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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. fax	cover sheet, Leon Weiner to Brostrom (partial) (1 page)	09/22/1995	P6/b(6)

COLLECTION:

Clinton Presidential Records
Domestic Policy Council
Molly Brostrom
OA/Box Number: 8400

FOLDER TITLE:

Leon Weiner/MTM [Mark to Market]

2012-0326-S
kc770

RESTRICTION CODES

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

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]

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September 25, 1995

MEMORANDUM FOR CAROL H. RASCO

CC: Jeremy Ben-Ami
Bruce Katz ✓

FROM: Molly Brostrom

RE: Meeting with Leon Weiner

You are scheduled to meet with Leon Weiner from 3-3:30 pm on Wednesday, September 27, in your office. Bruce Katz will also attend. Mr. Weiner will be accompanied by Carl Coan, and Michael McCullough and Kent Colton of the National Association of Homebuilders.

As you recall, Mr. Leon Weiner originally wrote to Billy Webster requesting a meeting with the President to discuss concerns with two of the HUD Reinvention proposals -- the proposed move from project-based to tenant-based assistance and the Mark to Market proposal. I met with Mr. Weiner and Carl Coan (along with Steve Redburn from OMB) in August.

This memo provides background on Weiner and Coan and a summary of some of their concerns with the HUD proposals. Attached is OMB-prepared background on Mark to Market.

<u>Weiner and Coan Background.</u>
Mr. Weiner is a longtime Democratic supporter and contributor. He is past president of the National Association of Homebuilders (represents interest of for-profit developers of housing) and is a developer of multifamily housing -- primarily in Delaware -- including many projects that are backed by HUD project-based subsidies. He served on LBJ's 1967 Kaiser Commission that reviewed housing policy. Recently, he was an appointed delegate to the White Conference on Small Business (by Sen. Biden) and the White House Conference on Aging (Gov. Carper).

Carl A.S. Coan, Jr. is a lawyer who represents the coalition for affordable housing. He shares Mr. Weiner's concerns and sentiment. He is also an active Democrat; he spoke briefly to the President regarding these concerns at a 7/13 dinner at Tom Schneider's house.

<u>Mark To Market and Vouchers</u>
Mark to Market (MTM) is a HUD proposal to mark down the mortgages of FHA-insured and federally subsidized properties to the market level (thus, "Mark to Market"). At the same time, assistance provided to tenants would be converted to portable vouchers.

According to OMB, MTM is necessary because the pressures on discretionary spending can no longer sustain the growing level of rental assistance provided. In addition, without reforms (particularly portable vouchers), owners have a captive clientele and, as they see federal assistance disappearing, have little incentive for maintaining their properties.

Under the proposal to change from Project-based to Tenant-Based Assistance (vouchers), housing assistance would not be tied to specific buildings, but tenants would be given vouchers and "empowered" to choose housing of the type and location that best meets their needs. Owners would thus be forced to compete for tenants.

Weiner and Coan Concerns.

Weiner and Coan obviously have a financial interest in the status quo given that Weiner owns properties and Coan represents owners. But they voice policy concerns about the proposals that are shared by the non-profits and advocates, and political concerns that come from their long activism in Democratic politics. In meetings with tenants and advocates recently, OMB has expressed a willingness to address some of these concerns in developing the FY 97 budget.

Described below are some of the concerns Weiner and Coan have raised in the past:

- **HUD Reinvention proposal as overreaction.** They view HUD's Reinvention Blueprint as an overreaction to the Fall election; believe that the HUD "panic" to reinvent programs actually led Republicans to cut HUD more than they would have otherwise done; that the Republicans didn't have a plan before the HUD reinvention proposal.

- **Questions about budgetary savings**. The Homebuilders question HUD's estimated savings associated with MTM, pointing out that CBO also questioned the savings. (According to OMB, CBO and HUD/OMB are still discussing savings associated with MTM and CBO's original estimate was based on a lack of information as well as different scoring conventions.)

- **Concern about bond market ratings**. National Association of Home Builders staff expressed concern about the reaction of the bond rating agencies to the MTM proposal. Michael McCullough said that State and local bonds related to Section 8 project-based properties may be downgraded as a result of pending legislative proposals, and that bond downgrades would make it more difficult for State/local finance agencies to finance these and other projects. (However, given the current fiscal environment and notwithstanding HUD's MTM proposal, it is unlikely that Congress would continue to provide excessive project-based subsidy payments to prevent mortgage defaults.)

Concerns about tenant-based voucher option:

- **Scarcity of supply**: They believe that there is a limited amount of economically viable housing in many regions, so tenants won't be able to find housing with their vouchers. Weiner did acknowledge that this argument does not apply to some areas where there is an excess of housing. (According to OMB, this argument is not supported by available HUD data on rental markets and experience with Section 8 assistance.)

- **Moving would be difficult for seniors, families**: They believe that seniors/families would have trouble moving and that even the news about HUD's reinvention proposal is threatening to many seniors who think that they will be kicked out of their housing. (The HUD proposal contained special protections for the elderly and disabled.) The advocacy groups point out other obstacles to moving such as cost, discrimination, and an unwillingness of owners to accept vouchers.

- **Vouchers will be easy to cut**: A repeated concern is that Republicans can cut vouchers easily -- as they already have started doing in the FY 1996 appropriations -- and that project-based subsidies are more politically difficult to cut. (OMB has pointed out that perhaps even easier for Congress to cut than vouchers are rules requiring subsidized projects to assist low-income persons -- which would result in poor people being replaced by middle income persons.)

- **Politically.** They see the move to vouchers as an abandonment of policies and constituencies that Democrats have fought for years.

<u>Status of MTM and Voucher Proposals</u>
Support for MTM and vouchers in the House is generally good -- there is language in the appropriations bill supporting the conversion of rental subsidies to vouchers and provides no funding for expenses related to the disposition of FHA-held properties.

The Senate included a demonstration designed to test methods of limiting costs for FHA-insured and assisted multifamily properties. The demonstration would, however, merely replace the current oversubsidization of many FHA-insured assisted projects with a more costly approach (a new debt service subsidy to owners that would ensure them a profit regardless of market conditions). In our Statement of Policy to the Senate, we opposed the demonstration as well as a new subsidy program designed to preserve certain multifamily projects as low-income housing (stating that the $550 million could be better used to provide additional portable low-income housing subsidies).

HUD is currently negotiating with the Senate on these proposals; if there are any updates prior to Wednesday's meeting, I will notify you by e-mail. I will also try and talk to Bruce about what your message should be, if anything.

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FAX COVER SHEET

TO:

NAME: Ms. Molly Brostrom - Domestic Policy Staff

FIRM: The White House

FAX #: 202-456-7028

FROM:

NAME: Leon N. Weiner

DATE: 10/30/95 **TIME:** 2:00 p.m.

Transmission consists of Cover Sheet plus 3 **page(s).**

MESSAGE:

If there are any problems or questions regarding transmission, please call Pat Wilkinson **at (302) 764-9430.**

REGISTERED MEMBER

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LW&A

October 30, 1995

Ms. Carol Rasco
Domestic Policy Staff
The White House
Washington, D.C. 20500

Dear Ms. Rasco:

I enclose for your reference a copy of the letter from Carl Coan dated October 6, 1995, and a copy of my letter of October 19, 1995, asking Mr. Steve Redburn of the Office of Management and Budget to furnish us with information that he told us he would.

The information Mr. Redburn was to have furnished us was the evidence allegedly provided to HUD and the administration showing that vouchers are less expensive then project based assistance in subsidizing low and moderate income families and elderly.

At this moment when this issue is being debated in the Congress and our discussions with HUD have failed to produce that analysis, it is not only deplorable, but seriously challenges the credibility of this administrations's position on housing policy dealing with low and moderate income tenants, owners, investors, and others. Neither HUD nor OMB has produced convincing evidence that vouchers are an economical vehicle to replace project based housing assistance, aside from other faults with vouchers.

I am truly upset that this administration, which I have supported whole heartedly, would rely on what appears to be a vacuum of evidence they have been willing to put forth.

Shame! Shame! Shame!

I am now convinced that OMB is not dealing with a full deck. I do not know whether the HUD people know this or not. When this administration turns to people like myself and I in turn go to others to seek support for their policies and programs, I must truly say that I am embarrassed and red faced.

I am a home builder and in the simple jargon of an occupation and profession in which I have great pride I am declaring that the time has come to put up or shut up.

I appreciated the opportunity to meet with you. I would be grateful if you would help me get a few minutes to talk to the President of the United States in order to solicit his support for the housing needs of our tenants and our industry.

Cordially,

LEON N. WEINER & ASSOCIATES, INC.

