



City of Falls Church

Brian M. O'Connor, Mayor
Phillip J. Thomas, Vice Mayor
Dale W. Dover
M. C. "Merni" Fitzgerald
E. D. "David" Minton
Robert R. Perry
Jeffrey J. Tarbert

Harry E. Wells Building
300 Park Avenue
Falls Church, Virginia 22046-3301

Elizabeth Shawen, City Clerk
703-241-5014
Fax 703-241-5158

April 14, 1994

Ms. Carol Hampton Rasco
Assistant to the President
for Domestic Policy
2nd Floor, West Wing
White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Ms. Rasco:

It was a pleasure meeting you on March 17, at the Wesley Housing Development Corporation breakfast at the Fairview Marriott, in Virginia. Your appearance at this function marks a sea change in domestic policy from the Reagan-Bush years. Your speech was rather extraordinary. You displayed a warmth and conviction appealing and rarely heard inside the Beltway.

Wesley Housing, and Falls Church City needs federal assistance to preserve low income housing. At risk, is a 96 unit apartment complex, which is presently low income housing. Despite vigorous efforts at code enforcement, the housing is deteriorating. The owner has recently obtained refinancing, and may plan on converting the units to condominiums, or other residential use, as the real estate market improves. This could force the low-income tenants out.

Wesley Housing Corporation had \$400,000.00 of federal rental rehab money available as part of a financing package to acquire this property a little over a year ago. In the end, the owner demanded a price which broke the deal. The federal money for substantial rehab, which was available through Fairfax County, Virginia, was lost. I have attached a sheet of sources and uses of funds which shows the problem. Wesley is interested in acquiring the property, and, I believe, the City Council can gain the political support in my community to put substantial resources to bear on the acquisition. There is very little low income housing in Falls Church City. The City wants to preserve this housing and will not tolerate a slum. Wesley Housing is very experienced and thorough. I believe we can swing acquisition of this property to

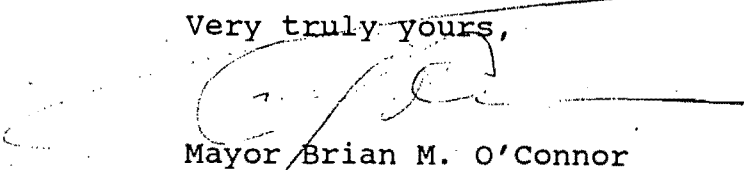
Ms. Carol Hampton Rasco
April 14, 1994
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preserve this housing for low income residents, if we can obtain federal assistance for substantial rehab.

Can you assist us?

Thank you for your kind attention.

Very truly yours,



Mayor Brian M. O'Connor

:et

Enclosure

cc: Virginia Peters, Executive Director, Wesley Housing
Katherine Wells, Wesley Housing
David Lasso, City Manager
Elizabeth Shawen, City Clerk

WESTBROOK GARDENS PROJECT BUDGET 7/13/93 96 UNITS

APPLICATIONS OF FUNDS PER UNIT TOTAL

ACQUISITION

9 Existing Buildings 43,750 4,200,000

DIRECT REHAB

Construction 7,292 644,000
Contingency 56,000 700,000

INDIRECT REHAB

2,229 214,000
Tenant Asst. Fund 45,000
Arch/Eng Insp Report 4,545
A & E 49,000
Survey 2,850
Environmental Survey 915
Termite Insp/Treatment 9,000
Hazard Insurance 0 from ops.
Legal 0 pro bono
Title/Recording 13,000
Appraisal 3,500
VHDA Appraisal 3,500
Real Estate Taxes 0 from ops.
Developer Fee 22,500
Construction Mgmt. 22,500
Op. Deficit Reserve 27,500
Soft Cost Contingency 10,190

FINANCING COSTS 781 75,000

TOTAL PROJECT COSTS 54,052 5,189,000

SOURCES OF FUNDS

CDBG GRANT: CITY OF FALLS CHURCH 24,000
FED GRANT: RENTAL REHAB PROGRAM/FAIRFAX COUNTY 400,000
GRANT: CITY OF FALLS CHURCH 300,000 ✓
DIRECT SUBSIDY: FED HOME LOAN BANK/AHP 385,000 ✓
FIRST MORTGAGE FINANCING 3,500,000
FUNDING GAP 580,000

TOTAL SOURCES 5,189,000



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April 14, 1994

Mrs. Virginia Peters
Executive Director
Wesley Housing Development Corporation
5515 Cherokee Avenue
Alexandria, Virginia 22312

Re: Westbrook Gardens

Dear Mrs. Peters:

I want to thank you for inviting me to the breakfast on March 17. I have written the attached letter to Carol Hampton Rasco. I believe the owner has recently succeeded in obtaining refinancing for Westbrook Gardens. I am trying to confirm this. I have been trying to get this property in non-profit hands for over a decade. Like you, I never lose faith that persistence will be rewarded if one is trying to do the right thing.

If we can obtain substantial rehab, and get a contract, I am prepared to support a significant investment by the City to make this project happen. When I took office in 1990, the City of Falls Church had some severe problems looming. We have put our financial house in better order, and I have a scheme for raising some money which the City could earmark to invest in purchase.

