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Series: Speech File Draft Files
Subseries: Chron File, 1989-1993

OA/ID Number: 13510
Folder ID Number: 13510-008

Folder Title:
National Association of Realtors 11/10/89 [OA 3537] [3]

Stack:	Row:	Section:	Shelf:	Position:
G	25	6	6	2

THE WHITE HOUSE
WASHINGTON

November 8, 1989

MEMORANDUM FOR CHRISS WINSTON
Deputy Assistant to the President for
Communications

FROM: BRENT O. HATCH *BH*
Associate Counsel to the President

SUBJECT: Presidential Remarks -- National Association of
Realtors

At your request, Counsel's office has reviewed the above-referenced remarks. We have no legal objections.

Thank you for the opportunity to review this matter.

cc: James W. Cicconi

89 OCT 8 4 9: 25

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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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.]] ////

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 **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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OK. BRUCE ZANCA FOR Sig Roy 12/4

07:11v 8 120-83

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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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RESPONSE: *456-6218*
OK *James W. Cicconi*

89 OCT 8 10:31

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

1989 NOV -7 PM 1:31

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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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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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*Another
Project
Submit*

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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. ///

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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. //

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.

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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.

True?
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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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THE WHITE HOUSE

WASHINGTON

November 8, 1989

MEMORANDUM FOR ROGER B. PORTER

FROM:

LARRY LINDSEY *ll*

SUBJECT:

National Association of Realtors Speech

p. 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".

p. 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.

Also, 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.

- 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.

p. 4 to end:

It is a serious mistake to announce the HOPE initiative before the details have been agreed to among the relevant agencies. Even if the word is used, details should be kept for a time when they have been worked out.

- p. 4: Specifically, points on which there is no interagency agreement should not be raised. THERE IS NO INTERAGENCY AGREEMENT ON ALLOWING FIRST TIME HOMEBUYERS TO USE THERE IRA MONEY. This completely short circuits the policy process.
- p. 4: The expectations created about the amount of money we are going to spend on the Federal Housing Finance Board are so far above where we will go in the budget that we will produce gales of laughter when the budget is submitted. Don't hook the President into this.
- p. 5: The linkage between the Low Income Housing Tax Credit and the capital gains tax is clever, but again, nobody has signed off on it. In fact, Treasury testified against extending the Low Income Housing Tax Credit.
- p. 6: Greenlining is clever rhetoric, but if you know what policies lie behind it, you'd never get the President to agree to it.
- p. 8: I am not aware that we have "directed the FHA to set aside 10% of its foreclosed housing for lease to homeless groups". Why not just direct them to set aside units, rather than creating a performance standard that we do not feel confident can be met. It is not clear that homeless groups have the capacity to absorb anywhere near 10 percent of foreclosed units, particularly in distressed areas such as Texas.

On the "points of light" front, the President should challenge the realtors to use their knowledge about real estate and real estate transactions to help facilitate this process.

- p. 8: It is simply untrue that any substantial number of homeless men and women and hold down full-time jobs can't afford housing. This is a falsehood that the

President should not make credible by repeating. The following sentences provide the necessary caveats, but the sentence can be taken out of context and used for all kinds of mischief. Preferable would be a sentence linking affordability and our strategy of improving purchasing power through vouchers and certificates rather than build new public housing.

p. 8: I also suggest removing the word "just" in the second sentence. Homelessness isn't a matter of too little shelter space. A possible reformulation: talking in terms of it being "time to move our struggle against homelessness beyond beds in shelters."

Otherwise, the statements about homelessness present the President as being thoughtful and responsive to the issue of homelessness and should bring kudos for a willingness to be frank about the issue.

Kemp FAX

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the draft Realtors

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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.

Insert 2
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: ^{The} ~~Our~~ \$6.8 billion dollars ^{in this initiative, but} 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.

insert 1

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

and I know we can count on you - just as we counted on you - your strong support in helping to pass the 1988 Fair Housing Act.

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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I saw a story a while back about that's stuck in my mind.

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.**

Kid "I dreamed my mom got her Section 8 + we got a big back yard."

