

Originally Processed With FOIA(s):

FOIA Number:

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# FOIA MARKER

**This is not a textual record. This is used as an administrative marker by the George Bush Presidential Library Staff.**

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**Record Group/Collection:** George H.W. Bush Presidential Records  
**Collection/Office of Origin:** Speechwriting, White House Office of  
**Series:** Speech File Draft Files  
**Subseries:** Chron File, 1989-1993

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**OA/ID Number:** 13510  
**Folder ID Number:** 13510-007

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**Folder Title:**  
National Association of Realtors 11/10/89 [OA 3537] [2]

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| Stack:   | Row:      | Section: | Shelf:   | Position: |
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# WHITE HOUSE STAFFING MEMORANDUM



DATE: 11/7/89 ACTION/CONCURRENCE/COMMENT DUE BY: 11/8/89 10:00 AM

SUBJECT: PRESIDENTIAL REMARKS: NATIONAL ASSOCIATION OF REALTORS

|                | ACTION FYI                          |                                     |            | ACTION                              | FYI                                 |
|----------------|-------------------------------------|-------------------------------------|------------|-------------------------------------|-------------------------------------|
| VICE PRESIDENT | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | MCCLURE    | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| SUNUNU         | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | NEWMAN     | <input type="checkbox"/>            | <input type="checkbox"/>            |
| SCOWCROFT      | <input type="checkbox"/>            | <input type="checkbox"/>            | PORTER     | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| DARMAN         | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | ROGICH     | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| BATES          | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | UNTERMAYER | <input type="checkbox"/>            | <input type="checkbox"/>            |
| CARD           | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | ROGERS     | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| CICCONI        | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | WINSTON    | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| DEMAREST       | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | PINKERTON  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
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| GRAY           | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | _____      | <input type="checkbox"/>            | <input type="checkbox"/>            |
| HAGIN          | <input type="checkbox"/>            | <input type="checkbox"/>            | _____      | <input type="checkbox"/>            | <input type="checkbox"/>            |

**REMARKS:**

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 10:00 AM, Wednesday, November 8, with a copy to my office. Thank you.

**RESPONSE:**

*see Comments*

27:11v 8 100 68

**James W. Cicconi**  
Assistant to the President  
and Deputy to the Chief of Staff  
Ext. 2702

McGroarty/Dooley  
November 7, 1989  
12:30 pm  
[REALTORS]

1989 NOV -7 PM 1:31

PRESIDENTIAL REMARKS: NATIONAL ASSOCIATION OF REALTORS  
DALLAS, TEXAS  
NOVEMBER 10, 1989  
2:15 P.M.

*just Gram + Bartlett*  
*two up and coming [or four fine]*  
[Introductory remarks.] Thank you, Ira [Griben] -- the very  
able President of the National Association of Realtors. And let  
me say hello to ~~two~~ *up and coming* ~~five~~ members of Congress who have travelled  
down to Dallas today, Representatives Bill Thomas and Claudine  
Schneider.

*There  
May be 2 other  
members:  
Sen. Phil Gramm  
and Rep. Steve  
Bartlett*  
[[ Ira mentioned to me on my way in this afternoon that my  
speech is a special occasion for this association. // I said I  
was honored -- and then Ira said "It's not often that we're  
addressed by someone who lives in public housing." ]] ////

[[ The truth is, I am **not** a real estate wizard. When I was  
elected to Congress back in 1966, we needed to make housing  
arrangements up in Washington. At that time, Senator Al  
Simpson's father, Millward, was retiring and moving back to  
Wyoming. So I bought the Simpson place -- sight unseen -- made  
the deal over the phone. When we got to Washington, there were  
just two problems: we found out right away the house wasn't  
quite big enough for the Bush family -- and we found out when we  
put the place up for sale that it wasn't worth quite as much as  
we paid for it. /// That's my claim to fame: I'm the only

person who ever lost money in Washington real estate in the last 20 years. /// Ira, where were you when I needed you? ]]

But few people have done more for the real estate industry than I have. // Barbara and I have moved 28 times in our 44 years of marriage. /// Now I know what you're thinking -- what a dream client my family would make for any realtor. /// In fact, OMB is calculating the commissions we've paid over the years -- measured as a percentage of the GNP. ]] ////

I came here today to lay out a set of housing initiatives -- a comprehensive plan to bring basic shelter and affordable housing within reach of every American.

But before I outline my housing proposals, I want to speak for a moment about the single most important factor in helping millions of Americans realize the American Dream: the economy.

**Because the truth is, there's no better housing policy than a strong economy.** One that provides jobs and opportunities for advancement -- interest rates that open ownership opportunities to hundreds of thousands of first-time home buyers. I know just how important interest rates are when it comes to home buying: a 1 1/2 point drop means an additional 670,000 families able to purchase that home they want.

And all signs point to continued strength in the economy. November marks the seventh full year of economic expansion -- the longest peacetime expansion in our nation's history. Unemployment is lower now than at any point since the early 70s. And here's one statistic that has to please all of you: home

mortgage rates are down from almost 14% back in November, 1982 to less than 10% today.

All of us know that the way to keep this expansion alive is to stick with the pro-growth policies that set it in motion -- the policies that provide the private sector room to do what only it can do: create prosperity and higher standards of living.

Of course, part of any reasonable economic policy is getting our **fiscal** house in order. // I want you to know that my Administration is hanging tough for a **responsible budget -- with real deficit reduction, no smoke and mirrors.**

We don't like sequestration -- no one does. But we'll live with it if we have to -- if it's the only way to rein in spending and bring that deficit down to the Gramm-Rudman target. I'm ready to sign a budget bill -- whenever Congress is ready to strip off all the expensive extras and add-ons hidden away in those omnibus spending bills. A responsible budget is one of the best signals the government can send for the sake of continued growth.

And I'm optimistic -- optimistic that this economic expansion will continue. Hopeful my Administration and the Congress -- with the help of members like <sup>(Phil Gramm, Steve)</sup> Bill and Claudine -- can agree on a responsible budget. Hopeful that we'll see more and more Americans prospering -- providing better lives for their families, and looking to all of you to help them realize their dreams.

Today, as I told you a few moments ago, I've chosen this occasion to announce a wide-ranging set of housing initiatives I call **Project Hope -- an initiative that stands for Homeownership and Opportunity for People Everywhere.**

Project HOPE addresses the full range of housing concerns: from shelter for the homeless to affordable housing for low-income families -- to initiatives that will help millions more Americans achieve the American Dream: owning their own home.

Let's start with what Project HOPE will do for **first-time home buyers.** You know first-hand about families working hard to buy that first home -- families whose savings are no match for skyrocketing prices. First-time buyers deserve our help -- and they're going to get it. I will ask Congress to enact legislation allowing first-time buyers -- or their parents -- to draw without penalty on IRA savings as a downpayment for that first home.

And we've got to expand the home-buying base -- bring more **low-income** families into the ranks of homeowners. I will earmark funds from the Federal Housing Financing Board, to be used for mortgage rate buy-downs to make homeownership an option for more low-income families.

Now, I know you've all seen the news on new housing starts. It's time for all levels of government to take a second look at some of the well-intended housing policies that actually **decrease** our housing supply. I'm talking about the excessive **rules, regulations and red tape** that add unnecessarily to the cost of

housing -- tens of thousands of dollars in some cases -- or create perverse incentives to allow existing housing to deteriorate.

I have asked my very able Secretary of HUD, Jack Kemp, to convene a Blue Ribbon Commission to identify barriers to affordable housing and to make recommendations on how those barriers can be removed. And let me make the first recommendation myself: no city, state or town should receive a single cent of Project HOPE funds until they have identified barriers to affordable housing -- and devise a plan to remove them. ///

Project HOPE also means initiatives to improve **low-income housing**. Let me say right away that my Administration rejects costly new construction programs that, in the past, have too often produced the housing projects that symbolize the very absence of hope in our inner cities. **This Administration remains 100% behind housing vouchers that let low-income families choose for themselves where they wish to live.**

Our challenge is to create incentives that maintain the low-income housing we need. I will ask Congress to renew the Low-Income Housing Tax Credit -- **on one condition: that the Low-Income Housing Tax Credit is part of a package that includes a cut in the capital gains tax.** I know the National Association of Realtors has fought hard to make a capital gains cut a reality. Well, the fight's not over. We're going to keep up the fight for

one simple reason: **because a cut in capital gains is good for growth.** ///

And Project HOPE can help us reverse a trend that's stunting some of the growth and development that would otherwise take place in low-income areas. Too many poverty-stricken areas have simply been **redlined** -- ruled too risky for lending. I am asking the Federal Housing Authority to work with neighborhood non-profit groups to identify responsible credit risks in poor areas, and open a flow of credit for new low and moderate income housing. **The time has come to replace the redline with a greenline -- to color these inner-city neighborhoods green for growth.**

But the real centerpiece of our plan for public housing is resident management and, yes, resident ownership. That's the idea behind our HOPE Grants initiative. It's already working: In Kenilworth-Parkside, back in Washington, D.C. In Cochran Gardens in St. Louis. And it's going to work right here -- at the nation's second-largest public housing project in West Dallas.

And the results **are** promising: with tenants in control, we see better maintenance, more rents paid on time, a decrease in people on the welfare rolls as job opportunities emerge. And we see something more: **a sense of pride that is the very core of any thriving community.**

I hope these successes are only the beginning -- of a nationwide shift towards tenant control, and ultimately towards

**tenant ownership.** I don't know any better way to revive hope in our inner cities than to give tenants a say in running their communities, a stake in the future and the hope that they, too, can own a home. //

That's worth remembering. Because the true measure of success isn't how many families we **add** to housing assistance roles. It's how many families **move up and out -- and into the ranks of homeowners.** ///

Project HOPE can make a difference for millions of Americans who want to buy a home -- or who simply want to provide their families decent housing and better hopes for the future. But there are other people out there we've got to help. **People who stand in the shadows of what is otherwise a very bright economic picture -- who live a nightmare in the midst of the American Dream.** We see them every day -- on the streets of our cities, sleeping on steam grates, living out of cardboard boxes. **The homeless.** //

Back in June, I went up to Covenant House in New York. I met children there who've been out on the street for 4 or 5 years -- from the time they were 12 and 13 years old. /// We can't begin to imagine the horrors they go through.

**For all of us,** November is the time of year we start looking forward to the holiday season: Thanksgiving, Christmas, New Years. **For the homeless,** November is the time of year the temperature starts to drop, and simply making it through the night becomes a life and death struggle. // **Homelessness is a**

tragedy -- and Project HOPE won't be complete unless it reaches out to help the homeless. // Because no child in America should have to grow up on the streets. And every family in America should have a roof over its head. ///

Now, my Administration is going to do its part to expand emergency shelters. We're committed to fully funding the McKinney Act. We're directing the FHA to set aside 10% of its foreclosed housing for lease to homeless groups. And today, I want to announce that -- as part of the savings and loans recovery program -- I will make certain that a portion of the properties from failed S&Ls be put to public use as facilities for the homeless.

But we can't begin to eliminate homelessness -- to really get at the root of the problem -- until we **understand** the various reasons that lead to life on the streets. Homelessness isn't just a matter of too little shelter space. There **are** the working homeless, men and women -- some with children -- who hold down a job, but still can't afford a home. But they are only a fraction of the many homeless men and women who are **literally incapable** of caring for themselves. **And if we care about them, we've got to take more than a one-dimensional approach to the problem.**

The fact is this: Two-thirds of the homeless out on our streets suffer from drug dependency or mental illness. For these men and women, **shelter alone is not enough.** Homelessness is just one symptom of the larger problems that prevent them from caring for themselves.