Leon N. Weiner

LEON N. WEINER
Chairman of the Board

Enclosure

LNW/paw

cc: The Honorable William J. Clinton, President of The United States
Henry G. Cisneros, Secretary, HUD
Nicholas P. Retsinas, Assistant Secretary for Housing, HUD
Bruce Katz, Chief of Staff, HUD
Donald Fowler, National Chair, Democratic National Committee
Molly Brostrom, Domestic Policy Staff, The White House
Carl Coan, Jr., Esq.
Kent Colton, Executive Vice President/CEO, NAHB
Michael McCullough, Director Multi-Family Finance, NAHB

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JAMES A. LYONS, JR.
RAYMOND K. JAMES
CARL A. S. COAN, III
SHEILA C. SALMON

WILLIAM S. MOORHEAD (1923-1987)

October 6, 1995

Steve Redburn
Chief, Housing Branch
Office of Management and Budget
New Executive Office Building - Room 9226
Washington, DC

Dear Steve:

As you may recall, Leon Weiner and I met with you and Molly Brostrom at the National Association of Home Builders on August 17, concerning the Administration's proposals to convert all HUD project-based housing assistance to tenant-based assistance. At the end of the meeting, you indicated that underpinning the Administration's proposal was an analysis showing that vouchers are 30% less expensive than project-based assistance over the long run.

You promised to send me a copy of that analysis, but I have not yet received it. Could you please send it to me as soon as possible.

Sincerely,

Carl A.S. Coan, Jr.

CASCJR\szo

cc: Molly Brostrom, Domestic Policy Staff, The White House
Bruce Katz, Chief of Staff, HUD
Leon Weiner

THE WHITE HOUSE
OFFICE OF DOMESTIC POLICY

CAROL H. RASCO
Assistant to the President for Domestic Policy

To: Molly

Draft response for POTUS
and forward to CHR by:

Draft response for CHR by:

Please reply directly to the writer
(copy to CHR) by:

Please advise by:

Let's discuss:

For your information: ✓

Reply using form code:

File:

Send copy to (original to CHR):

Schedule ? : ☐ Accept ☐ Pending ☐ Regret

Designee to attend:

Remarks:

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LW&A

November 3, 1995

Ms. Carol H. Rasco
Assistant to the President
for Domestic Policy
The White House
Washington, D.C. 20500

Dear Ms. Rasco:

Thank you for your very kind note of October 6 with regard to our visit.

I am not sure what you meant when you said that my "concerns are being heard". You refer to "moving forward and working on and developing housing policy". I would appreciate it if you would keep me in touch with what those quotes mean.

Thank you for the time you spent with us.

Cordially,

LEON N. WEINER & ASSOCIATES, INC.

Leon N. Weiner

LEON N. WEINER
Chairman of the Board

LNW/paw

CC: Mr. Bruce Katz
Chief of Staff - HUD

bcc: Kent Colton, Executive Vice President, NAHB
Michael McCullough - NAHB
Carl Coan, Esq.

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LW&A

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Ms. Carol H. Rasco
Assistant to the President
for Domestic Policy
The White House
Washington, D.C. 20500

CHR - ICH Mtg
BK - LJ/LRHA

Pitts ? |

Steve: Data on cost of voucher
NYC :

Bruce : Budget Probs
Staffing Probs

Leadership

trans period

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

27-Sep-1995 02:25pm

TO: Carol H. Rasco

FROM: Molly Brostrom
Economic and Domestic Policy

SUBJECT: misc + 3:00 mtg

1--Lee Jones called today. He's heard that one housing authority heard from HUD that their redevelopment application was approved. He hasn't heard anything, except that the size of the pot has decreased from last week when he was told that things looked good, and that any renewed expression of interest from here would be helpful.

Perhaps we can ask Bruce about it.

2--Jacquie Lawing is fine with describing the homelessness forum as a meeting you are hosting, in conjunction with the Interagency Council on the Homeless. In fact, the Secretary asked her to get your thoughts on having the next formal ICH meeting focus on mental illness, hosted by Sec. Shalala. They would shoot for early November. It could dovetail nicely with the forum, in that mental illness issues/concerns that are raised at the forum could then be discussed in further depth at the ICH meeting.

Any thoughts?

3--3:00 meeting with Weiner

Bruce is bringing Lori Bamberger from his staff. I've asked him to arrive a few minutes early if possible.

Talking Points: Again, your role is primarily to listen. Bruce can respond if needs be. if you would like to add comments, I would suggest:

-We are hearing concerns about vouchers and will take them into consideration in developing FY 97 budget. (OMB has said that our 97 voucher proposal will be moderated, but is not saying so publicly yet.)

-They must recognize our budget realities -- the federal government can't continue the current level of rent subsidization. Some version of Mark to Market is inevitable. We would like to work with them to make it as workable as possible.

See you shortly.

Participants for White House Conference Call
Friday, September 22, 1995

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1

National Multi Housing Council
Washington, D.C.
September 19, 1995
Secretary Henry G. Cisneros

Thank you, Austin (Fitts), for that kind introduction and for your visionary work in developing electronic villages in assisted housing in some of our most distressed communities.

I recently had an opportunity to visit Edgewood Properties here in Washington, D.C., where you (Austin) have set up a computer lab and learning center for children and adults. This facility gives residents the educational opportunities and jobs they need to build self-sufficient lives. Edgewood is an outstanding example of what assisted housing communities can be and I salute you.

And I want to thank the National Multi Housing Council, its members and staff for helping HUD in the fight to increase funding for the multifamily credit subsidy. The House Appropriations bill provided only $69 million for the next fiscal year, but the Senate Appropriations Committee version raised the funding level to $100 million after hearing from a number of concerned groups, most prominently your organization and its members. Congratulations. Your advocacy on this issue is appreciated.

Just the other day we were faced with a new challenge. Republican tax proposals include a sunset of the low-income housing tax credit at the end of 1997. The credit, which was just made permanent in 1993, currently accounts for one out of every five new apartments built in our country and virtually every one of the new apartments built for low-income renters. Although it is not a HUD program, the credit is integral to the effort to provide adequate housing for low- and moderate-income people. A sunset that will force Congress to come up with new revenue to extend the credit into the future will truly jeopardize it. I hope that you will express your feelings to Congress about this action.

The challenges we have faced in Congress on FHA's multifamily credit subsidy and on the low-income housing tax credit are part of a broader challenge to HUD's mission.

(These remarks were prepared for delivery by Secretary Henry G. Cisneros, whose actual remarks may have departed from this text.)

One group of freshmen Republican House members, joined by some Republican senators, has called for HUD's outright elimination. The Republican leadership in Congress -- while not going as far as the complete elimination of HUD -- has supported sharp cuts in HUD's budget. The House cut HUD's funding 27 percent -- from $26.1 billion in the current fiscal year to $19.1 billion in fiscal 1996. The full Senate will be considering our appropriations bill next week, and we are facing significant cuts on that side of the Hill as well.

We knew, going into this Congress, that we would face some very tough sledding. We also knew that at least part of the reason we were in for a tough time was the general feeling of the American people and Congress that HUD wasn't doing its job well.

The department has had problems. There is no getting around that. In the 1980s, HUD was racked by scandal. Over the decades, HUD spawned labyrinthine rules, regulations and procedures. HUD incubated a management culture which valued paperwork over performance; process over progress. Frankly, when I was mayor of San Antonio, I despaired at the thought of working with HUD, as much as we needed its resources.

Going into this year, we knew that if HUD was to survive -- and more importantly, if HUD was to continue to carry out its mission, which is helping communities and people lift themselves -- the Department would have to change the way it does business, and change very dramatically.

So we proposed a truly far-reaching reinvention plan.

- We proposed to consolidate 60 major, separately funded programs into three, broad, flexible funds for housing assistance, affordable housing development and community economic development.

- We proposed a radical transformation in public housing. Instead of subsidizing buildings and local public housing bureaucracies, we proposed to shift to direct assistance to residents, who would receive housing vouchers and certificates which they could use toward rent in public housing developments or in privately owned buildings.

- And, finally, we proposed to transform the Federal Housing Administration into a government-owned Federal Housing Corporation, which would operate more like a private mortgage-insurance company and work much more effectively with the private market.

There are two common threads through all these proposals: choice and market discipline.

With program consolidation, we are saying that our primary role is to support local initiative. We will no longer tell local communities: You can build elderly housing, or disabled housing - or you can build a single room occupancy facility for the homeless -- because that's what we've allocated money for. We'll say: Here are the resources, based on your need. You decide how to deploy them. We're saying: It's your choice.

But we're also saying to communities that we want to see results. We want communities to set goals for affordable housing; increased homeownership; and jobs. Under our reinvention plan, communities that meet and surpass these goals would be eligible for additional funds. Communities that fail to meet their goals would not get extra money. Our program consolidation proposal injects market incentives and discipline into federal funding.

In public housing, we have proposed to move to a system of direct assistance to residents that empowers them to make the same kinds of choices other people make about where they live. If a public housing development is well-run and safe, residents will stay there. If it is poorly managed and dangerous, they will leave. Public housing managers will have to compete for their business. Choice for residents; market discipline for housing managers.