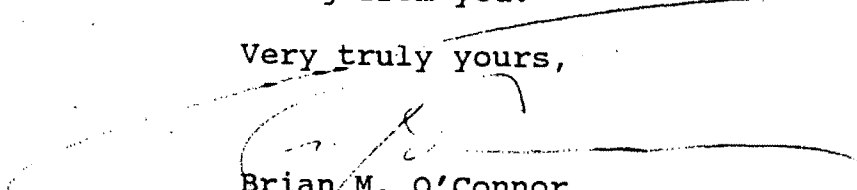
If Wesley Housing wants to pursue this acquisition again, I would be happy to meet with your representatives to discuss the

Mrs. Virginia Peters
April 14, 1994
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obstacles that we need to overcome.

I look forward to hearing from you.

Very truly yours,



Brian M. O'Connor
Mayor

:et

Enclosure

cc: C. Rasco
K. Wells
D. Lasso
E. Shawen

Have Paul call
this Mayor to
discuss on
my behalf.

Called
5/30/94

481-6707

THE WHITE HOUSE
WASHINGTON

Called 5/30/94
DONE
PWW

Carol:

Sorry it took me so long to
get an answer on this, but
apparently the City of Falls
Church hasn't applied for any
funding from HUD, at least not
yet. Traditionally, HUD doesn't
provide funding to purchase private
property unless federal dollars
are already involved, or if it is
Section 8 money. The city could
possibly use CDBG or HOME
program funds for this
project, but they would have
to have county approval. HUD
would then have a final
checkoff. Anyway, they should
probably start with CDBG
or HOME.

Paul

File

Document Tracking System

DOMESTIC POLICY COUNCIL

INCOMING PROFILE

Date: *4/18*

To: Carol H. Rasco

From: *Mayor Brian M. O'Connor - Falls Church*

Subject: *Wesley Housing*

ACTION

Assigned To:	Date:	Action Required:	Due
<i>Pave</i>	<i>4/20</i>	<i>To Discuss w/CHR</i>	<i>By 4/27</i>

Signature Level:

Copies Sent To:

Comments:

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**WESLEY HOUSING DEVELOPMENT CORPORATION'S
THIRD ANNUAL NORTHERN VIRGINIA ISSUES BREAKFAST
"THE CLINTON ADMINISTRATION LOOKS
AT AFFORDABLE HOUSING"**



WESLEY HOUSING DEVELOPMENT CORPORATION

Third Annual Northern Virginia Issues Breakfast
"The Clinton Administration Looks at Affordable Housing"
Thursday, March 17, 1994; 7:30 am - 9:30 am
Fairfax Ballroom, Fairview Park Marriott

PROGRAM

Invocation	The Rev. Robert Parsons United Methodist District Superintendent
Welcome	John A. Jackson WHDC Vice President
Introduction of Head Table	John A. Jackson
Introduction of Speaker	The Honorable James Moran Congressman
Keynote Speaker	Carol Hampton Rasco Assistant to the President for Domestic Policy
Wesley Housing	Virginia Peters WHDC Executive Director

ACKNOWLEDGEMENTS – ISSUES BREAKFAST SPONSORS

GOLDEN: \$1,000

Chevy Chase FSB
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Riggs National Bank

SILVER: \$500-999

First Virginia Bank
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Virginia Housing
Development Authority

FRIENDS: \$100-499

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FAC Technology
Fried Companies
Heritage Bank
Russell Jorns
Patriot National Bank
of Reston
Milton Peterson
Tysons National Bank

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The Rev. Robert Parsons
Jennifer Radigan
Rebecca Strawderman
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Al Treciokas
Gale Umemoto
Bill West

STAFF

Susan Blansfield-Logan Barbara B. Serage

WHDC is funded through the Fairfax County Community Development Program, the Fairfax County Development and Housing Authority, the Arlington Housing Service, the U.S. Department of Housing and Urban Development, the Commonwealth of Virginia and the Alexandria and Arlington Districts of the Virginia Conference of the United Methodist Church.

ATTENDEES AT THE
THIRD ANNUAL NORTHERN VIRGINIA ISSUES BREAKFAST
 Sponsored by Wesley Housing Development Corporation

17 March 1994

NAME	ORGANIZATION
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Mark	Arent, Fox, et al.
T. Eugene	NationsBank
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Michael G.	First Virginia Bank
Michael	Chevy Chase FSB
Tracey	Heritage Bank
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Ken	No.Va.Bldg.Ind. Assn.
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Tom	Walsh, Colucci, et al.
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Allred	
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Anzilotti	
Aquilino	
Ault	
Baggett	
Baker	
Baker	
Barr	
Bastian	
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Bennett	
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Blansfield-Logan	
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Boyd	
Bren	
Britt	
Brodsky	
Brown	
Bucher	
Buffalo	
Butler	
Butz	
Byrne	
Cacner	
Calabrese	
Cave	
Chaskin	
Chernisky	
Clare	
Clay	
Cleaveland	
Collins	
Colucci	
Cooper	
Costley	
Creskoff	
Davies	