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**

→ *"IF I could ~~make~~ have a wish, for every body. I'd wish that everyone had a home."*

Some kids dream of ~~lots~~ ^{new} video
game, ^{a brand,} new bike.

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. ///

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

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McGroarty/Dooley
November 8, 1989
4:00 pm
[REALTORS]

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

Thank you, Ira [Gribin]. I know I speak for everyone here today when I salute you for serving so ably as President of the National Association of Realtors. My best wishes to your successor, ~~seated down in front here:~~ Norm Flynn. And let me recognize the man who's doing such wonderful work as Secretary of HUD, Jack Kemp, and two fine members of Congress who have travelled down on Air force One with me today, Senator Phil Gramm and Dallas' own Congressman, 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, Milward, 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

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Check

And all signs point to continued strength in the economy. November marks the ^{84TH MONTH} ~~seventh full-year~~ of economic expansion -- the longest peacetime expansion ~~in our nation's history.~~ ^{on record.}

~~HOUSING~~

~~for the year~~

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And here's one statistic that ^{really hits home} has to please all of you: ~~home~~

mortgage rates are down from almost 14% back in November, 1982 to

~~and housing starts have never stayed this high for this long in history.~~ less than 10% today. ^{And my goal is to pursue policies that will bring them down even further.}

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.**

Check w/ Downman

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 costly extras and add-ons hidden away in those omnibus spending bills.

And I'm optimistic -- optimistic that my Administration and the Congress can agree on a responsible budget. Optimistic 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. ^{insert ref. to Fair Housing}

-- as you helped us do this

^{But more must be done and initiative}

That's where ~~Project~~ ^{the} HOPE comes in. These initiatives address 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 own their own home.

Let's start right there -- with what ~~Project~~ HOPE can do for **first-time home buyers.** You all know about families working to

buy that first home -- ~~families whose savings are no match for~~
~~skyrocketing prices.~~ *Well, they* First-time buyers deserve our help -- and
B.F. they're going to get it. [I will ask Congress to enact
(or their parents) legislation allowing first-time buyers, to draw, without penalty,
 on IRA savings as a downpayment for that first home.]

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

And ~~our~~ *initiative also* Project HOPE *efforts* means initiatives to improve **low-income**
housing. *As you know,* Let me say right away that my Administration rejects
public 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 is 100%~~
~~behind housing vouchers that let low-income families choose where~~
~~they want to live.~~ *S.*

The real Our challenge is to create incentives that maintain the low-
First - housing vouchers - income housing we need. *Second -* I will ask Congress to renew the Low-
bee but should make it Income Housing Tax Credit. ~~///~~ -- ~~on one condition:~~ ~~///~~ The
~~Low-Income Housing Tax Credit must be part of a package that~~ *a also*
 includes a cut in the capital gains tax.

A cut in capital gains means an increase in jobs, investment
 and growth. I know the National Association of Realtors has
 fought hard to make a capital gains cut a reality. Well, the
 fight's not over. ///

Insert 2

5

stet

And ~~Project~~ HOPE can help us reverse a trend that's stunting growth and development in low-income areas. Too many of these poverty-stricken areas have simply been **redlined** -- ruled too risky for lending. I will direct the Federal Housing Authority to work with neighborhood non-profit groups to open a new flow of credit for 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.**

And there's another way we can ~~improve living conditions in~~ ^{to eliminate pockets of poverty by passing legislation.} low-income areas. ~~I'm talking about Enterprise Zones.~~ I've called on Congress to create at least 50 Enterprise Zones over ^{to help create the jobs and incomes that are the real key to affordable housing.} the next four years. I hope Congress gets the message. **It's time we gave the green light to the urban entrepreneur.**

You know, Winston Churchill once said about building a home, "We shape it -- thereafter, it shapes us." The same is true when it comes to low-income housing policy.

That's ^{the real centerpiece of our} ~~why~~ ^{to recapture the American dream} Project HOPE includes initiatives to expand ^{initiative:} **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. ^{By encouraging non-profit and resident groups} ~~And~~ it's going to work right here -- at the nation's second-largest public housing project in West Dallas -- and all across the United States.