Our proposals to transform FHA are driven by market imperatives. FHA is a Fortune 100-size insurance company with a $380 billion portfolio today. But its current procedures are cumbersome and its ability to adjust to changing market conditions is constricted by statutes, rules and regulations. FHA has made a tremendous contribution in communities nationwide, opening the doors of homeownership to 23 million Americans without costing taxpayers a dime. But after 61 years, it needs an overhaul. The new Federal Housing Corporation which we have proposed would operate more efficiently and effectively in today's market, while still pursuing its singular public mission -- ensuring that rental housing and homeownership remains within the reach of working families.

Part of our reinvention plan for FHA is our "Mark-to-Market" proposal for Federally subsidized, privately owned rental housing. Choice for residents and market incentives for landlords are the central themes of Mark-to-Market.

Two overriding realities are driving the Mark-to-Market strategy. First, if we continue business as usual, the cost of Section 8 renewals will swallow HUD's budget. Next year, fiscal year 1996, 140,000 Section 8 contracts will expire. The cost to renew those contracts would be more than $4 billion, with the price tag rising sharply to $14 billion by 1998. We can't renew Section 8 contracts indefinitely at a time when everyone agrees we must reduce the federal deficit and move toward a balanced budget.

Second, the current system denies choice to renters and prevents the market from imposing its discipline on the cost and quality of the rental stock. A survey of properties found that HUD provides subsidies above market levels to as many as 3,000 Section 8 properties. Some apartments rent for twice as much as non-subsidized units down the street. We simply can't expect the federal government to continue subsidizing rents that are excessive compared to rents in unsubsidized housing.

In other cases, the buildings deteriorate, yet the tenants can't move because they would lose their rental assistance. Current policy denies those tenants the right to choose where they want to live. They should be able to move. We must not lock people into substandard housing.

You, as some of the largest multi-family housing owners, developers and financiers, know the importance of surviving in the marketplace. We want to inject the vigor of the market into our assisted-housing inventory.

Mark-to-Market addresses these problems by tying rental assistance to market rates, allowing renters the option of choosing the best apartment they can find.

Mark-to-Market does not mean an end to all project-based assistance for Section 8 properties, as some have charged. That would go against the grain of reinvention, our commitment to give local areas the flexibility to determine local solutions to local problems. The Mark-to-Market initiative gives localities the flexibility to provide project-based aid at their own option, for however long they choose, where they find it appropriate within the context of their local housing strategy.

Some have expressed their concern to us about the transition to a market basis for Section 8 properties, and HUD is considering several options to ensure that the changes go smoothly.

Our preferred approach is to help properties transition to a market basis voluntarily before Section 8 contracts expire. This would make it easier for good owners to remain in place and would protect against property disinvestment.

We are aware of the tax implications of debt restructuring and its impact on cancellation of indebtedness income. We're working with the Treasury Department, the Office of Management and Budget and members of Congress and the stakeholders on the best way to deal with it.

We may differ on the exact approach that should be taken, but -- in the real world of current budgetary constraints --

Mark-to-Market is inevitable. Let me repeat, Mark-to-Market in some form is inevitable. The question is: Do we opt for an orderly transition to a market environment for assisted housing -- as I have outlined here -- or do we walk off the budgetary cliff as more and more Section 8 contracts come up for renewal over the next few years.

One thing is clear. The current practice must change. There is no support -- none -- for the oversubsidization of affordable housing.

In Congress, the House has provided us with an opportunity to pursue a limited Mark-to-Market approach, consistent with many of our recommendations. The Senate's approach, however, contains significant costs that our Mark-to-Market plan attempts to curb over time. The Senate approach also fails to create the kind of market incentives that we're trying to reinstate in our multi-family portfolio.

House and Senate negotiators will soon begin discussing the Mark-to-Market initiative when they meet in conference on the HUD appropriations bill. We look forward to the upcoming conference and hope that Congress will deal directly and forcefully with these issues in order to provide guidance to owners, managers and residents of these properties and to the capital markets, which are awaiting a resolution of this issue.

Our Mark-to-Market initiative incorporates key elements of HUD's reinvention -- choice and market discipline -- and it responds to the American people's insistence that we break with old ways of doing business that have not served communities, residents or taxpayers. We are building a new HUD which will more effectively carry out its central mission of helping to create communities of opportunity where people can lift themselves. The new HUD will be customer-oriented and performance-driven.

Our Mark-to-Market plan paves the way for the new HUD by addressing a major problem of the old HUD -- oversubsidization and the lack of market incentives. When we look to the future of assisted housing, we see exciting efforts like the electronic villages of Austin Fitts, where we try to create an environment that gives residents choice and educational and economic opportunity. You will play an integral part in building these environments and I look forward to creating this future with you.

Thank you.

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

27-Sep-1995 09:14am

TO: Molly Brostrom

FROM: Francis S. Redburn
Office of Mgmt and Budget, HTF

CC: Adam Hoffberg
CC: James F. Jordan

SUBJECT: Re. Meeting with Leon Weiner

HUD sources say that the managers floor amendment to the VA/HUD appropriation takes a step away from our mark to market proposal. It permits renewal of project-based rent subsidies as project-based (with renewal as vouchers only at the owner's option, which means almost never) and at rents that are based on a calculation of project costs, in most cases, rather than based on market value. HUD will have a hard time monitoring and controlling costs under this approach; owners will be in the driver's seat in estimating their costs and calculating their return to equity. Tenants will have no choice, and market forces will play no role in creating incentives for good management and good housing.

We will now turn to the Conference.

We are looking at your draft. Some further voting on amendments is expected shortly on the floor, including Sarbanes to restore homeless funds by shifting from reserves for other housing assistance. HUD supports.

CHR -
- KH Mtg
- Lee Jones
- Qs/ Remarks:
  - we are heavily concerns abt v's + will take into consid in FY 97
  - you must recognize our budget reals - fed govt can't continue ~~to~~ current course of rent — can no longer
    - HUD/OMB - orderly trans.
    - [illegible] subs.
  - H → limited MTM, cons w/ Admin recomm's

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. fax	cover sheet, Leon Weiner to Brostrom (partial) (1 page)	09/22/1995	P6/b(6)

COLLECTION:

Clinton Presidential Records
Domestic Policy Council
Molly Brostrom
OA/Box Number: 8400

FOLDER TITLE:

Leon Weiner/MTM [Mark to Market]

2012-0326-S
kc770

RESTRICTION CODES

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

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.

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

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]

001

LEON N. WEINER & ASSOCIATES, INC.
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4 DENNY ROAD
WILMINGTON, DELAWARE 19809
302-764-9430

LW&A

ONE FOX POINT CENTRE • 4 DENNY ROAD • WILMINGTON, DELAWARE 19809 • 302-764-9430 • FAX 302-764-4805

FAX COVER SHEET

TO:

NAME: Ms. Molly Brostrom

FIRM: The White House

FAX #: 202-456-7028

FROM:

NAME: Leon N. Weiner

DATE: 9/22/95 **TIME:** 11:45 a.m.

Transmission consists of Cover Sheet plus ______ page(s).

MESSAGE:

The following three people will be coming with me and will be at the Northwest gate at 2:45 p.m. for a 3:00 p.m. meeting:

Leon N. Weiner
Carl Coan
Michael McCullough
Kent Colton

P6/(b)(6)

If there are any problems or questions regarding transmission, please call Pat Wilkinson **at (302) 764-9430.**

REGISTERED MEMBER

(faxed to WW)
copy to Molly

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LW&A

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FAX COVER SHEET

TO:

NAME: Ms. Carol Rasco, Domestic Policy Staff

FIRM: The White House

FAX #: 202-456-7028

FROM:

NAME: Pat Wilkinson (Leon Weiner's Office)

DATE: 11/2/95 **TIME:** 2:30 p.m.

Transmission consists of Cover Sheet plus 4 **page(s).**

MESSAGE:

When Mr. Weiner's October 30th letter was faxed to you, I inadvertently left out his October 19, 1995 letter to Mr. Steve Redburn which was referenced. The complete package is attached for your easy reference.

If there are any problems or questions regarding transmission, please call Pat Wilkinson **at (302) 764-9430.**

REGISTERED MEMBER

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LW&A

October 30, 1995

Ms. Carol Rasco
Domestic Policy Staff
The White House
Washington, D.C. 20500

Dear Ms. Rasco:

I enclose for your reference a copy of the letter from Carl Coan dated October 6, 1995, and a copy of my letter of October 19, 1995, asking Mr. Steve Redburn of the Office of Management and Budget to furnish us with information that he told us he would.

The information Mr. Redburn was to have furnished us was the evidence allegedly provided to HUD and the administration showing that vouchers are less expensive then project based assistance in subsidizing low and moderate income families and elderly.

At this moment when this issue is being debated in the Congress and our discussions with HUD have failed to produce that analysis, it is not only deplorable, but seriously challenges the credibility of this administrations's position on housing policy dealing with low and moderate income tenants, owners, investors, and others. Neither HUD nor OMB has produced convincing evidence that vouchers are an economical vehicle to replace project based housing assistance, aside from other faults with vouchers.

