

Legislative limelights . . .

IHA bond bill — a spur to home construction

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BOISE — Almost lost in the political rhetoric swirling about the more emotional issues is one proposal that most Idaho legislators and businessmen agree is perhaps the most important on the economic front.

This is House Bill 378 which provides for raising the Idaho Housing Agency bonding limit from \$200 million to \$400 million in low-interest housing.

This bill could rejuvenate the lagging housing construction industry, particularly in East Idaho. More important it would help the distraught low-income families, especially senior citizens.

The Idaho Housing Agency, which administers this program, also finances low-rent housing projects.

This bill incurred opposition of the powerful real estate lobby at Boise where there has been an over construction in housing. It was natural the building developers didn't want the low interest housing as compared with high interest home construction they favor.

Idaho Falls realtor Joe Clayton explained the situation at the Greater Idaho Falls Chamber of Commerce legislative breakfast last week in warmly supporting the bill, as compared with the opposition from the Boise housing interests.

He said Boise has over built, but Idaho Falls has not, and it can use this low cost housing not only in Idaho Falls but in most places of the Upper Snake River Valley.

A legislator who is gradually becoming one of the most respected in the Legislature, Rep. Darwin L. Young, R-Blackfoot, is sponsoring the bill. It's to his credit and many others that the bill hurdled the House last week 42-28 and went to the Senate.

The Boise housing interest hand was seen, however, in referring the bill to the closely-knit Senate State Affairs Committee, which is made up lar-

gely of the Senate leadership.

The bill proponents claim there is a move afoot to bottle this bill in committee, and they accused the outspoken Senate President Pro Tem Reed Budge, R-Soda Springs, as the leader in this movement.

It has largely been the crusading newspapers, senior citizens and the low income people who have pressed for this legislation. It's the newspapers who seek to protect the people's interests, because the vested interests are well represented by well-heeled lobbyists.

With inflation running amuck on building interest costs, the IHA loan program remains about "the only game in town."

The housing agency directors are made up of public spirited citizens appointed by the governor. One of these is Art Detrick, who has been closely identified with many progressive civic activities in Idaho Falls, serving previously as a Bonneville County commissioner.

The House debate from opponents charged the subsidized low housing units were a threat to private enterprise. But how that can be, when private enterprise home construction has been drowned in upward spiralling interest rates, is difficult to see.

Since 1975, the IHA has granted about 2,500 home loans to eligible Idahoans. Rules now require applicants to have family income under \$14,500 and a prospective home under \$45,000. Loans usually run about 3 percent under current interest

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rates and the housing agency underwrites the difference.

At today's high housing prices and high interest rates, the agency's services have never been needed more. The demand for low income housing is high, but so are prices and interest rates. That makes low-interest loans more needed than ever.

IHA charged mortgagee interest rates varying from 6.875 to 7.5 percent in the last fiscal year. During that same time, interest rates charged for conventional loans ranged from 9.5 to 10 percent, and have since gone over 12 percent.

It must be remembered that taxpayers foot no part of the agency's loan program. Since an average of only 25 to 30 percent of the agency loans are made on new houses, its loan program is hardly leading to overbuilding.

Unless this new money is forthcoming, the agency will run out of loans in a few months. The first \$200 million is about exhausted, thus the need for \$200 million more.