 housing groups, such as Habitat for Humanity, to have preference in accessing surplus Government property. The amendment would have been problematic because it would have put homeless assistance providers and self-help housing providers into direct competition for surplus Federal properties. Further, it would open the door for numerous other groups, including universities and other non-profit associations, to request access to surplus property.

However, legislation may not be necessary to achieve Fuller ,s principal goal. Under current law, &self-help 8 housing groups can work with State and local governments to use surplus Federal property for housing. OMB will ensure that the General Services Administration (GSA) and the Department of Housing and Urban Development (HUD) begin to work more aggressively with the &self-help 8 housing groups, such as Habitat for Humanity, to identify opportunities to use surplus Federal properties. Meetings between the Domestic Policy Council, HUD, and Habitat for Humanity have already taken place.

Background

Representative Boehner ,s proposed amendment to the Omnibus Appropriations Bill was sent to HUD for comment on September 25, 1996. This provision had not been included in either the House or Senate versions of the Bill. The proposed amendment was a modification to the Federal Property and Administrative Services Act of 1949, providing authority to transfer surplus GSA real and related personal property for housing use to homeless providers at no cost. (This amendment would have had no effect on disposition of base closure property, which is covered by the Base Closure Community Redevelopment and Homeless Assistance Act of 1994.)

HUD, GSA, and housing advocacy groups interpreted the amendment language to mean "self-help" housing groups would be given equal preference with homeless assistance groups. HUD and GSA were concerned about homeless assistance groups losing first preference on the surplus property. GSA also had extensive concerns about this amendment because of the possible additional workload/responsibility, and preferred that HHS or HUD be the responsible program agency. Hill Democrats told HUD that they would be satisfied if the Administration did not support this amendment. GSA ,s and HUD's views that the Administration would not support this amendment were conveyed to the Hill informally by HUD.

Many groups outside the Federal Government have requested preferential access to Federal surplus property. All of these requests compete with other worthwhile claims by State and local governments, and all would transfer Federal resources without compensating the Federal Treasury.

Proposed Action

Current authority allows self-help housing groups to partner with State and local governments to acquire surplus Federal properties for housing construction. For example, a local government would acquire the property at fair market value and the self-help housing group, such as Habitat for Humanity, could build homes on the property. GSA has recently been approached about the feasibility of such an arrangement for some property in the State of Washington. GSA will work with State and local governments and self-help housing groups to encourage these types of partnerships.

A separate Federal program authorized in 1994 by the Base Closure Community Redevelopment and Homeless Assistance Act would allow permanent housing use as part of a community ,s redevelopment plan. HUD recently met with a Habitat for Humanity representative and will supply manuals on how to participate in acquiring property under this act.

Attachment

has anyone talked to Habitat about this?

Boehner Amendment

(a) AUTHORITY TO TRANSFER SURPLUS REAL PROPERTY FOR HOUSING USE – Section 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484) is amended by adding at the end the following:

r

"(r) Under such regulations as the Administrator may prescribe, and with the consent of appropriate local governmental authorities, the Administrator may transfer to any nonprofit organization which exists for the primary purpose of providing housing or housing assistance for homeless officials or families, such surplus real property, including buildings, fixtures, and equipment situated thereon, as is needed for housing use.

"(s)(1) Under such regulations as the Administer may prescribe, and with the consent of appropriate local governmental authorities, the Administrator may transfer to any nonprofit organization which exists for the primary purpose of providing housing or housing assistance for low-income individuals or families such surplus real property, including buildings, fixtures homeless officials or families, such surplus real property, including buildings, fixtures, and equipment situated thereon, as is needed for housing use.

Allows GSA to transfer to NP org surplus property for homeless or

"(2) In making transfers under this subsection, the Administrator shall take such action, which may include grant agreements with an organization receiving a grant, as may be necessary to ensure that --

"(A) assistance provided under this subsection is used to facilitate and encourage homeownership opportunities through the construction of self-help housing, under terms which require that the person receiving the assistance contribute a significant amount of labor toward the construction; and

"(B) the dwellings constructed with property transferred under this subsection shall be quality dwellings that comply with local building and safety codes and standards and shall be available at prices below the prevailing market prices.

