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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410

OFFICE OF THE ASSISTANT SECRETARY FOR
HOUSING - FEDERAL HOUSING COMMISSIONER

January 11, 1982

IN REPLY REFER TO:

Dr. James H. Zumberge
President
University of Southern California
University Park
Los Angeles, California 90007

RECEIVED
JAN 13 1982
OFFICE OF THE PRESIDENT

Dear Dr. Zumberge:

Ambassador Theodore E. Cummings has written me with respect to your communication with him concerning your desire to seek permanent financing in the amount of $11.6 million for three low income housing projects through the Government National Mortgage Association.

I regret that it is not possible for the Department to provide a set aside of funds to assure financing assistance for these projects. The Administration, based on HUD's analysis of the projects in its pipeline needing GNMA assistance, requested an appropriation of $3.6 billion for tandem financing for 1982. In one of the many budget cutting actions the Congress has agreed to provide us slightly more than $1.9 billion. Of this $1.9 billion, $580 million has been earmarked for projects in targeted tandem cities at the direction of the Congress. The balance of the $1.9 billion will be made available to normal Section 8 projects.

In passing HUD's appropriation bill for FY 1982, the Congress inserted language which is intended to provide guidance to the Department as to the manner in which these funds shall be spent. That language states that it is the intention of the Congress that the funds be used first to provide permanent financing for projects with urban development action grants made by HUD. The second priority stated in the legislation is to fund projects which had previously sought permanent financing from GNMA in the lottery held on January 9, 1981 but which were not successful. The balance of the funds remaining after covering the above priorities, are to be made available on a random selection basis for any qualified project which held a HUD firm commitment issued prior to January 15 of this year.

Given the language of the legislation, and in light of the relatively small amount of funds that will be available after covering the first two priorities set forth above, it is just not possible for the Department to provide further set asides for proposals which do not fall within the priority categories.

I regret very much that we are unable to provide you with a more satisfactory answer.

Sincerely yours,

Philip D. Winn
Assistant Secretary

UNIVERSITY OF SOUTHERN CALIFORNIA
UNIVERSITY PARK
LOS ANGELES 90007

OFFICE OF THE PRESIDENT

November 16, 1981

Ambassador Theodore E. Cummings
The American Embassy
Boltzmanngasse 16
A 1091
Vienna, Austria

Dear Ted:

You will be pleased to know that, as a result of your special efforts, on September 28, 1981, Watt Industries received HUD Section 8 approvals on all three low-income housing projects. Approval of these three projects (150 family units) was crucial to fulfilling the 300 unit requirements of the USC-Watt Industries-Los Angeles Community Redevelopment agreement.

HUD Section 8 approvals were essential for final processing of the projects, and I am advised that "firm commitments" on the projects will be issued by HUD (Los Angeles) on or about December 15, 1981. I have also learned, however, that one more final action is required before construction can begin, viz, we need to obtain permanent financing totaling about $11.6 million from the Government National Mortgage Association (Ginnie Mae).

As I understand it, Ginnie Mae will be able to fund only about $1.2 billion of the $6 billion in HUD projects awaiting permanent funding in January, 1982. The three projects for which you obtained approvals will be competing for financing at that time.

The remaining 150 units were to have been built by February, 1981, and we received a time extension on the expectation that construction would start by February, 1982. Thus, obtaining permanent financing by Ginnie Mae in January is of the utmost importance.

Once again, Ted, I must impose upon you and request your assistance. Specifically, would it be possible to have Ginnie Mae "set aside" $11.6 million to finance these three projects prior to the routine processing of HUD applications in January, 1982? I understand that projects have only one chance in five if routinely processed. Thus, very special, highest level efforts will be required to assure funding of the three projects.

I am enclosing specific information regarding the projects, and a recent Los Angeles Times news release on Robert W. Karpe, the recently appointed President of the Government National Mortgage Association. If any additional information would be useful, would you kindly let me know.

Ted, I regret the need to ask your support. Timely completion of the remaining 150 housing units is essential, and the projects are financially viable only if subsidized by Ginnie Mae.

Thank you for this last effort which is necessary for final completion of what has been a most difficult obligation to fulfill. It would not be possible without your special personal assistance.

Please let me know if you will be in Los Angeles for the holiday season. I look forward to seeing you again.

With warm personal regards,

Cordially yours,

Jim

James H. Zumberge

Enclosures

P.S. Enjoyed your warm letter from Wien. Vielen Dank für alles.

JZ

bcc: Carl Hartnack
Anthony Lazzaro ✓
Jon Strauss

NOV 18 1981

D-2
Housing
A. Lazzaro
10/20/81

Prepared for
11/17/81 Finance Comm.
Meeting —

UPDATE ON D-2 HOUSING

Reference is made to Executive Committee action on January 9, 1978 which authorized the purchase of 150 housing units constructed on parcel D-2 of the Hoover Urban Renewal Project. Watt Industries constructed the housing on D-2 for use by low and middle income families, as required by the Community Redevelopment Agency which has jurisdiction over the Hoover Urban Renewal Project.

At that time, because of the dire need for student housing, Watt Industries and the Community Redevelopment Agency agreed to sell the 150 housing unit project to the University for use as student housing, providing the University caused to be constructed through Watt Industries within a three (3) year period 300 comparable housing units to be used by low and middle income families. A restriction was placed on the title to the housing on parcel D-2 until the completion of the 300 replacement units. Further, the Community Redevelopment Agency required that the University permit 48 of the 150 housing units on parcel D-2 to be occupied by low and middle income families until the completion of the 300 replacement units.

A stipulation of the agreement to provide the 300 replacement housing units was that failure to complete the 300 replacement housing units within a three (3) year period (by February 7, 1981) would result in the original 150 housing units on D-2 reverting to low and middle income families. The Community Redevelopment Agency agreed in principle in November, 1980, to an unspecified extension beyond February, 1981, with an expectation that all replacement housing units would be completed by February, 1982.

As of this date, Watt Industries has completed the construction of 102 housing units. Under construction at this time and to be completed by December 15, 1981, are an additional 48 housing units. The remaining 150 housing units will be constructed on three sites purchased by Watt Industries, with two of the sites accommodating 35 units each and one site accommodating 80 units. The Department of Housing and Urban Development has approved the sites and the projects and has provided "Section 8" subsidies for the 150 low income families that will reside in the units.

However, Housing and Urban Development approvals to date have not included permanent financing for the remaining 150 housing units. This continues to be a matter of great concern, considering that the units are to be completed by February, 1982. Ordinarily, financing would be provided by the Government National Mortgage Association (GNMA) at special rates of 7½% for projects of this type. However, because of federal budget cutbacks, only about $1.3 billion will be available for financing projects of this type, compared to a total $5.5 billion required to finance all projects "in the pipeline" nationally. The next opportunity for this type of financing will occur in January, 1982.

Alternative methods of financing are being explored and the feasibility of these alternative methods of financing of projects will be determined by January, 1982, with the idea of proceeding with an alternative financing plan in the event the projects are not financed by the Government National Mortgage Association.

Equity funding to date totaling almost $2 million to finance the remaining 150 housing units has been provided by Watt Industries. This has resulted in a particularly heavy financial burden considering the current high interest rates, and Watt Industries has asked that the University consider a form of participation in the project, either as a limited partner or in some manner deemed appropriate by University counsel.

Considering the consequences to the University for failure to complete the 300 replacement units within the extended time period, and considering the moral obligation which the University has to make every effort to cause the completion of the replacement housing units as per the agreement with the Community Redevelopment Agency, it is recommended that consideration be given to the Watt Industries request for financial participation by the University.

Los Angeles Times

Ginnie Mae President Announces New Program

A new program for issuance of Government National Mortgage Assn. (Ginnie Mae) guaranteed securities backed by pools of buydown mortgages, has been announced by association president Robert W. Karpe.

Robert W. Karpe

The recently installed president, a Bakersfield realtor and former commissioner of the California Department of Real Estate, said the new program "should significantly increase the supply of funds available for buydown mortgages."

The Ginnie Mae mortgage-backed securities program provides a means of channeling funds from the nation's securities markets to the housing marketing and, according to Karpe, "as the program makes more money available, more families will achieve home ownership."

Los Angeles Times

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A Deal Is a Deal

Three years ago a unique consortium made an agreement to try to develop some much-needed housing in the South Los Angeles area around the USC campus. The deadline for the housing is going to slip by. The problems that the consortium has encountered affect both future housing development and relations between USC and the low-income community around it.

The consortium, put together by City Councilman Robert C. Farrell, includes several construction powerhouses: Raymond A. Watt of Watt Industries, a major California developer; W. Charles Chastain of Chastain Construction Co., and Ted Watkins of the Watts Labor Community Action Committee. USC strongly backs the housing plan.