ATTENDEES AT THE
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NAME

ORGANIZATION

NAME	ORGANIZATION
Tom Davis	Chairman, FX Co.Bd. of Sup:
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Richard de Gorter	Affordable Housing Foundation
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Al Eisenberg	Vice Chair.Arl.Co.Bd.
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Rev. Carl Ennis	Cokesbury UMC
Gary Evans	Housing Oppor. Foundation
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Victor Fernandez	Mobil
Michelle Finegan	Central Fidelity
Jackie Fitterer	Horizon Bank
Hilda Foster	Knightsbridge Appartment
Lou Ann Frederick	Arlington Housing Corp.
Mark Fried	Fried Co.
Barbara Fried	Fried Co.
Oscar M. Garcia	Omega Group
Ted Gleiter	ACCA
Dave Goldman	Horizon Bank
Gabor Gorog	Colonial Village Apaartments
Teresa Gorog	Colonial Village Apaartments
Pauline Gray	Women Convention
Joseph A. Halizak	NVR Savings Bank
Jay Hanke	Church of the Good Shepherd
Kate Handley	Ffx. Supervisor, Providence Dist.
Kris Hanson	Ameribanc
Dianne Harris	George Mason Bank
Margaret Hatton	Chevy Chase FSB
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Charles Hoover	Wesley Property Management Co.
Mildred Hoover	Dulin UMC
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Art Howard	Washington Gas
Janet, Sen. Howell	State Senator, 32nd Dist.
Jeff Hoyle	NationsBank

ATTENDEES AT THE
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NAME

ORGANIZATION

NAME	ORGANIZATION	
Robert	Hull	Virginia House of Delegates
Roger	Husband	Site Mgr., Knightsbridge Apt
Vivian	Jackon	Springdale House
John Arter	Jackson	Vice Pres., WHDC
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Lucille B.	Johnson	Fairfax Affordable Hsng.
Viola	Johnson	Springdale House
Eric	Johnson	The Gables Companies
Pete	Johnson	Walsh, Colucci, et al.
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Bill	Krokowski	Walsh, Colucci, et al.
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Edwin	Lynch	
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Mary	Malone	Carlow International, Inc.
Isabelle	Marshburn	Knightsbridge Apts.
Keith	Martin	Walsh, Colucci, et al.
Bruce	Martin	Riggs Bank
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Kristen	Meadow	Horizon Bank
Steve	Meyer	McDonald Douglas
Mary	Michalidis	Ameribanc
Lori	Middleton	Central Fidelity
Nancy	Minter	WHDC Executive Com.
Lewis	Mitchell	WHDC
Myra	Mobley	NationsBank
Jim	Moran	Congressman, 8th Dist.
Terry	Morin	Vanguard Research, Inc.
Andy	Morse	Riggs Bank
Sanford	Mullet	Ffx. County Housing Coalition
Tim	Naughton	Walsh, Colucci, et al.
Al	Neely	Walsh, Colucci, et al.
Theodore F.	Nelson	Harkins Builders

**ATTENDEES AT THE
THIRD ANNUAL NORTHERN VIRGINIA ISSUES BREAKFAST**
Sponsored by Wesley Housing Development Corporation
17 March 1994
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NAME

ORGANIZATION

NAME	ORGANIZATION
James C. Oppenheimer	
Robert Orr	Heritage Bank
Jay O'Brien	George Mason Bank
Brian O'Connor	Mayor of Falls Church
Ken O'Shea	Patriot Nat'l. Bank
Jose Paiz	Riggs Bank
Betsy A. Palmer	Vice Pres., 1st Union Bank
The Rev. John Parker	WHDC Board of Directors
The Rev. Bob Parsons	UMC Arl. Dist. Superintendent
Virginia Peters	WHDC Executive Director
Linda (Toddy) Puller	State Del., 44th Dist.
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Emily D. Pullin	
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Valerie H. Stevens	Colonial Village

ATTENDEES AT THE
 THIRD ANNUAL NORTHERN VIRGINIA ISSUES BREAKFAST
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NAME

ORGANIZATION

NAME	ORGANIZATION
Brad	Springdale House
Rebecca	Central Fidelity
Lynne	Walsh, Colucci, et al.
David	George Mason Bank
Alison	Tysons National Bank
Quelynn	WHDC
Hope	WHDC Personnel Committee
Gale	NationsBank
Dawn	George Mason Bank
John	Central Fidelity
John L.	Mid City Fin. Corp.
Jeff	Mt. Vernon Baptist Assn.
Karen	First Virginia Bank
Art	Walsh, Colucci, et al.
Steve	NationsBank
Antoinette	Lincolnia Community Center
Tom	WHDC Board of Directors Member
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Katherine	WHDC Dir. of Development
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Jim	Washington Gas
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Monroe	
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Steve	Fairfax Bank and Trust
Judy	Thompson, Greenspon & Co.
Robert	First Virginia Bank
Gary	First Virginia Bank
Paul	George Mason Bank
Debbie	Washington Gas

