

have required that any properties in which they invest must meet the standards set forth in the TAMs.

It is important to note that the Treasury Department agreed that this was an issue worthy of review and placed it on this year's Treasury Department/Internal Revenue Service business plan. I understand that there may be some guidance in the pipeline on one of the items addressed by the TAMs, but there does not seem to be much progress on a full review of the impact of the positions taken in the TAMs on the policy goals of the low-income housing tax credit program.

It is important to understand that this legislation will not increase the number of low-income housing tax credits available. The maximum amount of credits that states may allocate to developers of affordable housing properties is set by the Internal Revenue Code. Thanks to legislation that we enacted last year, that amount available to each state will increase next year to \$1.75 times the state's population. That is a hard cap on the revenue impact. Since the unmet demand for affordable housing is many times greater than what can be built with the help of the credit, our legislation should not affect revenues. In fact, the only way for this legislation to have a revenue impact is if the legislation makes it easier for the states to use the credits we intend for them to have under present law.

What this legislation does, however, is very important. To understand its importance, it may be useful to have a little background on how the low-income housing tax credit works. In economic terms, the credit is equity financing which replaces a portion of debt that would otherwise be necessary to finance a property. By replacing debt, credits work to reduce interest costs. This allows a property to be rented at lower rates than otherwise would be the case.

States allocate credits to individual properties based on criteria provided in the Internal Revenue Code and additional criteria they establish to provide affordable housing that closely matches the needs of the state's population. A state, thus, has a strong incentive not to allocate more credits to a property than necessary, because, if it did, it would have fewer credits to allocate to other properties.

In addition, the amount of credits a state may allocate to a particular property is limited by the Internal Revenue Code. The limit is determined as percentage of the basis of a property. The basis is, generally speaking, the costs of constructing a building that is part of an affordable housing project. The percentage is 9 percent for a new building that is not otherwise federally subsidized, and 4 percent for existing buildings and new buildings that receive other federal subsidies. Thus, the smaller the basis is, the fewer the credits that may be allocated.

The problem is that the TAMs take the position that certain construction costs should not be included in basis. The effect of this position is to make a large number of affordable housing properties financially infeasible and weaken the economics of those that still pass minimum underwriting requirements. The loss of equity would affect most severely properties that serve the lowest income tenants, provide higher levels of service or operate in high cost areas. The reason for this is simply that reducing the amount of credits does not reduce the development costs. It merely removes a

source of financing, forcing either higher rents or lower quality construction.

In many cases the largest item that would be excluded from eligible basis under the TAMs are impact fees. These fees, covering a wide range of infrastructure improvements including, sewer lines, schools, roads, are imposed because of the "impact" of construction of the improvements on the land and would not be incurred if the land remained undeveloped. Certainly, whether or not they are includible in basis for the purpose of calculating the amount of tax credit, these costs will be incurred and will impact the economics of the property. This legislation will clarify that these costs are includible in eligible basis.

Other items that would be severely restricted or excluded from eligible basis under the interpretations expressed in the TAMs are site preparation costs, development fees, professional fees related to developing the property, and construction financing costs. The legislation we are introducing today will clarify that any cost incurred in preparing a site which is reasonably related to the development of a qualified low income housing property, any reasonable fee paid to the developer, any professional fee relating to an item includible in basis, and any cost of financing attributable to construction of the building is includible in basis for the purpose of calculating the maximum amount of credit a state may allocate to a low-income housing property.

The intent of these clarifications is simply to codify common industry practice before the issuance of the TAMs. Not only will the legislation allow the low-income tax credit program to provide better quality housing at lower rental rates than would be possible if the positions taken in the TAMs are followed, but clarification will help simplify administration of the credit by giving both taxpayers and the Internal Revenue Service a clearer statement of the standards that apply in calculating credit amounts.

Our economy is not doing as well as we thought it was a year ago when I first spoke about this issue. We are going to need even more affordable housing than we thought last year. We should be proud that we increased the amount of low-income housing tax credits that will be available to help finance this housing. What we need to do now is to make sure that these credits are used as efficiently as possible to provide housing for those who need it the most. The legislation we are introducing today will help achieve that goal.

TRIBUTE TO THE PRESBYTERIAN CHURCH

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 2001

Mr. PALLONE. Mr. Speaker, I would like to call to the attention of my colleagues, the 275th Anniversary of the Presbyterian Church in New Brunswick, New Jersey.