NPS all orgs to self help housing

(t) "Where the Administrator has transferred a significant portion of a surplus real property, including buildings, fixtures, and equipment situated thereon, under subsections (r) or (s) of this section, the transfer of the entire property shall be deemed to be in compliance with Title V of the McKinney Homeless Assistance Act.

(1) "For this purposes of this subsection, 'a significant portion of a surplus real property' shall be defined as a portion:

(A) "which constitutes at least five acres of total acreage;

(B) "whose fair market value exceeds $100,000;

(C) "which represents at least 15% of the total acreage of the surplus property; or — for properties over 100 acres

(D) "whose fair market value exceeds 15% of the surplus property's fair market value.

Valerie Baldwin, H. Approps
Angie Garcia, H. Banking

Tom Jones

Habitat
1. non discrim in choosing families
2. homeownership

2-tiered approach

> Cathy Burgess

> Base Closure props - also needs to be amended
- h'less lang.

1300 affiliates → only 1/3 have any staff

language encouraging consultation btwn Habitat + h'less

- but Habitat
  very similar mission
  pt of continuum of
  care

- not many props where in
  conflict

- GSA wants to reform whole
  bill - instead of piece meal

- Already on record favoring in
  PH SAPs

- Gordon Creed 501-0084
- Julie Haas 5-3442
- Steve Redburn
- Jacquie / Fred

bigwood: law

Julie Haas 5-3442

GSA not a big fan of Title V, prob'ly not of any pub hse — they are the realtor — ~~will~~ giving away prop diff. from their mission

looking at Property Act as a whole

- have Habitat

FPASA kicks in when time to transfer

by amending FPASA, leave in place McK process, just add another group to pool that ~~can~~ apply

already eligible?
definitely, if serve h'less

? if not
is hsg an elig public h benefit purpose

include fix — so that unsuitable props taken off

$\boxed{\text{2 - tiered}}$

lang. encouraging C-of-care

= Ques. of Govt Affairs

Title V of McKinney
- amends Surplus Prop. law to make unused federal property available for use in assisting homeless - gives priority consideration for h'less uses
- Community decision

?'s
What income level live in Habitat homes?
How do they propose integrating into h'less priority?
what about NIMBY concern?

Who decides? GSA, HUD

Habitat homeowners
< 50% AMI
sweat equity - 500 hrs
can't afford commercial loan

Habitat for Homeless Humanity

unutilized
underutilized > lease by agency
10% { excess (in btwn)
surplus - can be deeded > by GSA

Base Closure

- community decision → h'less

Gingrich initiated → awarded end of May

FOR RELEASE:

Sept. ,

HUD No. 96-
Jack Flynn (202) 708-0685 X113
Robert Nipp (202) 708-0685 x115
1996

HUD AWARDS $15 MILLION UNDER THE SELF-HELP HOMEOWNERSHIP OPPORTUNITY PROGRAM (SHOP) TO SPUR SINGLE-FAMILY HOMEOWNERSHIP

Single-family homeownership will become an option for at least 1,500 low-income families through the award of $15,000,000 under HUD's Self-Help Homeownership Opportunity Program (SHOP), Secretary of Housing and Urban Development Henry G. Cisneros announced today.

"Homeownership remains only a dream for too many families who work hard and play by the rules," Secretary Cisneros said, "but today's awards will enable some of these low-income families, through their own sweat-equity and the volunteer efforts and contributions of others, to realize that dream and become homeowners."

Through SHOP, which is modeled after the Habitat for Humanity program, grant funds are provided to national or regional nonprofit organizations or consortia to create homeownership opportunities for low-income families. Today there were 3 awardees. Two of the approved programs will be active within Federal enterprise communities or empowerment zones.

The $15 million in SHOP funds awarded today, to be used for land acquisition or infrastructure improvements, will stimulate new investment from public and private sources, including significant amounts of sweat equity contributed by homebuyers and volunteers.