Not only is there a shortage of rental housing for low-income families in the USC area, but also USC itself suffers from a lack of student housing. In a trade-off, the consortium agreed that, if USC students were allowed to use 102 units completed in 1978 with the help of various federal subsidies, it would see to it that 300 apartments for low-income families would be built in the area by Feb. 7, 1981.

So last month, Edward Helfeld, executive director of the Community Redevelopment Agency, which oversees such projects for the city, told Watt Industries and USC that the students would have to leave the apartments because the promised 300 units hadn't been completed. The agency's board, however, decided to let 315 students remain in those 102 apartments. The deadline was extended for two years.

By the old February, 1981, deadline, only 102 new units—the Billy G. Mills Manor project at 36th Street and Vermont Avenue—will have been completed. It is not a lack of will but the existence of government red tape, mainly at the federal level, that is holding up construction, Watt and USC say. We believe them, and we sympathize. We'd like some of the officials at the Department of Housing and Urban Development to see the hardships that their delays cause

The fact remains the USC students still live in apartments built through various government subsidies and originally intended for low-income people from that community. USC must realize that a deal is a deal in the eyes of the community.

To its credit, the consortium has carried out most of the other items in its agreement, Farrell points out. These include the establishment of a $25,000 scholarship fund through a donation from Chastain, the hiring of minority workers for the construction program, and the development of a program to provide minority businessmen with investment capital. Watt has also increased the number of replacement apartments promised from 300 to 360.

Los Angeles should applaud the efforts of this consortium to provide critically needed housing in this area, where there are too few signs of hope. Not many other businessmen or institutions are rushing in to fill that need.

The USC area needs all the low-income housing that it can get. The Community Redevelopment Agency should now try to hasten government permit processes, and then should insist on the new deadline being honored. There are 102 units of housing already built with various forms of government help. Those units were promised to low-income families some years ago; the families still are not living in them, and the additional units promised to replace them aren't finished, either.

RECEIVED

JAN 28 [illegible]

[illegible]PARTMENT DIV.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
LOS ANGELES AREA OFFICE
2500 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 90057

REGION IX

SEP 26 1980

IN REPLY REFER TO:
9.2HDH:Washingt

Chastain Construction Co., Inc.
2716 Ocean Park Boulevard
P.O. Box 2114
Santa Monica, California 90406

Gentlemen:

Subject: FHA No. 122-35546-PM-L8
Project Number: CA16-0068-050 (Sec. 8 #)
Project Name: Western Gardens
Location: 84th and Western
City/State: Los Angeles, California

You are hereby notified that your Preliminary Proposal, dated February 25, 1980 to provide 35 units of newly constructed assisted housing at the above address has been selected for funding. Annual contract authority in the amount of $219,012 has been reserved for this project. Subject to the fulfillment of all administrative and statutory requirements, including limitations on contract rents, replacement costs, amenities and distributions as contained in October 15, 1979 Section 8 New Construction Regulations, an Agreement to Enter Into Housing Assistance Payments Contract will be prepared and executed for the number and size of units described below:

Unit Size No. of BR'S	No. of Units Total	No. of Units Elderly	Contract Rents	Unassisted Rents for Mortg. Ins. Processing	Utilities Allowances (if any)
2 bedroom	29		$463		$36.00
3 bedroom	6		$590		$40.00

Rents in excess of comparable rents(or, for small or partially-assisted projects, in excess of 110 percent of comparable rents) are permitted only when warranted by cost and expense estimates. Costs for Section 8 projects with HUD Mortgage insurance are subject to certification of actual cost in accordance with applicabl insurance procedures. If certified costs are less than the cost estimate accepted during processing, contract rents will be reduced accordingly.

The Utilities Allowance/Personal Benefits Expense(if any) is not included in the contract rents. The following equipment, utilities and/or services are included in these rents: Ranges, Refrigerator, Air Conditioning, Kitchen Exhaust Fan, Laundry Facilities, Disposal, Water, Hot Water, Trash removal and Ground maintenance.

Your proposal indicates that HUD-insured financing is desired. This office has determined that submission of a Conditional Commitment Application for Mortgage Insurance is desirable prior to moving to Firm Commitment/Final Proposal stage. You will, therefore, be required to submit a Conditional Commitment Application in accordance with the attached Required Exhibit Checklist within 90 days of the date of this Notification. Analysis of the Preliminary Proposal indicates a maximum insurable mortgage based solely on the debt service criterion of $ Not applicable

If you have questions relative to mortgage insurance or Section 8 Final Proposal requirements, please call Richard Washington Supv. MHR, (213) 688-4917 to arrange for a meeting.

The Section 8 Architect's Certifications, both before Agreement and upon completion of construction, are not required for HUD insured projects. You should contact the HUD Design Representative, Noyal Countee at (213) 688-5152, who will provide you and your architect with assistance in the development of a Proposal which meets HUD standards and requirements. In addition, the HUD Design Representative is to be consulted regularly during the development of plans and specifications of the project so that as few problems occur as possible during processing.

Please call the Architectural and Engineering Section at (213) 688-5178 for a Preliminary Proposal Conference to discuss the development of this project. Please bring your Architect and any other member of your staff to the meeting.

Your acceptance of this Notification constitutes a certification and agreement that (a) there will not be made any sale, assignment, conveyance, or any other form of transfer of this Notification, the property, or any interest therein, without the prior written consent of HUD (an assignment to a limited partnership, in which no limited partner has a 25 percent or more interest and of which you are the general partner shall not be considered an assignment for this purpose), and (b) there will not be made any pledge, or offer as security for any loan or obligation, an Agreement to Enter Into Housing Assistance Payments Contract or Housing Assistance Payment Contract entered into for this project unless the method and terms of the financing and the instrument of pledge, offer or other assignment have been approved in writing by HUD.

Please indicate by signing in the space provided whether you accept this Notification including the special conditions or requirements or other modifications to your Proposal that are specified herein, or if you wish to request reconsideration of the modifications. Return two signed copies to this office within 20 days after the date of this Notification.

If you do not return two signed copies of this Notification by the specified date, HUD may rescind this Notification and cancel the annual contributions authority reserved. If you request reconsideration of the modifications, and we are unable to negotiate an agreement, this Notification will be rescinded.

Special Conditions and Regulations:

1. This notification of selection is issued subject to clearance of your FHA Form 2530, Previous Participation Certification.

2. The Land Use Intensity (LUI) rating assigned to this proposal is ______.

3. The proposal must be designed employing measures to mitigate unacceptable air quality conditions. Technical assistance and advise on this matter should be coordinated through your HUD Design Representative.

4. The proposal must be designed to comply with the HUD Minimum Property Standards (MPS), including the applicable LUI ratios. Compliance may require reconsideration, modification or revision of proposed site and building plans already submitted. These standards and their effect upon the proposed design should be discussed with your HUD Design Representative.

5. Special attention in project design must be given to (a) HUD's seismic protection standards, and (b) the requirements of Executive Order #11988 relative to flood hazard areas.

6. The proposal must be designed employing measures to mitigate unacceptable noise, nuisances, and neighborhood character. Technical assistance and advise on this matter should be coordinated through your HUD Design Representative.

We look forward to working with you to the successful completion of this project.

Sincerely,

Ronald F. Halpern

for John J. Tuite
Area Manager

Accepted by: ____________

Title: President

Date: February 3, 1981

The approval letter indicates that a Conditional Commitment application for Mortgage Insurance was desirable prior to submission of the Firm Commitment. However, in order to save time, we would like to proceed directly to the Firm Commitment/Section 8 Final Proposal stage.

DEPARTME[NT] OF HOUSING AND URBAN DEVELO[PM]ENT
AREA OFFICE
2500 WILSHIRE BOULEVARD, LOS ANGELES, CALIFORNIA 90057

REGION IX
450 Golden Gate Avenue
P.O. Box 36003
San Francisco, California 94102

JUN 3 1980

JUN 9 1980
APARTMENT DIV.