The tradition of this historic and noble church has lasted the test of time in its service to its denomination community, state and nation. The church has served Governors, NJ and U.S. Supreme Court Justices, as well as many patriots and leaders in our war for independence.

For the past 275 years, New Brunswick Presbyterian Church has served its community and its people seven days a week, 365 days a year. It is being commended today for not only serving their common interest but also opening their church up to others through such programs as meals on wheels campaign and child development centers.

The church is a landmark in the city of New Brunswick and is an incredible asset to the people of its congregation and beyond.

Today I ask my colleagues to congratulate not only the New Brunswick Presbyterian Church but also the entire community of New Brunswick for 275 years of religious service.

HONORING TONY VALTIERRA

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 2001

Mr. RADANOVICH. Mr. Speaker, I rise today to recognize Tony Valtierra for receiving the President's Award presented by the Central California Hispanic Chamber of Commerce. This award pays tribute to Mr. Valtierra's involvement in the Hispanic business community. Mr. Valtierra's active involvement has made him a role model for the members of his local community.

Tony Valtierra descends from Mexican parents and grew up in Southern California. At a young age he met Mr. Herb Goffstein who became his mentor. Due to the close relationship that developed between them, he followed Herb in his move to Atlanta, Georgia. Once there, he worked with Hanes and the Coca-Cola Company in various Olympic venues during the 1996 Olympic Games. From there he followed Herb back to the Central Valley, where Herb and Mr. Valtierra started A-Champion Advertising Specialties and where Tony fell in love with Fresno and its people. He is proud to make Fresno his home, as Fresno has been very good to him.

Mr. Speaker, I rise to recognize Tony Valtierra for his commitment to improving the lives of people in the community. I urge my colleagues to join me in wishing Mr. Valtierra many more years of continued success.

THANKS WOODBINE

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 2001

Mr. CUNNINGHAM. Mr. Speaker, I want to take a brief moment of our time today to give my hearty thanks to the people at Woodbine Rehabilitation and Healthcare Center.

Woodbine is a 307 bed healthcare center, located near Old Town Alexandria, providing long and short-term healthcare and a full range of rehabilitation therapies. It is at Woodbine where I found myself after my recent knee replacement surgery.

The people of Woodbine cared for me as if I was a member of the family. I could not have asked for better care while I was there. I want to thank Dianne Defusco, the Director of Admissions, and all the people who took their time to care for me and look after me while I was there.

My family and I are all grateful for their hard work and commitment.

PAYING TRIBUTE TO EDWARD
ASWAD

HON. MAURICE D. HINCHEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 2001

Mr. HINCHEY. Mr. Speaker, I rise today to pay tribute to Edward M. Aswad, Photographer & Author, as he will be inducted in a star ceremony in the Binghamton Sidewalk of Fame.

This recognition honors the professionalism, integrity, and artistic vision that Ed has demonstrated throughout his years in the photography business and his talent and success as an author. Ed calls his camera "a passport to many facets of life."

Ed received his first camera as a child living on Cypress Street in Binghamton, NY. Since that time his life has been entwined with photography. During military service from 1954 through 1958 he received intensive training and opportunities in the art of photography working in the headquarters of the United States Army Signal Corps.

He earned recognition and promotions as a photographer/correspondent, recording events of military, government and civil importance. His work has been featured in military publications, court records, and civilian newspapers both in the United States and overseas.

Ed received a letter of commendation for serving above and beyond the call of duty on a burning ship docked in Honolulu, Hawaii. He entered the hold of the ship with a cadre of firefighters who were removing vats of kerosene before the fuel could explode. He spent three days and two nights on the premises recording the crisis, and was cited for his dedication, professionalism and award-winning photographs.

Upon discharge from the United States Army, he returned to the Triple Cities and began his professional career as an industrial photographer for General Electric in Johnson City. During eleven years with this company, Ed received numerous professional awards. In 1969, Ed became a partner in Carriage House Photography, where he expanded his reputation for technical and artistic abilities.

His recording of buildings, now gone, and of the current use of these sites, his views of parks, rivers, events, and the people whose lives shape our area, have made his photographs synonymous with Broome County. His work is prized and featured in local businesses, the Broome County Chamber of Commerce, civil and government releases, and is in use as background sets on local television stations.

Mr. Speaker, I am delighted to salute Ed for his many years of devotion to the art of photography. Ed is a most deserving honoree of the Star.