Today's awards are intended to continue and expand upon the homeownership opportunities provided through such programs as HOME, CDBG, HOPE 3 and Youthbuild, and are complemented by a recent $25 million award to Habitat for Humanity International, all of which help to contribute toward realizing President Clinton's and Secretary Cisneros' shared goal of increasing America's homeownership rate.

An allocation of funds has been approved for Housing Assistance Council.

Project Number/Name:	SHOP
HUD Grant:	SH-96-011
Project Address:	1025 Vermont Avenue, NW Suite 606 Washington, DC 20005
Project Contact/Phone Number:	Moises Loza, Executive Director (202) 842-8600
Project Type:	SHOP Amount: $13,500,000

The Department of Housing and Urban Development has awarded a $13,500,000 SHOP grant to the Housing Assistance Council (HAC) to assist established Self-Help Housing (SHH) producer groups in primarily rural areas with site acquisition and infrastructure development. HAC plans to generate at least 1,350 units built with these funds over the next two years.

PROJECT DESCRIPTION

An allocation of funds has been approved for Neighborhood Reinvestment Corporation.

Project Number/Name:	SHOP
HUD Grant:	SH-96-014
Project Address:	1325 G Street, N.W. Suite 800 Washington, DC 20005-3100
Project Contact/Phone Number:	George Knight, Executive Director (202) 376-2412
Project Type:	SHOP Amount: $1,200,000

The Department of Housing and Urban Development has awarded a $1,200,000 SHOP grant to Neighborhood Reinvestment Corporation to construct 120 self-help homes within a twenty-four month period, within more than 15 diverse urban and rural communities located in 13 States across the nation. Neighborhood Reinvestment will be responsible for administering and monitoring the overall Self-Help Homeownership Program.

PROJECT DESCRIPTION

An allocation of funds has been approved for Northwest Regional Facilitators.

Project Number/Name:	SHOP
HUD Grant:	SH-96-007
Project Address:	525 E. Mission Avenue Spokane, WA 99202
Project Contact/Phone Number:	Robert L. Stilger, Executive Director (509) 484-6733
Project Type:	SHOP Amount: $300,000

The Department of Housing and Urban Development has awarded a $300,000 SHOP grant to Northwest Regional Facilitators to acquire and/or provide infrastructure to 30 units of self-help housing located in several communities in Eastern Washington and Idaho. Northwest Regional Facilitators proposes to channel funds to several other locations where local organizations are developing customized self-help programs similar to theirs in midsize and small cities and in remote areas of the Inland Northwest.

THE WHITE HOUSE

WASHINGTON

Facsimile from Diane Ikemiyashiro
Office of Presidential Letters and Messages

Voice: (202) 456-5519 FAX: (202) 456-5426

Number of Pages (including cover): 4

Date: 10·21·96

Time: 5:15 pm

To: Molly Brostrom

Voice: 6·5561

FAX: 6·7028

[ ] incoming letter(s) from: Millard Fuller
re: Omnibus Approps. Bill

[ ] for your review

[ ] per my e-mail or voice-mail message to you

[ ] per your request

Additional comments:

Through Staff Sec 10-11-96

Habitat for Humanity International

Building houses in partnership with God's people in need

96 OCT 9 A9:58

Harris 10-9-96

[redacted]

Send to Dorskind? to Luken - check w/ Counsel Office to see if this provision has passed - Then discuss an appropriate reply.

September 24, 1996

The Honorable William J. Clinton
President of the United States
The White House
1600 Pennsylvania Ave.
Washington, DC 20500-2000

Dear Mr. President,

Thank you again for the wonderful event on September 9 when you honored me and the entire Habitat for Humanity organization by granting me the Medal of Freedom. The occasion and the high honor you conferred on me will be a part of my fondest memories for the rest of my life.

I write you today to seek your support once more for Habitat for Humanity. As you dialog with the Congress about the proposed Omnibus Appropriations Bill, I respectfully ask that you support the section which will allow Habitat for Humanity and similar non-profit groups the right to use surplus government property to provide homes for low income persons who otherwise probably could never own a home. Currently, Habitat for Humanity does not legally qualify as a provider for the homeless, since most new Habitat homeowners are not technically homeless. Most are living in sub-standard dwellings. The practical effect, though, is that they are "homeless". Consider this simple example. Linda and I were in Pensacola on September 11 to dedicate our 50,000th house. It was built for Tammy and Michael Harris and their four children. They had been living in a 3-bedroom house with two other families-fourteen people in all. They were not technically "homeless", but, in reality, they were. Those are the kinds of people we are building for. The legislation in question would in no way deny other homeless providers opportunity to use the surplus property, but merely expand the use of the surplus government property to provide needy persons decent places to live.

