

Housing and the White House

By Michael J. Novogradac, CPA

Four authors, bringing different experiences and perspectives that include government service, trade association leadership and housing research center guidance, agree on the gravity of the nation's housing problem. In a bipartisan effort, Republican Jack Kemp and Democrat Henry Cisneros, both former U.S. Department of Housing and Urban Development Secretaries, and Kent Colton, former executive vice president and CEO of the National Association of Home Builders and currently a senior scholar in housing studies at the Joint Center for Housing Studies, Harvard University, and Nicolas Retsinas, director of the Joint Center for Housing Studies at Harvard University, join forces in a forthcoming book, "Opportunity and Progress: A Bipartisan Platform for National Housing Policy," to reassert housing as a national priority and ask that the federal government take its place in partnering with states, localities and both public and private organizations to address housing issues throughout the nation.

In a presidential election year, it is important that we in the affordable housing industry not only understand the gravity of the country's housing problems as expressed by these four but also to know as much as possible about the two presidential candidates and their platforms on housing production and rehabilitation.

President George Bush, outlining his priorities for a second term, indicated the war on terrorism will not stop efforts to create what he calls an "ownership society," including new tax breaks as a part of that society. The Republican Party Platform, "A Safer World and a More Hopeful America," adopted at the Republican Convention, recognizes that homeownership is central to the American dream and supports efforts to enact the Single Family Affordable Housing Tax Credit Act. The platform also urges states and localities to work with local builders and lenders to eliminate the burdens that price many families out of the market and sees no role for any federal regulation of homebuilding.

In addition to ownership initiatives, the Republican Party says it recognizes the need for a balanced national housing policy that acknowledges that decent housing includes apartments and addresses the needs of all

citizens, including renters. While not specifically supporting the low-income housing tax credit, observers say the Republican Party Platform supports the policy behind it and underscores that providing affordable housing, whether through ownership or rental, is a fundamental principal of the Republican Party. It does foresee, however, a larger role for state and local governments in controlling the federally assisted housing "that has been so poorly managed from Washington" and encourages the modification of restrictions that inhibit the rehabilitation of existing distressed properties. In his acceptance speech at the convention, Bush set a goal of increasing the public and private supply of housing by 7 million units over the next 10 years.

In its "Strong At Home, Respected in the World" Platform, adopted at Democratic National Convention that nominated Sen. John Kerry as its candidate, the Democratic Party supports "quality housing opportunities and a balanced housing policy for all Americans, defending good rental housing and extending the American Dream of homeownership" to more families. "At a time when so many families are losing their homes and life savings to unscrupulous lenders," the platform reads, "we will rein in predatory lending and expand access to mainstream financial services for urban families." In a position paper released in July, Kerry specifically pledged support for Section 8 housing, HOPE VI and the low-income housing tax credit.

Nation's Building News Online the week of August 30, carried a presidential candidate square-off on housing issues. We encourage you to visit www.nbnnews.com and read what the candidates had to say on housing's role in the country's economic recovery; what a Bush and a Kerry administration would do to ensure that housing production and sales would continue to lead the economy forward; the role Fannie Mae and Freddie Mac play in the secondary mortgage market; the value the two GSEs have added to the housing finance system and how Bush and Kerry stand on the debate over their regulation; where each presidential candidate stands on restructuring the tax code and the elimination of mortgage deductibility; how each views today's housing affordability problem

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and what specifically their administration would pursue to help close the gap between those who can afford a home and those who can't; and what each candidate's administration would do to encourage local and state governments to eliminate excessive fees and regulations.

According to Cisneros, "the president and members of Congress have a great opportunity before them to achieve more effective long-term housing policy." We in the industry also have a great opportunity: to choose the policies and elect the officials who will fund new units of affordable housing, ensure renewal funding for the rental and operation of those units, encourage the elimination of regulatory barriers to produce workforce housing, enact a homeownership tax credit, expand existing federal programs, eliminate predatory lending and create a framework that will support the GSEs and their mission. According to Kemp, "From our beginning as a nation, we have defined progress by articulating a vision of what we yearn to be – and acting on it. Our actions in support of housing opportunity and home ownership to implement this vision will help mark our progress as a nation." ❖