The results **are** promising: with tenants in control, we see better maintenance, more rents paid on time, a decrease in people

of home ownership for those who have ^{been} left behind * through

on the welfare rolls. And we see something more: **a sense of pride that is the very core of any thriving community.**

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 ^{belief} hope that they, too, can own a home. **Because the true measure of success isn't how many families we add to housing assistance ^{rolls.} 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 ^{more to the HOPE initiative. And now I'm talking about} are other people out there we've got to help. ~~People who~~ ^{stand} 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.** //

For ^{most} 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. //

Think about the **children.** Pretty soon, your kids will be dreaming about Christmas toys -- that new video game or new bike they'd like. It's different for kids on the street. I read a story not long ago that's stuck in my mind about a little boy

without a home. Here's what he dreams about at night: "I dreamed my Mom got her Section 8," he said, "and we got a house with a great big back yard."

But in the morning, for that little boy, the dream is over. He is up at 5:30, out of a shelter and back onto the streets. ///

That's a tragedy -- 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. ///

[My Administration is going to do its part to expand emergency shelters. We're committed to fully funding the McKinney Act. And today, I want to announce that we're directing the FHA to set aside 10% of its foreclosed housing for lease to homeless groups. And -- 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~~ ^{to fight poverty} ~~for the homeless~~ ^{and} ~~ness.~~]

But we can't begin to **eliminate** homelessness until we **understand** the various reasons that lead to life on the streets. Homelessness isn't ~~just~~ ^{stet} 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 ^{more} homeless men and women who are **literally incapable** of caring for themselves.

The answer for ~~the~~ ^{these} homeless ~~who are~~ ^{the} mentally ill or ~~addicted~~ ^{impaired those} to drugs ^{or alcohol,} 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. **And if we care about them, we've got to take more than a one-dimensional approach to the problem.**

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. new initiative? **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~~ ^{the} HOPE ^{initiative.} -- aims well within our reach.

Think about that little boy I spoke about a moment ago. Think about his dream -- **because it's really the American Dream** - - what all of us want for ourselves and our families. ///

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

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Insert 1

We must unleash the

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

THANK YOU, IRA [GRIBIN]. I KNOW I SPEAK FOR EVERYONE HERE TODAY WHEN I SALUTE YOU FOR SERVING SO ABLY AS PRESIDENT OF THE NATIONAL ASSOCIATION OF REALTORS. MY BEST WISHES TO YOUR SUCCESSOR: NORM FLYNN. // LET ME ALSO RECOGNIZE THE MAN WHO'S DOING SUCH WONDERFUL WORK, PUTTING THROUGH THE TOUGH NEW REFORMS THAT ENSURE THAT HIS AGENCY SERVES PEOPLE IN NEED, MY SECRETARY OF HUD, JACK KEMP. AND TWO FINE MEMBERS OF CONGRESS WHO HAVE TRAVELLED DOWN ON AIR FORCE ONE WITH ME TODAY, SENATOR PHIL GRAMM AND DALLAS' OWN CONGRESSMAN, STEVE BARTLETT.

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[[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, MILWARD, 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 COMPREHENSIVE AGENDA TO HELP BRING BASIC SHELTER AND AFFORDABLE HOUSING WITHIN REACH OF MILLIONS OF AMERICANS. I CALL IT AMERICA'S HOPE -- HOMEOWNERSHIP AND OPPORTUNITY FOR PEOPLE EVERYWHERE.

BUT BEFORE I TELL YOU ABOUT HOPE, 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 GROWING ECONOMY. AND WE'VE GOT ONE. ONE THAT PROVIDES JOBS, WAGES AND OPPORTUNITIES FOR ADVANCEMENT -- LONG-TERM INTEREST RATES THAT OPEN OWNERSHIP OPPORTUNITIES TO HUNDREDS OF THOUSANDS OF FIRST-TIME HOME BUYERS. BECAUSE EVERY DROP IN INTEREST RATES MAKES IT POSSIBLE FOR MORE FAMILIES TO BUY THAT HOME THEY WANT. AND I PLEDGE THAT MY ADMINISTRATION WILL VIGOROUSLY SUPPORT THE MORTGAGE INTEREST AND PROPERTY TAX DEDUCTIONS. THESE DEDUCTIONS ENCOURAGE HOME OWNERSHIP -- AND ARE IMPORTANT TO OUR OVERALL ECONOMIC PROSPERITY.