I am truly upset that this administration, which I have supported whole heartedly, would rely on what appears to be a vacuum of evidence they have been willing to put forth.

Shame! Shame! Shame!

I am now convinced that OMB is not dealing with a full deck. I do not know whether the HUD people know this or not. When this administration turns to people like myself and I in turn go to others to seek support for their policies and programs, I must truly say that I am embarrassed and red faced.

REGISTERED MEMBER

I am a home builder and in the simple jargon of an occupation and profession in which I have great pride I am declaring that the time has come to put up or shut up.

I appreciated the opportunity to meet with you. I would be grateful if you would help me get a few minutes to talk to the President of the United States in order to solicit his support for the housing needs of our tenants and our industry.

Cordially,

LEON N. WEINER & ASSOCIATES, INC.

Leon N. Weiner

LEON N. WEINER
Chairman of the Board

Enclosure

LNW/paw

cc: The Honorable William J. Clinton, President of The United States
Henry G. Cisneros, Secretary, HUD
Nicholas P. Retsinas, Assistant Secretary for Housing, HUD
Bruce Katz, Chief of Staff, HUD
Donald Fowler, National Chair, Democratic National Committee
Molly Brostrom, Domestic Policy Staff, The White House
Carl Coan, Jr., Esq.
Kent Colton, Executive Vice President/CEO, NAHB
Michael McCullough, Director Multi-Family Finance, NAHB

COAN & LYONS
ATTORNEYS AT LAW
SUITE 1000
1100 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20036
TELEPHONE (202) 728-1070
TELECOPIER (202) 293-2448

CARL A. S. COAN, JR.
JAMES A. LYONS, JR.
RAYMOND K. JAMES
CARL A. S. COAN, III
SHEILA G. SALMON

WILLIAM S. MOORHEAD (1923-1987)

October 6, 1995

Steve Redburn
Chief, Housing Branch
Office of Management and Budget
New Executive Office Building - Room 9226
Washington, DC

Dear Steve:

As you may recall, Leon Weiner and I met with you and Molly Brostrom at the National Association of Home Builders on August 17, concerning the Administration's proposals to convert all HUD project-based housing assistance to tenant-based assistance. At the end of the meeting, you indicated that underpinning the Administration's proposal was an analysis showing that vouchers are 50% less expensive than project-based assistance over the long run.

You promised to send me a copy of that analysis, but I have not yet received it. Could you please send it to me as soon as possible.

Sincerely,

Carl A.S. Coan, Jr.

CASCJR\szo

cc: Molly Brostrom, Domestic Policy Staff, The White House
Bruce Katz, Chief of Staff, HUD
Leon Weiner

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October 19, 1995

Mr. Steve Redburn
Chief, Housing Branch
Office of Management and Budget
New Executive Office Building - Room 9226
Washington, D.C.

Mr. Redburn:

I refer you to Carl Coan, Jr.'s letter of October 6, reminding you of a promise you made on August 17, at a meeting with the representatives of domestic policy arranged by The White House Domestic Policy Staff.

You clearly stated that the use of the administration's proposal to convert all HUD project based assistance to vouchers was 50% less expensive than project based assistance. We requested, then, a copy of that analysis which you promised to send us. Mr. Coan's letter of October 6, better than ten days ago, reminded you of your promise. We still haven't heard from you.

We are in the midst of extremely serious legislative initiatives supported both by HUD and sections of Congress based on the belief that vouchers will be an effective method for reducing the deficit. Time is marching on and frankly I am getting impatient with the vagueness of the administration's policy supposedly based on your advise and support.

I shall be in constant contact with Mr. Coan to monitor the receipt of your promised analysis. I cannot stress its importance in terms of overall housing policy.

Yours truly,

LEON N. WEINER & ASSOCIATES, INC.

Leon N. Weiner

LEON N. WEINER
Chairman of the Board

LNW/paw

cc: Molly Brostrom, Domestic Policy Staff, The White House
Carol Rasco, Domestic Policy Staff, The White House
Bruce Katz, Chief of Staff, HUD
Carl Coan, Jr.
Kent Colton
Nicholas Retsinas

REGISTERED MEMBER

⇒ Reality : Some Δ Nec'y → budget

– but given Repub context, do our prop's still make sense, protect vulnerable

– are we prop'g 1 plan that doesn't work for diff. communities

–

⇒ We're trying to work w/ hispanic/business community on damage control / making sure they see us on their side, blame Repubs

(may be not true..)

– and all we hear abt is vouchers, preserv

→ Is there anything can be done to resolve diffs

– Tax prop'l on [illegible] ⇒

Liton – Kee

Oct 30 mtg – Campus for Lanes idea – talked a

⇒ Feb 1158 →

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LW&VA

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FAX COVER SHEET

TO:

NAME: Molly Brostrom

FIRM: Domestic Policy Staff - The White House

FAX #: 202-456-7028

FROM:

NAME: Leon N. Weiner

DATE: 10/19/95 **TIME:** 4:35 p.m.

Transmission consists of Cover Sheet plus 1 **page(s).**

MESSAGE:

If there are any problems or questions regarding transmission, please call Pat Wilkinson **at (302) 764-9430.**

REGISTERED MEMBER

LEON N. WEINER & ASSOCIATES, INC.
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LW&A

October 19, 1995

Mr. Steve Redburn
Chief, Housing Branch
Office of Management and Budget
New Executive Office Building - Room 9226
Washington, D.C.

Mr. Redburn:

I refer you to Carl Coan, Jr.'s letter of October 6, reminding you of a promise you made on August 17, at a meeting with the representatives of domestic policy arranged by The White House Domestic Policy Staff.

You clearly stated that the use of the administration's proposal to convert all HUD project based assistance to vouchers was 50% less expensive than project based assistance. We requested, then, a copy of that analysis which you promised to send us. Mr. Coan's letter of October 6, better than ten days ago, reminded you of your promise. We still haven't heard from you.

We are in the midst of extremely serious legislative initiatives supported both by HUD and sections of Congress based on the belief that vouchers will be an effective method for reducing the deficit. Time is marching on and frankly I am getting impatient with the vagueness of the administration's policy supposedly based on your advise and support.

I shall be in constant contact with Mr. Coan to monitor the receipt of your promised analysis. I cannot stress its importance in terms of overall housing policy.

Yours truly,

LEON N. WEINER & ASSOCIATES, INC.

Leon N. Weiner

LEON N. WEINER
Chairman of the Board

LNW/paw

cc: Molly Brostrom, Domestic Policy Staff, The White House
Carol Rasco, Domestic Policy Staff, The White House
Bruce Katz, Chief of Staff, HUD
Carl Coan, Jr.
Kent Colton

REGISTERED MEMBER

Molly

October 11, 1995

MEMORANDUM FOR HAROLD ICKES

FROM: Carol H. Rasco CHR

RE: Meeting with Leon Weiner

I write to inform you of a meeting that I had with Mr. Leon Weiner, a Democratic supporter who is strongly opposed to Administration housing proposals, and who insists on a meeting with the President to discuss his concerns.

<u>Background on Mr. Weiner</u>
Leon Weiner is a longtime Democratic supporter and contributor. He is past president of the National Association of Homebuilders (represents interests of for-profit developers of housing) and is a developer of multifamily housing -- primarily in Delaware -- including many projects that are backed by HUD project-based subsidies. He served on LBJ's 1967 Kaiser Commission that reviewed housing policy. Recently, he was an appointed delegate to the White Conference on Small Business (by Senator Biden) and the White House Conference on Aging (by Governor Carper).

Mr. Weiner works closely with Carl A.S. Coan, Jr., a lawyer who represents the coalition for affordable housing. Coan shares Mr. Weiner's concerns, and attended the meeting as well. He also is an active Democrat; he briefly mentioned these housing concerns to the President at a July 13 dinner at Tom Schneider's house.

Mr. Weiner wrote to Billy Webster in February requesting a meeting with the President. After much persistent correspondence by Mr. Weiner, Billy suggested that Mr. Weiner lay out his concerns to me.

At my meeting with Mr. Weiner he started the meeting and then throughout the meeting repeated that his purpose in seeing me was to get me to advocate for a meeting with the President. I of course made no promises to him. I know full well, however, that he is expecting me to pursue the idea of a meeting. I personally do not see the need for the President to see him, but I do need for you to advise me if there are political reasons this meeting should take place.

<u>Background on Issues</u>
MTM is an extremely complicated issue and I will not pretend to have a grasp on it entirely. But I wanted to give you a sense of the issues and the politics around them.

The two interrelated proposals that Mr. Weiner strongly opposes are Mark to Market and Tenant-Based Assistance.

Mark to Market (MTM) is a HUD proposal to mark down the mortgages of FHA-insured and federally subsidized properties to the market level. At the same time, assistance provided to tenants would be converted to portable vouchers, or "Tenant-Based Assistance."