We have specific examples in various parts of the country where surplus property exists, where homeless groups cannot make use of it, and where Habitat for Humanity affiliates are willing to build Habitat houses to provide homes for those in need. One example of this is in Congressman John Boehner's district in Ohio. As a result of the Habitat affiliate in his district contacting him in regard to surplus property which no homeless group wishes to build and on which Habitat is prepared to build 30 Habitat houses, Congressman Boehner has taken leadership for this language which will accomplish what most persons we have talked to believe is right.

If there are questions about this, your staff might contact Tom Jones, the Managing Director of our Washington Office. He is at 1511 K. Street, NW #605, 202/628-9171.

20th ANNIVERSARY Framing the future

Your leadership in providing the opportunity to every person to have a decent place to live is an inspiration to us all. I hope you and Hillary will make plans after the election to join us in more Habitat builds!

With great respect and appreciation,

Millard Fuller

MF/slt

cc: David Williams
Tom Jones

Molly —
These are the background notes.
— Di

Diane - please draft response - Thanks - R.

Jim - Sara Emery has no way of knowing whether this provision passed — suggest we check w/ OMB's Jim Murr, Legisl. Reference Div.
— R.

Jim Marr says:
This provision was not included in the Appropriations Bill was signed.
The Administration informally communicated objections to this part of the bill because of its ~~the~~ a Special Interest & special treatment for Habitat for Humanities specifically.
But again that objection is an informal one.

— Sara

Jim Murr Legis Ref. 5-4864
Omnibus Appropriations Bill
Habitat for Humanities
will call back TOMORROW 10/16
I'll give you the
BC S/S Back for now
— Sara

-amend't that would have benefitted sp. interest

Jacquie/Mark Johnston

Boehner amend't - week before
(Valerie Baldwin) checked w/HUD

- would have opened surplus prop'ty to self-help hsg -
but, equal status to h'less groups - taken away priority
plus GSA concerns abt abil to manage as written

amend. to
= Federal Property Services Act

Jacquie
OMB - Katherine - Meredith
GSA -
HHS - Mary Ellen
HUD -
(Hill Dems) 2nd mtg
Laurel Weir

What other doors would it open?
intent of Title V:
protect for pop.

following ~~next~~ week

Laurel:

Rationale: many h'less providers face NIMBY-ism in applying
10/10 times community will choose hsg for low-inc rather than
problem is def of low-inc: gen'ly → 80% of AMI - too high (~ 42K)
if at 30% → poor families - more at risk of h'lessness

Habitat - interested in getting some property

bottom line: don't take from one group for another

Alt. language w/House ⟹ Do we need to devlp +/or propose?

E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E N T

21-Oct-1996 05:20pm

TO: Molly Brostrom

FROM: Diane Ikemiyashiro
Presidential Correspondence

SUBJECT: Millard Fuller

Hi, Molly --

The following draft is for M. Fuller. The president will be personally signing the response. I'll fax to you the incoming draft. Please let me know if the language is okay. Thanks.

-- Diane

Thank you so much for your thoughtful letter. Your warm words of appreciation and encouragement mean a great deal to me.

I'm pleased to know that you had such a memorable time at the Presidential Medal of Freedom ceremony. I was proud to honor you with the well-deserved Medal of Freedom, and I thank you for your compassionate dedication to addressing the housing and community development issues facing our nation.

Although the final version of the Omnibus Appropriations Bill, which I signed into law, did not include the provision that you mentioned in your letter, please be assured that my Administration will remain committed to ~~preserving and~~ pro~~tecting~~ moting self-help housing programs, like Habitat for Humanity, that help Americans to fulfill the American Dream. Together we can empower our communities and help them to prosper. As we work toward this endeavor, it's always good to know of your thoughts.