AND ALL SIGNS POINT TO CONTINUED STRENGTH IN THE ECONOMY. NOVEMBER MARKS THE 84TH MONTH OF ECONOMIC EXPANSION -- THE LONGEST PEACETIME EXPANSION ON RECORD. AND HERE'S ONE STATISTIC THAT REALLY HITS HOME: MORTGAGE RATES ARE DOWN FROM ALMOST 14% BACK IN NOVEMBER 1982 TO LESS THAN 10% TODAY. MY GOAL IS TO PURSUE POLICIES THAT WILL BRING THEM DOWN EVEN FURTHER.

OF COURSE, PART OF ANY RESPONSIBLE 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 COSTLY EXTRAS AND ADD-ONS HIDDEN AWAY IN THOSE OMNIBUS SPENDING BILLS.

AND I'M OPTIMISTIC -- OPTIMISTIC THAT MY ADMINISTRATION AND THE CONGRESS CAN AGREE ON A RESPONSIBLE BUDGET. OPTIMISTIC 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.

AND I KNOW WE CAN COUNT ON YOU -- JUST AS WE COUNTED ON YOUR STRONG SUPPORT IN HELPING TO PASS THE 1988 FAIR HOUSING ACT. IRA, THAT'S A TRIBUTE TO YOUR LEADERSHIP -- TO YOUR ORGANIZATION AND ITS DEDICATION TO THE RIGHT OF ALL PEOPLE TO BE FREE FROM DISCRIMINATION AND PREJUDICE.

BUT MORE MUST BE DONE, AND THAT'S WHERE THE HOPE INITIATIVE COMES IN. THIS INITIATIVE WILL ADDRESS THE FULL RANGE OF HOUSING CONCERNS: FROM SHELTER FOR THE HOMELESS TO AFFORDABLE HOUSING FOR LOW-INCOME FAMILIES -- TO INITIATIVES THAT OPEN ACCESS TO EXPANDED JOB OPPORTUNITIES, AND HELP MILLIONS MORE AMERICANS OWN THEIR OWN HOME.

LET'S START RIGHT THERE -- WITH WHAT HOPE CAN DO FOR FIRST-TIME HOME BUYERS. YOU ALL KNOW ABOUT FAMILIES WORKING TO BUY THAT FIRST HOME. WELL, THEY DESERVE OUR HELP -- AND THEY'RE GOING TO GET IT. I WILL ASK CONGRESS TO ENACT LEGISLATION ALLOWING FIRST-TIME BUYERS TO DRAW, WITHOUT PENALTY, ON I.R.A. SAVINGS AS A DOWNPAYMENT FOR THAT FIRST HOME.

OUR HOPE INITIATIVE ALSO MEANS EFFORTS TO IMPROVE LOW-INCOME HOUSING. AS YOU KNOW, MY ADMINISTRATION REJECTS COSTLY NEW PUBLIC CONSTRUCTION PROGRAMS THAT, IN THE PAST, HAVE TOO OFTEN PRODUCED THE HOUSING PROJECTS THAT SYMBOLIZE THE VERY ABSENCE OF HOPE IN OUR INNER CITIES. THERE'S A BETTER WAY: HOUSING VOUCHERS -- THAT EMPOWER LOW-INCOME FAMILIES TO CHOOSE WHERE THEY WANT TO LIVE.