The answer for the homeless who are mentally ill or addicted to drugs is **shelter plus**: shelter supplemented by the necessary support-services to get these people the help they need to live in dignity. And that means a partnership -- a combined federal, state and local effort -- to supply the funding and other resources that constitute a comprehensive solution for the hard-core homeless.

The key here is coordinating basic needs like shelter with other social services -- to help the homeless get the treatment they need to get control of their lives. To help them find and hold down jobs. To help them manage a home. **To help them regain hope -- and leave life on the streets behind for good. ///**

Helping the homeless. Helping low-income families find affordable housing, decent housing. Helping more of the 80 million Americans who don't own a home join the ranks of homeowners. Those are the aims of Project HOPE -- aims well within our reach. And they are aims that deserve the active support of every American who believes in the American Dream. ///

Thank you. God bless you -- and God bless the United States of America.

# # #

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**RESPONSE:**

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 Assistant to the President  
 and Deputy to the Chief of Staff  
 Ext. 2702

McGroarty/Dooley  
November 7, 1989  
12:30 pm  
[REALTORS]

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DALLAS, TEXAS  
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[[ Ira mentioned to me on my way in this afternoon that my speech is a special occasion for this association. // I said I was honored -- and then Ira said "It's not often that we're addressed by someone who lives in public housing." ]] ////

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Of course, part of any reasonable economic policy is getting our **fiscal** house in order. // I want you to know that my Administration is hanging tough for a **responsible budget -- with real deficit reduction, no smoke and mirrors.**

*ck w/ Dan*  
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*But every American should share the dream of home ownership.* ~~And we've got to expand the home-buying base -- bring more low-income families into the ranks of homeowners.~~ *That's why* I will earmark funds from the Federal Housing Financing Board, to be used for mortgage rate buy-downs to make homeownership an option for more low-income families.

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~~Project HOPE also means initiatives to improve <sup>the</sup> low-income housing that already exists. As you know, this~~ Let me say right away that my Administration rejects costly new construction programs that, in the past, have too often produced the housing projects that symbolize the very absence of hope in our inner cities. ~~This Administration remains 100% behind housing vouchers that let~~ low-income families choose for themselves where they wish to live.

<sup>the real</sup> Our challenge is to create incentives that maintain the low-income housing we need. ~~I will ask Congress to renew the Low-Income Housing Tax Credit -- on one condition: that the Low-Income Housing Tax Credit is part of a package that includes a cut in the capital gains tax.~~ I know the National Association of Realtors has fought hard to make a capital gains cut a reality. Well, the fight's not over. We're going to keep up the fight for

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Thank you. God bless you -- and God bless the United States of America.

# # #



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503



**NOTICE:**

Enclosed are comments from staff members of the Office of Management and Budget (OMB). Such comments do not necessarily represent the official position of the Director of OMB or of the Office of Management and Budget. If you wish to have the Director's personal comments, please let me know -- and contact me if you have any questions.

A handwritten signature in black ink, which appears to read "David J. Haun", is positioned above the typed name.

David J. Haun  
Executive Assistant  
to the Director

89 OCT 8 A10 : 17

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| CARD           | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | ROGERS                      | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| CICCONI        | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <u>WINSTON</u>              | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| DEMAREST       | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <u>PINKERTON</u>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| FITZWATER      | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <u>BOSKIN</u>               | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| GRAY           | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <u>                    </u> | <input type="checkbox"/>            | <input type="checkbox"/>            |
| HAGIN          | <input type="checkbox"/>            | <input type="checkbox"/>            | <u>                    </u> | <input type="checkbox"/>            | <input type="checkbox"/>            |

REMARKS: Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 10:00 AM, Wednesday, November 8, with a copy to my office. Thank you.

RESPONSE: *See comments*

James W. Cicconi  
Assistant to the President  
and Deputy to the Chief of Staff  
Ext. 2702

McGroarty/Dooley  
November 7, 1989  
12:30 pm  
[REALTORS]

1989 NOV -7 PM 1:31

PRESIDENTIAL REMARKS: NATIONAL ASSOCIATION OF REALTORS  
DALLAS, TEXAS  
NOVEMBER 10, 1989  
2:15 P.M.

[Introductory remarks.] Thank you, Ira [Griben] -- the very able President of the National Association of Realtors. And let me say hello to two fine members of Congress who have travelled down to Dallas today, Representatives Bill Thomas and Claudine Schneider.

[[ Ira mentioned to me on my way in this afternoon that my speech is a special occasion for this association. // I said I was honored -- and then Ira said "It's not often that we're addressed by someone who lives in public housing." ]] ////

[[ The truth is, I am not a real estate wizard. When I was elected to Congress back in 1966, we needed to make housing arrangements up in Washington. At that time, Senator Al Simpson's father, Millward, was retiring and moving back to Wyoming. So I bought the Simpson place -- sight unseen -- made the deal over the phone. When we got to Washington, there were just two problems: we found out right away the house wasn't quite big enough for the Bush family -- and we found out when we put the place up for sale that it wasn't worth quite as much as we paid for it. /// That's my claim to fame: I'm the only

person who ever lost money in Washington real estate in the last 20 years. /// Ira, where were you when I needed you? ]]

But few people have done more for the real estate industry than I have. // Barbara and I have moved 28 times in our 44 years of marriage. /// Now I know what you're thinking -- what a dream client my family would make for any realtor. /// In fact, OMB is calculating the commissions we've paid over the years -- measured as a percentage of the GNP. ]] ////

I came here today to lay out a set of housing initiatives -- a comprehensive plan to bring basic shelter and affordable housing within reach of every American.

But before I outline my housing proposals, I want to speak for a moment about the single most important factor in helping millions of Americans realize the American Dream: the economy.

**Because the truth is, there's no better housing policy than a strong economy.** One that provides jobs and opportunities for advancement -- interest rates that open ownership opportunities to hundreds of thousands of first-time home buyers. I know just how important interest rates are when it comes to home buying: a 1 1/2 point drop means an additional 670,000 families able to purchase that home they want.

And all signs point to continued strength in the economy. November marks the seventh full year of economic expansion -- the longest peacetime expansion in our nation's history. Unemployment is lower now than at any point since the early 70s. And here's one statistic that has to please all of you: home

mortgage rates are down from almost 14% back in November, 1982 to less than 10% today.

All of us know that the way to keep this expansion alive is to stick with the pro-growth policies that set it in motion -- the policies that provide the private sector room to do what only it can do: create prosperity and higher standards of living.

Of course, part of any reasonable economic policy is getting our **fiscal** house in order. // I want you to know that my Administration is hanging tough for a **responsible budget -- with real deficit reduction, no smoke and mirrors.**

We don't like sequestration -- no one does. But we'll live with it if we have to -- if it's the only way to rein in spending and bring that deficit down to the Gramm-Rudman target. I'm ready to sign a budget bill -- whenever Congress is ready to strip off all the expensive extras and add-ons hidden away in those omnibus spending bills. A responsible budget is one of the best signals the government can send for the sake of continued growth.

And I'm optimistic -- optimistic that this economic expansion will continue. Hopeful my Administration and the Congress -- with the help of members like Bill and Claudine -- can agree on a responsible budget. Hopeful that we'll see more and more Americans prospering -- providing better lives for their families, and looking to all of you to help them realize their dreams.

Today, as I told you a few moments ago, I've chosen this occasion to announce a wide-ranging set of housing initiatives I call Project Hope -- an initiative that stands for Homeownership and Opportunity for People Everywhere.

Project HOPE addresses the full range of housing concerns: from shelter for the homeless to affordable housing for low-income families -- to initiatives that will help millions more Americans achieve the American Dream: owning their own home.

Let's start with what Project HOPE will do for first-time home buyers. You know first-hand about families working hard to buy that first home -- families whose savings are no match for skyrocketing prices. First-time buyers deserve our help -- and they're going to get it. I will ask Congress to enact legislation allowing first-time buyers -- or their parents -- to draw without penalty on IRA savings as a downpayment for that first home.

*WHD/ADW delete*

*TREASURY WANTS THIS OUT ALSO*

And we've got to expand the home-buying base -- bring more low-income families into the ranks of homeowners. I will earmark funds from the Federal Housing Financing Board, to be used for mortgage rate buy-downs to make homeownership an option for more low-income families.

*RIDER*

Now, I know you've all seen the news on new housing starts. It's time for all levels of government to take a second look at some of the well-intended housing policies that actually decrease our housing supply. I'm talking about the excessive rules, regulations and red tape that add unnecessarily to the cost of

*delete*  
*de. FHFB is an independent agency. President cannot direct it what to do under current law. The funds are not even FHFB funds, but Federal Home Loan Bank System funds.*

housing -- tens of thousands of dollars in some cases -- or create perverse incentives to allow existing housing to deteriorate.

I have asked my very able Secretary of HUD, Jack Kemp, to convene a Blue Ribbon Commission to identify barriers to affordable housing and to make recommendations on how those barriers can be removed. And let me make the first recommendation myself: no city, state or town should receive a single cent of Project HOPE funds until they have identified barriers to affordable housing -- and devise a plan to remove them. ///

Project HOPE also means initiatives to improve **low-income housing**. Let me say right away that my Administration rejects costly new construction programs that, in the past, have too often produced the housing projects that symbolize the very absence of hope in our inner cities. **This Administration remains 100% behind housing vouchers that let low-income families choose for themselves where they wish to live.**

Our challenge is to create incentives that maintain the low-income housing we need. I will ask Congress to renew the Low-Income Housing Tax Credit -- on one condition: **that the Low-Income Housing Tax Credit is part of a package that includes a cut in the capital gains tax.** I know the National Association of Realtors has fought hard to make a capital gains cut a reality. Well, the fight's not over. We're going to keep up the fight for

why } AS I MENTIONED WE ARE IN THE SEVENTH FULL YEAR  
OF ECONOMIC EXPANSION. ACTION ON CAPITAL GAINS WILL  
PROTECT AND INSURE THAT EXPANSION CONTINUES.  
6

one simple reason: because a cut in capital gains is good for  
growth. ///

And Project HOPE can help us reverse a trend that's stunting  
some of the growth and development that would otherwise take  
place in low-income areas. Too many poverty-stricken areas have  
simply been **redlined** -- ruled too risky for lending. I am asking  
the Federal Housing Authority to work <sup>with a range of groups,</sup> ~~with~~ neighborhood non-<sup>including</sup>  
profit groups to identify responsible credit risks in poor areas,  
and open a <sup>new</sup> flow of credit for ~~new~~ low and moderate income  
housing. The time has come to replace the redline with a  
greenline -- to color these inner-city neighborhoods green for  
growth.

