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THE PRESIDENT HAS SEEN....
THE WHITE HOUSE
WASHINGTON



November 6, 1975

MEMORANDUM FOR THE PRESIDENT

FROM: L. WILLIAM SEIDMAN



SUBJECT: Release of the Labor-Management
Committee Housing Proposals

The Labor-Management Committee submitted to you yesterday a series of five proposals to stimulate the housing industry. They also requested that you make public their recommendations.

Secretary Dunlop strongly urges that you comply with the Labor-Management Committee's request and make public the Committee's housing recommendations. Secretary Hills strongly recommends that the Labor-Management Committee recommendations not be released on the grounds that releasing the recommendations will:

1. Intensify pressure group and additional congressional activity in support of them.
2. Increase public awareness of the policy differences between HUD and the OMB on the Tandem Plan, the Section 202, and the Section 802 programs.
3. Leave the appearance, if the proposals are adopted, that the principal impetus came from the Labor-Management Committee and not from housing industry groups. These same proposals have been advanced to members of the Administration by a number of other special interest groups without being made public.

You were originally scheduled to meet with the National Association of Home Builders on October 20. The meeting was postponed and has been tentatively rescheduled for the week of November 17. I am informed that the Home Builders are expected to make a number of

similar recommendations to you, including urging implementation of the GNMA Tandem Plan authorization (Labor-Management Committee Recommendation No. 1) and implementation of the Section 802 program (Labor-Management Committee Recommendation No. 4).

The Labor-Management Committee's Recommendations 1, 2, and 4 are proposals that are presently under consideration by HUD, OMB, and the Domestic Council in the budget process and are ready for presentation to you during your discussion of the HUD budget, which is scheduled for the week of November 10. A report on the status of each of these recommendations is attached at Tab A.

Jim Lynn, Alan Greenspan, and Jim Cannon concur in Secretary Hills' recommendation that you withhold release of the Labor-Management Committee housing recommendations until after you have reviewed each of these proposals in the budget process.

HOUSING PROPOSALS FROM THE
PRESIDENT'S LABOR-MANAGEMENT COMMITTEE

1. Proposal: Use \$3 billion of the \$5 billion in GNMA's Tandem Plan authorization for purchase of multi-family rather than single-family mortgages.
2. Proposal: Assure effectiveness of the newly implemented Section 202 housing program for the elderly and handicapped and of the reactivated Section 235 Home Ownership Assistance Program by efficient application processing and adjustment of Section 235 mortgage limits to accommodate construction costs in high-cost areas of the country.
3. Proposal: Accelerate processing of Public Housing and Section 236 Subsidized Rental Housing projects now in the pipeline and make allowances for construction cost increases since initial application was made, so as to speed construction and maximize countercyclical impact.
4. Proposal: Facilitate implementation of the Section 8 housing program by activating the Section 802 program of federal guarantees for state housing finance agency bonds and apportioning the appropriated \$15 million for interest subsidies on such state agency obligations.

Status: Each of these proposals is ready for presentation to you during your discussion of the HUD Budget which is scheduled for the week of November 10th.

5. Proposal: Finally, because existing policies and programs have been incrementally developed with various objectives in mind, governmental housing programs have become exceedingly complicated and may not be sufficiently integrated with the general economy and with policies and programs to provide needed housing. Thus, the Committee recommends the Administration conduct a thorough reappraisal of the country's housing delivery system as soon as possible.

Status: Reappraisal of the housing delivery system is an ongoing process. At the present time, Secretary Hills is conducting a thorough review of the FHA. In 1974, HUD completed a major policy review of all Federal housing programs and issued a report called Housing in the Seventies.

Jim

I plan to keep this
hear for the time being.

Trudy

11/14