IN REPLY REFER TO
9.2HDH

CHASTAIN CONSTRUCTION COMPANY, INC,
Attn: Maryann Soos
Post Office Box 2114
2716 Ocean Park Boulevard
Santa Monica, California 90406

Gentlemen:

Subject: FHA No. 122-35548-PM-L8
Project No.: CA16-0068-047 (Sec. 8 #)
Project Name: FARRELL GARDEN APARTMENTS
Location: 300 East of Normandie on 79th Street
City/State: Los Angeles, California 90044

You are hereby notified that your Preliminary Proposal, dated February 29, 1980 to provide 80 units of newly constructed housing at the above listed address has been approved. Annual contributions authority in the amount of $ 563,856 has been reserved for this project. Subject to the fulfillment of all administrative and statutory requirements, an Agreement to Enter into Housing Assistance Payments Contract will be prepared and executed for the number and size of units described below:

Unit Size	No. of Units Total	No. of Units Elderly	Contract Rents	Rents for Mortgage Ins. Processing	Allowances (if any)
2 Bedroom	66		$538	$512	$35
3 Bedroom	14		$615	$593	$40

The following equipment, utilities and/or services are included in these rents: Range (gas), refrigerator (elec.), air conditioning (equipment pnly), kitchen exhaust fan laundry facilities, disposal, carpet, drapes, lights (common area), water, and trash removal.

The above Utility Allowance is not included in the Contract Rents.

Your Proposal indicates that HUD insured financing is desired. Analysis of the Preliminary Proposal indicates a maximum insurable mortgage, based solely on the debt service criterion of $ 4,048,200. In order to establish the schedule for further processing you must select one of the three options listed on the Attachment and indicate your selection below. We recommend that Option 1, to proceed directly to Firm Commitment, be used wherever possible since it is the quickest and most direct approach to obtaining approval of the Firm Commitment for mortgage insurance and concurrent approval of the Final Proposal for Section 8 purposes.

If you have questions relative to mortgage insurance or Section 8 Final Proposal requirements, please call Colin Montgomery at (213) 688-6286 to arrange for a meeting.

The Section 8 Architect's Certifications, both before Agreement and upon completion of construction, are not required for HUD mortgage insured projects. You should contact the HUD Design Representative, Les Fleming (213) 688-5152 who will provide you and your architect with assistance in the development of a Proposal which meets HUD Minimum Property Standards. In addition, the HUD Design Representative is to be consulted regularly during the development of the plans and specifications of the project so that as few problems occur as possible during processing. Specific meetings are required under Option I.

Your acceptance of this Notification constitutes a certification and agreement that (a) there will not be made any sale, assignment, conveyance, or any other form of transfer of this Notification, the property, or any interest therein, without the prior written consent of HUD (an assignment to a limited partnership, in which no limited partner has a 25 percent or more interest and of which you are the general partner shall not be considered an assignment for this purpose), and (b) there will not be made any pledge, or offer as security for any loan or obligation, an Agreement to Enter Into Housing Assistance Payments Contract or Housing Assistance Payment Contract entered into for this project unless the method and terms of the financing and the instrument of pledge, offer or other assignment have been approved in writing by HUD.

Please indicate by signing in the space provided whether you accept this Notification including the special conditions or requirements or other modifications to your Proposal that are specified herein, or if you wish to request reconsideration of the modifications. Also, indicate the Option, from the Attachment, which you have selected for mortgage insurance processing. In any case, return two signed copies to this office within 30 days after the date of this Notification.

If you do not return two signed copies of this Notification by the specified date, or if you accept but fail to submit your application under the Option you selected by the specified date, HUD may rescind this Notification and cancel the annual contributions authority reserved. If you request reconsideration of the modifications, and we are unable to negotiate an agreement, this Notification will be rescinded.

Special Conditions and Requirements:

1. The Sponsor should provide HUD with a revised site development plan. This will be discussed in your Preliminary Conference.

2. The Land Intensity Use (L.U.I.) assigned for this proposal is 4.8.

3. This Notification of Selection is issued subject to clearance of your Form 2530, Previous Participation Certification.

4. Mitigation Measures must be incorporated into the design of the building in order to reduce the indoor particulate level. The Area Office Mechnical Engineer, A&E Section, and the Enviromental Clearance Office should be consulted for assistance in developing appropriate mitigation measures.

5. Provide the Area Office with a Preliminary Soils Report and grading Plan.

6. Please submit a geologic-seismic study for review by the Area Office Structural Engineer.

7. The Preliminary Building and Site Plans must be submitted to the Area Office for approval. The plans should address the following: redesign of the 3-bedroom units to a townhouse configuration.

Please call the Architectural and Engineering Section to schedule a meeting to discuss the development of this proposal. Please bring your Architect and any other member of your staff to this Preliminary Conference meeting please cal (213) 688-5152 Architectural and Engineering Department.

We look forward to working with you and the successful completion of this project.

Sincerely,

John J. Tuite

John J. Tuite
Area Office Manager
Los Angeles Area Office

ACCEPTANCE:

NAME [signature]

TITLE President

DATE 6-11-80

Option #2

ATTACHMENT TO NOTIFICATION OF PRELIMINARY PROPOSAL APPROVAL FOR PROPOSAL NO. CA16-0068-047 PRELIMINARY PROPOSAL DATED February 29, 1980

OPTIONS FOR MORTGAGE INSURANCE PROCESSING WITH SECTION 8 ASSISTANCE

Option I: Your application for Firm Commitment with the required fee of \$3.00 per \$1,000 of requested mortgage must be submitted within 120 days following the date of this Notification. In addition to the exhibits required for Firm Commitment Application processing, as indicated on FHA Form 2013 (and a Form 2013E for proposals designed for the elderly), your submission should include the following documents which will satisfy the requirements for the Section 8 Final Proposal. (No separate Final Proposal submission is required and the Firm Commitment will include approval of the Final Proposal for Section 8 purposes.)

1. For each utility and service not included in the rent, an estimate of the average monthly cost to the occupant (for the first year of occupancy) by unit size and structure type.

2. A description of the qualifications and experience of the Owner, developer, builder, architect, and managing agent (if any).

3. Form of Lease the Owner proposes to use, which shall be in accordance with Section 880.219.

4. If zoning is not permissive, a statement of the proposed action to make the construction permissible plus a target date for accomplishing same.

5. If the project is to be completed or occupied in stages, identification of the units comprising each stage and the estimated date for commencement and completion or occupancy of each stage.

6. A statement, in the case of a PHA-Owner Project, which stipulates that the PHA will provide funding for the required relocation payments and assistance when there are site occupants who would have to be displaced. (See Section 880.209(a)(6) of the Section 8 New Construction Regulations.)

7. A statement to the effect that there has been no change in the documentation submitted with the Preliminary Proposal or an identification of any such changes.

8. Final/Firm application checklist attached.

Meetings must be scheduled approximately every 20 days beginning 35 days from the date of this Notification between your architect and the HUD Design Representative named in the Notification to assure that development of the drawings is proceeding in a timely fashion and that a Firm Commitment Application will be submitted by the date specified. These reviews will also permit more rapid review of your Firm Commitment Application.

Option II: Your application for Conditional Commitment must be submitted with appropriate exhibits as indicated on FHA Form 2013, within 90 days following the date of this Notification. The required fee of \$2.00 per \$1,000 of requested mortgage must accompany the application. After HUD issuance of the Conditional Commitment, your Firm Commitment Application must be submitted within 120 days of the date of issuance. The Exhibits required for Firm Commitment processing, including the additional exhibits for Section 8 purposes, will be the same as those listed in Option I above. No separate Final Proposal submission is required and the Firm Commitment will include concurrent approval of the Final Proposal. Under unusual circumstances, you may request that Section 8 Final Proposal processing be accomplished with review of the Conditional rather than the Firm Commitment Application. Generally, this would be desirable only when an approvable request for rent increase is anticipated and it is likely that the additional Section 8 contract and budget authority required would not be available at the time of Firm Commitment processing. If this alternative is desired, you should submit your request and justification to the field office with return of the signed Notification. You will be advised of the office's determination and will be notified of the additional exhibits which must accompany ~~x~~ your Conditional Commitment.

Option III: If you select this Option, your acceptance of this Notification (or the revised Notification, if you are requesting reconsideration of modification within the stipulated time period will constitute a request for SAMA letter and must be accompanied by the required fee of $1.00 per $1,000 of requested mortgage. This office will then provide you with the estimated value of the site fully improved. After receipt of the SAMA letter, you may proceed with the steps of either Option I or Option II.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
LOS ANGELES AREA OFFICE
2500 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 90057

RECEIVED
OCT 08 1981
APARTMENT D.