Rygel  
+ 7576

But the real centerpiece of our plan for public housing is  
resident management and, yes, resident ownership. That's the  
idea behind our HOPE Grants initiative. It's already working:  
In Kenilworth-Parkside, back in Washington, D.C. In Cochran  
Gardens in St. Louis. And it's going to work right here <sup>in Dallas</sup> ~~at~~  
<sup>and other places too</sup> ~~the nation's second-largest public housing project in West~~  
Dallas.

at specific  
place

And the results **are** promising: with tenants in control, we  
see better maintenance, more rents paid on time, a decrease in  
people on the welfare roles as job opportunities emerge. And we  
see something more: a sense of pride that is the very core of  
any thriving community.

deleted

I hope these successes are only the beginning -- of a  
nationwide shift towards tenant control, and ultimately towards ~~general~~  
general

**tenant ownership.** I don't know any better way to revive hope in our inner cities than to give tenants a say in running their communities, a stake in the future and the hope that they, too, can own a home. //

That's worth remembering. Because the true measure of success isn't how many families we **add** to housing assistance **roles.** It's how many families move up and out -- and into the ranks of homeowners. ///

Project HOPE can make a difference for millions of Americans who want to buy a home -- or who simply want to provide their families decent housing and better hopes for the future. But there are other people out there we've got to help. **People who stand in the shadows of what is otherwise a very bright economic picture -- who live a nightmare in the midst of the American Dream.** We see them every day -- on the streets of our cities, sleeping on steam grates, living out of cardboard boxes. **The homeless.** //

Back in June, I went up to Covenant House in New York. I met children there who've been out on the street for 4 or 5 years -- from the time they were 12 and 13 years old. /// We can't begin to imagine the horrors they go through.

**For all of us,** November is the time of year we start looking forward to the holiday season: Thanksgiving, Christmas, New Years. **For the homeless,** November is the time of year the temperature starts to drop, and simply making it through the night becomes a life and death struggle. // **Homelessness is a**

tragedy -- and Project HOPE won't be complete unless it reaches out to help the homeless. // Because no child in America should have to grow up on the streets. And every family in America should have a roof over its head. ///

Now, my Administration is going to do its part to expand emergency shelters. We're committed to fully funding the McKinney Act. We're directing the FHA to ~~set aside 10% of its~~ <sup>expand its programs</sup> ~~foreclosed housing for lease to homeless groups.~~ <sup>to make its foreclosed housing more accessible to the homeless.</sup> And today, I want to announce that -- as part of the savings and loans recovery program -- I will make certain that a portion of the properties from failed S&Ls be put to public use <sup>as</sup> facilities for the homeless.

*delete*

But we can't begin to eliminate homelessness -- to really get at the root of the problem -- until we **understand** the various reasons that lead to life on the streets. Homelessness isn't just a matter of too little shelter space. There **are** the working homeless, men and women -- some with children -- who hold down a job, but still can't afford a home. But they are only a fraction of the many homeless men and women who are **literally incapable** of caring for themselves. **And if we care about them, we've got to take more than a one-dimensional approach to the problem.**

The fact is this: <sup>Many</sup> ~~Two thirds~~ of the homeless out on our streets suffer from <sup>alcohol and</sup> ~~drug dependency~~ or mental illness. For these men and women, **shelter alone is not enough.** Homelessness is just one symptom of the larger problems that prevent them from caring for themselves.

The answer for the homeless who are mentally ill or addicted to drugs <sup>+ alcohol</sup> is **shelter plus:** shelter supplemented by the necessary support-services to get these people the help they need to live in dignity. And that means a partnership -- a combined federal, state and local effort -- to supply the funding and other resources that constitute a comprehensive solution for the hard-core homeless.

The key here is coordinating basic needs like shelter with other social services -- to help the homeless get the treatment they need to get control of their lives. To help them find and hold down jobs. To help them manage a home. **To help them regain hope -- and leave life on the streets behind for good. ///**

Helping the homeless. Helping low-income families find affordable housing, decent housing. Helping more of the 80 million Americans who don't own a home join the ranks of homeowners. Those are the aims of Project HOPE -- aims well within our reach. And they are aims that deserve the active support of every American who believes in the American Dream. ///

Thank you. God bless you -- and God bless the United States of America.

# # #



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

5873  
November 7, 1989

MEMORANDUM FOR DAVID HAUN

FROM: Ahmad Al-Samarrie

SUBJECT: Presidential Remarks: National Association of Realtors

This speech proposes a comprehensive package of housing programs which, to our knowledge, have not been reviewed for cost or practicality by OMB.

- o What would the budget cost be of allowing first-time buyers or their parents to withdraw downpayments from IRAs without tax penalties?
- o Should we use thrift bailout funds, which are already inadequate and are outside of the budget, to help low-income families and house the homeless? The losses incurred by selling to low income families instead of getting the best price will be much larger than the benefit to the low-income families. So will the disruption in inventory management and the damage resulting from housing the homeless. This is an inefficient as well as a fiscally uncontrolled means of assistance.
- o With two new programs for first-time buyers, should FHA, which is now losing money, be rolled back? What about rolling back mortgage revenue bonds, which are not a cost-effective way of reducing the mortgage interest rate?
- o The reduction of barriers to the housing supply is a great idea! Will the absence of Project Hope money be enough to cause States and localities to make these changes?
- o It is unclear whether the speech proposes expanding the voucher program. Taken together with the grand rhetoric on page 2 promising basic shelter and affordable housing within reach of every American, this could be very expensive!
- o Why reinstitute the Low-Income Housing Tax Credit for developers and investors? This is inconsistent both with the Tax Reform Act and with the voucher concept.
- o How much will it cost to direct FHA to lease 10% of its housing to homeless groups and to direct additional credit to redlined areas?

It does not serve the President well to speak about new programs that have not been thoroughly "scrubbed" from all perspectives.

Staffer

McGroarty/Dooley  
November 7, 1989  
12:30 pm  
[REALTORS]

PRESIDENTIAL REMARKS: NATIONAL ASSOCIATION OF REALTORS  
DALLAS, TEXAS  
NOVEMBER 10, 1989  
2:15 P.M.

[Introductory remarks.] Thank you, Ira [Griben] -- the very able President of the National Association of Realtors. And let me say hello to two fine members of Congress who have travelled down to Dallas today, Representatives Bill Thomas and Claudine Schneider.

[[ Ira mentioned to me on my way in this afternoon that my speech is a special occasion for this association. // I said I was honored -- and then Ira said "It's not often that we're addressed by someone who lives in public housing." ]] ////

[[ The truth is, I am **not** a real estate wizard. When I was elected to Congress back in 1966, we needed to make housing arrangements up in Washington. At that time, Senator Al Simpson's father, Millward, was retiring and moving back to Wyoming. So I bought the Simpson place -- sight unseen -- made the deal over the phone. When we got to Washington, there were just two problems: we found out right away the house wasn't quite big enough for the Bush family -- and we found out when we put the place up for sale that it wasn't worth quite as much as we paid for it. /// That's my claim to fame: I'm the only

person who ever **lost** money in Washington real estate in the last 20 years. /// Ira, where were you when I needed you? ]]

But few people have done more for the real estate industry than I have. // Barbara and I have moved 28 times in our 44 years of marriage. /// Now I know what you're thinking -- what a dream client my family would make for any realtor. /// In fact, OMB is calculating the commissions we've paid over the years -- measured as a percentage of the GNP. ]] ////

I came here today to lay out a set of housing initiatives -- a comprehensive plan to bring basic shelter and affordable housing within reach of every American.

But before I outline my housing proposals, I want to speak for a moment about the single most important factor in helping millions of Americans realize the American Dream: the economy.

**Because the truth is, there's no better housing policy than a strong economy.** One that provides jobs and opportunities for advancement -- interest rates that open ownership opportunities to hundreds of thousands of first-time home buyers. I know just how important interest rates are when it comes to home buying: a 1 1/2 point drop means an additional 670,000 families able to purchase that home they want.

And all signs point to continued strength in the economy. November marks the seventh full year of economic expansion -- the longest peacetime expansion in our nation's history. Unemployment is lower now than at any point since the early 70s. And here's one statistic that has to please all of you: home

mortgage rates are down from almost 14% back in November, 1982 to less than 10% today.

All of us know that the way to keep this expansion alive is to stick with the pro-growth policies that set it in motion -- the policies that provide the private sector room to do what only it can do: create prosperity and higher standards of living.

Of course, part of any reasonable economic policy is getting our **fiscal** house in order. // I want you to know that my Administration is hanging tough for a **responsible budget -- with real deficit reduction, no smoke and mirrors.**

We don't like sequestration -- no one does. But we'll live with it if we have to -- if it's the only way to rein in spending and bring that deficit down to the Gramm-Rudman target. I'm ready to sign a budget bill -- whenever Congress is ready to strip off all the expensive extras and add-ons hidden away in those omnibus spending bills. A responsible budget is one of the best signals the government can send for the sake of continued growth.

And I'm optimistic -- optimistic that this economic expansion will continue. Hopeful my Administration and the Congress -- with the help of members like Bill and Claudine -- can agree on a responsible budget. Hopeful that we'll see more and more Americans prospering -- providing better lives for their families, and looking to all of you to help them realize their dreams.

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Project HOPE addresses the full range of housing concerns: from shelter for the homeless to affordable housing for low-income families -- to initiatives that will help millions more Americans achieve the American Dream: owning their own home.

Let's start with what Project HOPE will do for **first-time home buyers**. You know first-hand about families working hard to buy that first home -- families whose savings are no match for skyrocketing prices. First-time buyers deserve our help -- and they're going to get it. I will ask Congress to enact legislation allowing first-time buyers -- or their parents -- to draw without penalty on IRA savings as a downpayment for that first home.

And we've got to expand the home-buying base -- bring more **low-income** families into the ranks of homeowners. I will earmark funds from the Federal Housing Financing Board, to be used for mortgage rate buy-downs to make homeownership an option for more low-income families.

Now, I know you've all seen the news on new housing starts. It's time for all levels of government to take a second look at some of the well-intended housing policies that actually **decrease** our housing supply. I'm talking about the excessive **rules, regulations and red tape** that add unnecessarily to the cost of

housing -- tens of thousands of dollars in some cases -- or create perverse incentives to allow existing housing to deteriorate.

I have asked my very able Secretary of HUD, Jack Kemp, to convene a Blue Ribbon Commission to identify barriers to affordable housing and to make recommendations on how those barriers can be removed. And let me make the first recommendation myself: no city, state or town should receive a single cent of Project HOPE funds until they have identified barriers to affordable housing -- and devise a plan to remove them. ///

Project HOPE also means initiatives to improve **low-income housing**. Let me say right away that my Administration rejects costly new construction programs that, in the past, have too often produced the housing projects that symbolize the very absence of hope in our inner cities. **This Administration remains 100% behind housing vouchers that let low-income families choose for themselves where they wish to live.**

Our challenge is to create incentives that maintain the low-income housing we need. I will ask Congress to renew the Low-Income Housing Tax Credit -- **on one condition: that the Low-Income Housing Tax Credit is part of a package that includes a cut in the capital gains tax.** I know the National Association of Realtors has fought hard to make a capital gains cut a reality. Well, the fight's not over. We're going to keep up the fight for

one simple reason: **because a cut in capital gains is good for growth. ///**

And Project HOPE can help us reverse a trend that's stunting some of the growth and development that would otherwise take place in low-income areas. Too many poverty-stricken areas have simply been **redlined** -- ruled too risky for lending. I am asking the Federal Housing Authority to work with neighborhood non-profit groups to identify responsible credit risks in poor areas, and open a flow of credit for new low and moderate income housing. **The time has come to replace the redline with a greenline -- to color these inner-city neighborhoods green for growth.**

But the real centerpiece of our plan for public housing is resident management and, yes, resident ownership. That's the idea behind our HOPE Grants initiative. It's already working: In Kenilworth-Parkside, back in Washington, D.C. In Cochran Gardens in St. Louis. And it's going to work right here -- at the nation's second-largest public housing project in West Dallas.