OUR IDEA IS TO CREATE INCENTIVES FOR THE CONSTRUCTION AND REHABILITATION OF THE HOUSING LOW-INCOME FAMILIES NEED. THAT'S WHY I'M CALLING ON CONGRESS TO RENEW THE LOW-INCOME HOUSING TAX CREDIT -- BUT MAKE IT PART OF A PACKAGE THAT ALSO INCLUDES A CUT IN THE CAPITAL GAINS TAX. A CUT IN CAPITAL GAINS MEANS AN INCREASE IN JOBS, INVESTMENT AND GROWTH. I KNOW THE NATIONAL ASSOCIATION OF REALTORS HAS FOUGHT HARD TO MAKE A CAPITAL GAINS CUT A REALITY. WELL, THE FIGHT'S NOT OVER. ///

BUT WE'VE GOT TO GO ONE STEP FURTHER -- IN THOSE POCKETS OF POVERTY WHERE DESPAIR HAS DRIVEN OUT HOPE, WE'VE GOT TO ELIMINATE THE CAPITAL GAINS TAX ALTOGETHER. THAT'S A KEY ELEMENT IN THE ENTERPRISE ZONE LEGISLATION I WANT TO SEE ENACTED. I'VE CALLED ON CONGRESS TO CREATE AT LEAST 50 ENTERPRISE ZONES OVER THE NEXT FOUR YEARS TO HELP CREATE THE JOBS AND INCOMES THAT ARE THE REAL KEY TO AFFORDABLE HOUSING. I HOPE CONGRESS GETS THE MESSAGE. IT'S TIME WE GAVE THE GREEN LIGHT TO OUR INNER CITY ENTREPRENEURS.

AND HOPE CAN HELP US REVERSE A TREND THAT'S STUNTING GROWTH AND DEVELOPMENT IN LOW-INCOME AREAS. 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.

AND -- AT ALL LEVELS OF GOVERNMENT -- WE'VE GOT 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 -- BY TENS OF THOUSANDS OF DOLLARS -- OR CREATE PERVERSE INCENTIVES TO ALLOW EXISTING HOUSING TO DETERIORATE. I HAVE ASKED JACK KEMP TO CONVENE A BLUE RIBBON COMMISSION TO IDENTIFY BARRIERS TO AFFORDABLE HOUSING -- AND TO MAKE RECOMMENDATIONS ON HOW THESE BARRIERS CAN BE REMOVED. AND LET ME MAKE THE FIRST RECOMMENDATION RIGHT HERE: NO CITY, STATE OR TOWN SHOULD RECEIVE A SINGLE PENNY OF HOPE FUNDING UNTIL THEY HAVE IDENTIFIED BARRIERS TO AFFORDABLE HOUSING IN THEIR OWN BACK YARD -- AND START TAKING STEPS TO REMOVE THEM. ///

YOU KNOW, SOMEONE ONCE SAID "WE SHAPE BUILDINGS -- THEREAFTER, THEY SHAPE US." THE SAME IS TRUE WHEN IT COMES TO LOW-INCOME HOUSING POLICY.

THAT'S THE REAL CENTERPIECE OF OUR HOPE INITIATIVE: TO RECAPTURE THE AMERICAN DREAM OF HOME OWNERSHIP FOR THOSE WHO HAVE BEEN LEFT BEHIND -- THROUGH RESIDENT MANAGEMENT AND RESIDENT OWNERSHIP. IT'S ALREADY WORKING: IN KENILWORTH-PARKSIDE, BACK IN WASHINGTON, D.C. IN COCHRAN GARDENS IN ST. LOUIS. BY ENCOURAGING NON-PROFIT AND RESIDENT GROUPS, IT'S GOING TO WORK RIGHT HERE IN DALLAS -- AT PLACES LIKE RHOADS TERRACE UNDER THE TAKE-CHARGE LEADERSHIP OF A COURAGEOUS MOTHER NAMED JESSIE TOLES -- AND ALL ACROSS THE UNITED STATES.

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. AND WE SEE SOMETHING MORE: A SENSE OF PRIDE THAT IS THE VERY CORE OF ANY THRIVING COMMUNITY.