Under Tenant-Based Assistance, rental subsidies would not be tied to specific buildings, but tenants would be given vouchers (designed to equal the 40th percentile of local market rents). Owners would be free from use restrictions. The theory is that tenants would be "empowered" to choose housing of the type and location that best meets their needs, and owners would be forced to compete for tenants.

HUD and OMB Rationale for Proposals

- MTM is designed to deal with the large and growing costs of renewing expiring Section 8 contracts (HUD estimates the cost at $4 billion this year and $14 billion by 1998).

- MTM is necessary because the pressures on discretionary spending can no longer sustain the growing level of rental assistance provided.

- HUD has significant and growing budget and staffing problems that limit their ability to manage their current workload.

- Much of the FHA portfolio is oversubsidized. According to OMB, of the newer properties, 61% have rents that are 120% or more above the FMR; in the older properties, the condition of the stock is deteriorating and the cost to the government is increasing.

- Without reforms (particularly portable vouchers), owners have a captive clientele and, as they see federal assistance disappearing, have little incentive for maintaining their properties.

- MTM will result in savings to the federal government. OMB estimated that MTM would save $33 billion over 25 years compared to the status quo. (Compared to a future world in which project-based subsidies are not renewed, however, MTM will save $9-12 billion in today's dollars.)

- Of the 900,000 units (9,000 projects) affected by MTM, only families in 30,000 units will be displaced (OMB assumes that tenants can handle an additional rent burden of 10% of income). Under our proposal, elderly and disabled tenants will have special protections.

How the Industry and Advocates See these Proposals:
As a developer and recipient of Section 8 project-based assistance, Mr. Weiner obviously has a financial interest in the status quo. However, many of the concerns that he and other industry representatives cite are shared by the non-profit and advocate community. In addition, as an old Democrat, Weiner sees MTM and vouchers as an abandonment of Democratic principles, and is angered to have Republicans thanking the Clinton Administration for ideas. Following are some of the concerns cited by industry and advocates:

- MTM will devastate huge amounts of multi-family housing. The Section 8 program was designed to produce affordable housing in areas where private investment is unwilling or unable to develop.

- Rents can be higher in multifamily housing because of FHA construction standards and wage requirements, as well as services that may be offered in elderly housing. MTM will force the private sector out of providing affordable housing.

- Savings are disputed. An initial CBO study questioned our savings, and said that MTM would cost $4 billion more than renewing expiring Section 8 project-based contracts (OMB says CBO's original estimate was based on a lack of information as well as different scoring conventions).

- Will result in huge disruptions to tenants (the National Association of Homebuilders estimates that 170,000 households would be displaced). Seniors will be particularly vulnerable. Vouchers will be easy for Congress to cut.

- Advocates see our continued push for vouchers as an "academic exercise" that is hurting their efforts to focus members and constituents on the short term budget and longer term fights.

Status

House VA/HUD appropriations action was consistent with our MTM proposal, particularly because it included language that would authorize the conversion of rental subsidies to vouchers. But, as OMB indicates, the House action is only half of our proposal, and this part alone would create enormous problems for everyone.

The Senate included a demonstration designed to test methods of limiting costs for FHA-insured and assisted multifamily properties. The demonstration would, however, merely replace the current oversubsidization of many FHA-insured assisted projects with a more costly approach (a new debt service subsidy to owners that would ensure them a profit regardless of market conditions). According to HUD, the demonstration is unacceptable.

For conference, HUD will propose to renew contracts for one year, but expects to come back with a strong MTM proposal next year.

Bottom Line

- If the Administration is serious about controlling costs, some change is inevitable: There isn't enough money on the discretionary side to renew all expiring Section 8 contracts at the old subsidy level.
- A wholesale adoption by Congress of either our MTM or voucher proposals is unlikely this year.
- These proposals have generated a tremendous amount of antagonism and illwill towards the Administration from the industry as well as advocates.
- It is unlikely that we will be able to help much on the housing front in the current budget debate, and, as a result, we may face hard feelings from the housing consituency who already feel neglected by this Administration.

Please advise if you wish for me to submit a scheduling request for this meeting or there is other action you suggest I take. I did a simple follow up letter to Mr. Weiner thanking him for briefing me on his concerns.

Thank you.

THE WHITE HOUSE

WASHINGTON

October 6, 1995

Mr. Leon N. Weiner
Chairman of the Board
Leon N. Weiner & Associates, Inc.
One Fox Point Centre
4 Denny Road
Wilmington, Delaware 19609

Dear Mr. Weiner:

Thank you very much for coming to meet with me last week. I appreciated the opportunity to meet with you and to hear first hand your concerns about the Administration's housing proposals.

Your concerns are being heard here at the White House, and, as you heard from Bruce Katz, will be considered as we move forward in working on and developing housing policy.

Thank you again for your time.

Sincerely,

Carol H Rasco

Carol H. Rasco
Assistant to the President
for Domestic Policy

Leon Weiner

elim of project-based
impact on srs + low-inc

→ met w/Retsinas, /

Nat'l Low-Inc Hsg Coalition
Nat'l Assoc of Homebuilders - Michael McCullough

Not non-profits
he ~~is~~ speaks for private

- housing stock will be diminished

- sep'g subs
- not fell swap → but demos

Repub alt - not renewing subs contract
- allow foreclosure

elim
II → 55 osps + kill Army
III → Dole osp.

we're kpg FHA as part

OMB → pull plug

(MTM / move to t-based)

Bruce:

1- compromise

2- very upset → threat of bringing tenants in

3- also have concerns from non-pr/advocates (own issue of KPs private involved)

4- political → not sure of H'bldrs as whole, but W + Cam strong supporters

Poss mtgs:

Carol + Bruce / Litan

Other:

--Proposal already out there, so maybe unnecessary to debate concerns; also budgetary reasons

--want action now, because aware that HUD negotiating and Senate mark up expected Sept. 12

--other concerns: take away incentive for private mkt to remain involved; S&L analogy doesn't work

--concern with move from project to tenant is JMiller/JKennedy

--while their interests may be different, they express a frustration with the WH that is widely shared among housing community

--next steps: run by political folks; nothing; meeting with s.o. else at WH (who?); discussion w/HUD

1-OPL - Dfile / Appt to CV
2-Pol - Joe Takom 6-6257

August 22, 1995

MEMORANDUM FOR BRUCE REED AND PAUL WEINSTEIN

FROM: Molly Brostrom

RE: Meeting Request of Leon Weiner and Carl A.S. Coan, Jr.

Mr. Leon Weiner has been very persistent and adamant in his request for a meeting with the President to discuss concerns with two of the HUD Reinvention proposals -- the proposed move from project-based to tenant-based assistance and the Mark to Market proposal. Billy Webster initially refused his request for a meeting; after much persistent correspondence by Mr. Weiner, Billy suggested that Mr. Weiner should lay out his concerns to Carol and that she would advise Billy. I met with Mr. Weiner and Carl Coan (along with Steve Redburn from OMB); Mr. Weiner continues to request a meeting with the President. I am seeking advice on whether and how his request should be accommodated.

Mr. Weiner's background. Mr. Weiner is a longtime Democratic supporter and contributor. He is past president of the National Association of Homebuilders (represents interest of for-profit developers of housing) and is a developer of multifamily housing -- primarily in Delaware -- including many projects that are backed by HUD project-based subsidies. He served on LBJ's 1967 Kaiser Commission that reviewed housing policy. Recently, he was an appointed delegate to the White Conference on Small Business (by Sen. Biden) and the White House Conference on Aging (Gov. Carper).

Carl A.S. Coan, Jr. is a lawyer who represents the coalition for affordable housing. He shares Mr. Weiner's concerns and sentiment. He is also an active Democrat; he spoke briefly to the President regarding these concerns at a 7/13 dinner at Tom Schneider's house.

Issues. Without knowing enough myself to fully evaluate their concerns or HUD's proposals, I believe further action may be needed for several reasons:

- The HUD voucher proposal has opposition in the Senate and HUD is in fact currently negotiating with the Hill on a more limited, incremental approach (the same approach that Weiner and Coan are suggesting). It seems foolish to antagonize supporters/friends over a proposal that isn't going anywhere.

- Their feelings of frustration and disappointment are very strong (Mr. Weiner has essentially threatened to bring tenants to the White House to protest). They have been supporters, but appear to have been sorely tested by these proposals.

- While perhaps driven by different interests, many of their concerns are shared by the non-profit and low-income housing advocacy community.

WEINER AND COAN ISSUES/CONCERNS

HUD reinvention proposal as overreaction. They view HUD's Reinvention Blueprint as an overreaction to the Fall election; believe that the HUD "panic" to reinvent programs actually led Republicans to cut HUD more than they would have otherwise done; that the Republicans didn't have a plan before the HUD reinvention proposal and the proposal to provide tenant-based vouchers to residents of HUD-assisted multifamily properties (and public housing) was adopted as a starting place by the Republicans -- who then went a step further and began to cut budgetary resources. Evidence for this view was Joe Ventrone (House Banking Housing Subcommittee majority staff director) statement to Mr. Weiner to the effect that "we didn't have a plan before the HUD plan came along".