And the results **are** promising: with tenants in control, we see better maintenance, more rents paid on time, a decrease in people on the welfare roles as job opportunities emerge. And we see something more: **a sense of pride that is the very core of any thriving community.**

I hope these successes are only the beginning -- of a nationwide shift towards tenant control, and ultimately towards

**tenant ownership.** I don't know any better way to revive hope in our inner cities than to give tenants a say in running their communities, a stake in the future and the hope that they, too, can own a home. //

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Project HOPE can make a difference for millions of Americans who want to buy a home -- or who simply want to provide their families decent housing and better hopes for the future. But there are other people out there we've got to help. **People who stand in the shadows of what is otherwise a very bright economic picture -- who live a nightmare in the midst of the American Dream.** We see them every day -- on the streets of our cities, sleeping on steam grates, living out of cardboard boxes. **The homeless.** //

Back in June, I went up to Covenant House in New York. I met children there who've been out on the street for 4 or 5 years -- from the time they were 12 and 13 years old. ///

We can't begin to imagine the horrors they go through.

**For all of us,** November is the time of year we start looking forward to the holiday season: Thanksgiving, Christmas, New Years. **For the homeless,** November is the time of year the temperature starts to drop, and simply making it through the night becomes a life and death struggle. // **Homelessness is a**

tragedy -- and Project HOPE won't be complete unless it reaches out to help the homeless. // Because no child in America should have to grow up on the streets. And every family in America should have a roof over its head. ///

Now, my Administration is going to do its part to expand emergency shelters. We're committed to fully funding the McKinney Act. We're directing the FHA to set aside 10% of its foreclosed housing for lease to homeless groups. And today, I want to announce that -- as part of the savings and loans recovery program -- I will make certain that a portion of the properties from failed S&Ls be put to public use as facilities for the homeless.

But we can't begin to eliminate homelessness -- to really get at the root of the problem -- until we **understand** the various reasons that lead to life on the streets. Homelessness isn't just a matter of too little shelter space. There **are** the working homeless, men and women -- some with children -- who hold down a job, but still can't afford a home. But they are only a fraction of the many homeless men and women who are **literally incapable** of caring for themselves. **And if we care about them, we've got to take more than a one-dimensional approach to the problem.**

The fact is this: Two-thirds of the homeless out on our streets suffer from drug dependency or mental illness. For these men and women, **shelter alone is not enough.** Homelessness is just one symptom of the larger problems that prevent them from caring for themselves.

The answer for the homeless who are mentally ill or addicted to drugs is **shelter plus:** shelter supplemented by the necessary support-services to get these people the help they need to live in dignity. And that means a partnership -- a combined federal, state and local effort -- to supply the funding and other resources that constitute a comprehensive solution for the hard-core homeless.

The key here is coordinating basic needs like shelter with other social services -- to help the homeless get the treatment they need to get control of their lives. To help them find and hold down jobs. To help them manage a home. **To help them regain hope -- and leave life on the streets behind for good. ///**

Helping the homeless. Helping low-income families find affordable housing, decent housing. Helping more of the 80 million Americans who don't own a home join the ranks of homeowners. Those are the aims of Project HOPE -- aims well within our reach. And they are aims that deserve the active support of every American who believes in the American Dream. ///

Thank you. God bless you -- and God bless the United States of America.

# # #

THE WHITE HOUSE  
WASHINGTON

November 8, 1989

MEMORANDUM FOR THE PRESIDENT

THROUGH: CHRISS WINSTON *aw*

FROM: DAN MCGROARTY *DMcG*

SUBJECT: NATIONAL ASSOCIATION OF REALTORS REMARKS

I. SUMMARY

On Friday, November 10, in Dallas, Texas, you will address the National Association of Realtors' annual convention. The speech is at 2:15 p.m. at the Anatole Hotel. About 6,000 people are expected, and the speech will be teleprompted.

II. DISCUSSION

The speech announces a set of initiatives for America's HOPE (Homeownership and Opportunity for People Everywhere). HOPE includes programs to help first-time homebuyers, low-income families, and the homeless. HOPE initiatives which are still in dispute appear in brackets.

Also announced in the speech is the linkage of the Low-Income Housing Tax Credit to the capital gains tax cut.

# # #

THE WHITE HOUSE  
WASHINGTON

November 8, 1989

MEMORANDUM FOR GOVERNOR SUNUNU

FROM: David Demarest  
Chriss Winston

SUBJECT: National Association of Realtors Speech

The following are a list of policy questions remaining concerning the speech.

1. Secretary Kemp would like the following added to the speech:

*OK in* "I also want to pledge my Administration to vigorous support of the mortgage interest and property tax deductions. These deductions encourage homeownership, and are important to our overall economic prosperity." ①

He would also like the President to announce, what he terms in his comments as, "a new initiative to fund service-supported housing for the homeless who are mentally impaired or are substance abusers."

*cut* He also has inserted the figure of \$6.8 billion as the cost of the HOPE initiative in a paragraph to be added at the end of the speech.

*OK out* 2. Roger Porter, Treasury and OMB object to allowing parents of first-time home buyers to withdraw, without penalty, their IRA savings as a down payment for their children's first home. p. 4 pp. 3

3. Porter argues that we do not have the authority to earmark funds from the Federal Housing Financing Board to be used for mortgage rate buy-downs to make home owning an option for more low income families. p. 4 pp 4

*cut* 4. Porter also argues that no agreement has been reached to set aside 10 percent of foreclosed housing from the FHA stock for homeless groups. He recommends the following language: p. 8 pp 1

"We're directing the FHA to make its foreclosed housing more accessible to the homeless."

5. OMB and Treasury wants to delete any reference to directing that, as part of the savings and loans recovery program, a certain portion of the properties from failed S&L's will be put to public use as facilities for the homeless. p. 8 pp 1

# WHITE HOUSE STAFFING MEMORANDUM

1989 NOV -8 PM 3:30

DATE: 11/7/89 ACTION/CONCURRENCE/COMMENT DUE BY: 11/8/89 10:00 AM

SUBJECT: PRESIDENTIAL REMARKS: NATIONAL ASSOCIATION OF REALTORS

|                | ACTION FYI                          |                                     |            | ACTION                              | FYI                                 |
|----------------|-------------------------------------|-------------------------------------|------------|-------------------------------------|-------------------------------------|
| VICE PRESIDENT | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | MCCLURE    | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| SUNUNU         | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | NEWMAN     | <input type="checkbox"/>            | <input type="checkbox"/>            |
| SCOWCROFT      | <input type="checkbox"/>            | <input type="checkbox"/>            | PORTER     | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| DARMAN         | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | ROGICH     | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| BATES          | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | UNTERMAYER | <input type="checkbox"/>            | <input type="checkbox"/>            |
| CARD           | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | ROGERS     | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| CICCONI        | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | WINSTON    | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| DEMAREST       | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | PINKERTON  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| FITZWATER      | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | BOSKIN     | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| GRAY           | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| HAGIN          | <input type="checkbox"/>            | <input type="checkbox"/>            |            | <input type="checkbox"/>            | <input type="checkbox"/>            |

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 10:00 AM, Wednesday, November 8, with a copy to my office. Thank you.

RESPONSE:

*See Comments.  
11/8/89*

James W. Cicconi  
Assistant to the President  
and Deputy to the Chief of Staff  
Ext. 2702

Treasury  
Comments

McGroarty/Dooley  
November 7, 1989  
12:30 pm  
[REALTORS]

1989 NOV -7 PM 1:31

PRESIDENTIAL REMARKS: NATIONAL ASSOCIATION OF REALTORS  
DALLAS, TEXAS  
NOVEMBER 10, 1989  
2:15 P.M.

[Introductory remarks.] Thank you, Ira [Griben] -- the very able President of the National Association of Realtors. And let me say hello to two fine members of Congress who have travelled down to Dallas today, Representatives Bill Thomas and Claudine Schneider.

[[ Ira mentioned to me on my way in this afternoon that my speech is a special occasion for this association. // I said I was honored -- and then Ira said "It's not often that we're addressed by someone who lives in public housing." ]] ////

[[ The truth is, I am not a real estate wizard. When I was elected to Congress back in 1966, we needed to make housing arrangements up in Washington. At that time, Senator Al Simpson's father, Millward, was retiring and moving back to Wyoming. So I bought the Simpson place -- sight unseen -- made the deal over the phone. When we got to Washington, there were just two problems: we found out right away the house wasn't quite big enough for the Bush family -- and we found out when we put the place up for sale that it wasn't worth quite as much as we paid for it. /// That's my claim to fame: I'm the only

-Treasury - Desire - 566-8773.

person who ever lost money in Washington real estate in the last 20 years. /// Ira, where were you when I needed you? ]]

But few people have done more for the real estate industry than I have. // Barbara and I have moved 28 times in our 44 years of marriage. /// Now I know what you're thinking -- what a dream client my family would make for any realtor. /// In fact, OMB is calculating the commissions we've paid over the years -- measured as a percentage of the GNP. ]] ////

I came here today to lay out a set of housing initiatives -- a comprehensive plan to bring basic shelter and affordable housing within reach of every American.

But before I outline my housing proposals, I want to speak for a moment about the single most important factor in helping millions of Americans realize the American Dream: the economy.

Because the truth is, there's no better housing policy than a strong economy. One that provides jobs and opportunities for advancement -- interest rates that open ownership opportunities to hundreds of thousands of first-time home buyers. I know just how important interest rates are when it comes to home buying: a 1 1/2 point drop means an additional 670,000 families able to purchase that home they want.

And all signs point to continued strength in the economy. November marks the seventh full year of economic expansion -- the longest peacetime expansion in our nation's history. Unemployment is lower now than at any point since the early 70s. And here's one statistic that has to please all of you: home

mortgage rates are down from almost 14% back in November, 1982 to less than 10% today.

All of us know that the way to keep this expansion alive is to stick with the pro-growth policies that set it in motion -- the policies that provide the private sector room to do what only it can do: create prosperity and higher standards of living.

Of course, part of any reasonable economic policy is getting our fiscal house in order. // I want you to know that my Administration is hanging tough for a responsible budget -- with real deficit reduction, no smoke and mirrors.

We don't like sequestration -- no one does. But we'll live with it if we have to -- if it's the only way to rein in spending and bring that deficit down to the Gramm-Rudman target. I'm ready to sign a budget bill -- whenever Congress is ready to strip off all the expensive extras and add-ons hidden away in those omnibus spending bills. A responsible budget is one of the best signals the government can send for the sake of continued growth.

And I'm optimistic -- optimistic that this economic expansion will continue. Hopeful my Administration and the Congress -- with the help of members like Bill and Claudine -- can agree on a responsible budget. Hopeful that we'll see more and more Americans prospering -- providing better lives for their families, and looking to all of you to help them realize their dreams.

Today, as I told you a few moments ago, I've chosen this occasion to announce a wide-ranging set of housing initiatives I call **Project Hope -- an initiative that stands for Homeownership and Opportunity for People Everywhere.**

Project HOPE addresses the full range of housing concerns: from shelter for the homeless to affordable housing for low-income families -- to initiatives that will help millions more Americans achieve the American Dream: owning their own home.

Let's start with what Project HOPE will do for **first-time home buyers.** You know first-hand about families working hard to buy that first home -- families whose savings are no match for skyrocketing prices. First-time buyers deserve our help -- and they're going to get it. I will ask Congress to enact legislation allowing first-time buyers -- ~~or their parents~~ -- to draw without penalty on IRA savings as a downpayment for that first home.