REMARKS BY CAROL H. RASCO

CARNEGIE CORPORATION
Carnegie Conference Center
Washington, DC
November 22, 1993

Thank you. *Congressman Moran. How nice to be*
here with an organization sponsored by the United Meth
I am very pleased, honored but somewhat overwhelmed to be
visited initially by Virginia Peters & Katherine
in front of you today. As I reviewed the roster of participants *Wesley Housing Development Corporation*
and topics for this two-day conference, I saw the names of
an organization, saw individuals and an
individuals that have looked at me from pieces I have read
organization deeply committed to the worth
and studied often at the suggestion of my boss over our 12-
the family unit, a deep sense of the need for
years together and I saw names of people to whom I have
"community"
listened, with whom I've discussed the youth of our country,
the conditions facing our families and their needs and hopes.
And that's where the overwhelmed part comes in...What can I
add to *that deep commitment?* ~~what has even and will be said?~~

church - my husband's church

I come to you to add my ^{personal} strong commitment and that of the ^{President} & the administration as well as to reflect with you on the challenges

~~before us. I might add that if you're like me, a luncheon speaker after a morning passed with stimulating, sometimes provocative thoughts, well a luncheon speaker is sometimes a nuisance. you want to TALK about what you've heard, assimilate it before moving on to the afternoon agenda, so I'll try to add to that assimilation, be quick, and allow you to continue your conversation with one another.~~

During my short number of years as a classroom teacher and elementary counseling ^{or} when I sometimes had children from homes with outhouses or even a dirt floor, ^{as well as students from wealthy families,} during my volunteer days when I worked on foster care, juvenile justice and adult probation issues, throughout my 20 years of parenting and advocating for a child labelled as cerebral

palsied and retarded as well as through 15+ years of actively working in government...throughout all of this I have mourned most two things:

An increasing poverty of spirit, particularly in children

Society's
~~Professionals'~~ piecemeal views of individuals, families and communities

And so, I was particularly gratified to read ~~the name given to this two day conference:~~ Strategies to Reduce Urban Poverty:

~~(and then)....~~ INTEGRATING Human Development and Economic Opportunity

~~This last half of the title is music to my ears!~~

August 25, 1993

Notes for Carol Rasco,
Assistant to the President for Domestic Affairs

The mission of Wesley Housing Development Corporation is to develop affordable housing and sustain quality communities for low income people.

In nineteen years, Wesley Housing has sponsored, developed or enhanced 961 housing units in Northern Virginia for low and moderate income families. It is sponsored by the United Methodist Church and is a non-profit 501 (c) (3) federally tax exempt corporation.

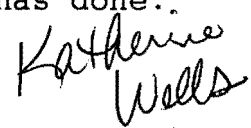
Community based non-profit housing developers are the best solution to the nation's housing problems because they:

- Bring together the for-profit sector, governments, churches. and the public as partners.
- Keep administrative overhead low through efficiency and the use of volunteers.
- Meet community needs with resident and community participation.
- Have a responsibility to residents and citizens as well as to investors.
- Focus on basic human rights and environmental concerns.
- Have the spirit and tenacity to structure "impossible deals."
- Insist on quality neighborhoods.
- Are conscious of the need for everyone to obtain equality in housing, which enhances the quality of life for everyone.
- Encourage resident participation and resident empowerment.
- Bring an extra dimension of caring for the total needs of residents through counseling and services.

The non-profit role in providing affordable housing has increased substantially since the HUD scandals and the federal government's abandonment of assisted housing in the 1980s. In Virginia, well over \$100 million has been loaned to non-profits in the last five years with no defaults. The "cookie factor" -- our willingness to hold bake sales, if necessary -- reflects our financial determination.

Consider sponsoring a Domestic Policy Conference on the role of non-profit housing providers. Emphasize the commitment, knowledge and experience inherent in community based non-profits which lead to long-term affordable rental housing and a comprehensive approach to needed services.

Please visit us and see what one non-profit has done..



WESLEY HOUSING DEVELOPMENT CORPORATION
of Northern Virginia

Capitol One Building • 5515 Cherokee Avenue, Suite 204 • Alexandria, Virginia 22312-2309 • (703) 642-3830

DRAFT HOUSING SPEECH

~~THANK YOU FOR INVITING ME TO SPEAK BEFORE THE WESLEY
HOUSING DEVELOPMENT CORPORATION TODAY.~~

I WANTED ~~TO~~ ^{Share} TO DISCUSS WITH YOU TODAY THE CLINTON
ADMINISTRATION'S APPROACH TO AFFORDABLE HOUSING POLICY
AND ITS IMPORTANCE TO THE ADMINISTRATION'S OVERALL
DOMESTIC POLICY AGENDA. IN ADDITION, BECAUSE I KNOW
WE HAVE ~~many~~ REPRESENTATIVES OF THE BANKING INDUSTRY
HERE TODAY, I WOULD LIKE TO TOUCH UPON THE PRESIDENT'S
DIRECTIVE TO REFORM THE COMMUNITY REINVESTMENT ACT TO
CHANGE ITS FOCUS FROM PAPERWORK AND PROCESS TO
PERFORMANCE.