Concern about tenant-based voucher option. Weiner and Coan had several concerns about the HUD proposal to eliminate the current system of project-based assistance and replace it with portable rental assistance certificates that could be used to meet rent payments in any building that tenants choose to live. Their concerns included the following:

(1) **Scarcity of supply:** They believe that there is a limited amount of economically viable housing in many regions, so tenants won't be able to find housing with their vouchers. Weiner did acknowledge that this argument does not apply to some areas where there is an excess of housing. (According to OMB, this argument is not supported by available HUD data on rental markets and experience with Section 8 assistance. Although HUD and Census data indicates that there is a growing number of people with "worst-case" housing need, most of this need is due to people not having sufficient income and thus paying in excess of 50% of their income to rent.)

(2) **Moving would be difficult for seniors, families:** They believe that seniors/families would have trouble moving and that even the news about HUD's reinvention proposal is threatening to many seniors who think that they will be kicked out of their housing (the advocacy groups point out other obstacles to moving such as cost and discrimination).

(3) **Vouchers will be easy to cut:** A repeated concern is that Republicans can cut vouchers easily -- as they already have started doing in the FY 1996 appropriations -- and that project-based subsidies are more politically difficult to cut. (Steve indicated that perhaps even easier for Congress to cut than vouchers are rules requiring subsidized projects to assist low-income persons -- which would result in poor people being

replaced by middle income persons)

(4) **Questions about budgetary savings.** Michael McCullough of the Homebuilders questioned HUD's estimated savings associated with MTM, pointing out that CBO had also questioned the savings. (According to OMB, CBO and HUD/OMB are still discussing savings associated with MTM and CBO's original estimate was based on a lack of information as well as different scoring conventions.)

(5) **Concern about bond market ratings.** National Association of Home Builders staff expressed concern about the reaction of the bond rating agencies to the MTM proposal. Michael McCullough said that State and local bonds related to Section 8 project-based properties may be downgraded as a result of pending legislative proposals, and that bond downgrades would make it more difficult for State/local finance agencies to finance these and other projects. (Given the current fiscal environment and notwithstanding HUD's MTM proposal, it is unlikely that Congress would continue to provide excessive project-based subsidy payments to prevent mortgage defaults.)

COAN & LYONS
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TELECOPIER (202) 293-2448

SENT TO FAX NUMBER: 202/456-7028

DATE: August 14, 1995

TO: Ms Molly Brostrom

NUMBER OF PAGES: 4

FROM: Carl A.S. Coan, Jr.

OPERATOR: Sandra Zahn-Oreck

MESSAGES/INSTRUCTIONS (IF ANY):

Letter enclosed

IF YOU DO NOT RECEIVE ALL PAGES, CALL THE NUMBER LISTED ABOVE.

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CARL A. S. COAN, III
SHEILA C. SALMON

WILLIAM S. MOORHEAD (1923-1987)

August 14, 1995

Ms Molly Brostrom
Domestic Policy Staff
The White House
Washington, DC

BY TELECOPIER

Dear Ms Brostrom:

One of my clients, Leon Weiner, who is also a member of the Coalition for Affordable Housing, which we represent, indicated to me on Friday that he had been successful in setting up a meeting this week with your office to discuss the Administration's proposals to terminate project-based housing assistance for low-income families and elderly.

I spoke briefly about this matter to the President at the dinner at Tom Schneider's house on July 13. I also followed up with a letter to him on July 18. I am enclosing a copy of that letter, for your information in connection with the up-coming meeting with Mr. Weiner.

Mr. Weiner's concerns are widely held by those who own and manage housing under HUD's Section 8 program. Many of us who, like Mr. Weiner, are active Democrats (I have been a member of the Democratic Committee in Fairfax County, Virginia, since 1969) find it difficult to believe what we see happening. It would be tragically ironic if this Democratic Administration now accomplishes what Republican Presidents and members of Congress have been unable to accomplish over the past twenty-five years.

Sincerely,

Carl A.S. Coan, Jr.

CASCJR\szo
Enclosure

cahp\brostrom.895

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SHEILA C. SALMON

WILLIAM S. MOORHEAD (1923-1987)

July 18, 1995

The Honorable William Jefferson Clinton
The President
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

I was pleased to get an opportunity to chat briefly with you at the dinner at Tom Schneider's on Thursday evening, July 13. Notwithstanding the heat, it was an impressive dinner and evening.

Unfortunately, I was sitting at table 28, too far down the line, it turned out, to have an opportunity for our table to ask a question of you. We had discussed what to ask and it had been agreed that our question would include a component on the future of the nation's stock of federally assisted low-income housing.

After discussing the issue with my table mates, I drafted the following question:

> How can we continue to meet the housing needs of the elderly, the disabled and other low-income persons and families in all settings without continuing to maintain a stock of housing always available to those persons and not dependent on the vagaries of the housing market?

Some of my table mates felt that this question was a little too nonpartisan and asked me to rephrase it, which I did as follows:

> Over the past sixty years, starting with FDR, we built up a stock of over three million housing units always available to the low-income. Now your Administration seems to be advocating replacing this stock with vouchers - an approach long advocated by the Republicans. What are the low-income going to do for housing in tight housing markets?

You will note that the second question attempts to highlight the 60-year history of Democratic Administration support for project-based housing assistance for the low-income, as opposed to

Republican efforts during most of the last 25 years to convert all housing assistance into certificates and vouchers. I, and many others who have spent their careers working on housing problems, are greatly disturbed by the announced intention to convert all housing assistance to certificates or vouchers.

We feel it represents an abandonment of a tried and tested means of assuring that a continuing stock of decent housing will be available for the low-income. Neither certificates nor vouchers, unfortunately, provide such assurance, working well only in those periods when a particular housing market has an excess supply. That is only a sometime occurrence in almost all housing markets.

When I spoke with you about my concerns, you indicated that Secretary Cisneros had the matter well in hand. I indicated that was not the case, but in Secretary Cisneros's defense I should like to point out that the radical change in the Administration's position on maintaining the low-income housing stock was, I believe, OMB initiated.

OMB, since the days of the Nixon Administration, has consistently opposed project-based, low-income housing assistance. Fortunately, either the Administration or the Congress has always rejected or moderated this OMB position. Now is not the time to let the apparently Republican tendencies of OMB staff overwhelm the proven effectiveness of project-based housing assistance for the low-income.

I urge you to personally get involved in this matter and to reverse the very unfortunate direction in which housing policy seems to be headed.

Sincerely,

Carl A.S. Coan, Jr.

CASCJR/by

National Association of Home Builders

15th and M Streets, N.W., Washington, D.C. 20005
(202) 822-0200 Fax (202) 822-0333

Economics, Mortgage Finance and Housing Policy Division

(202) 822-[illegible] (Mortgage Finance)
(202) 822-[illegible] (Economics and Housing Policy)

FAX COVER SHEET

DATE: 8/11/95

TO: MOLLY BROSTROM

Harold —
Janice Enwright

FAX #: 456-7028

FROM: DAVE LEDFORD

DEPT:

NUMBER OF PAGES INCLUDING COVER: 11

COMMENTS: COPY OF NAHB'S CRITIQUE OF HUD'S RESTRUCTURING PROPOSAL AND INFORMATION ON JULY 14 SENATE ROUNDTABLE. I WILL CALL YOU MONDAY TO CONFIRM NEXT THURSDAY'S MEETING.

IN THE EVENT OF A TRANSMITTAL DIFFICULTY, PLEASE CONTACT SENDER.

Ann Walley → explore

THE WHITE HOUSE
OFFICE OF DOMESTIC POLICY

CAROL H. RASCO
Assistant to the President for Domestic Policy

AUG 2 1995

To:

Draft response for POTUS and forward to CHR by: cc: Molly

Draft response for CHR by:

Please reply directly to the writer (copy to CHR) by:

[illegible]

Please advise by:

Let's discuss:

For your information:

Reply using form code:

File:

Send copy to (original to CHR):

Schedule ?: Accept Pending Regret

Designee to attend:

Remarks: CAROL - ANY IDEA who this is? Should Molly call?

don't know - Molly [illegible]

Should consult
w/ Billy first to
see if he agrees
She shld call.

CLINTON GORE

Dear Mr. Weiner,

Due to your dedication as a leader within the Democratic Party, President Clinton owes you many, many thanks for the support you've given him over the past three years.

Without your backing, he would not have won in 1992, nor achieved so much since his inauguration.

Because of the important role you played in his election and in supporting his administration's initiatives, President Clinton wants you to be one of the first of his supporters to receive the initial batch of official 1996 campaign materials.

That's why we're sending an official 1996 Campaign Kit, prepared just for your use. Your kit includes a window sticker for your vehicle, a lapel sticker, and most importantly, a campaign poster for you to display in the window of your home.

It's very important that you immediately begin displaying these materials, to show your friends and neighbors that you support President Clinton and Vice President Al Gore -- for you, as a regional leader in the Democratic Party, are the front line in this campaign.

