



# White House Unveils Fiscal Year 1999 Budget

By Michael J. Novogradac, CPA

President Clinton Feb. 2 unveiled his fiscal year 1999 budget blueprint that includes provisions to bolster affordable housing and economic development investment nationwide. Perhaps most striking, the president proposed boosting the low-income housing tax credit cap from the current \$1.25 per capita to \$1.75 per capita, restoring the cap to its 1986 level. This translates to an investment of \$1.6 billion over five years. Other affordable housing-related items on the president's wish list include a \$50 million increase in the Housing and Urban Development Department's Community Development Block Grant (CDBG) program and \$20 million in new funds to help 13,000 low-income families receiving Section 8 vouchers find homes outside their neighborhoods.

The White House also proposed \$50 million in additional HOME grants for a total of \$1.55 billion. This translates to 78,520 units of affordable housing for low- and moderate-income families through new construction, acquisition and rehabilitation projects. Clinton's budget also proposes to invest \$11 million to establish a HOME Bank, which would provide \$100 million in loan guarantees to enable localities to finance more multifamily and single-family developments in low-income areas. ❖

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