WAIVING POINTS OF ORDER
AGAINST CONFERENCE REPORT
ON H.R. 2620, DEPARTMENTS OF
VETERANS AFFAIRS AND HOUSING
AND URBAN DEVELOPMENT,
AND INDEPENDENT AGENCIES
APPROPRIATIONS ACT, 2002

SPEECH OF

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 8, 2001

Ms. KAPTUR. Mr. Speaker, I would like to thank our Chairman JIM WALSH and our Ranking Member ALAN MOLLOHAN and all the staff that assisted in crafting this bill VA-HUD FY02 Appropriations bill. Faced with the allocation provided to the subcommittee, I believe the bill before us is a good and balanced product, which I support and plan to vote for today. The allocation, however, was simply inadequate to take care of our veterans and their truly pressing needs. All around our country veterans wait too long for doctors appointments, are disabled by substance abuse and mental illness, far too many are homeless, and surely it is nothing less than a crisis that a backlog of more than 500,000 claims for compensation and pension benefits are pending before the VA today.

I am, however, happy to note that this report does provide an important first step toward ensuring that veterans suffering from schizophrenia have greater access to new and vitally important atypical anti-psychotic medications. Under the provision, a physician's practice of prescribing atypical anti-psychotic medications must not be used as performance indicators when evaluating the physician's work. The provision also clarifies and reiterates the policy that physicians are to use their best clinical judgment when choosing these critical anti-psychotic medications.

The Environmental Protection Agency (EPA) is provided with \$7.9 billion — \$74 million more than the FY01 funding and \$587 million more than requested. The measure provides full funding for EPA enforcement activities and staff. I am pleased that changes were made from the House bill that would have significantly reduced EPA enforcement staff and shifted more enforcement duties to states.

The Department of Housing & Urban Development (HUD) is funded at a level of \$30.1 billion — \$1.7 billion more than FY01 appropriations, but \$433 million less than requested. It includes funding for 25,900 new Section 8 rental vouchers to provide housing assistance to additional families. There were increases in the Conference report for housing programs for the elderly, disabled, and persons with AIDS.

I am disappointed that the Conference did not provide the Senate's appropriation of \$300 million for HUD's Public Housing Drug Elimination Grant Program. This program fits several of the U.S. Department of Housing and Urban Development's main strategic goals: improving quality of life, promoting economic vitality, and keeping communities and neighborhoods safe. Housing authorities are specifically required to develop, in cooperation with local police, plans that ensure safety and crime prevention. Crime statistics show that crime has dropped nation wide and especially in our cities and public housing facilities since

this program was created. I again am very disappointed that his program has been eliminated, with no clear replacement that is accessible to localities.

The National Credit Union Administration provides \$1 million for the Community Development Revolving Loan Fund for loans to community development credit unions. Of this amount \$350,000 is provided for technical assistance to low income and community development credit unions. Technical assistance grants are available to low-income designated credit unions and those credit unions that expand service to low-income communities or investment areas. The purpose of these awards is to strengthen these credit unions by funding the following activities: improved technology and service delivery systems; economic development; consumer and entrepreneurial education; micro-enterprise business development; employment opportunities for through community business development; and credit union infrastructure and staff development.

Once again, I appreciate the hard work behind this bill but am deeply concerned that as we prepare to honor veterans on Veterans Day that an inadequate allocation will prevent us from providing this nation's defenders and protectors of liberty with the services and benefits they deserve.

RECOGNIZING PUBLIC SAFETY
INDIVIDUALS

HON. NICK LAMPSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 2001

Mr. LAMPSON. Mr. Speaker, the tragedies that befell our country on September 11th claimed many lives and caused our Nation great pain. These tragedies have given us a strong reminder and renewed our understanding of what extraordinary work our public safety professionals do on a daily basis. These men and women symbolize bravery and courage, two of the founding pillars that laid the framework for our great Nation.

As they proved on September 11th, our public service professionals are a lifeline to those whose lives are in danger. They are the brave souls who risk life and limb to save our own, and for that we are eternally grateful. They are the rock we lean on when it seems like things are caving in. They are quite simply heroes.

In keeping with honoring those who symbolize bravery and courage, I rise to recognize the public safety professionals from across the 9th Congressional District of Texas. Their professionalism, dedication and strong work ethic make me extremely proud to call myself a Southeast Texan. Words cannot express the gratitude that I, along with my fellow Texans, share for the work that our uniformed officers do.

And as I rise to recognize our public safety individuals, we must never lose sight of how critical they are, not only in times of need, but in our everyday lives. Let us today reaffirm our support and commitment to all of the Nation's law enforcement officers, firefighters, emergency medical technicians and all other uniformed professionals as they selflessly serve their communities.