President Clinton's 1996 campaign begins in Kennett Square and Pennsylvania with you -- the minute you publicly display your window poster, car sticker, and lapel sticker.

The Republican challengers are already out on the stump, organizing their campaigns and supporters. That's why it is crucial that Democratic leaders from across the country, like you, begin to publicly campaign for the President and Vice President right now.

And that's why it's so important that you receive these first campaign materials.

We need to be certain that you received this kit -- so I'm asking you to confirm the delivery of these important campaign materials by completing the enclosed Delivery Verification Form, and returning it right away.

And when you return your Delivery Verification Form, I hope you

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DEC 05 1994

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BILL CLINTON

November 1, 1994

Mr. Leon N. Weiner
4 Denny Road
Wilmington, DE 19809-3445

Dear Mr. Weiner:

I want to personally thank you for your generous support of the Democratic National Committee this past year.

During our first 22 months, we've made a good start. We've got a lot left to do, but America is in better shape than it was two years ago: government is working more for ordinary citizens; there are more jobs and a lower deficit; and America is leading a worldwide effort to greater security, trade and democracy.

America is coming back, and you are playing a major role.

To show my appreciation for your generous support of the Democratic National Committee, I've enclosed a special-edition Inauguration poster to thank you for your commitment. I hope you will display this memento with pride.

Best wishes,

Bill Clinton

Bill Clinton

LEON N. WEINER
& ASSOCIATES, INC.
ONE FOX POINT CENTRE
4 DENNY ROAD
WILMINGTON,
DELAWARE 19809
302-764-9430

ONE FOX POINT CENTRE • 4 DENNY ROAD • WILMINGTON, DELAWARE 19809 • 302-764-9430 • FAX 302-764-4805

LW&A

February 10, 1995

Mr. William J. Clinton
President of The United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear President Clinton:

I have your letter of November 1, 1994. A copy is attached in order to jog your memory.

I am a home builder and developer of low and moderate income housing especially for senior citizens.

The disrespect that is being shown by both OMB and Leon Panetta with regard to housing is too ghastly to contemplate. It shows a real lack of compassion for the thousands and thousands of people who occupy the low and moderate income housing that I have been building for several generations.

I personally can go back to building housing for rich people, but I am deeply ashamed of and very depressed by your staff (Panetta, Rivlin, and others) connected with this destructive attitude toward housing for poor and low income citizens in our nation.

Shame on them! Shame on OMB!

Instead of your poster and your kind letter, I would like to come talk with you. . . . to share some of the positive accomplishments of our efforts rather than to simply publicize only some of the failures.

I now serve as an appointed delegate (Senator Joseph Biden) to the White House Conference on Small Business (June) and a delegate (Governor Carper) to The White House Conference on the Aging (May). I am a Past President of The National Association of Home Builders and served on the Kaiser Commission on Urban Housing appointed by President Lyndon Johnson.

Could you schedule for me to come see you personally before then?

Cordially,

LEON N. WEINER & ASSOCIATES, INC.

LEON N. WEINER
Chairman of the Board

LNW/paw

Enclosure

CC: H. G. Cisneros - Secretary of HUD
A. M. Rivlin - Director OMB
L. E. Panetta - Chief of Staff
Senator Joseph R. Biden
Senator Christopher Dodd, Chairman Democratic National Committee
Governor Thomas Carper
Gary Hindes - Chairman Delaware State Democratic Committee

THE WHITE HOUSE

WASHINGTON

******
MAR 6 1995
****

February 28, 1995

Mr. Leon N. Weiner
Chairman of the Board
Leon N. Weiner and
Associates, Inc.
One Fox Point Centre
Wilmington, Delaware 19809

Dear Mr. Weiner:

Thank you for your request to speak with President Clinton. Unfortunately, the tremendous demands on the President as he works to move our country forward do not give him the opportunity to speak with as many individuals as he would like.

If you wish to pursue this further, you may address a letter to the President at the White House expressing your concerns and suggestions. The letter will then be forwarded to his appropriate advisors and on to the President.

Again, the President does appreciate your offer and is sorry that he is unable to speak directly with you. Your continued interest, input and support are deeply appreciated.

Sincerely,

Billy Webster IV

William M. Webster, IV
Director of Scheduling and Advance

WMW/inc

LEON N. WEINER
& ASSOCIATES, INC.
ONE FOX POINT CENTRE
4 DENNY ROAD
WILMINGTON,
DELAWARE 19809
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LW&A

C/R - Poli
W
C

March 10, 1995

cc: kpk
dwc

Mr. William M. Webster, IV
Director of Scheduling and Advance
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. Webster:

I have your letter of February 28, copy of which is hereby attached so you know what you wrote.

In paragraph 2 you insult my intelligence by suggesting that I may address a letter to the President. What do you think I did? I am attaching a copy of that letter which seems to have been handed to you. You will also notice on the copy of that letter that a carbon copy went to Henry Cisneros - Alice Rivlin - Leon Panetta - Joe Biden, Senator of my State of Delaware - Chris Dodd, Chairman Democratic National Committee - Governor of Delaware, Tom Carper - Gary Hindes, Chairman of the Delaware State Democratic Committee. You then suggest that my new letter will be forwarded to his appropriate advisor and on to the President.

It seems to me part of the problem the President is having is represented by your response to me. If you will, notice I am sending carbon copies to everybody again, including copies of your lovely letter.

Cordially,

LEON N. WEINER & ASSOCIATES, INC.

Leon N. Weiner

LEON N. WEINER
Chairman of the Board

LNW/paw

Enclosure

CC: H. G. Cisneros - Secretary of HUD
A. M. Rivlin - Director OMB
L. E. Panetta - Chief of Staff
Senator Joseph R. Biden
Senator Christopher Dodd, Chairman Democratic National\ Committee
Governor Thomas Carper
Gary Hindes - Chairman Delaware State Democratic Committee

L. O. Poli
[illegible]
[illegible]

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MAR 16 1995
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THE WHITE HOUSE

WASHINGTON

March 13, 1995

Mr. Leon N. Weiner
Chairman of the Board
Leon N. Weiner & Associates, Inc.
One Fox Point Center
4 Denny Road
Wilmington, Delaware 19809

Dear Mr. Weiner:

I received your letter of March 10th. I regret that you took offence at my prior letter to you -- I assure you that none was intended.

What I had hoped to convey by my letter was that, due to the fact I could not commit to a meeting with the President, you might want to put your thoughts to paper. I will make sure that Leon Panetta receives a copy in addition to the original that you send to the President.

I will look forward to meeting you either at the Conference on Aging or the Conference on Small Business.

Respectfully,

Billy Webster

William M. Webster
Director, Scheduling & Advance

LEON N. WEINER
& ASSOCIATES, INC.
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DELAWARE 19809
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July 27, 1995

AUG 2 1995

The Honorable William J. Clinton
The President of The United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear President Clinton:

I am enclosing a folder of correspondence which will serve as background for this cover letter.

I want to renew my request to you, Mr. President, for a meeting regarding housing for low income families and elderly. I believe you have not received a full briefing on the effects of the OMB policy imposed on HUD. I listened carefully to you and Vice President Gore in your speeches to the White House Conference on Aging and the White House Conference on Small Business. I came away from both meetings with the conviction that your staff has not leveled with you as to the effects of the policy that HUD (under pressure from OMB) has caused to be promulgated as "the administration's policy".

I was stimulated to renew my efforts to achieve a meeting with you after receipt of Jim Carville's Official 1996 Campaign Kit. I believe it is critical that you are presented with the disastrous facts as to what the OMB/HUD policy will really produce.

Most distressing to me is the notion that the conversion of all housing assistance into certificates and vouchers should be part and parcel of HUD's market concept. I and others for over several decades fought to prevent those who subscribe to the fact that an approach, "here's some money, get lost," in the search for decent affordable housing is a solution. Whether the attack on project based housing assistance is well intentioned or not, it is faulty, it is a panicky notion to those people who need the housing assistance, the tenants, and finally a totally inadequate response to meet the housing needs for low and moderate income families.

OMB, since the days of the Nixon administration, has tried without success to lead this nation down that blind alley. Now is not the time to follow the dictate of an inherited OMB policy administered by novitiates who see this as a budget curtailing attempt to eliminate housing assistance to hundreds of thousands of families.

I am addressing a copy of this letter to Ms. Carol Rasco asking her to inform your Staff Director of Scheduling and Advance to arrange meeting with you on this subject.