REGION IX

September 28, 1981

IN REPLY REFER TO:
9.2HDH: Snead

Chastain Construction Co., Inc.
2716 Ocean Park Boulevard - P. O. Box 2114
Santa Monica, California 90406

Gentlemen:

FHA No. 122-35545-PM-L8
Subject: Project No.: CA16-0068-049 (Sec. 8 #)
Project Name: Florence Gardens Apartments
Location: Florence and Western Avenues
City/State: Los Angeles, California

You are hereby notified that your Preliminary Proposal, dated February 25, 1980 to provide 35 units of newly-constructed Section 8 housing at Florence and Western Avenues has been selected for funding. Annual Contract Authority in the amount of $ 280,824 and Budget Authority in the amount of $ 5,616,480 have been reserved for this project. Subject to the fulfilment of all administrative and statutory requirements, an Agreement to Enter into Housing Assistance Payments Contract will be executed for the number and size of units described below:

Unit Size	No. of Units Total	Family	Elderly/Handicapped	Contract Rents	Utility Allowances
2-BR	29	29		$610	$38
3-BR	6	6		$738	$40

The following equipment, utilities and/or services are included in the above rents:

Range, Refrigerator, Air Cond. (equip.only), Kitchen Exhaust Fan, Laundry facilities, Disposal, Carpet, Drapes, Lights for the common area, Hot Water, Water, and Trash Removal.

The approved rents are 1.10 percent higher than those determined to be reasonable based on comparison with the rents of unassisted units of similar age, design and location which provide comparable amenities and services. Rents in excess of comparable rents (or, for small or partially-assisted projects, in excess of 110 percent of comparable rents) are permitted only when warranted by cost and expense estimates. Section 8 projects with HUD mortgage insurance are subject to certification of actual cost in accordance with applicable mortgage insurance procedures. If certified costs are less than the cost estimate accepted during processing, Contract Rents will be reduced accordingly.

If you have questions concerning the mortgage insurance or Section 8 Final Proposal submission requirements indicated in the enclosure, please call Mr./~~Ms~~. George Snead (213) 688-4917 for assistance.

Your Final Proposal will be reviewed for compliance with applicable program policies and standards and for consistency with the Preliminary Proposal, including any conditions or requirements specified in this letter. Material deviations, including a change in any of the principals of the development/management team, may result in rejection or required modification of the Final Proposal.

Prior to submission of the Final Proposal, please call Mr./~~Ms~~. George Snead, the HUD Design Representative for the project. The HUD Design Representative will provide you and your architect with assistance in the development of a proposal which meets HUD standards and requirements. In addition, the HUD Design Representative is to be consulted regularly during the development of the plans and specifications of the project so that as few problems as possible occur during the processing. Meetings with the HUD Design Representative will be required if you elect to proceed directly to the Firm Commitment/Final Proposal stage.

Requirements and/or Modifications

1. This Notification of selection is issued subject to clearance of your FHA Form 2530, Previous Participation Certification.

2. The Land Use Intensity (LUI) rating assigned to this proposal is 6.0.

3. The proposal must be designed employing measures to mitigate unacceptable air quality conditions. Technical assistance and advice on this matter should be coordinated through your HUD Design Representative.

4. The proposal must be designed to comply with the HUD Minimum Property Standards (MPS), including the applicable LUI ratios. Compliance may require reconsideration, modification or revision of proposed site and building plans already submitted. These standards and their effect upon the proposed design should be discussed with your HUD Design Representative.

5. Special attention in project design must be given to (a) HUD's seismic protection standards, and (b) the requirements of Executive Order 11988 relative to flood hazard areas.

Requirements and/or Modifications continued

6. Noise - The sponsor should consult with the assigned Area Office Design Representative to ensure that the site design and building construction employ features to reduce interior noise impaction to acceptable levels.

7. Air Quality - The sponsor should consult with the assigned Area Office Design Representative to employ design features which would reduce the indoor particulate level of pollution.

8. Soils - The sponsor should obtain a preliminary foundation soils report prior to further project design for review by the Architecture and Engineering Section.

Your acceptance of this Notification constitutes a certification and agreement that (a) there will not be made any sale, assignment, conveyance, or any other form of transfer of this Notification, the property, or any interest therein, without the prior written consent of HUD, and (b) there will not be made any pledge, or offer as security for any loan or obligation, of an Agreement to Enter into Housing Assistance Payments Contract or Housing Assistance Payments Contract entered into for this project unless the method and terms of the financing and the instrument of pledge, offer or other assignment have been approved in writing by HUD.

Please indicate by signing in the space provided whether you accept this Notification including the conditions, requirements or modifications to your proposal that are specified herein, or if you wish to request reconsideration of the modifications. In any case, return a signed copy to this office within ten days after the date of this Notification.

If you do not return a signed copy of this Notification by the specified date, HUD may rescind this Notification and cancel the annual contract and budget authority reserved. If you request reconsideration of the modifications and we are unable to negotiate an agreement, this Notification will be rescinded.

We look forward to working with you toward the successful completion of this project.

Sincerely,

John J. Tuite
for Area Manager

Enclosure: Submission Requirements for Final Proposals

Accepted:

(Signature)

Title: President

Date: Oct 12, 1981

Request Reconsideration of Modifications:

(Signature)

Title:

Date:

I have the report if you wish to see it.
P.

D

file

THE WHITE HOUSE

WASHINGTON

June 1, 1982

MEMORANDUM FOR MICHAEL K. DEAVER

FROM: SHANNON FAIRBANKS SF

SUBJECT: Report of the President's Commission on Housing

The President's Commission on Housing has issued a 277 page Report which outlines a new framework for housing policy. The Report proposes new ways to provide shelter for low-income families, to give the faltering housing finance system new strength, to assist those seeking rental housing or buying a first home, and to reduce costly overregulation of housing.

The Commission was created in June of 1981, in the third year of a housing depression, reflecting the President's deep concern that a continuation of past housing policies would deny Americans their opportunity to live in decent and affordable housing.

The President charged the Commission to chart a new path for housing policy which would not rely on numerical targets for housing production, or the common belief that if only government would set the right goals and enforce the right policies, our problems would be solved.

HOUSING AND THE ECONOMY

The Commission first identified a set of principles, consistent with the Administration's Program for Economic Recovery, as a framework for long-term reform. These principles hold that national policy must:

- Achieve fiscal responsibility and monetary stability in the economy.
- Encourage free and deregulated markets.
- Rely on the private sector.
- Promote an enlightened federalism with minimal government intervention.
- Recognize a continuing role of government to address the housing needs of the poor.
- Direct programs toward people rather than toward structures.
- Assure maximum freedom of housing choice.

The following Overview summarizes the Commission's recommendations which revive this country's commitment to a social priority for housing.

Attachment

OVERVIEW SUMMARY

HOUSING FOR POOR AMERICANS

From the 1937 Housing Act which created public housing to the New Construction program of "Section 8", the Federal government has helped poor Americans find better quality housing by paying the cost of construction of new low-income housing.

1. Vouchers: Today, the housing problem facing poor families is not the quality of the housing in which most poor people live, but the cost. Census Bureau figures show that 19% of "very low income renters" live in substandard housing, but 62% had to pay more than 30% of their incomes for rent.

The Commission recommends that the primary Federal program for helping low-income families live in decent housing should be a Housing Payments (Voucher) Program. This program, coupled with housing supply assistance to local communities through the Community Development Block Grant Program, should replace future Federal commitments to build or substantially rehabilitate additional units.

A "voucher" program is more equitable than construction programs and will have wider impact because it allows subsidy dollars to cover twice as many households, and permits people the freedom to choose housing anywhere in the private market.

2. Public Housing: Today some 1.2 million Americans live in low rent public housing projects, managed by local public housing authorities. But public support for the program has eroded, as subsidy needs and Federal controls have increased. Federal regulations now control policies and procedures for accounting, labor agreements, contracting, tenant selection, and grievances and evictions.

The Commission therefore recommends that within a specified period of years public housing should be restored to local management and control, passing public housing authorities and local governments responsibility and choice in the use and disposition of public housing projects. The future use of each project should be determined on the basis of a joint local-Federal assessment which considers a broad range of options in light of each project's physical, economic, and social characteristics.

HOUSING OPPORTUNITIES FOR ALL AMERICANS

For almost 50 years the government has been involved in finding ways to promote homeownership, because owning one's home is one of the most highly prized values in American life. A home of one's own is a stake in society, encouraging neighborhood stability and political participation.

1. Homeownership. The Commission recommends continuing the current tax deduction for mortgage interest and property taxes. Other proposals include:

- Removal of regulatory and tax impediments to the conversion of rental units to condominiums or cooperatives, and the provision of a more equitable tax treatment for cooperatives.

- More even-handed regulatory and financial treatment for manufactured housing.

- Making cooperative housing a more feasible homeownership option through FHA-insured share loans and secondary markets for share loans.

- Making single-family and multifamily properties acquired or held by HUD available for homeownership through homesteading.

- "Homesharing" by elderly homeowners in larger homes, and equity conversion methods to allow elderly homeowners to obtain extra income from their homes.