As you know,
> My Admin. strong supporter of self-help hsg. I am pleased that HUD was able to award your org 25M + $5M to other self-help hsg progs.

> Support ~~expansion~~ opening surplus prop'ty to self-help hsg, but in era of constrained resources need to ensure that targeted at very low-inc

want to ensure that we're not reducing our commitment to h'less

E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E N T

01-Nov-1996 10:10am

TO: Diane Ikemiyashiro

FROM: Molly Brostrom
Domestic Policy Council

SUBJECT: RE: Millard Fuller

Again, sorry for the delay. Slight edits for the response -- Keep your first two paragraphs. And then add:

Although the final version of the Omnibus Approps bill did not include the provision that you mentioned in your letter, my Administration supports the provision's intent of making self-help homeownership an eligible activity for nonprofit groups seeking surplus property. We will seek your input as we develop a workable solution.

I look forward to continued work with you in addressing the housing and community development needs of our nation...

If you or anyone else reviewing has any questions, don't hesitate to call.

Circumvents McK process

- takes out HUD review

HUD determines suitable for h'lessness

If GSA has no other purpose for the prop, then published in Fed Reg + process sets in

Allows GSA to give away as they see fit -

- no more priority for h'lessness

97 budg resol - assumes savings from repeal of TV.

6/17 TV Meeting - Laurel
Jacquie
Katherine

-

Last concern: 4a - opt out provision
property → undefined in TV Act

others: doesn't allow state or local govts
limits to self-help

Habitat: don't serve h'less - income stds
LW → would like to give alternative of perm't hsg for h'less
under TV, bldgs can't be used for permanent hsg for h'less;
under Base Clo

Good idea → technical problems - goal of getting prop. to
4a + b → not necessary for Habitat quickly

if it's in r rather than 484 k → still under McKinney
for goal of speed → should be in 484k

5 irrelevant if 4 comes out

r1 : written consent ⇒ may exacerbate NIMBY problems
⇒ already in regs (when not i
- bogs down process
- barrier

population of a unit of general local government was included, after September 30, 1989, with the population of an urban county for purposes of qualifying for assistance under section 106, the unit of general local government may apply for assistance under section 106 as a metropolitan city if the unit meets the requirements of the second sentence of this paragraph.".

(b) PUBLIC SERVICES LIMITATION.—Section 105(a)(8) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)(8)) is amended by striking "through 1997" and inserting "through 1998".

SEC. 506. AUTHORITY TO TRANSFER SURPLUS REAL PROPERTY FOR HOUSING USE.

McK Act has priority over - except for 484K - meritorious + compelling
[5 paragraphs

Section 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484) is amended by adding at the end the following new subsection:

"(r)(1) Under such regulations as the Administrator may prescribe, and with the written consent of appropriate local governmental authorities, the Administrator may transfer to any nonprofit organization which exists for the primary purpose of providing housing or housing assistance for homeless individuals or families, such surplus real property, including buildings, fixtures, and equipment situated thereon, as is needed for housing use.

"(2) Under such regulations as the Administrator may prescribe, and with the written consent of appropriate local governmental authorities, the Administrator may transfer to any nonprofit organization which exists for the primary purpose of providing housing or housing assistance for low-income individuals or families such surplus real property, including buildings, fixtures, and equipment situated thereon, as is needed for housing use.

self-help

"(3) In making transfers under this subsection, the Administrator shall take such action, which shall include grant agreements with an organization receiving a grant, as may be necessary to ensure that—

"(A) assistance provided under this subsection is used to facilitate and encourage homeownership opportunities through the construction of self-help housing, under terms which require that the person receiving the assistance contribute a significant amount of labor toward the construction; and

"(B) the dwellings constructed with property transferred under this subsection shall be quality dwellings that comply with local building and safety codes and standards and shall be available at prices below the prevailing market prices.

"(4)(A) Where the Administrator has transferred a significant portion of a surplus real property, including build-

ings, fixtures, and equipment situated thereon, under paragraph (1) or (2) of this subsection, the transfer of the entire property shall be deemed to be in compliance with title V of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411 et seq.).