Cordially,

Leon N. Weiner

LEON N. WEINER
Chairman of the Board

LNW/paw

Enclosure

cc: Ms. Carol H. Rasco, Assistant to the President for Domestic Policy
H. G. Cisneros - Secretary of HUD
A. M. Rivlin - Director OMB
L. E. Panetta - Chief of Staff
Senator Joseph R. Biden
Senator Christopher Dodd, Chairman Democratic National Committee
Governor Thomas Carper
Gary Hindes - Chairman Delaware State Democratic Committee
William M. Webster, IV - Director of Scheduling and Advance
Ms. Pat Romani - Assistant to Ms. Carol H. Rasco

THE WHITE HOUSE
OFFICE OF DOMESTIC POLICY

CAROL H. RASCO
Assistant to the President for Domestic Policy

To: Molly

Draft response for POTUS
and forward to CHR by: ____

Draft response for CHR by: ____

Please reply directly to the writer
(copy to CHR) by: ____

Please advise by: ____

Let's discuss: ____

For your information: ____

Reply using form code: ____

File: ____

Send copy to (original to CHR): ____

Schedule ? ☐ Accept ☐ Pending ☐ Regret

Designee to attend: ____

Remarks:
Can you send our response to
Wiener to Foster's office

NOV 21 1995

WIN ★ IN ★ '96

Democratic National Committee

Donald L. Fowler
Chair, Democratic National Committee

19 Nov 95

Carol Rasco
Harold Ickes,

Please review the attached letter from Leon Weiner, a strong supporter of President Clinton. He feels firmly that policy changes should be made in the Administration's housing program. I would like to respond to him using your info and guidance

Don

430 South Capitol Street, SE • Washington, D.C. 20003
(202)863-8121 • Fax (202)863-8174

NHC

The United Voice for Housing

November 15, 1995

The Honorable William Jefferson Clinton
The President of the United States of America
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear Mr. President,

I am a past President and now Chairman Emeritus of the National Housing Conference.

This letter is to request an opportunity to meet with you as soon as possible. I'd like to discuss the direction that your Administration has taken on meeting the housing needs of our nation's low-income earners.

On September 27th, a small group of us, including representatives from the National Association of Home Builders, met with Carol Rasco, your Assistant for Domestic Policy. The purpose of the meeting was to express our deep concerns about your housing policy and to request a meeting with you to discuss those concerns. If anything, the need for that meeting is more urgent now than it was then.

To my knowledge, all organizations representing residents, owners and managers of the more than three million units of assisted housing now reserved for low-income occupancy have one common concern. They are greatly distressed by your Administration's apparent dedication to replacing all those housing units with vouchers. Many of us who have supported you and the government's role over the past 60 years to ensure a supply of low-income affordable housing, are concerned that the stock of affordable housing is about to be abandoned and discarded.

- Residents will be cast out with a piece of paper which may or may not be usable in their housing market;
- Owners of existing assisted housing projects are being told that their government no longer has any interest in assuring that their housing is available for the low-income;
- State and Local governments and housing agencies see their credit ratings and their neighborhoods jeopardized; and

National Housing Conference ⁘ 815 Fifteenth Street, N.W., Suite 711 ⁘ Washington, D.C. 20005
Telephone (202) 393-5772 ⁘ FAX (202) 393-5656 ⁘ E-mail nhc@nhc.org

- Lenders and investors who trusted their government's commitment to maintaining a substantial low-income housing stock for its citizens now find their funds at much greater risk than anticipated.

We know that you do not intend these results and we believe that it is important that we have the opportunity to demonstrate to you how these results will inexorably flow from the radical changes being aggressively promoted by HUD and other representatives of your Administration. The single-minded determination of some Administration representatives to force these changes has amazed and distressed us all. Preserving the vast majority of the low-income housing stock, which is in good shape and serves a worthwhile and necessary function, should be HUD's number one goal.

Many in Congress have expressed surprise, and in many cases disagreement, with your Administration's housing proposals this year. Even those members who have long been supportive of vouchers as the preferred means of providing low-income housing assistance are baffled with how the elderly, the disabled and families with children are going to find adequate housing in tight housing markets. Unfortunately, too many members of Congress, including the Republican leadership, have not demonstrated any understanding nor sympathy toward these serious housing issues. Yet, in the face of this chaos, your Administration has continued to push for precipitous action this year, in the Budget, Appropriations and Reconciliation processes, which just plays into the hands of the Republican majority which clearly has little interest in continuing needed housing programs.

At a minimum, if we are to throw out 60 years of history and effort, there should at least be hearings and discussions as to the effects of such actions. Your Administration has opposed such a deliberate approach and even today is endeavoring to include many proposed housing changes into the Reconciliation bill. At the same time, you are opposing provisions in the Senate version of the HUD Appropriations bill for FY 1996 that would slow down the process and allow it to move at a more measured pace.

These changes, if implemented, would be devastating. They should be stopped and we believe that you would agree with us once you understand the impact. While I do not speak for all of the organizations listed below, each of them is on public record that matters need to be slowed down and that the approach contained in the Senate version of the HUD Appropriations bill should be adopted by Congress and, hopefully by you:

Association of Local Housing Finance Agencies
Coalition for Affordable Housing Preservation
Institute of Real Estate Management
Mortgage Bankers Association
National Assisted Housing Management Association

National Association of Home Builders
National Association of Realtors
National Council of State Housing Agencies
National Housing Conference
National Leased Housing Association
National Low Income Housing Coalition
National Multi Housing Council

Mr. President, we need to meet with you and discuss this matter of great importance because the direction this Administration ultimately takes on housing the nation's low-income families, the elderly and disabled may be one of the defining points of your Administration. We stand ready to meet with you at your earliest convenience. Thank you.

Cordially,

Leon N. Weiner

Leon N. Weiner
Chairman Emeritus

September 7, 1995

MEMORANDUM FOR CAROL H. RASCO
CC: Jeremy Ben-Ami
FROM: Molly Brostrom
RE: Meeting Request of Leon Weiner

I write to ask that you (or someone you would suggest) meet with a Mr. Leon Weiner.

Background
Mr. Leon Weiner has been very persistent and adamant in his request for a meeting with the President to discuss concerns with Administration/HUD housing proposals. Billy Webster initially refused his request for a meeting; after much persistent correspondence by Mr. Weiner, Billy suggested that Mr. Weiner should lay out his concerns to you and that you would advise Billy. The correspondence was forwarded to me; I met with Mr. Weiner and Carl Coan (along with Steve Redburn from OMB). Mr. Weiner continues to request a meeting with the President (almost daily; he feels a sense of urgency because the Senate is expected to mark up next week, and would like to have his concerns registered before then).

Weiner and Coan
Mr. Weiner is a longtime Democratic supporter and contributor. He is past president of the National Association of Homebuilders (represents interest of for-profit developers of housing) and is a developer of multifamily housing -- primarily in Delaware -- including many projects that are backed by HUD project-based subsidies. He served on LBJ's 1967 Kaiser Commission that reviewed housing policy. Recently, he was an appointed delegate to the White Conference on Small Business (by Sen. Biden) and the White House Conference on Aging (Gov. Carper).

Carl A.S. Coan, Jr. is a lawyer who represents the coalition for affordable housing. He shares Mr. Weiner's concerns and sentiment. He is also an active Democrat; he spoke briefly to the President regarding these concerns at a July 13 dinner at Tom Schneider's house.

Proposals
The two proposals that Weiner/Coan oppose are the Mark to Market and the change from project-based to tenant-based housing assistance (vouchers). According to OMB and HUD, the proposals, part of the HUD Reinvention Blueprint, are inevitable given budget constraints. As Weiner/Coan see it, these are Republican proposals that Democrats have been fighting for years; they believe the proposals abrogate federal responsibility in assisting the low-income in obtaining affordable housing ("take your voucher and scram"). Of course, Weiner and Coan have a

financial interest in the status quo, but the non-profits and housing advocates make the same arguments about the proposed move to vouchers.

<u>Others' Input</u>
Bruce Katz is very familiar with Weiner and Coan; he believes it's a political call here on whether a meeting is held, but said that a meeting at some level (not the President) could be helpful in assuaging them even if we cannot satisfy them completely on the policy front. Bruce said he would be willing to attend the meeting if requested.

I have talked to people at Political Affairs and Public Liaison; Political Affairs says Mr. Weiner does not warrant a meeting with the President, but that it would be helpful if you could meet with him. I have not yet received a response from OPL on where Mr. Weiner/the Homebuilders fit on their spectrum.

Other reasons I believe a meeting between you (or someone more senior than me) and Mr. Weiner (and Coan) would be helpful:

- Their feelings of frustration and disappointment are very strong (Mr. Weiner has essentially threatened to bring tenants to the White House to protest). They have been supporters, but appear to have been sorely tested by these proposals. While a meeting might not get them the response they would like, at least they will feel like they were given a hearing.

- The proposal that the Senate is expected to come out with is a limited, incremental approach, similar to the approach that Weiner and Coan are suggesting. Since this is a likely/possible outcome this year, it seems foolish to antagonize supporters over a proposal that isn't going anywhere. On the other hand, according to HUD/OMB, we will be coming back with the same proposal next year.

Please advise on whether you believe your meeting with Mr. Weiner is necessary. If so, would you like Bruce Katz to attend as well? I believe he would be helpful in repudiating some of their claims and amplifying the political and budget constraints.