~~THIS ADMINISTRATION HAS BEEN COMMITTED TO MAKING
GOVERNMENT PRO-FAMILY. WE'VE GREATLY EXPANDED THE~~

The Clinton administration has been committed from the beginning to a reinvention of government for families....as you look over our key domestic accomplishments, "family" is central:

-an economic package and indicators which show a good beginning: inflation is down, interest rates are down, the deficit is down, investment is up. And ~~in the last 10 months,~~ this economy has produced ^{2M new} more jobs in the private sector ~~than in the previous four years.~~ *in the last year*

-the Family Leave Law which says you can't be fired if you take a little time off when a baby is born or a parent is sick.

-a reform of the college loan program and national service - all designed to give more Americans a chance to broaden the

availability of further education while in many cases giving those citizens a chance to serve their communities at home, to help repair the frayed bonds of community.

-a change in the Earned Income Tax Credit which on April 15th will give between 15 million and 18 million working families on modest incomes a tax cut, not a tax increase.

-the introduction of a comprehensive health care reform plan that guarantees health security to all Americans.

~~But we must do more....we MUST do more.~~

EARNED INCOME TAX CREDIT SO WORKING FAMILIES CAN CLIMB
OUT OF POVERTY, WE'VE OFFERED COMPREHENSIVE HEALTH
CARE REFORM TO INSURE THAT ALL AMERICAN HAVE A BASIC,
AFFORDABLE PACKAGE OF HEALTH CARE COVERAGE THAT CAN
NEVER BE TAKEN AWAY, WE'VE DRAMATICALLY EXPANDED HEAD
START AND CHILD IMMUNIZATIONS, AND PUSHED FOR A
COMPREHENSIVE CRIME BILL AND PASSED THE BRADY BILL SO
THAT OUR STREETS OUR SAFER. FINALLY, WE INTRODUCED
AND PASSED THE PRESIDENT'S ECONOMIC PLAN WHICH HAS
REDUCED THE DEFICIT, HELPED BRING DOWN INTEREST RATES,
AND HELPED TO SPUR THE CREATION OF TWO MILLION NEW
JOBS.

BUT OUR DOMESTIC POLICY AGENDA WOULD NOT BE COMPLETE
WITHOUT A COMPREHENSIVE HOUSING POLICY FOCUSED ON
MAKING HOMEOWNERSHIP AND AFFORDABLE HOUSING A REALITY
FOR ALL AMERICANS.

WHEN BILL CLINTON TOOK OFFICE, AMERICA'S HOUSING
PROGRAMS WERE IN TROUBLE. AFTER TWELVE YEARS OF

NEGLECT, MISMANAGEMENT, AND CUTBACKS, THE CORPORATE ETHIC AT HUD WAS -- QUITE HONESTLY -- A DISASTER. THIS WAS TRAGIC, BECAUSE THE NEED FOR A PROGRESSIVE, COMPREHENSIVE HOUSING POLICY WAS NEVER GREATER. IN THE 1980S MILLIONS OF AMERICANS BECAME HOMELESS, PUBLIC HOUSING RESIDENTS -- WITH SOME EXCEPTIONS -- WERE TRAPPED IN A WEB OF SQUALOR AND DEPENDENCY, THERE WAS A TREMENDOUS SHORTAGE OF AFFORDABLE RENTAL UNITS, AND THE AMERICAN DREAM OF HOME OWNERSHIP WAS SLIPPING THROUGH OUR FINGERS.

HOMEOWNERSHIP AND DECENT HOUSING ARE ESSENTIAL PARTS OF THE AMERICAN DREAM. BUT FOR TOO MANY AMERICANS IN THE 1980S, HOME PRICES CLIMBED OUT OF THE REACH OF LOW AND MODERATE INCOME FAMILIES. IN THE 1980S THE RATE OF HOMEOWNERSHIP FELL IN AMERICA AFTER MORE THAN 40 YEARS OF STEADY INCREASE. THE UNITED STATES, WHICH LED THE NATIONS OF THE WORLD WITH THE MOST DRAMATIC RISE IN METROPOLITAN HOMEOWNERSHIP AFTER WORLD WAR II, HAS SINCE FALLEN BEHIND OTHER COUNTRIES. THE DROP OF

TWO PERCENTAGE POINTS IN THE HOMEOWNERSHIP RATE SINCE 1980--FROM 66 TO 64 PERCENT-- MEANS SEVERAL MILLION HOUSEHOLDS ARE DEPRIVED OF OPPORTUNITIES. FOR YOUNG ADULTS AND FAMILIES UNDER THE AGE OF 35, HOMEOWNERSHIP FELL BY 18 PERCENT IN THE 1980S. FOR VERY LOW-INCOME HOUSEHOLDS WITH CHILDREN, HOMEOWNERSHIP FELL BY 22 PERCENT. THE U.S. CENSUS REPORTS THAT 90 PERCENT OF ALL RENTERS CANNOT AFFORD TO BUY THE MEDIAN-PRICE HOME.