And we've got to expand the home-buying base -- bring more <sup>to moderate -</sup> **low-income** families into the ranks of homeowners. I will earmark funds from the Federal Housing Financing Board, to be used for mortgage rate buy-downs to make homeownership an option for more <sup>to moderate -</sup> **low-income** families.

Now, I know you've all seen the news on new housing starts. It's time for all levels of government to take a second look at some of the well-intended housing policies that actually **decrease** our housing supply. I'm talking about the excessive **rules, regulations and red tape** that add unnecessarily to the cost of

housing -- tens of thousands of dollars in some cases -- or create perverse incentives to allow existing housing to deteriorate.

I have asked my very able Secretary of HUD, Jack Kemp, to convene a Blue Ribbon Commission to identify barriers to affordable housing and to make recommendations on how those barriers can be removed. And let me make the first recommendation myself: no city, state or town should receive a single cent of Project HOPE funds until they have <sup>Participated in process</sup> identified <sup>back</sup> barriers to affordable housing -- and <sup>helped</sup> devise a plan to remove them. ///

Project HOPE also means initiatives to improve low-income housing. Let me say right away that my Administration rejects costly new construction programs that, in the past, have too often produced the housing projects that symbolize the very absence of hope in our inner cities. **This Administration remains 100% behind housing vouchers that let low-income families choose for themselves where they wish to live.**

Our challenge is to create incentives that maintain the low-income housing we need. I will <sup>60+3</sup> ask Congress to renew the Low-Income Housing Tax Credit -- ~~on one condition that the Low-Income Housing Tax Credit~~ <sup>should be a</sup> part of a package that includes a cut in the capital gains tax. I know the National Association of Realtors has fought hard to make a capital gains cut a reality. Well, the fight's not over. We're going to keep up the fight for

Very important  
change!

one simple reason: **because a cut in capital gains is good for growth.** ///

See  
Insert!

And Project HOPE can help us reverse a trend that's stunting some of the growth and development that would otherwise take place in low-income areas. Too many poverty-stricken areas have simply been **redlined** -- ruled too risky for lending. I am asking the Federal Housing Authority to work with neighborhood non-profit groups to identify responsible credit risks in poor areas, and open a flow of credit for new low and moderate income housing. **The time has come to replace the redline with a greenline -- to color these inner-city neighborhoods green for growth.**

But the real centerpiece of our plan for public housing is resident management and, yes, resident ownership. That's the idea behind our HOPE Grants initiative. It's already working: In Kenilworth-Parkside, back in Washington, D.C. In Cochran Gardens in St. Louis. And it's going to work right here -- at the nation's second-largest public housing project in West Dallas.

And the results **are** promising: with tenants in control, we see better maintenance, more rents paid on time, a decrease in people on the welfare rolls as job opportunities emerge. And we see something more: **a sense of pride that is the very core of any thriving community.**

I hope these successes are only the beginning -- of a nationwide shift towards tenant control, and ultimately towards

tenant ownership. I don't know any better way to revive hope in our inner cities than to give tenants a say in running their communities, a stake in the future and the hope that they, too, can own a home. //

That's worth remembering. Because the true measure of success isn't how many families we add to housing assistance roles. It's how many families move up and out -- and into the ranks of homeowners. ///

Project HOPE can make a difference for millions of Americans who want to buy a home -- or who simply want to provide their families decent housing and better hopes for the future. But there are other people out there we've got to help. People who stand in the shadows of what is otherwise a very bright economic picture -- who live a nightmare in the midst of the American Dream. We see them every day -- on the streets of our cities, sleeping on steam grates, living out of cardboard boxes. The homeless. //

Back in June, I went up to Covenant House in New York. I met children there who've been out on the street for 4 or 5 years -- from the time they were 12 and 13 years old. /// We can't begin to imagine the horrors they go through.

For all of us, November is the time of year we start looking forward to the holiday season: Thanksgiving, Christmas, New Years. For the homeless, November is the time of year the temperature starts to drop, and simply making it through the night becomes a life and death struggle. // Homelessness is a

tragedy -- and Project HOPE won't be complete unless it reaches out to help the homeless. // Because no child in America should have to grow up on the streets. And every family in America should have a roof over its head. ///

Now, my Administration is going to do its part to expand emergency shelters. We're committed to fully funding the McKinney Act. We're directing the FHA to set aside 10% of its foreclosed housing for lease to homeless groups. ~~And today, I want to announce that -- as part of the savings and loans recovery program -- I will make certain that a portion of the properties from failed S&Ls be put to public use as facilities for the homeless.~~

No appointment under law has to be taken out.

But we can't begin to eliminate homelessness -- to really get at the root of the problem -- until we understand the various reasons that lead to life on the streets. Homelessness isn't just a matter of too little shelter space. There are the working homeless, men and women -- some with children -- who hold down a job, but still can't afford a home. But they are only a fraction of the many homeless men and women who are literally incapable of caring for themselves. And if we care about them, we've got to take more than a one-dimensional approach to the problem.

The fact is this: Two-thirds of the homeless out on our streets suffer from drug dependency or mental illness. For these men and women, shelter alone is not enough. Homelessness is just one symptom of the larger problems that prevent them from caring for themselves.

From 1 study - number again got lot of suck for saying this.

The answer for the homeless who are mentally ill or addicted to drugs is shelter plus: shelter supplemented by the necessary support-services to get these people the help they need to live in dignity. And that means a partnership -- a combined federal, state and local effort -- to supply the funding and other resources that constitute a comprehensive solution for the hard-core homeless.

The key here is coordinating basic needs like shelter with other social services -- to help the homeless get the treatment they need to get control of their lives. To help them find and hold down jobs. To help them manage a home. To help them regain hope -- and leave life on the streets behind for good. ///

Helping the homeless. Helping low-income families find affordable housing, decent housing. Helping more of the 80 million Americans who don't own a home join the ranks of homeowners. Those are the aims of Project HOPE -- aims well within our reach. And they are aims that deserve the active support of every American who believes in the American Dream.

///

Thank you. God bless you -- and God bless the United States of America.

# # #

November 7, 1989

To Denise Schwarz  
From Desiree Tucker-Sorini  
Subj Presidential Remarks: Natl. Assn of Realtors

Page 6, first paragraph --

And project HOPE can help us reverse a trend that's stunting some of the growth and development that would otherwise take place in low-income areas. Too many poverty-stricken areas have too little access to housing credit to meet their housing needs. Moreover, illegal redlining has recently been alleged -- that whole areas have been ruled too risky for lending. I am asking the Federal Housing Administration to work with neighborhood non-profit groups to identify responsible credit risks in poor areas, and open a flow of credit for new low and moderate income housing. The time has come to assume once and for all that the redline has been replaced with a greenline -- to color these inner-city neighborhoods green for growth.

Comms  
(EP)

Redlining is illegal. Moreover, under the Community Re-Investment Act of 1977, commercial banks have the affirmative duty to seek to lend to low-moderate income households in poverty neighborhoods. Moreover, in his bank examination practices, the Comptroller of the Currency is obliged to examine the extent to which banks are fulfilling their duties under this statute.

The proposed Presidential language strongly suggests that illegal red-lining is occurring. Indeed, there apparently have been recent studies that allege that illegal redlining is occurring. Staff of the Office of the Comptroller of the Currency believe that the studies that have been carried out have conceptual flaws that may invalidate the results. Without generally assaulting the commercial banking industry, the proposed alternate language takes a stand against red-lining.

THE WHITE HOUSE  
WASHINGTON

November 8, 1989

MEMORANDUM FOR CHRISS WINSTON

FROM: ROGER B. PORTER *RBP*  
SUBJECT: National Association of Realtors Speech

We are happy to provide comments on the draft remarks for the National Association of Realtors address in Dallas.

1. On pg. 2, the empirical support for the claim that a 1.5 percentage point drop in interest rates means an additional 670,000 home purchases is extremely weak. More significantly, it could be read as more homes being constructed; we have had a 1.5 percentage point drop since March and housing starts have fallen.

I suggest that instead, we use some less precise figure, such as: "thousands more American families can buy a home each time interest rates fall".

2. Also on pg. 2, use 84 months instead of 7th full year, it sounds more impressive. Or, say that next month will mark the start of the 8th year.
3. There are a number of good news points to make on housing. Some of them include:
  - o Housing Starts have never stayed this high for this long in history. The typical "housing cycle" used to be 4 to 5 years.
  - o Housing affordability is holding up well. The index stood at 104.7 in September. That's up about 25 percent since the recovery began in 1983 and up more than 50 percent since the high interest rate days of the late 1970s and early 1980s.
  - o There are two keys to affordability and both are moving in the right direction.
    - Real Income has been growing since 1982. Between 1973 and 1981, the real income of the median family declined 9 percent. By 1987, we'd made up for that decline and last year and again this year, we hit new records in real income.

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OCT 8 1989

- Interest rates are way down. Fixed rate mortgages (FHMLC) are now in single digits -- 9.8 percent. Long term interest rates are down 150 basis points since March.
- 4. On page 4, we have no interagency agreement or Presidential decision to allow the parents of first-time home buyers to withdraw without penalty their IRA savings as a down payment for a first home. The phrase "or their parents" should be deleted. ✓
- 5. On page 4, we do not have authority to earmark funds from the Federal Housing Financing Board to be used for mortgage rate buy-downs to make home owning an option for more low income families. This paragraph should be deleted. ✓
- 6. On page 8, there is not agreement to set aside 10 percent of foreclosed housing from the FHA stock for homeless groups. This sentence should be changed to read: "We're directing the FHA to make its foreclosed housing more accessible to the homeless." ✓
- 7. I also suggest removing the word "just" in the second sentence of the second full paragraph on page 8. ?

If you have any questions or if I can be of any further help, please let me know.

# WHITE HOUSE STAFFING MEMORANDUM

DATE: 11/7/89 ACTION/CONCURRENCE/COMMENT DUE BY: 11/8/89 10:00 AM

SUBJECT: PRESIDENTIAL REMARKS: NATIONAL ASSOCIATION OF REALTORS

|                | ACTION FYI                          |                                     |            | ACTION FYI                          |                                     |
|----------------|-------------------------------------|-------------------------------------|------------|-------------------------------------|-------------------------------------|
| VICE PRESIDENT | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | MCCLURE    | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| SUNUNU         | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | NEWMAN     | <input type="checkbox"/>            | <input type="checkbox"/>            |
| SCOWCROFT      | <input type="checkbox"/>            | <input type="checkbox"/>            | PORTER     | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| DARMAN         | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | ROGICH     | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| BATES          | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | UNTERMAYER | <input type="checkbox"/>            | <input type="checkbox"/>            |
| CARD           | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | ROGERS     | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| CICCONI        | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | WINSTON    | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| DEMAREST       | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | PINKERTON  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| FITZWATER      | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | BOSKIN     | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| GRAY           | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | _____      | <input type="checkbox"/>            | <input type="checkbox"/>            |
| HAGIN          | <input type="checkbox"/>            | <input type="checkbox"/>            | _____      | <input type="checkbox"/>            | <input type="checkbox"/>            |

**REMARKS:**

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 10:00 AM, Wednesday, November 8, with a copy to my office. Thank you.