2. Rental Housing. More than a third of American households live in rented housing. But the private production of rental houing continues to shrink, due in part to the negative effects of rent control: rent control causes a reduction in the quality of the existing rental stock and discourages investment in new rental property.

Therefore the Commission voted to oppose rent control at Federal, State, and local levels. The Commission urges states to pass legislation removing the power of counties, cities, and all other jurisdictons to adopt ordinances controlling rents.

The Commission also recommended that the Federal government should preempt the application of any State or local controls on rental housing financed by a lending institution in which deposits are insured by a Federal agency, and on rental housing financed, insured, or guaranteed by the Federal government or its agencies.

Additional tax reform is called for to encourage the production of rental housing: builders should be able to expense interest and property tax payments during the construction period, and rehabilitation tax credits, made available to commercial and industrial property, should be extended to housing.

HOUSING FINANCE

The Commission's Report stresses that the current crisis in housing is largely a crisis in the financing of housing. Outdated and inappropriate laws and regulations, coupled with inflation and unprecedented interest rates, have combined to paralyze the housing finance system. A broadly based and more resilient mortgage delivery system must be developed if the nation is to meet the housing demands of the 1980's and beyond.

- Broaden the asset and liability powers for depository institutions that traditionally have specialized in mortgage finance, in order to increase the vitality of these intitutions and maintain their importance as housing lenders.

- Provide the same tax incentive for mortgage investment to all types of institutions, to help increase the base of mortgage supply. A mortgage interest tax credit, keyed to newly acquired mortgages and mortgage pass-through securities, should be made available to all investors.

- Adjust laws and regulations that currently restrict mortgage investment by institutions such as pension funds and commercial banks. Action has been completed by the Department of Labor to remove certain regulatory restrictions on mortgage activities of private pension funds, as recommended earlier.

- Remove tax, legal, and regulatory impediments to the development of private mortgage-related securities. A coordinated package of measures should be adopted, including appropriate revisions to the Federal tax code, modifications to Federal regulations concerning the registration of securities and issuers, changes in Federal Reserve regulations governing the purchase of securities on margin, changes in the Federal bankruptcy code, and modifications to State legal investment statutes and blue-sky laws.

- Place less reliance on Federal credit programs as the private sector becomes more able to meet the public's demands for housing credit.

HOUSING REGULATION

Growing concern about the cost of housing has paralled an explosion in overregulation of housing production. Meanwhile the clock ticks on escalating wages and prices; and builders must pay interest charges and local taxes to maintain inventories of still barren land. Homebuyers must pay for it all.

Unnecessary government regulations of land use and housing hurt in three ways: they limit the production of housing, they restrict consumer housing choices; and they inflate housing costs -- by as much as 25% of the sales price of a new home. One recent HUD demonstration carried out in three cities showed how minor revisions in local codes coupled with density increases and expedited permit processing reduced housing costs by as much as one-third.

1. Federal. To deal with the fact that more than 50 Federal agencies administer regulations that affect housing, the Commission has asked the President to designate housing for priority regulatory relief and to establish the necessary centralized control to deal with this fragmentation under the Vice President's Task Force on Regulatory Relief.

Other action to relieve the Federal regulatory burden should include: greater reliance on private sector model construction codes and standards; reform of environmental regulations to eliminate duplication and unnecessary restrictions; repeal of the Federal Farmland Protection Policy Act; reform of the Davis-Bacon Act as it relates to housing; and, reform of timber harvesting policies for Federal lands because their negative effects on housing outweigh their benefits.

2. Local. However, most regulations are imposed by State and local governments. Therefore, the Commission urges these local governments to limit zoning restrictions on housing to the achievement of "vital and pressing governmental interests". Regulators should have the burden of proof that the code meets this standard if the code is challenged in court.

The Commission also requests that the President ask the Attorney General to evaluate the "vital and pressing" standard of judicial review as applied to zoning restrictions on housing.

The Commission also recommends:

- fuller use of model building codes and increased professionalism in code enforcement;
- elimination of excessive development standards;
- more equitable distribution of costs for public facilities between the developer and the community;
- accelerated processing of development applications; and
- expansion by HUD of its Housing Affordability intiatives, and establishment of an Office of Productivity to deal with the problems of low efficiency in the industry.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Keep

To: Edwin Meese
James Baker
Michael Deaver

From: Richard S. Beal RSB

Subject: Vulnerability of House Members

Date: May 25, 1982

This updated Vulnerability List takes into account 1982 redistricting. Over 95 percent of the districts have been reapportioned (Mississippi and Georgia are in court; and Kansas remains to do). The list is to assist in dealing with how current members of Congress will vote on budget matters by giving more background information on their reelection status.

We have added a few new symbols to supply additional information as to the reason for vulnerability in some cases:

- * = Seat disappears because of reapportionment.
- (H) = Head to head contest with sitting congressman of opposite party.
- (P) = Head to head contest with sitting congressman of same party.
- (PL) = Indicates a primary election loser.
- (PW) = Indicates a primary election winner.
- (PP) = Indicates other primary election problems likely.
- (M) = Indicates member moving into nearby district for purposes of the 1982 election.

Included with the Vulnerability List is a regional breakdown which serves as an indication as to where we or the Democrats are most vulnerable. The UPDATED version is for the current list while the January 28th list can be used for comparison to indicate which way the trend is going.

Unfortunately, the trend is against us at the present time. In January, the ratio of Republican Super Vulnerables to Democratic Super Vulnerables was 24/13. Now it stands at 30/11. Also, the number of Safe Democrats has risen from 154 to 167, while the number of Safe Republicans has remained virtually constant. The Midwest is the area of greatest Democratic improvement, which is not surprising given the economic situation there.

REPUBLICAN
CONGRESSMEN

	SUPER VULNERABLE	VULNERABLE	REMOTELY VULNERABLE	SAFE
Ø01	ME 1 Open-Emery	MASS10 Heckler(H)	CONN 3 DeNardis	ME 2 Snowe
Ø02	N.Y. 3 Carman*	RI 2 Schneider	N.Y. 1 Carney	NH 2 Gregg
Ø03	N.Y.33 Lee*(H?P?)	N.Y.18 Green	N.Y. 6 LeBoutilier	VT 1 Jeffords
Ø04	N.J. 4 Smith	PA 4 Dougherty	N.Y.17 Molinari(H)	MASS 1 Conte
Ø05	N.J. 5 Fenwick*	PA 15 Ritter	N.Y.26 Gilman(H)	CONN 4 McKinney
Ø06	PA 8 Coyne	VA 4 Daniel	N.Y.31 Op-Mitchell	N.Y. 4 Lent
Ø07	PA 11 Nelligan	VA 1Ø Wolf	N.J. 9 Hollenbeck	N.Y. 5 McGrath
Ø08	PA 24 Opn-Marks	SC 6 Napier	N.J.12 Rinaldo	N.Y.25 Fish
Ø09	PA 25 Atkinson	TENN 6 Opn-Beard	VA 1 Opn-Trible	N.Y.29 Solomon
Ø1Ø	WV 2 Op-Benedict	OH 7 Opn-Brown	VA 6 Opn-Butler	N.Y.3Ø Martin
Ø11	WV 3 Staton	OH 9 Weber	NC 11 Hendon	N.Y.32 Wortley(P?)
Ø12	VA 8 Parris	OH 19 Williams	SC 1 Hartnett	N.Y.34 Horton
Ø13	ALA 6 Smith	IND 3 Hiler	FLA 5 McCollum	N.Y.35 Conable
Ø14	OH 11 Op-Stanton	ILL 2Ø Findley	KY 6 Hopkins	N.Y.38 Kemp
Ø15	OH 17 Op-Ashbroo*	WIS 3 Gunderson	OH 4 Oxley	N.J. 6 Forsythe
Ø16	IND 8 Deckard	MINN 1 Erdahl(P)	OH 6 McEwen	N.J. 7 Roukema
Ø17	ILL 4 Drwnski*(PL	MO 1Ø Emerson	ILL 19 Op-Rlsbk(PL	N.J.13 Courter(PP)
Ø18	ILL 13 McClory*	NM 1 Lujan	ILL 22 Crane	PA 5 Schulze
Ø19	MICH 5 Sawyer	ID 1 Craig	MICH 2 Pursell	PA 9 Shuster
Ø2Ø	MICH 6 Dunn		MICH11 Davis	PA 1Ø McDade
Ø21	MINN 7 Stangeland		MINN 2 Hagedorn(P)	PA 13 Coughlin
Ø22	IA 3 Evans		MINN 6 Weber*(M)	PA 16 Walker
Ø23	MO 8 Bailey*(H)		IA 2 Tauke	PA 19 Goodling
Ø24	KAN 2 Jeffries		KAN 3 Winn	PA 23 Clinger
Ø25	SD 2 Roberts*(H)		NEB 2 Daub	DEL 1 Evans
Ø26	CAL 2 Clausen		UT 1 Hansen	MD 4 Holt
Ø27	CAL 2Ø Op-Gldwatr*		ORE 2 Smith	VA 2 Whitehurst
Ø28	CAL 26 Rouselot*(M			VA 3 Bliley
Ø29	CAL 27 Opn-Dornan			VA 7 Robinson
Ø3Ø	CAL 35 Drier*(P)			VA 9 Wampler
Ø31				NC 6 Johnston
Ø32				NC 9 Martin
Ø33				NC 1Ø Broyhill
Ø34				SC 2 Spence
Ø35				SC 4 Campbell
Ø36				GA 6 Gingrich
Ø37				FLA 6 Young
Ø38				FLA 1Ø Op-Bafalis
Ø39				FLA 12 Shaw
Ø4Ø				ALA 1 Edwards
Ø41				ALA 2 Dickinson
Ø42				MISS 5 Lott

