

REAL ESTATE

Bill Clinton's Vision on Housing

President-Elect Expected to Put High Priority on 'Rebuild America'

By H. Jane Lehman
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Bill Clinton plans to take a sympathetic view of housing over the next four years in part by proposing an infusion of federal funds and the implementation of a re-designed housing delivery system.

The higher visibility given to housing during the campaign is intended to create a bigger mandate to impose Clinton's ambitious agenda for housing affairs after the election, said Marc A. Weiss, a real estate professor at Columbia University in New York and Clinton's spokesman on housing issues.

Clinton's commitment to housing matters is genuine, observers said.

"One thing about Bill is that he identifies in the real sense with people who may not have a lot of means to buy a house," said Lindell Lay, a Little Rock, Ark., lending official who has worked with the governor's office to help finance low-income housing.

Clinton grew up in a family of modest means in Hope, Ark. As a boy, Clinton lived briefly in a house with no indoor plumbing.

The housing cause also may find a second White House advocate in Hillary Clinton. Although long aligned with children's issues, she has demonstrated an interest in housing that has gone largely unnoticed, observers said.

Bill Clinton frequently cites Tampa's Resurrection for Affordable Housing program as a model for rehabilitating condemned housing and reselling it to low-income families, but it was Hillary Clinton who earlier this year visited program headquarters for an in-depth look, said Fernando Noriega, manager of community redevelopment for Tampa.

Paul S. Grogan, president of the Local Initiatives Support Corp. (LISC), a group that trains community

groups to tackle neighborhood housing problems, recalled a meeting with Hillary Clinton at a conference in Texas.

Grogan said Hillary Clinton was well informed about his organization and housing issues in general. "It is a more recent interest of hers, but it is certainly intense," he said.

Weiss confirmed housing has captured Hillary Clinton's attention. "She knows a lot about it and cares a lot about it," he said, particularly in the area of "housing [rehabilitation] and how it stabilizes neighborhoods and communities."

Grogan noted that Hillary Clinton, a successful lawyer, serves on the corporate boards of several companies that, along with Gov. Clinton, successfully wooed LISC into recently starting an Arkansas operation.

Hillary Clinton also has served in the past as national chairman of the Legal Services Corp., which provides free representation on civil legal matters to indigent people. Legal Services deals with a number of low-income housing issues, including housing discrimination and evictions, Weiss said.

The Clinton commitment to housing should become apparent within the first 100 days of taking office, Weiss said.

Housing and community development are components of the economic growth package, referred to as the "Rebuild America" plan, which Clinton has promised to send to Congress as his top legislative priority. Weiss said, however, he would expect to see the proposal become reality by June at the earliest.

Part of the "Rebuild America" plan includes an unspecified but "more significant commitment of resources and money into housing and community development" after 12 years of modest funding, Weiss said.

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Housing Expected to Be High Priority in Clinton Administration

HOUSING, From E1

Of more immediate concern, however, is the rescue of two tax credits that Clinton strongly supports, Weiss said.

The day after the election, President Bush vetoed a tax bill that would have extended the mortgage revenue bond program that provides low-interest rate financing to less affluent first-time buyers and the low-income housing tax credit that promotes low-income housing production. Funding for the programs ends Dec. 31.

"The timing is crucial," Grogan said. "Any long interruption could severely damage the affordable housing [production] pipeline next year."

During Clinton's first year, Weiss said, there likely would be a White House summit on housing and homelessness, the first such conference in 60 years.

The idea, Weiss said, is to rebuild the national coalition of housing groups that last flourished in the 1970s, find a common agenda, increase housing resources and let the federal government take a more hands-on approach to housing.

Another initiative on Clinton's agenda is expected to be the creation of individual development accounts for people earning no more than 20 percent of the poverty level. In 1991, the poverty level for a family of four was \$13,924.

Under this plan, the federal government would match money saved in these accounts for, among other purposes, the purchase of a first home.

Clinton will focus on the problems of first-time buyers of more substantial means by expanding the Federal Housing Mortgage (FHA) loan program, Weiss said.

Not only does Clinton plan to push for an increase in the FHA loan limit geographically to 95 percent of median sales price, but to further reduce the program's low down payment requirements in tandem with increasing borrower credit counseling, Weiss said.

Clinton also plans to seek a new housing delivery system in which the

federal government acts as facilitator but relies heavily on other housing-services providers to carry out the plan.

Clinton relied on the Arkansas Finance Development Authority (AFDA), which he expanded during his terms as governor, to play a similar role, said AFDA President Bob Nash.

Historically, the federal government has retained control of as well as provided funding for construction and rehabilitation of low-income housing.

But Clinton "does not think government alone can solve the housing problem," Nash said.

Other housing-services providers that must be brought in include non-

profit housing groups, state and local housing finance authorities and private-sector interests, such as commercial bankers, investment bankers, mortgage bankers and home builders.

Ironically, the nonprofit housing development corporations that Clinton plans to rely on sprung up to fill the low-income housing construction void created under the hands-off policies during the Reagan and Bush administrations, Grogan said.

The nonprofit developers "seem to embody the values Clinton is looking for in social policy," Grogan said. "He wants a decent apparatus with a local flavor and a strong self-help dimension."