**RESPONSE:**

James W. Cicconi  
 Assistant to the President  
 and Deputy to the Chief of Staff  
 Ext. 2702

1989 NOV -7 PM 1:31

McGroarty/Dooley  
November 7, 1989  
12:30 pm  
[REALTORS]

PRESIDENTIAL REMARKS: NATIONAL ASSOCIATION OF REALTORS  
DALLAS, TEXAS  
NOVEMBER 10, 1989  
2:15 P.M.

[Introductory remarks.] Thank you, Ira [Griben] -- the very able President of the National Association of Realtors. And let me say hello to two fine members of Congress who have travelled down to Dallas today, Representatives Bill Thomas and Claudine Schneider.

[[ Ira mentioned to me on my way in this afternoon that my speech is a special occasion for this association. // I said I was honored -- and then Ira said "It's not often that we're addressed by someone who lives in public housing." ]] ////

[[ The truth is, I am not a real estate wizard. When I was elected to Congress back in 1966, we needed to make housing arrangements up in Washington. At that time, Senator Al Simpson's father, Millward, was retiring and moving back to Wyoming. So I bought the Simpson place -- sight unseen -- made the deal over the phone. When we got to Washington, there were just two problems: we found out right away the house wasn't quite big enough for the Bush family -- and we found out when we put the place up for sale that it wasn't worth quite as much as we paid for it. /// That's my claim to fame: I'm the only

person who ever lost money in Washington real estate in the last 20 years. /// Ira, where were you when I needed you? ]]

But few people have done more for the real estate industry than I have. // Barbara and I have moved 28 times in our 44 years of marriage. /// Now I know what you're thinking -- what a dream client my family would make for any realtor. /// In fact, OMB is calculating the commissions we've paid over the years -- measured as a percentage of the GNP. ]] ////

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Of course, part of any reasonable economic policy is getting our fiscal house in order. // I want you to know that my Administration is hanging tough for a **responsible budget -- with real deficit reduction, no smoke and mirrors.**

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And I'm optimistic -- optimistic that this economic expansion will continue. Hopeful my Administration and the Congress -- with the help of members like Bill and Claudine -- can agree on a responsible budget. Hopeful that we'll see more and more Americans prospering -- providing better lives for their families, and looking to all of you to help them realize their dreams.

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Project HOPE addresses the full range of housing concerns: from shelter for the homeless to affordable housing for low-income families -- to initiatives that will help millions more Americans achieve the American Dream: owning their own home.

Let's start with what Project HOPE will do for **first-time home buyers.** You know first-hand about families working hard to buy that first home -- families whose savings are no match for skyrocketing prices. First-time buyers deserve our help -- and they're going to get it. I will ask Congress to enact legislation allowing first-time buyers -- or their parents -- to draw without penalty on IRA savings as a downpayment for that first home.

And we've got to expand the home-buying base -- bring more **low-income** families into the ranks of homeowners. I will earmark funds from the Federal Housing Financing Board, to be used for mortgage rate buy-downs to make homeownership an option for more low-income families.

Now, I know you've all seen the news on new housing starts. It's time for all levels of government to take a second look at some of the well-intended housing policies that actually **decrease** our housing supply. I'm talking about the excessive **rules, regulations and red tape** that add unnecessarily to the cost of

housing -- tens of thousands of dollars in some cases -- or create perverse incentives to allow existing housing to deteriorate.

I have asked my very able Secretary of HUD, Jack Kemp, to convene a Blue Ribbon Commission to identify barriers to affordable housing and to make recommendations on how those barriers can be removed. And let me make the first recommendation myself: no city, state or town should receive a single cent of Project HOPE funds until they have identified barriers to affordable housing -- and devise a plan to remove them. ///

Project HOPE also means initiatives to improve **low-income housing**. Let me say right away that my Administration rejects costly new construction programs that, in the past, have too often produced the housing projects that symbolize the very absence of hope in our inner cities. **This Administration remains 100% behind housing vouchers that let low-income families choose for themselves where they wish to live.**

Our challenge is to create incentives that maintain the low-income housing we need. I will ask Congress to renew the Low-Income Housing Tax Credit -- **on one condition: that the Low-Income Housing Tax Credit is part of a package that includes a cut in the capital gains tax.** I know the National Association of Realtors has fought hard to make a capital gains cut a reality. Well, the fight's not over. We're going to keep up the fight for

one simple reason: **because a cut in capital gains is good for growth. ///**

And Project HOPE can help us reverse a trend that's stunting some of the growth and development that would otherwise take place in low-income areas. Too many poverty-stricken areas have simply been **redlined** -- ruled too risky for lending. I am asking the Federal Housing Authority to work with neighborhood non-profit groups to identify responsible credit risks in poor areas, and open a flow of credit for new low and moderate income housing. **The time has come to replace the redline with a greenline -- to color these inner-city neighborhoods green for growth.**

But the real centerpiece of our plan for public housing is resident management and, yes, resident ownership. That's the idea behind our HOPE Grants initiative. It's already working: In Kenilworth-Parkside, back in Washington, D.C. In Cochran Gardens in St. Louis. And it's going to work right here -- at the nation's second-largest public housing project in West Dallas.

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Back in June, I went up to Covenant House in New York. I met children there who've been out on the street for 4 or 5 years -- from the time they were 12 and 13 years old. /// We can't begin to imagine the horrors they go through.

**For all of us,** November is the time of year we start looking forward to the holiday season: Thanksgiving, Christmas, New Years. **For the homeless,** November is the time of year the temperature starts to drop, and simply making it through the night becomes a life and death struggle. // **Homelessness is a**

tragedy -- and Project HOPE won't be complete unless it reaches out to help the homeless. // Because no child in America should have to grow up on the streets. And every family in America should have a roof over its head. ///

Now, my Administration is going to do its part to expand emergency shelters. We're committed to fully funding the McKinney Act. We're directing the FHA to <sup>MAKE ITS</sup> ~~set aside 10% of its~~ foreclosed housing <sup>MORE ACCESSIBLE TO</sup> ~~for lease to~~ homeless groups. And today, I want to announce that -- as part of the savings and loans recovery program -- I will make certain that a portion of the properties from failed S&Ls be put to public use as facilities for the homeless.

But we can't begin to eliminate homelessness -- to really get at the root of the problem -- until we understand the various reasons that lead to life on the streets. Homelessness isn't just a matter of too little shelter space. There are the working homeless, men and women -- some with children -- who hold down a job, but still can't afford a home. But they are only a fraction of the many homeless men and women who are literally incapable of caring for themselves. And if we care about them, we've got to take more than a one-dimensional approach to the problem.

The fact is this: Two-thirds of the homeless out on our streets suffer from drug dependency or mental illness. For these men and women, shelter alone is not enough. Homelessness is just one symptom of the larger problems that prevent them from caring for themselves.

The answer for the homeless who are mentally ill or addicted to drugs is **shelter plus**: shelter supplemented by the necessary support-services to get these people the help they need to live in dignity. And that means a partnership -- a combined federal, state and local effort -- to supply the funding and other resources that constitute a comprehensive solution for the hard-core homeless.

The key here is coordinating basic needs like shelter with other social services -- to help the homeless get the treatment they need to get control of their lives. To help them find and hold down jobs. To help them manage a home. **To help them regain hope -- and leave life on the streets behind for good. ///**

Helping the homeless. Helping low-income families find affordable housing, decent housing. Helping more of the 80 million Americans who don't own a home join the ranks of homeowners. Those are the aims of Project HOPE -- aims well within our reach. And they are aims that deserve the active support of every American who believes in the American Dream. ///

Thank you. God bless you -- and God bless the United States of America.

# # #

# WHITE HOUSE STAFFING MEMORANDUM

DATE: 11/7/89 ACTION/CONCURRENCE/COMMENT DUE BY: 11/8/89 10:00 AM

SUBJECT: PRESIDENTIAL REMARKS: NATIONAL ASSOCIATION OF REALTORS

|                | ACTION FYI                          |                                     |            | ACTION FYI                          |                                     |
|----------------|-------------------------------------|-------------------------------------|------------|-------------------------------------|-------------------------------------|
| VICE PRESIDENT | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | MCCLURE    | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| SUNUNU         | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | NEWMAN     | <input type="checkbox"/>            | <input type="checkbox"/>            |
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| BATES          | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | UNTERMAYER | <input type="checkbox"/>            | <input type="checkbox"/>            |
| CARD           | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | ROGERS     | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| CICCONI        | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | WINSTON    | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| DEMAREST       | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | PINKERTON  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| FITZWATER      | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | BOSKIN     | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| GRAY           | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| HAGIN          | <input type="checkbox"/>            | <input type="checkbox"/>            |            | <input type="checkbox"/>            | <input type="checkbox"/>            |

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 10:00 AM, Wednesday, November 8, with a copy to my office. Thank you.

RESPONSE:

*See Comments  
11/8/89*

James W. Cicconi  
Assistant to the President  
and Deputy to the Chief of Staff  
Ext. 2702

Treasury  
Comments.

McGroarty/Dooley  
November 7, 1989  
12:30 pm  
[REALTORS]

1989 NOV -7 PM 1:31

PRESIDENTIAL REMARKS: NATIONAL ASSOCIATION OF REALTORS  
DALLAS, TEXAS  
NOVEMBER 10, 1989  
2:15 P.M.

[Introductory remarks.] Thank you, Ira [Griben] -- the very able President of the National Association of Realtors. And let me say hello to two fine members of Congress who have travelled down to Dallas today, Representatives Bill Thomas and Claudine Schneider.

[[ Ira mentioned to me on my way in this afternoon that my speech is a special occasion for this association. // I said I was honored -- and then Ira said "It's not often that we're addressed by someone who lives in public housing." ]] ////

[[ The truth is, I am **not** a real estate wizard. When I was elected to Congress back in 1966, we needed to make housing arrangements up in Washington. At that time, Senator Al Simpson's father, Millward, was retiring and moving back to Wyoming. So I bought the Simpson place -- sight unseen -- made the deal over the phone. When we got to Washington, there were just two problems: we found out right away the house wasn't quite big enough for the Bush family -- and we found out when we put the place up for sale that it wasn't worth quite as much as we paid for it. /// That's my claim to fame: I'm the only

-Treasury - Desire - 566-8773.

person who ever lost money in Washington real estate in the last 20 years. /// Ira, where were you when I needed you? ]]

But few people have done more for the real estate industry than I have. // Barbara and I have moved 28 times in our 44 years of marriage. /// Now I know what you're thinking -- what a dream client my family would make for any realtor. /// In fact, OMB is calculating the commissions we've paid over the years -- measured as a percentage of the GNP. ]] ////

I came here today to lay out a set of housing initiatives -- a comprehensive plan to bring basic shelter and affordable housing within reach of every American.

But before I outline my housing proposals, I want to speak for a moment about the single most important factor in helping millions of Americans realize the American Dream: the economy.

**Because the truth is, there's no better housing policy than a strong economy.** One that provides jobs and opportunities for advancement -- interest rates that open ownership opportunities to hundreds of thousands of first-time home buyers. I know just how important interest rates are when it comes to home buying: a 1 1/2 point drop means an additional 670,000 families able to purchase that home they want.

And all signs point to continued strength in the economy. November marks the seventh full year of economic expansion -- the longest peacetime expansion in our nation's history. Unemployment is lower now than at any point since the early 70s. And here's one statistic that has to please all of you: home

mortgage rates are down from almost 14% back in November, 1982 to less than 10% today.

All of us know that the way to keep this expansion alive is to stick with the pro-growth policies that set it in motion -- the policies that provide the private sector room to do what only it can do: create prosperity and higher standards of living.