THIS ADMINISTRATION HAS BEEN COMMITTED TO REVERSING THIS TREND BY RENEWING OUR COMMITMENT TO PROVIDE DECENT, SAFE, AND AFFORDABLE HOUSING TO ALL AMERICANS, AND BY FORGING A NEW ALLIANCE BETWEEN THE FEDERAL GOVERNMENT, STATE AND LOCAL GOVERNMENTS, LOCAL COMMUNITY LEADERS AND ORGANIZATIONS, RESIDENTS, AND HOUSING PROFESSIONALS. BILL CLINTON CAME TO UNDERSTAND A LONG-TIME AGO THAT GOVERNMENT CAN'T DO IT ALONE. ONLY WITH PARTNERSHIPS WITH COMMUNITIES, AND GROUPS SUCH AS THE WESLEY HOUSING DEVELOPMENT

CORPORATION CAN WE DEVELOP INNOVATIVE, BOTTOM-UP STRATEGIES THAT CAN EFFECTIVELY LEVERAGE PRIVATE AND PUBLIC RESOURCES AND HELP TURN COMMUNITIES AROUND AND EMPOWER INDIVIDUALS.

LAST YEAR THE ADMINISTRATION WAS SUCCESSFUL IN WORKING WITH CONGRESS TO PASS SEVERAL INITIATIVES THAT SIGNAL A CHANGE IN DIRECTION IN THE AREA OF AFFORDABLE HOUSING POLICY:

- CONGRESS AUTHORIZED AND APPROPRIATED \$171 MILLION FOR OUR EXPANDED EFFORTS TO PROMOTE HOUSING CHOICE BY ADDING MORE THAN 4,300 FAMILIES TO THE MOVING TO OPPORTUNITY PROGRAM, PROVIDING RENTAL ASSISTANCE AND COUNSELING TO HELP ELIGIBLE LOW-INCOME FAMILIES MOVE FROM HIGH POVERTY AREAS TO COMMUNITIES WHERE POVERTY IS LESS CONCENTRATED.

• DURING THE 1992 CAMPAIGN THE PRESIDENT PLEDGED TO MAKE THE PERMANENT LOW INCOME HOUSING TAX CREDIT (LIHTC) PERMANENT, AND LAST YEAR HE FULFILLED THAT COMMITMENT. ENACTED IN 1986 AND ADMINISTERED BY THE DEPARTMENT OF THE TREASURY, THE LIHTC AND THE PRIVATE/PUBLIC PARTNERSHIPS IT CREATES ARE PROVEN WINNERS. SINCE ITS CREATION, THE LIHTC HAS HELPED FINANCE MORE THAN 420,000 UNITS OF AFFORDABLE RENTAL HOUSING, AND IT RESULTS IN THE PRODUCTION OF MORE THAN 100,000 UNITS OF LOW-COST HOUSING PER YEAR. PERMANENT EXTENSION WILL INCREASE THE EFFECTIVENESS OF THE PROGRAM BY PROVIDING GREATER SECURITY TO INVESTORS.

• THE PRESIDENT ALSO PROMISED TO PERMANENTLY EXTEND THE MORTGAGE REVENUE BOND PROGRAM. THE MRB PROGRAM HELPS MAKE HOME OWNERSHIP A REALITY FOR MILLIONS OF AMERICANS. THE

PROGRAM REDUCES MORTGAGE COSTS FOR LOWER
INCOME, FIRST-TIME HOMEBUYERS.

- CONGRESS AUTHORIZED AND APPROPRIATED \$100
MILLION FOR THE NEW COMMUNITY INVESTMENT
DEMONSTRATION PROGRAM CREATING PUBLIC-PRIVATE
PARTNERSHIPS WITH PENSION FUNDS, LEVERAGING
HUD SUBSIDIES TO PROVIDE INCENTIVES FOR MORE
THAN A BILLION DOLLARS OF NEW INVESTMENT
PRODUCING THOUSANDS OF AFFORDABLE HOUSING
UNITS. FOR \$100 MILLION IN PROJECT-BASED
HOUSING SUBSIDIES, HUD WILL BE LEVERAGING A
TOTAL INVESTMENT OF \$1.2 BILLION TO BUILD
15,000 AFFORDABLE HOUSING UNITS IN 30 CITIES
NATIONWIDE.

- IN 1993 WE LAUNCHED THE URBAN REVITALIZATION
DEMONSTRATION WITH MORE THAN ONE BILLION
DOLLARS IN GRANTS TO RESTORE SEVERELY
DISTRESSED PUBLIC HOUSING DEVELOPMENTS IN 34

CITIES. WE WILL BE CONTINUING THESE EFFORTS WITH A THIRD ROUND OF NEW GRANTS FOR FY95. THE PROPOSED 1994 ACT MAINTAINS OUR STRONG COMMITMENT TO THE FUTURE OF PUBLIC HOUSING BY STREAMLINING EXISTING PROGRAMS AND CREATING SPECIAL NEW INITIATIVES FOR JOB TRAINING AND PLACEMENT, RESIDENT ORGANIZATION, AND FAMILY AND YOUTH SERVICES.