REPUBLICAN
CONGRESSMEN

	SUPER VULNERABLE	VULNERABLE	REMOTELY VULNERABLE	SAFE
Ø43				TENN 1 Quillen
Ø44				TENN 2 Duncan
Ø45				KY 4 Snyder
Ø46				KY 5 Rogers
Ø47				ARK 2 Bethune
Ø48				ARK 3 Hamrschmidt
Ø49				LA 1 Livingston
Ø5Ø				LA 6 Moore
Ø51				TEX 3 Opn-Collins
Ø52				TEX 7 Archer
Ø53				TEX 8 Fields
Ø54				TEX 21 Loeffler
Ø55				TEX 22 Paul
Ø56				OKLA 5 Edwards
Ø57				OH 1 Gradison
Ø58				OH 5 Latta
Ø59				OH 8 Kindness
Ø6Ø				OH 1Ø Miller
Ø61				OH 15 Wylie
Ø62				OH 16 Regula
Ø63				IND 4 Coats
Ø64				IND 5 Hillis
Ø65				IND 7 Myers
Ø66				ILL 6 Hyde
Ø67				ILL 1Ø Porter
Ø68				ILL 12 Crane
Ø69				ILL 14 Erlenborn
Ø7Ø				ILL 15 Corcoran
Ø71				ILL 16 Martin
Ø72				ILL 17 O'Brien(PW)
Ø73				ILL 18 Michel
Ø74				ILL 21 Madigan
Ø75				MICH 4 Siljander
Ø76				MICH 9 Vander Jagt
Ø77				MICH19 Broomfield
Ø78				WIS 6 Petri
Ø79				WIS 8 Roth
Ø8Ø				WIS 9 Sensenbrenn
Ø81				MINN 3 Frenzel
Ø82				IA 1 Leach
Ø83				MO 6 Coleman
Ø84				MO 7 Taylor

REPUBLICAN
CONGRESSMEN

	SUPER VULNERABLE	VULNERABLE	REMOTELY VULNERABLE	SAFE
Ø85				KAN 1 Roberts
Ø86				KAN 5 Whittaker
Ø87				NEB 1 Bereuter
Ø88				NEB 3 Smith
Ø89				NM 2 Skeen
Ø9Ø				ARIZ 1 Opn-Rhodes
Ø91				ARIZ 3 Stump
Ø92				ARIZ 4 Rudd
Ø93				UT 2 Marriott
Ø94				COLO 4 Brown
Ø95				COLO 5 Kramer
Ø96				WYO 1 Cheney
Ø97				MT 2 Marlenee
Ø98				ID 2 Hansen
Ø99				WASH 1 Pritchard
1ØØ				WASH 4 Morrison
1Ø1				CAL 1 Chappie
1Ø2				CAL 12 Op-McClskey
1Ø3				CAL 14 Shumway
1Ø4				CAL 17 Pashayan
1Ø5				CAL 18 Thomas
1Ø6				CAL 19 Lagomarsino
1Ø7				CAL 21 Fiedler
1Ø8				CAL 22 Moorhead
1Ø9				CAL 33 Grisham(P)
11Ø				CAL 34 Lungren
111				CAL 37 Lewis
112				CAL 39 Dannemeyer
113				CAL 4Ø Badham
114				CAL 41 Lowery
115				CAL 42 Hunter
116				CAL 43 Op-Burgener
117				AKA 1 Young

DEMOCRATIC CONGRESSMEN

	SUPER VULNERABLE	VULNERABLE	REMOTELY VULNERABLE	SAFE
ØØ1	MASS 4 Frank*(H)	CONN 2 Gejdensen	NH 1 D'Amours	MASS 2 Boland
ØØ2	N.Y.15 Zefreti*(H)	CONN 5 Ratchford	MASS 6 Mavroules	MASS 3 Early
ØØ3	N.Y.22 Bingham*	CONN 6 Op-Moffett	N.Y. 2 Downey	MASS 5 Shannon
ØØ4	N.Y.23 Peyser*(H)	N.Y.27 McHugh	N.Y.24 Ottinger	MASS 7 Markey
ØØ5	PA 3 Smith*(PL)	N.Y.39 Lundine(H?)	PA 18 Walgren	MASS 8 O'Neill
ØØ6	PA 17 Opn-Ertel	N.J. 3 Howard	MD 1 Dyson	MASS 9 Moakley
ØØ7	PA 21 Bailey*(PL)	PA 7 Edgar	MD 2 Long	MASS11 Donnelly
ØØ8	OH 22 Eckart*(M)	NC 3 Whitley	NC 1 Jones	MASS12 Studds
ØØ9	IND 2 Fithian*	NC 4 Andrews	NC 2 Op-Fountain	RI 1 St Germain
Ø1Ø	IND 6 Evans*(PL)	NC 5 Neal	NC 8 Hefner	CONN 1 Kennelly
Ø11	MICH18 Op-Blnchrd*	GA 4 Levitas	SC 5 Op-Holland	N.Y. 7 Addabbo
Ø12		MISS 4 Dowdy	GA 1 Opn-Ginn	N.Y. 8 Rosenthal
Ø13		TEX 9 Brooks	GA 3 Op-Brinkley	N.Y. 9 Ferraro
Ø14		TEX 14 Patman	GA 7 McDonald	N.Y.1Ø Biaggi
Ø15		TEX 16 Opn-White	MISS 1 Whitten	N.Y.11 Scheuer
Ø16		OKLA 2 Synar	MISS 2 Bowen	N.Y.12 Op-Chisholm
Ø17		OKLA 4 McCurdy	TEX 5 Op-Mattox	N.Y.13 Solarz
Ø18		OH 12 Shamansky	TEX 13 Hightower	N.Y.14 Richmnd(PP)
Ø19		IND 1Ø Sharp	TEX 24 Frost	N.Y.16 Schumer
Ø20		MO 4 Skelton(H)	OKLA 6 English	N.Y.19 Rangel
Ø21		MO 9 Volkmer	OH 23 Mottl(PP)	N.Y.2Ø Weiss
Ø22		COLO 3 Kogovsek	ILL 3 Russo	N.Y.21 Garcia
Ø23		CAL 6 P. Burton	ILL 9 Yates	N.Y.28 Stratton
Ø24		CAL 3Ø Op-Danielsn	MICH 3 Wolpe	N.Y.36 LaFalce
Ø25		CAL 32 Anderson	MICH1Ø Albosta	N.Y.37 Nowak
Ø26		CAL 38 Patterson	MICH12 Bonior	N.J. 1 Florio
Ø27			IA 6 Bedell	N.J. 2 Hughes
Ø28			MO 2 Young	N.J. 8 Roe
Ø29			SD 1 Daschle(H)	N.J.1Ø Rodino
Ø3Ø			ND 1 Dorgan	N.J.11 Minish
Ø31			NEV 1 Op-Santini	N.J.14 Guarini
Ø32			COLO 2 Wirth	N.J.15 Dwyer
Ø33			WASH 5 Foley	PA 1 Folieta(PW)
Ø34			CAL 5 Opn-Burton	PA 2 Gray
Ø35			CAL 9 Stark	PA 6 Yatron
Ø36			CAL 11 Lantos	PA 12 Murtha(PW)
Ø37			CAL 23 Beilenson	PA 14 Coyne
Ø38			CAL 36 Brown	PA 2Ø Gaydos
Ø39				PA 22 Murphy
Ø4Ø				MD 3 Mikulski
Ø41				MD 5 Hoyer
Ø42				MD 6 Byron