Of course, part of any reasonable economic policy is getting our **fiscal** house in order. // I want you to know that my Administration is hanging tough for a **responsible budget -- with real deficit reduction, no smoke and mirrors.**

We don't like sequestration -- no one does. But we'll live with it if we have to -- if it's the only way to rein in spending and bring that deficit down to the Gramm-Rudman target. I'm ready to sign a budget bill -- whenever Congress is ready to strip off all the expensive extras and add-ons hidden away in those omnibus spending bills. A responsible budget is one of the best signals the government can send for the sake of continued growth.

And I'm optimistic -- optimistic that this economic expansion will continue. Hopeful my Administration and the Congress -- with the help of members like Bill and Claudine -- can agree on a responsible budget. Hopeful that we'll see more and more Americans prospering -- providing better lives for their families, and looking to all of you to help them realize their dreams.

Today, as I told you a few moments ago, I've chosen this occasion to announce a wide-ranging set of housing initiatives I call **Project Hope -- an initiative that stands for Homeownership and Opportunity for People Everywhere.**

Project HOPE addresses the full range of housing concerns: from shelter for the homeless to affordable housing for low-income families -- to initiatives that will help millions more Americans achieve the American Dream: owning their own home.

Let's start with what Project HOPE will do for **first-time home buyers.** You know first-hand about families working hard to buy that first home -- families whose savings are no match for skyrocketing prices. First-time buyers deserve our help -- and they're going to get it. I will ask Congress to enact legislation allowing first-time buyers -- ~~or their parents~~ -- to draw without penalty on IRA savings as a downpayment for that first home.

And we've got to expand the home-buying base -- bring more <sup>to moderate -</sup> **low-income** families into the ranks of homeowners. I will earmark funds from the Federal Housing Financing Board, to be used for mortgage rate buy-downs to make homeownership an option for more <sup>to moderate -</sup> low-income families.

Now, I know you've all seen the news on new housing starts. It's time for all levels of government to take a second look at some of the well-intended housing policies that actually **decrease** our housing supply. I'm talking about the excessive **rules, regulations and red tape** that add unnecessarily to the cost of

key  
important  
delete it

housing -- tens of thousands of dollars in some cases -- or create perverse incentives to allow existing housing to deteriorate.

I have asked my very able Secretary of HUD, Jack Kemp, to convene a Blue Ribbon Commission to identify barriers to affordable housing and to make recommendations on how those barriers can be removed. And let me make the first recommendation myself: no city, state or town should receive a single cent of Project HOPE funds until they have <sup>Participated in process</sup> identified <sup>back.</sup> barriers to affordable housing -- and <sup>helped</sup> devise a plan to remove them. ///

Project HOPE also means initiatives to improve **low-income housing**. Let me say right away that my Administration rejects costly new construction programs that, in the past, have too often produced the housing projects that symbolize the very absence of hope in our inner cities. **This Administration remains 100% behind housing vouchers that let low-income families choose for themselves where they wish to live.**

Our challenge is to create incentives that maintain the low-income housing we need. I will ask Congress to renew the Low-Income Housing Tax Credit -- <sup>Got 3</sup> ~~on one condition: that the Low-Income Housing Tax Credit~~ <sup>should be a</sup> ~~is~~ part of a package that includes a cut in the capital gains tax. I know the National Association of Realtors has fought hard to make a capital gains cut a reality. Well, the fight's not over. We're going to keep up the fight for

Very important change!

one simple reason: **because a cut in capital gains is good for growth.** ///

And Project HOPE can help us reverse a trend that's stunting some of the growth and development that would otherwise take place in low-income areas. Too many poverty-stricken areas have simply been **redlined** -- ruled too risky for lending. I am asking the Federal Housing Authority to work with neighborhood non-profit groups to identify responsible credit risks in poor areas, and open a flow of credit for new low and moderate income housing. **The time has come to replace the redline with a greenline -- to color these inner-city neighborhoods green for growth.**

*See  
Insert!*

But the real centerpiece of our plan for public housing is resident management and, yes, resident ownership. That's the idea behind our HOPE Grants initiative. It's already working: In Kenilworth-Parkside, back in Washington, D.C. In Cochran Gardens in St. Louis. And it's going to work right here -- at the nation's second-largest public housing project in West Dallas.

And the results **are** promising: with tenants in control, we see better maintenance, more rents paid on time, a decrease in people on the welfare rolls as job opportunities emerge. And we see something more: **a sense of pride that is the very core of any thriving community.**

I hope these successes are only the beginning -- of a nationwide shift towards tenant control, and ultimately towards

**tenant ownership.** I don't know any better way to revive hope in our inner cities than to give tenants a say in running their communities, a stake in the future and the hope that they, too, can own a home. //

That's worth remembering. Because the true measure of success isn't how many families we **add** to housing assistance roles. It's how many families **move up and out -- and into the ranks of homeowners.** ///

Project HOPE can make a difference for millions of Americans who want to buy a home -- or who simply want to provide their families decent housing and better hopes for the future. But there are other people out there we've got to help. **People who stand in the shadows of what is otherwise a very bright economic picture -- who live a nightmare in the midst of the American Dream.** We see them every day -- on the streets of our cities, sleeping on steam grates, living out of cardboard boxes. **The homeless.** //

Back in June, I went up to Covenant House in New York. I met children there who've been out on the street for 4 or 5 years -- from the time they were 12 and 13 years old. /// We can't begin to imagine the horrors they go through.

**For all of us,** November is the time of year we start looking forward to the holiday season: Thanksgiving, Christmas, New Years. **For the homeless,** November is the time of year the temperature starts to drop, and simply making it through the night becomes a life and death struggle. // **Homelessness is a**

tragedy -- and Project HOPE won't be complete unless it reaches out to help the homeless. // Because no child in America should have to grow up on the streets. And every family in America should have a roof over its head. ///

Now, my Administration is going to do its part to expand emergency shelters. We're committed to fully funding the McKinney Act. We're directing the FHA to set aside 10% of its foreclosed housing for lease to homeless groups. ~~And today, I want to announce that -- as part of the savings and loans recovery program -- I will make certain that a portion of the properties from failed S&Ls be put to public use as facilities for the homeless.~~

No agreement reached under law on this has to be taken at.

But we can't begin to eliminate homelessness -- to really get at the root of the problem -- until we **understand** the various reasons that lead to life on the streets. Homelessness isn't just a matter of too little shelter space. There **are** the working homeless, men and women -- some with children -- who hold down a job, but still can't afford a home. But they are only a fraction of the many homeless men and women who are **literally incapable** of caring for themselves. **And if we care about them, we've got to take more than a one-dimensional approach to the problem.**

The fact is this: Two-thirds of the homeless out on our streets suffer from drug dependency or mental illness. For these men and women, **shelter alone is not enough.** Homelessness is just one symptom of the larger problems that prevent them from caring for themselves.

From 1 study - remember Reagan got a lot of flack for saying this.

The answer for the homeless who are mentally ill or addicted to drugs is **shelter plus**: shelter supplemented by the necessary support-services to get these people the help they need to live in dignity. And that means a partnership -- a combined federal, state and local effort -- to supply the funding and other resources that constitute a comprehensive solution for the hard-core homeless.

The key here is coordinating basic needs like shelter with other social services -- to help the homeless get the treatment they need to get control of their lives. To help them find and hold down jobs. To help them manage a home. **To help them regain hope -- and leave life on the streets behind for good. ///**

Helping the homeless. Helping low-income families find affordable housing, decent housing. Helping more of the 80 million Americans who don't own a home join the ranks of homeowners. Those are the aims of Project HOPE -- aims well within our reach. And they are aims that deserve the active support of every American who believes in the American Dream.

///

Thank you. God bless you -- and God bless the United States of America.

# # #

November 7, 1989

To Denise Schwarz  
From Desiree Tucker-Sorini  
Subj Presidential Remarks: Natl. Assn of Realtors

Page 6, first paragraph --

And project HOPE can help us reverse a trend that's stunting some of the growth and development that would otherwise take place in low-income areas. Too many poverty-stricken areas have too little access to housing credit to meet their housing needs. Moreover, illegal redlining has recently been alleged -- that whole areas have been ruled too risky for lending. I am asking the Federal Housing Administration to work with neighborhood non-profit groups to identify responsible credit risks in poor areas, and open a flow of credit for new low and moderate income housing. The time has come to assume once and for all that the redline has been replaced with a greenline -- to color these inner-city neighborhoods green for growth.

*Comms  
(EP)*

Redlining is illegal. Moreover, under the Community Re-  
Investment Act of 1977, commercial banks have the affirmative  
duty to seek to lend to low-moderate income households in poverty  
neighborhoods. Moreover, in his bank examination practices, the  
Comptroller of the Currency is obliged to examine the extent to  
which banks are fulfilling their duties under this statute.

The proposed Presidential language strongly suggests that  
illegal red-lining is occurring. Indeed, there apparently have  
been recent studies that allege that illegal redlining is  
occurring. Staff of the Office of the Comptroller of the  
Currency believe that the studies that have been carried out have  
conceptual flaws that may invalidate the results. Without  
generally assaulting the commercial banking industry, the  
proposed alternate language takes a stand against red-lining.

Secretary Kemp's edits and additions to the draft Realtors speech:

PAGE 1, Insert A: I especially want to thank Ira and all the realtors for your strong support and able guidance in helping to pass the 1988 Fair Housing Act. Your efforts are a tribute to your dedication to the right of all people to be free from discrimination and prejudice. (NOTE: The Realtors have told us that they would like the President to recognize their efforts in Fair Housing.)

PAGE 2, Insert B: I also want to pledge my Administration to vigorous support of the mortgage interest and property tax deductions. These deductions encourage homeownership, and are important to our overall economic prosperity. (NOTE: The Realtors strongly support these provisions)

PAGE 4, LINE 3 and thereafter: HOPE should not be called a "project,"--there is a charitable organization called Project Hope which provides food and other assistance to developing countries.

PAGE 4: Other edits as noted in text

PAGE 5: Other edits as noted in the text

PAGE 6, Insert C: ....good for jobs, and good for the expansion of seed capital for new entrepreneurs. Not only do I want to cut the capital gains tax to 15% for the nation, I want to eliminate in pockets of poverty by passing Enterprise Zone legislation. Enterprise Zones will help create the jobs and incomes that are the real keys to affordable housing. Jobs and housing go hand in hand.

PAGE 6, Insert D: Over nine million Americans live in FHA-insured homes, and every year nearly half a million first-time homebuyers use FHA to help them make their dream affordable. My Administration has announced major reforms to ensure that FHA is true to its primary mission of making housing affordable for low and moderate income families. We will change the destructive practices which have kept FHA out of the inner cities and distressed communities that most need its support.

PAGE 6, Insert E: By encouraging non-profit and resident groups, our nation will be blessed with new property owners who will bring stability, pride and self-help to low income neighborhoods.

PAGE 6: Other edits as noted in the text

PAGE 7: Edits are noted in the text

PAGE 8: Edits are noted in the text

PAGE 9, Insert F: Therefore, I am announcing a new initiative to fund service-supported housing for the homeless who are mentally impaired or are substance abusers.

PAGE 9, Insert G: <sup>The</sup> ~~Our~~ \$6.8 billion dollars <sup>in this initiative, but</sup> agenda is ~~only~~ a part of what we must do to unleash the resources of the profit and non-profit sectors, of churches and synagogues, states and localities in our great national enterprise to assure safe, decent, and affordable housing for all. Only then will we be able to replace hopelessness with hope. Only then will we be able to wage war on poverty and despair. And only then will we be able to complete our vision of a free and prosperous America, full of opportunity for people everywhere.