- THE NEW EMPOWERMENT ZONE AND ENTERPRISE COMMUNITY PROGRAM ~~THAT~~ WILL PROVIDE AN EXCELLENT OPPORTUNITY TO EXPERIMENT WITH DIVERSE LOW-INCOME HOMEOWNERSHIP STRATEGIES.
- FINALLY, CONGRESS AUTHORIZED AND APPROPRIATED \$20 MILLION FOR HUD'S NEW PARTNERSHIP WITH THE NATIONAL COMMUNITY DEVELOPMENT INITIATIVE, TO BUILD THE ORGANIZATIONAL AND PROGRAM CAPACITY OF COMMUNITY DEVELOPMENT CORPORATIONS TO PRODUCE AND MANAGE AFFORDABLE

HOUSING AND GENERATE JOBS AND ECONOMIC DEVELOPMENT IN LOW-INCOME NEIGHBORHOODS. A CONSORTIUM OF PRIVATE FOUNDATIONS AND ONE LARGE CORPORATION ARE MATCHING HUD DOLLARS ON A THREE-FOR-ONE BASIS, LEVERAGING AN ADDITIONAL \$60 MILLION FROM THE PRIVATE SECTOR TO SUPPLEMENT THE \$20 MILLION FROM HUD.

~~BUT WHILE~~ WE HAVE SEEN ^{real} ~~SOME~~ PROGRESS IN THE LAST YEAR.

FOR EXAMPLE:

- THE HOMEOWNERSHIP RATE HAS INCREASED FOR THE FIRST TIME SINCE 1980. THE THIRD QUARTER HOMEOWNERSHIP RATE INCREASED AGAIN TO 64.7% -

~~AS SIGN THAT HIGH NEW AND EXISTING HOME~~

~~SALES RATES ARE HAVING AN EFFECT,~~

- 5.1 MILLION HOMES WERE SOLD LAST YEAR, A LEVEL JUST 55 BELOW THE RECORD SET IN 1978.

FIRST TIME BUYERS (~~MORE THAN 50% SINGLE~~) WERE BEHIND THAT HIGH SALES LEVEL. NATIONALLY THEY ACCOUNTED FOR 46% OF BUYERS COMPARED WITH LESS THAN 40% IN THE MID-1980S;

- AND THE AFFORDABILITY OF HOUSING HAS IMPROVED RECENTLY TO LEVELS FAR ABOVE THE DISMAL CONDITIONS OF THE EARLY 1980S.

WE STILL HAVE A LONG WAY TO GO. AND WE CAN ONLY GET THERE WITH YOUR HELP AND IDEAS.

AS I STATED EARLIER, WE CAN'T ACCOMPLISH ALL OUR GOALS WITHOUT THE FULL MOBILIZATION AND COOPERATION OF MANY VITAL PARTNERS, INCLUDING THE COMMUNITY DEVELOPMENT CORPORATIONS AND THE BANKING INDUSTRY. WE NEED YOUR HELP, YOUR SUPPORT, AND YOUR OWN ACTIVE EFFORTS TO BRING THE AMERICAN DREAM OF AFFORDABLE HOMEOWNERSHIP TO MILLIONS OF FAMILIES.

LEVERAGING IS KEY TO ALL THE NEW INITIATIVES--USING THE FEDERAL GOVERNMENT'S CONSTRAINED BUDGET IN COORDINATION WITH ADDITIONAL PRIVATE AND PUBLIC INVESTMENT, RESOURCES, AND EXPERTISE. THIS IS PART OF REINVENTING GOVERNMENT--MAKING OUR POLICIES MORE EFFECTIVE BY SERVING AS A CATALYST.

LET ME GIVE YOU ONE EXAMPLE. AT THE WHITE HOUSE WE ARE WORKING CLOSELY WITH HUD ON HOW TO MORE EFFECTIVELY LEVERAGE THE RESOURCES OF GOVERNMENT SPONSORED ENTERPRISES, IN PARTICULARLY FANNIE MAE AND FREDDIE MAC, WITH FEDERAL DOLLARS TO PROMOTE AFFORDABLE HOUSING AND GREATER HOMEOWNERSHIP OPPORTUNITIES IN LOW INCOME COMMUNITIES. THE FEDERAL HOUSING ADMINISTRATION RECENTLY ANNOUNCED THE GSE GOALS OF 30% FOR FANNIE MAE AND FREDDIE MAC, REQUIRING THEM BY LAW TO PURCHASE BILLIONS OF DOLLARS IN ADDITIONAL MORTGAGES TARGETED TO CENTRAL CITIES, LOW AND MODERATE INCOME HOMEBUYERS AND SPECIAL NEEDS BORROWERS.

WE ARE ALSO EXPLORING FHA RISK SHARING INITIATIVES
WITH GSES--FOR EXAMPLE, PACKAGING GEOGRAPHICALLY
TARGETED MORTGAGE BACKED SECURITIES FOR INVESTORS SUCH
AS UNIVERSITY ENDOWMENT FUNDS

NOW I WOULD LIKE TO TAKE THE OPPORTUNITY TO GIVE YOU
AN UPDATE ON CRA REFORM

AS MANY OF YOU KNOW, CRA'S FULL POTENTIAL HAS REMAINED
UNREALIZED. ITS IMPLEMENTATION HAS FOCUSED TOO MUCH
ON DOCUMENTATION AND PROCESS, AND NOT ENOUGH ON ACTUAL
PERFORMANCE. BANKS COMPLAINED ABOUT EXCESSIVE
PAPERWORK AND INCONSISTENT IMPLEMENTATION OF THE LAW.
COMMUNITY GROUPS COMPLAINED THAT THEIR COMMUNITIES
REMAINED UNSERVED, AND THE CRA EVALUATIONS OFTEN
FAILED TO REFLECT ACTUAL COMMUNITY REINVESTMENT
ACTIVITIES.