DEMOCRATIC
CONGRESSMEN

	SUPER VULNERABLE	VULNERABLE	REMOTELY VULNERABLE	SAFE
Ø43				MD 7 Mitchell
Ø44				MD 8 Barnes
Ø45				WV 1 Op-Mollohan
Ø46				WV 4 Rahall
Ø47				VA 5 Daniel
Ø48				NC 7 Rose
Ø49				SC 3 Derrick
Ø5Ø				GA 2 Hatcher(PP)
Ø51				GA 5 Fowler
Ø52				GA 8 Evans
Ø53				GA 9 Jenkins
Ø54				GA 1Ø Barnard
Ø55				FLA 1 Hutto
Ø56				FLA 2 Fuqua
Ø57				FLA 3 Bennett
Ø58				FLA 4 Chappell
Ø59				FLA 7 Gibbons
Ø6Ø				FLA 8 Ireland
Ø6[illegible]				FLA 9 Nelson
Ø6[illegible]				FLA 11 Mica
Ø63				FLA 13 Lehman
Ø64				FLA 14 Pepper
Ø65				FLA 15 Fascell
Ø66				ALA 3 Nichols
Ø67				ALA 4 Bevill
Ø68				ALA 5 Flippo
Ø69				ALA 7 Shelby
Ø7Ø				MISS 3 Montgomery
Ø71				TENN 3 Bouquard
Ø72				TENN 4 Gore
Ø73				TENN 5 Boner
Ø74				TENN 7 Jones
Ø75				TENN 8 Ford
Ø76				KY 1 Hubbard
Ø77				KY 2 Natcher
Ø78				KY 3 Mazzoli
Ø79				KY 7 Perkins
Ø8Ø				ARK 1 Alexander
Ø81				ARK 4 Anthony
Ø82				LA 2 Boggs
Ø83				LA 3 Tauzin
Ø84				LA 4 Roemer

DEMOCRATIC CONGRESSMEN

	SUPER VULNERABLE	VULNERABLE	REMOTELY VULNERABLE	SAFE
085				LA 5 Huckaby
086				LA 7 Breaux
087				LA 8 Long
088				TEX 1 Hall
089				TEX 2 Wilson
090				TEX 4 Hall
091				TEX 6 Gramm
092				TEX 10 Pickle
093				TEX 11 Leath
094				TEX 12 Wright
095				TEX 15 DeLaGarza
096				TEX 17 Stenholm
097				TEX 18 Leland
098				TEX 19 Hance
099				TEX 20 Gonzalez
100				TEX 23 Kazen
101				OKLA 1 Jones
102				OKLA 3 Watkins
10[illegible]				OH 2 Luken
10[illegible]				OH 3 Hall
105				OH 13 Pease
106				OH 14 Seiberling
107				OH 18 Applegate
108				OH 20 Oakar
109				OH 21 Stokes
110				IND 1 Benjamin
111				IND 9 Hamilton
112				IND 11 Jacobs
113				ILL 1 Washington
114				ILL 2 Savage
115				ILL 5 Op-Fary(PL)
116				ILL 7 Collins
117				ILL 8 Rstnkowski
118				ILL 11 Annunzio
119				ILL 23 Price
120				ILL 24 Simon
121				MICH 1 Conyers
122				MICH 7 Kildee
123				MICH 8 Traxler
124				MICH13 Crockett
125				MICH14 Hertel
126				MICH15 Ford

DEMOCRATIC
CONGRESSMEN

	SUPER VULNERABLE	VULNERABLE	REMOTELY VULNERABLE	SAFE
127				MICH16 Dingell
128				MICH17 Op-Brodhead
129				WIS 1 Aspin
130				WIS 2 Kastenmeier
131				WIS 4 Zablocki
132				WIS 5 Opn-Reuss
133				WIS 7 Obey
134				MINN 4 Vento
135				MINN 5 Sabo
136				MINN 8 Oberstar
137				IA 4 Smith
138				IA 5 Harkin
139				MO 1 Clay(PP)
140				MO 3 Gephardt
141				MO 5 Opn-Bolling
142				KAN 4 Glickman
143				ARIZ 2 Udall
144				COLO 1 Schroeder
145				MT 1 Williams
146				WASH 2 Swift
147				WASH 3 Bonker
148				WASH 6 Dicks
149				WASH 7 Lowry
150				ORE 1 AuCoin
151				ORE 3 Wyden
152				ORE 4 Weaver
153				CAL 3 Matsui
154				CAL 4 Fazio
155				CAL 7 Miller
156				CAL 8 Dellums
157				CAL 10 Edwards
158				CAL 13 Mineta
159				CAL 15 Coelho
160				CAL 16 Panetta
161				CAL 24 Waxman
162				CAL 25 Roybal
163				CAL 28 Dixon
164				CAL 29 Hawkins
165				CAL 31 Dymally
166				HAW 1 Heftel
167				HAW 2 Akaka

UPDATED: 5/21/82

VULNERABILITY STATUS OF CONGRESSMEN BY REGION

	SUPER VULNERABLE	VULNERABLE	REMOTELY VULNERABLE	SAFE (NOT VULNERABLE)	TOTAL
EAST					
REP	11	5	8	26	50
DEM	7	7	7	46	67
SOUTH					
REP	2	4	6	30	42
DEM	0	10	13	56	79
MIDWEST					
REP	12	8	11	32	63
DEM	4	4	10	40	58
WEST					
REP	5	2	2	29	38
DEM	0	5	8	25	38

(PREVIOUS BREAKDOWN FROM JANUARY 28th)

VULNERABILITY STATUS OF CONGRESSMEN BY REGION

	SUPER VULNERABLE	VULNERABLE	REMOTELY VULNERABLE	SAFE (NOT VULNERABLE)	TOTAL
EAST					
REP	10	11	4	25	50
DEM	7	10	7	43	67
SOUTH					
REP	2	7	8	25	42
DEM	2	4	18	55	79
MIDWEST					
REP	9	9	8	37	63
DEM	4	13	13	28	58
WEST					
REP	3	1	5	29	38
D	0	4	6	28	38

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

done
called
Atwater and
OK'd with
changes

MEMORANDUM TO MIKE DEAVER

FROM: ED ROLLINS

DATE: MAY 21, 1982

RE: NATIONAL REPUBLICAN CONGRESSIONAL COMMITTEE FUND-RAISING LETTER WITH PRESIDENTIAL SIGNATURE

I have attached an updated copy of the suggested text for a Presidential mailing the Congressional Committee is anxious have authorized. All suggested text changes from our shop and Fred Fielding's shop have been incorporated into the attached.

Wyatt Stewart of the NRCC informs me that the first mailing will be to the NRCC master file -- approximately 1 million names. Should this mailing prove to be successful, they may do a test mailing to "other" Republican lists, most likely purchased from other Republican-oriented groups, as is their standard procedure.

Many thanks for your help.

________________ APPROVED

________________ DISAPPROVED

National Republican Congressional Committee
Joint Presidential-Congressional Steering Committee

Mr. XXXXXXXXXXX
XXXXXXXXXXXXXXX

Dear Mr. XXXXXX:

Since you have generously shown your commitment to the Republican Congressional Committee and our cause, I am asking you to accept a very important role in the 1982 national election.

Will you serve on the new Joint Presidential-Congressional Steering Committee that is being created with my wholehearted support and endorsement by Congressman Guy Vander Jagt?

I recognize that endorsement of this Joint Committee, and my invitation for you to join, is an extraordinary step for a President of the United States to take.

But it will take a group of extraordinary individuals, like you, to help me carry out the mandate given to me by the American people in the 1980 election.

Today our policies are under severe and unwarranted attack. The liberal Democrats in Congress and liberal pressure groups who have dictated national policy for decades do not want to give our programs a chance to succeed.

Since their power to reverse our policies and restore the welfare state rests squarely on defeating our candidates, the Democrats are going all out to win this election.

Recently, you've seen how the liberal elements of the national media and the liberal Democrats have been waging a sustained propaganda campaign against our policies based on fear, falsehood and distortion.

But I can assure you these politically motivated attacks will not compel me to change our basic economic and defense policies which I promised to enact as President.

However, I am deeply concerned about the effects their attacks will have on our Republican challengers.

Since the upcoming election is so critical, I believe we must take immediate and extraordinary steps to increase our voting strength in Congress by electing more Republicans in 1982.

As you know, the Congressional Committee provides all our candidates with a full range of campaign services.

But Congressman Vander Jagt and I believe that our challenger candidates who face powerful Democratic incumbents must be given extra help, above and beyond the resources the Committee has now.

These candidates, running for the first time, face a doubly difficult race since they lack the voter recognition and immense resources of their Democratic opponents.

That is why our Steering Committee has such a unique function in this pivotal election.