"(B) For the purpose of this paragraph, the term 'a significant portion of a surplus real property' means a portion of surplus real property—

"(i) which constitutes at least 5 acres of total acreage;

"(ii) whose fair market value exceeds $100,000; or

"(iii) whose fair market value exceeds 15 percent of the surplus property's fair market value.

"(5) The provisions of this section shall not apply to buildings and property at military installations that are approved for closure under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) and shall not supersede the provisions of section 2(e) of the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (10 U.S.C. 2687 note).".

SEC. 507. RURAL HOUSING ASSISTANCE.

The last sentence of section 520 of the Housing Act of 1949 (42 U.S.C. 1490) is amended by inserting before *the period the following: ", and the city of Altus, Oklahoma, shall be considered a rural area for purposes of this title until the receipt of data from the decennial census in the year 2000".*

SEC. 508. TREATMENT OF OCCUPANCY STANDARDS.

(a) NATIONAL STANDARD PROHIBITED.—The Secretary of Housing and Urban Development shall not directly or indirectly establish a national occupancy standard.

(b) STATE STANDARD.—If a State establishes an occupancy standard—

(1) such standard shall be presumed reasonable for purposes of any laws administered by the Secretary; and

(2) the Secretary shall not suspend, withdraw, or deny certification of any State or local public agency based in whole or in part on that State occupancy standard or its operation.

(c) ABSENCE OF STATE STANDARD.—If a State fails to establish an occupancy standard, an occupancy standard of 2 persons per bedroom established by a housing provider shall be presumed reasonable for the purposes of any laws administered by the Secretary.

(d) DEFINITION.—

NATIONAL LAW CENTER
ON HOMELESSNESS & POVERTY

709-3336

F A C S I M I L E

Date: 6/21/96

To: Molly Brostrum

Phone: ______ Fax: 456-~~56~~7028

From: Laurel Weir

Number of Pages (including cover): 4

Comments: Here's the discussion draft of the provision we've been working on w/ House Dem. Committee Staff (both Hsg. + Govt. Reform staff). It does not yet include a provision for making property available for perm. hsg. for disabled homeless individuals.

Law Center Fax: (202) 628-2737

[DISCUSSION DRAFT #2]

PROPOSAL FOR CONFERENCE ON HOUSING BILL

- under 401

- section 203K: where PV currently lives

Amend section 506 to read as follows:

SEC. 506. AUTHORITY TO TRANSFER SURPLUS REAL PROPERTY FOR HOUSING USE.

Section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) is amended by adding at the end the following new paragraph:

?

"(6)(A) Under such regulations as the Administrator, after consultation with the Secretary of Housing and Urban Development, may prescribe, the Administrator may sell or lease to any State or local government or to any nonprofit organization or institution that has been held exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986 such surplus real property and related personal property as is recommended by the Secretary as being needed for providing housing or housing assistance to low-income individuals or families.

"(B) In making dispositions under this paragraph, the Administrator shall take such action, including entering into grant agreements with an entity receiving surplus property, as is necessary to ensure that—

"(i) assistance provided under this paragraph facilitates and encourages home ownership opportunities through construction or alteration of self-help housing, under terms that require that the person receiving the assistance contribute significant labor toward the construction or alteration;

"(ii) the dwellings constructed or improved as a result of the assistance provided shall be quality structures that comply with local building and safety codes and standards; and

"(iii) assistance provided under this paragraph is used to meet low-income housing needs within the locality where the property is located.

"(C) In fixing the sale or lease value of surplus real and related property disposed of under this paragraph to an entity, the Administrator, after consultation with the Secretary, shall take into consideration any benefit which has accrued or may accrue to the United States from the use of such property by the entity.

