

Housing

continued from page 1

resources of Dallas' financial community against one of the city's greatest social ills.

"It is promising. It is excellent," said Art Wheddington, an inner-city activist who has frequently criticized banks for ignoring the needs of Dallas' low-income residents.

"I think this will put affordable housing within the reach of many," said Dallas Housing Authority chief Alphonso Jackson.

Organizers declined to disclose which banks have committed to the program. They would only say that the group includes many of the largest institutions in the Metroplex and that they hope to secure a couple more commitments before next month's formal announcement of the program.

An official at NCNB Texas National Bank, the area's largest bank, confirmed NCNB's involvement as "one of the lead banks" in the partnership.

Anthony Snell, housing development manager for the City of Dallas, said that the banking community, by committing \$50 million to the partnership, already has exceeded any single influx of housing funds in Dallas from government sources, including the federal government.

"This is the largest program of its kind in the city," Snell said. "The bulk of your larger lending institutions will be participating."

Discussions about a bank partnership to improve housing in Dallas actually date back at least a couple of years. The idea was stymied earlier, however, because large bank failures had created too much instability in the banking industry.

Since that time, banking has stabilized locally and lending institutions all across the country have come under new pressure from Washington to demonstrate civic commitments.

The Community Reinvestment Act, toughened by Congress last year, now subjects banks to public scrutiny under a series of criteria that purport to measure public activism and expose discrimination. The new regulation has moved banks into all types of new public-minded programs.

According to the Enterprise Foundation — which has branches in about 60 cities — loan partnerships are increasingly popular among banks for satisfying the requirements of the CRA.

"It's kind of *the thing*," said Kathi Whalen, spokeswoman at the Enterprise Foundation's headquarters in Columbia, Md. "I think the banks see that there is safety in numbers."

Even before being selected by Dallas

banks to administer their new loan program, the foundation had offices at 3101 Greenwood St. and was managing a small housing program for the city.

The foundation is expected to relocate from Greenwood Street or open a satellite office in a low-income neighborhood once the bank partnership begins operation.

Barbara Cassel, the local head of the Enterprise Foundation, declined to discuss the partnership, saying that details remained to be worked out before next month's announcement.

Others familiar with the program, however, described the remaining issues as minor and said that the banks, after months of negotiation, have agreed to the basic concept and to the monetary contributions.

Negotiations began last fall and have been aided by the involvement of a downtown law firm, Decker Hardt Kopf Harr Munsch & Dinan.

Attorney Robert Voelker said the firm, which has been involved in housing matters in the past, agreed to donate its legal services to the bank partnership during the negotiations. Each bank also has been represented by its own lawyers.

One of the legal concerns has been the timing of when banks will physically relinquish funds to the partnership. Because of the amount of money involved, Voelker said, some banks are worried about reducing their capital reserves too suddenly.

For now, the partnership is relying on "church pledge" commitments, he said, although he cautioned that those commitments are not the least bit tentative. The banks met at Decker Hardt again this week to continue work on the program before next month.

"It's going to get done. It's just a matter of working the legal details out," Voelker said. "It's a partnership among the banks and also a partnership with the city."

Snell said the city's involvement would help satisfy the requirements of the historic Walker housing discrimination suit brought in 1985.

A settlement of that case, just amended last September, requires City Hall to make more than \$100 million in housing-related improvements locally by the year 1999.

The initial city commitment of \$600,000 for the bank partnership already has been budgeted, Snell said, and additional city funding is likely later if the program proves to be successful.

"I would be very optimistic that the city's contribution would grow," Snell said.

As planned, the structure of the loan program calls for a board of directors to include representatives of each participating bank, City Hall, the Enterprise Foundation and possibly a couple of other interests.