Your participation on this Committee and your financial commitment will help us guarantee that each of our challengers will receive the cash and campaign services they need to offset the money and manpower available to Democrats.

As you know, we have already taken the first difficult and painful steps that are crucial to the process of regaining both our economic stability and our national security.

Thanks to you and other loyal Americans, we passed the largest tax and budget cuts in history. Now, as a result, inflation is down, interest rates are dropping and we're on the verge of a long-term economic recovery.

And to preserve peace, we have sent Congress proposals to rebuild our defenses in order to restore equality to the balance of power.

But today we are at a critical turning point. All our programs are in danger of being reversed on November 2nd.

If the Democrats defeat our Republican candidates, they'll raise taxes and restore all of their "budget busting" federal social spending programs.

And if the Democrats gain seats in Congress, they'll have veto power over any defense program we submit.

When John F. Kennedy was President, American had clear-cut nuclear superiority. No nation on earth could threaten our security, compromise our interests, intimidate our allies or subjugate, at will, weaker, defenseless countries.

Today, we spend less than one-quarter of our budget on defense while the Soviets accelerate their military buildup to expand their socialist empire.

Yet the liberal Democrats in Congress continue to vote against defense increases and now "wring their hands" over budget deficits created, year by year, by their own irresponsible social spending programs.

In short, the success of our whole fight to rebuild both our economy and defenses depends on electing more Republicans to the U.S. Congress.

To do everything possible to help our candidates, I, Vice President Bush and members of my Administration will be traveling to many of the congressional districts to campaign for our candidates.

But just as important, it's urgent that the Congressional Committee give the maximum amount of financial and campaign services to each and every Republican challenger between now and the election.

I believe this is a time for extraordinary sacrifice since the choice facing our nation is clear: whether we stay on the path to economic recovery and a stronger defense or return to the Democrat's vicious cycle of tax and tax, spend and spend.

As I think about how important this election is to America's future, I recall the words of a World War I American soldier:

> "I will work, I will serve, I will sacrifice, I will endure. I will fight and do my utmost as if the whole struggle depended on me alone."

We are in a struggle: a struggle to expand individual freedom and renew the American dream. And winning the struggle depends more than ever on you and me.

For someone who has worked and supported our party as much as you have, I am hoping you will accept my invitation to serve as a member of our new Steering Committee.

I believe, with your increased support and participation, that we can gain the seats we need in Congress to carry out fully our policies to rebuild America.

Sincerely,

RONALD REAGAN

P.S. As a personal token of our gratitude for your participation on the Committee, Chairman Guy Vander Jagt will send you an album of photographs highlighting my first year in office.

THE WHITE HOUSE

WASHINGTON

May 20, 1982

Mike:

Thanks for sending over the attached letter. There was not much interest in it among the press -- just wasn't a hot news items to peddle.

We'll try again.

PAUL N. McCLOSKEY, JR.
12TH DISTRICT, CALIFORNIA

COMMITTEE ON
GOVERNMENT OPERATIONS
AND
COMMITTEE ON
MERCHANT MARINE
AND FISHERIES

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May 18, 1982

~~CONFIDENTIAL~~

The Honorable Michael K. Deaver
The White House
Washington, D. C. 20500

Dear Mike:

Re: The alleged "Small Business Innovation Act"
H. R. 4326

Confirming our telephone conversation of a few minutes ago, early this afternoon Chairman Parren Mitchell and his Small Business Committee adopted a completely different substitute for their original bill which was reported out last September.

A draft copy of the substitute, together with Mitchell's summary memorandum, is enclosed. The committee has refused thus far to give us a final copy.

Tomorrow, at 11:00 a.m., the Rules Committee may or may not grant a rule to permit the bill to come to the floor on Thursday, but the committee substitute clearly complies with the Administration's position as you described it to me in your letter of May 12 and as laid out in Dave Stockman's letter of May 18 to Jim Sanders. A copy of Dave's letter is also enclosed.

It is my thought that the White House, by quick work, can score a publicity coup by getting a headlined article into tomorrow's Washington Post to the effect that the Democrats have "caved in" to the White House and adopted President Reagan's version of the bill.

This will also precede any action the Rules Committee may take tomorrow should Chairman Bolling allow the bill to come to the floor on Thursday.

I am continuing to oppose the bill, for the reasons set forth in my letter to you of May 7. Despite the President's commitment to Senator Rudman, I have the feeling that most of your Administration may also oppose the bill, for philosophical as well as practical reasons.

All best wishes.

Sincerely,

Pete

PAUL N. McCLOSKEY, JR.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

May 18, 1982

James C. Sanders
Administrator
U.S. Small Business Administration
Washington, D.C. 20416

Dear Jim:

Thank you for your letter of May 14 regarding H.R. 4326, the Small Business Innovation Development Act.

As you know, Administration witnesses have presented testimony on H.R. 4326 before a number of House Committees, including the Small Business Committee. In this testimony the Administration has opposed H.R. 4326 and urged that it be amended to conform with S.881, passed by the Senate on December 8, 1981. In addition, the Administration has recommended that S.881 and H.R. 4326 be amended to eliminate provisions that require an agency's small business R & D procurement goal to be not less than the preceding year's goal. The Administration continues to support enactment of legislation that is consistent with this position.

We are aware that the House Small Business Committee may approve a revised version of H.R. 4326 which would be offered as a committee substitute when the legislation is considered by the House. If the compromise version outlined in your letter and the attached enclosure were amended to include the adoption of Congressman McDade's proposal to lower the maximum small business set-aside to 1.25 percent, it would make substantial progress toward conforming the House bill to S.881. The Administration appreciates the considerable effort that members of the Small Business Committee and Congressman McDade, in particular, have made to respond to the concerns we have with H.R. 4326. We would support a Small Business Committee substitute to H.R. 4326 as outlined above and would hope that any further differences or objections we may have to the legislation could be worked out in conference.

Sincerely,

Dave Stockman

David A. Stockman
Director

cc: Honorable Joseph M. McDade

TO : All SBC Members

FROM: Parren J. Mitchell, Chairman

DATE: May 13, 1982

RE : Compromise on Innovation Bill, H.R. 4326

As you will recall, last fall we reported our innovation bill (H.R. 4326) by a unanimous vote of 40-0. Subsequently the Speaker referred it to six other House Committees for their consideration. Attached is an explanation of the positions of the other committees.

I believe that our bill, as reported, is a good bill---good for the country, good for the Federal agencies involved, and good for small business. Nonetheless, considerable opposition has developed and I believe that we should compromise our position rather than chance loosing on the floor.

I have discussed this matter with the principal bipartisan House Small Business Committee sponsors and they are unanimous in agreeing that we should offer a floor amendment which would:

1. Reduce the percentage required in the program: the revised percentages would be

.20% in the first year
.60% in the second year
1.00% in the third year
1.50% in the fourth and all subsequent years

except that an agency with an annual R&D budget in excess of $10 billion (namely, Defense) would be phased in over five years

.10% in the first year
.30% in the second year
.50% in the third year
1.00% in the fourth year
1.50% in the fifth and all subsequent years;

2. Exclude in-house R&D from the base against which the percentages are applied;

3. Prohibit any agency from including more than the stated percentages of basic R&D in the program;

4. Exclude intelligence agencies from the program (CIA, National Security Council, and Defense Intelligence Agency); and

5. Exclude AID international research centers and grants to foreign governments from the base against which the percentages are applied.

If these amendments are acceptable, we would amend our request to the Rules Committee and request that

1982 Research and Development Budgets
($ in millions)

	Total	In-House	Extramural	1 1/4% SBIR (Extramural)
Defense	21,523	5,586	15,937	199.2
NASA	6,017	1,381	4,636	58.0
Energy	4,690	367	4,323	54.0
HHS	4,169	894	3,275	40.9
(NIH)	(3,571)	(650)	(2,921)	(36.5)
NSF	1,000	82	918	11.5
Agriculture	860	563	297	3.7
Transportation	404	134	270	3.4
Interior	398	272	126	1.6
EPA	303	113	190	2.4
Commerce	288	242	--	--
Nuc. Reg. Comm.	225	19	206	2.6
Vet. Adm.	153	151	--	--
AID	151	8	143*	0
	40,181	9,812	30,321	377.3

Senate 881 affects six agencies (Defense, NASA, Energy, HHS, NSF and Agriculture) with an SBIR program level of approximately $293 million.

House Small Business Committee proposed compromise would include these six and four more (Transportation, Interior, EPA and Nuclear Regulatory Commission) with an SBIR program level of approximately $453 million.

*excluded from program as AID falls below $100 million threshold due to compromise exclusion of grants to international research centers and grants to foreign countries.