LAST JULY THE PRESIDENT DIRECTED THE FOUR BANKING
REGULATORS, THE OFFICE OF THE COMPTROLLER OF THE

CURRENCY, THE OFFICE OF THRIFT SUPERVISION, THE
FEDERAL RESERVE, AND THE FEDERAL DEPOSIT INSURANCE
CORPORATION TO REFORM CRA BY JANUARY 1, 1994. THE
REGULATORS MET THE PRESIDENTS DEADLINE AND FOR THE
LAST SEVERAL MONTHS THE NEW CRA REGULATIONS HAVE BEEN
AVAILABLE FOR PUBLIC COMMENT. BECAUSE OF THE
IMPORTANCE OF THIS INITIATIVE, WE EXTENDED THE COMMENT
PERIOD TO MARCH 24. AFTER WHICH THE REGULATORS WILL
BEGIN THE PROCESS OF REVIEWING THE COMMENTS AND MAKING
APPROPRIATE CHANGES. WE EXPECT THE FINAL RULES TO BE
ISSUED IN EARLY SUMMER.

~~CLOSING.~~

~~nature...none of the other things we seek to do will ever take us where we need to go."~~

As we review programs/legislation/regulations/ideas we
~~must~~ *always remember that the repairing of the wayed roads of the fabric of our society*
~~No, it can't be done by government PROGRAMS~~ *alone* in the

traditional sense but we in government need help in thinking through how we best stimulate this process of individual, family and community healing and growth, that is where real reinvention must occur.

I am reminded inwardly on a constant basis of what an elderly physical therapist who had dedicated her life to young disabled children told me early in my son's life...she said, "Carol, I don't know a lot of philosophy or theory about programs for children like Hamp, but I think the best thing I can tell you as a parent is to remember the words of Joseph Addison, an essayist, poet "Everyone must have

Something to do

Someone to love

Something to hope for."

And how right she was and is in the case of not only Hamp,
but ^{all} people with whom I've worked ~~with~~ and worked for....and
so at each age of life in our quest to reinvent how we
approach the problems of ^{our fellow citizens} ~~the urban poor~~ we must ask

What do they have to do? If a young child, what is the
preschool program available? Can they play, dance, sing, and
soar? If a child, is school relevant? Is school safe? I was
struck this morning as I went to my door to get the paper.

My daughter, in an attempt to make SURE I didn't forget to

*If an adult? work
service ¹⁰
parenting skills*

Until our communities get as fired up about our schools as we/they do about athletic teams, car manufacturing plant locations, Olympic sites, etc. we won't have a good answer to the question: What have we given the children – young and adolescent to DO?

And for adults: What do they have to do?

Number 2: Someone to love...and we all know that before you can love another, you must love yourself. Think about children's faces you've seen in ~~urban-poor~~ neighborhoods, adults you've passed on those streets....do they have much to love about themselves? Many don't and therefore we can't truthfully expect the love to flow outward.

Number 3: Something to hope for... My daughter who didn't want to miss a day of the eighth grade today has many hopes and I both thrive in that gleam of hope in her eyes constantly look for ways to nurture and keep that sparkle present... help me, help our administration look for ways to create that hope for all citizens of this great country. Health security frees up a family for hopes and dreams, safer streets help free children to look at what education can be for them, ^{a home creates a sense of worth,} but untreated ear infections, uncorrected vision problems, lack of immunizations, ^{a safe haven} school buildings in AMERICA where children must wear their coats in order to be warm enough to even begin to pay attention...and we wonder where hope has gone?

In the Enterprise Zone legislation we have an opportunity to test our real commitment to reinvention...will we truthfully recognize the need for integration of human development and

development and economic opportunity -- and the struggles some of us had in our communities bringing those two "camps" together was and is a great learning experience.

To put things bluntly, it isn't often ^{enough} we see in a community ~~an one like yours~~ ^{where people} ~~whether a block, a zone, in the power centers of a large city, in the boardroom, public or private...it's not often we find social workers, health care outreach personnel, early childhood and K-12 front line educators, government workers and "big business" types sitting down together...each has had their own niche and seldom the twain have met.~~ I submit to you that until ^{make communities do this} ~~each side -- human development and economic~~ ^{"meeting of the minds"} ~~development are willing to sit at a common table~~ - real ^{citizens} ~~reinvention of government for families~~ will not occur. We can make application procedures simpler for families seeking help, we can legislate incentives and tax credits, we can give health

security, we can write more meaningful standards for our students... ~~all on the one side known as human development~~ and we can talk about investments, deficits, inflation, job creation, etc. ~~on the economic development side~~ but until we recognize that giving people at every age

(1) something to do;

(2) someone to love; and

(3) something to hope for

are all a part of a mandatory whole just as people and families and communities are both parts and "whole" entities" ...

we will not have accomplished the task before us.