McGroarty/Dooley  
 November 7, 1989  
 12:30 pm  
 [REALTORS]

1989 NOV -7 PM 1:31

PRESIDENTIAL REMARKS: NATIONAL ASSOCIATION OF REALTORS  
 DALLAS, TEXAS  
 NOVEMBER 10, 1989  
 2:15 P.M.

[Introductory remarks.] Thank you, Ira [Griben] <sup>Insert</sup> -- the very  
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 me say hello to two fine members of Congress who have travelled  
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 was honored -- and then Ira said "It's not often that we're  
 addressed by someone who lives in public housing." ]] ////

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 just two problems: we found out right away the house wasn't  
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 put the place up for sale that it wasn't worth quite as much as  
 we paid for it. /// That's my claim to fame: I'm the only

person who ever lost money in Washington real estate in the last 20 years. /// Ira, where were you when I needed you? ]]

But few people have done more for the real estate industry than I have. // Barbara and I have moved 28 times in our 44 years of marriage. /// Now I know what you're thinking -- what a dream client my family would make for any realtor. /// In fact, OMB is calculating the commissions we've paid over the years -- measured as a percentage of the GNP. ]] ////

I came here today to lay out a set of housing initiatives -- a comprehensive <sup>agenda, help</sup> plan to bring basic shelter and affordable housing within reach of every American.

But before I outline my housing proposals, I want to speak for a moment about the single most important factor in helping millions of Americans realize the American Dream: the economy.

Because the truth is, there's no better housing policy than a strong economy. One that provides jobs, <sup>wages</sup> and opportunities for advancement -- <sup>long term</sup> interest rates that open ownership opportunities to hundreds of thousands of first-time home buyers. I know just how important interest rates are when it comes to home buying: a <sup>2</sup> ~~one~~ point drop means <sup>almost one million more</sup> ~~an additional 670,000~~ families able to purchase that home they want.

Insert B →

And all signs point to continued strength in the economy. November marks the seventh full year of economic expansion -- the longest peacetime expansion in our nation's history. Unemployment is lower now than at any point since the early 70s. And here's one statistic that has to please all of you: home

mortgage rates are down from almost 14% back in November, 1982 to less than 10% today. And my goal is to pursue policies that will bring them down even further.

All of us know that the way to keep this expansion alive is to stick with the pro-growth policies that set it in motion -- the policies that provide the private sector room to do what only it can do: create prosperity and higher standards of living.

Of course, part of any reasonable economic policy is getting our fiscal house in order. // I want you to know that my Administration is hanging tough for a responsible budget -- with real deficit reduction, no smoke and mirrors.

We don't like sequestration -- no one does. But we'll live with it if we have to -- if it's the only way to rein in spending and bring that deficit down to the Gramm-Rudman target. I'm ready to sign a budget bill -- whenever Congress is ready to strip off all the expensive extras and add-ons hidden away in those omnibus spending bills. A responsible budget is one of the best signals the government can send for the sake of continued growth.

And I'm optimistic -- optimistic that this economic expansion will continue. Hopeful my Administration and the Congress -- with the help of members like Bill and Claudine -- can agree on a responsible budget. Hopeful that we'll see more and more Americans prospering -- providing better lives for their families, and looking to all of you to help them realize their dreams.

4

Today, as I told you a few moments ago, I've chosen this occasion to announce a wide-ranging set of housing initiatives I call ~~Project~~ <sup>HOPE</sup> ~~HOPE~~ -- an initiative that stands for Homeownership <sup>(capitalize)</sup> and Opportunity for People Everywhere.

Project HOPE addresses the full range of housing concerns: from shelter for the homeless to affordable housing for low-income families -- to initiatives that will help millions more Americans achieve the American Dream: owning their own home.

Let's start with what ~~Project~~ HOPE will do for first-time home buyers. You know first-hand about families working hard to buy that first home -- families whose savings are no match for skyrocketing prices. First-time buyers deserve our help -- and they're going to get it. I will ask Congress to enact legislation allowing first-time buyers ~~as their parents~~ to draw without penalty on IRA savings as a downpayment for that first home.

And we've got to expand the home-buying base -- bring more ~~low-income~~ <sup>and moderate income</sup> families into the ranks of homeowners. I will earmark funds from the Federal Housing Financing Board, to be used for mortgage rate buy-downs <sup>and other incentives</sup> to make homeownership an option for more ~~low-income~~ <sup>and moderate income</sup> families.

Now, I know you've all seen the news on new housing starts. It's time for all levels of government to take a second look at some of the well-intended housing policies that actually decrease our housing supply. I'm talking about the excessive rules, fees, <sup>rent controls</sup> regulations and red tape that add unnecessarily to the cost of

housing -- tens of thousands of dollars in some cases -- or create perverse incentives to allow existing housing to deteriorate.

I have asked ~~my very able~~ Secretary of HUD, Jack Kemp, to convene a Blue Ribbon Commission to identify barriers to affordable housing and to make recommendations on how those barriers can be removed. And let me make the first recommendation myself: no city, state or town should receive a single cent of ~~HOPE~~ HOPE funds until they have identified barriers to affordable housing -- and devise a plan to remove them. ~~///~~ ~~HOPE~~

~~Project~~ HOPE also means initiatives to improve low-income housing. Let me say right away that my Administration rejects costly new <sup>public</sup> construction programs that, in the past, have too often produced the housing projects that symbolize the very absence of hope in our inner cities. This Administration remains 100% behind housing vouchers that <sup>empower</sup> low-income families <sup>to</sup> choose for themselves where they wish to live.

Our challenge is to create incentives that <sup>maintain the housing stock and expand and rehabilitate</sup> ~~maintain~~ the low-income housing we need. I will ask Congress to renew the Low-Income Housing Tax Credit <sup>but</sup> ~~on one condition~~ that the Low-Income Housing Tax Credit is part of a package that includes a cut in the capital gains tax. I know the National Association of Realtors has fought hard to make a capital gains cut a reality. Well, the fight's not over. We're going to keep up the fight for

one simple reason: because a cut in capital gains is good for growth, ~~///~~ Insert C

And ~~Project~~ HOPE can help us ~~reverse a trend that's stunting~~ <sup>expand homeownership by making</sup> the Federal Housing Administration ~~is strong and financially sound.~~ <sup>strong and financially sound.</sup> ~~some of the growth and development that would otherwise take~~

INSERT D

~~place in low income areas. Too many poverty-stricken areas have simply been redlined - ruled too risky for lending. I am asking the Federal Housing Authority to work with neighborhood non-profit groups to identify responsible credit risks in poor areas, and open a flow of credit for new low and moderate income housing. The time has come to replace the redline with a greenline - to color these inner-city neighborhoods green for growth.~~

HOPE STRATEGY

But the real centerpiece of our ~~plan for public housing~~ <sup>plan for public housing</sup> is to ~~recapture the American dream of homeownership for those who have been left behind.~~ <sup>recapture the American dream of homeownership for those who have been left behind.</sup> ~~resident management and, yes, resident ownership.~~ That's the

Insert E

idea behind our HOPE Grants initiative. ~~It's already working:~~ <sup>It's already working:</sup> In Kenilworth-Parkside, back in Washington, D.C. In Cochran Gardens in St. Louis. ~~At Chicago's LeClaire Courts.~~ <sup>At Chicago's LeClaire Courts.</sup> ~~And it's going to work right here -- at Rhoads Terrace, the~~ <sup>Rhoads Terrace, the</sup> nation's second-largest public housing project in ~~West~~ Dallas.

And the results are promising: with tenants in control, we see better maintenance, more rents paid on time, a decrease in people on the welfare rolls as job opportunities emerge. And we see something more: a sense of pride that is the very core of any thriving community.

I hope these successes are only the beginning -- of a nationwide shift towards ~~tenant~~ <sup>resident</sup> control, and ultimately towards

resident  
tenant ownership.

*not only in public housing,  
7 but for low income  
housing at risk due to mortgage  
prepayment.*

I don't know any better way to revive hope in our inner cities than to give tenants a say in running their communities, a stake in the future and the hope that they, too, can own a home *and gain equity in the American dream.*

That's worth remembering. Because the true measure of success isn't how many families we add to housing assistance roles. It's how many families move up and out -- and into the ranks of homeowners. ///

~~Project~~ HOPE can make a difference for millions of Americans who want to buy a home -- or who simply want to provide their families decent housing and better hopes for the future. But there are other people out there we've got to help. People who stand in the shadows of what is otherwise a very bright economic picture -- who live a nightmare in the midst of the American Dream. We see them every day -- on the streets of our cities, sleeping on steam grates, living out of cardboard boxes. The homeless. //

*Father Bruce Ritter's*

Back in June, I went up to <sup>V</sup>Covenant House in New York. I met children there who've been out on the street for 4 or 5 years -- from the time they were 12 and 13 years old. /// We can't begin to imagine the horrors they go through.

For all of us, November is the time of year we start looking forward to the holiday season: Thanksgiving, Christmas, New Years. For the homeless, November is the time of year the temperature starts to drop, and simply making it through the night becomes a life and death struggle. // Homelessness is a

tragedy -- and ~~Project~~ HOPE won't be complete unless it reaches out to help the homeless. // Because no child in America should have to grow up on the streets. And every family in America should have a roof over its head. ///

Now, my Administration is going to do its part to expand emergency shelters. We're committed to fully funding the McKinney Act. We're directing the FHA to set aside 10% of its foreclosed housing for lease to homeless groups. And today, I want to announce that -- as part of the savings and loans recovery program -- I will make certain that a portion of the properties from failed S&Ls be put to ~~public use, as facilities for the homeless.~~ <sup>to fight poverty and homelessness.</sup>

But we can't begin to eliminate homelessness -- to really get at the root of the problem -- until we understand the various reasons that lead to life on the streets. Homelessness isn't just a matter of too little shelter space. There are the working homeless, men and women -- some with children -- who hold down a job, but still can't afford a home. But they are only a fraction of the many homeless men and women who are literally incapable of caring for themselves. And if we care about them, we've got to take more than a one-dimensional approach to the problem.

The fact is this: <sup>Most studies show that more than half</sup> ~~two-thirds~~ of the homeless out on our streets suffer from drug dependency or mental <sup>impairment.</sup> ~~illness.~~ For these men and women, shelter alone is not enough. Homelessness is just one symptom of the larger problems that prevent them from caring for themselves.

The answer for the homeless who are mentally ill or addicted to drugs is shelter plus: shelter supplemented by the necessary support-services to get these people the help they need to live in dignity. And that means a partnership -- a combined federal, state and local effort -- to supply the funding and other resources that constitute a comprehensive solution for the hard-core homeless.

The key here is coordinating basic needs like shelter with other social services -- to help the homeless get the treatment they need to get control of their lives. To help them find and hold down jobs. ~~To help them manage a home.~~ To help them regain hope -- and leave life on the streets behind for good. ~~///~~ Insert F

~~Helping the homeless. Helping low income families find affordable housing, decent housing. Helping more of the 80 million Americans who don't own a home join the ranks of homeowners. These are the aims of Project HOPE -- aims well within our reach. And they are aims that deserve the active support of every American who believes in the American Dream.~~

Insert G

///

Thank you. God bless you -- and God bless the United States of America.

# # #