"(D) With respect to surplus real and related personal property conveyed under this paragraph, the Administrator shall—

"(i) determine and enforce compliance with the terms, conditions, reservations, and restrictions contained in any instrument by which the conveyance is made;

"(ii) reform, correct, or amend any such instrument by the execution of another instrument, if necessary to correct the original instrument or to conform the conveyance to the requirements of applicable law; and

"(iii) grant releases from any of the terms, conditions, reservations, and restrictions contained in, and convey, quitclaim, or release to the transferee or other eligible user any right or interest reserved to the United States by, any instrument by which such property was so transferred if the Administrator determines that—

"(I) the property conveyed no longer serves the purpose for which it was conveyed; or

"(II) the release, conveyance, or quitclaim deed will not prevent accomplishment of that purpose.

"(E) Any release, conveyance, or quitclaim deed under subparagraph (D)(iii) may be granted on, or made subject to, such terms and conditions as the Administrator considers necessary to protect or advance the interests of the United States.".

EXECUTIVE OFFICE OF THE PRESIDENT

Office of Management and Budget
Housing Branch

Katherine Meredith
Phone: (202) 395-4988
Fax: (202) 395-1307

Date: 10/23/96 **Time:** 11:50 a.m.

Number of Pages (including cover): 4

To: Molly Brostrom

Office number: 6-5561 **Fax Number:** 6-7028

Comments:

PROPOSAL FOR OMNIBUS APPROPRIATIONS BILL

SEC. ____ AUTHORITY TO TRANSFER SURPLUS PROPERTY.

(a) AUTHORITY TO TRANSFER SURPLUS PERSONAL PROPERTY FOR HOUSING USE. -- Section 203(j)(3)(B) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484 (j)(3)(B)) is amended by inserting after "homeless individuals" the following: ", providers of assistance, including housing or housing assistance, to low income individuals,".

(b) AUTHORITY TO TRANSFER SURPLUS REAL PROPERTY FOR HOUSING USE -- Section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) is amended by adding at the end the following:

"(6)(A)(i) Under such regulations as the Administrator, after consultation with the Secretary of Housing and Urban Development, may prescribe, the Administrator may transfer without any monetary consideration to the United States to any State or local government or to any nonprofit organization or institution which has been held exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986 such surplus real property and related personal property as is recommended by the Secretary as being needed for providing housing or housing assistance to low-income individuals or families. ?

"(ii) An application to the Administrator for transfer of property under this paragraph shall include, if available, the views of the governing body of the locality concerning the applicant's plan of use. If such views are favorable to the application, and if the application is approved by the Secretary, the Administrator may transfer the property under this subsection notwithstanding section 501(f)(3) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411(f)(3). If such views are unfavorable, the Administrator shall not approve the completed application unless the new application demonstrates a compelling need for low-income housing assistance in the locality and the applicant's clear ability to fulfill this need.

"(B) In making transfers under this paragraph, the Administrator shall take such action, which may include grant agreements with an organization to which property is transferred, as is necessary to ensure that --

"(i) assistance provided under this paragraph facilitates and encourages homeownership opportunities through the construction or alteration of self-help housing, under terms which require that the person receiving the assistance contribute significant labor toward the construction or alteration;

"(ii) the dwellings constructed or improved as a result of the assistance provided under this paragraph shall be quality dwellings that comply with local building and safety codes and standards and shall be available at prices below the prevailing market prices; and

"(iii) assistance provided under this paragraph is used to meet low-income housing needs within the locality where the property is located.

"(C) With respect to surplus real and related personal property transferred under this paragraph, the Administrator shall --

"(i) determine and enforce compliance with the terms, conditions, reservations, and restrictions contained in any instrument by which the transfer is made;

"(ii) reform, correct, or amend any such instrument by the execution of another instrument, if necessary to correct the original instrument or to conform the transfer to the requirements of applicable law; and

"(iii) grant releases from any of the terms, conditions, reservations, and restrictions contained in, and convey, quitclaim, or release to the transferee or other eligible user any right or interest reserved to the United States by, any instrument by which such property was so transferred if the Administrator determines that --

"(I) the property transferred no longer serves the purpose for which it was transferred; or

"(II) the release, transfer, or quitclaim deed will not prevent accomplishment of that purpose.

"(D) Any release, transfer, or quitclaim deed under subparagraph (C)(iii) may be granted on, or made subject to, such terms and conditions as the Administrator considers necessary to protect or advance the interests of the United States.".