I DON'T KNOW ANY BETTER WAY TO REVIVE HOPE IN OUR INNER CITIES THAN TO GIVE TENANTS THEMSELVES A SAY IN RUNNING THEIR COMMUNITIES, A STAKE IN THE FUTURE AND THE BELIEF THAT THEY, TOO, CAN OWN A HOME. BECAUSE THE TRUE MEASURE OF SUCCESS ISN'T HOW MANY FAMILIES WE ADD TO HOUSING ASSISTANCE ROLLS. IT'S HOW MANY FAMILIES MOVE UP AND OUT -- AND INTO THE RANKS OF HOMEOWNERS.

///

BUT THERE'S MORE TO THE HOPE INITIATIVE. AND NOW I'M TALKING ABOUT 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. //

FOR MOST 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. //

THINK ABOUT THE CHILDREN. PRETTY SOON, YOUR KIDS WILL BE DREAMING ABOUT CHRISTMAS TOYS -- THAT NEW VIDEO GAME OR NEW BIKE THEY'D LIKE. IT'S DIFFERENT FOR KIDS ON THE STREET. I READ A STORY NOT LONG AGO THAT'S STUCK IN MY MIND ABOUT A LITTLE BOY WITHOUT A HOME. HERE'S WHAT HE DREAMS ABOUT AT NIGHT: "I DREAMED MY MOM GOT HER [HOUSING ASSISTANCE]," HE SAID, "AND WE GOT A HOUSE WITH A GREAT BIG BACK YARD."

BUT IN THE MORNING, FOR THAT LITTLE BOY, THE DREAM IS OVER. HE IS UP AT 5:30, OUT OF A SHELTER AND BACK ONTO THE STREETS. ///

THAT'S A TRAGEDY -- 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.
///

MY ADMINISTRATION IS GOING TO DO ITS PART TO EXPAND EMERGENCY SHELTERS. YESTERDAY, I SIGNED A BILL THAT SUBSTANTIALLY INCREASES FUNDING UNDER THE MCKINNEY ACT TO REDUCE HOMELESSNESS. AND WE'RE GOING TO CONTINUE TO PUSH FOR FULL FUNDING OF HOMELESS PROGRAMS UNDER THAT LAW. TODAY, I'M ALSO ASKING JACK KEMP TO FIND NEW WAYS TO PUT A PORTION OF OUR FHA FORECLOSURES INTO THE HANDS OF NON-PROFIT GROUPS -- GROUPS THAT ARE DOING SUCH WONDERFUL WORK REHABILITATING ABANDONED HOMES, AND FIGHTING POVERTY IN OUR INNER CITIES.

BUT THE REAL ANSWER FOR THE HOMELESS -- THOSE WITH MENTAL PROBLEMS OR DEPENDENT ON DRUGS OR ALCOHOL, IS SHELTER PLUS CARE: 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. AND IF WE CARE ABOUT THEM, WE'VE GOT TO TAKE MORE THAN A ONE-DIMENSIONAL APPROACH TO THE PROBLEM.

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///

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
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THINK ABOUT THAT LITTLE BOY I SPOKE ABOUT A MOMENT
AGO. THINK ABOUT HIS DREAM -- BECAUSE IT'S REALLY THE
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OUR FAMILIES. ///

WE MUST 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.

THANK YOU. GOD BLESS YOU -- AND GOD BLESS THE
UNITED STATES OF AMERICA.

#

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

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OF COURSE, PART OF ANY RESPONSIBLE 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 COSTLY EXTRAS AND ADD-ONS HIDDEN AWAY IN THOSE OMNIBUS SPENDING BILLS.

AND I'M OPTIMISTIC -- OPTIMISTIC THAT MY ADMINISTRATION AND THE CONGRESS CAN AGREE ON A RESPONSIBLE BUDGET. OPTIMISTIC 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.

AND I KNOW WE CAN COUNT ON YOU -- JUST AS WE COUNTED ON YOUR STRONG SUPPORT IN HELPING TO PASS THE 1988 FAIR HOUSING ACT. IRA, THAT'S A TRIBUTE TO YOUR LEADERSHIP -- TO YOUR ORGANIZATION AND ITS DEDICATION TO THE RIGHT OF ALL PEOPLE TO BE FREE FROM DISCRIMINATION AND PREJUDICE.

BUT MORE MUST BE DONE, AND THAT'S WHERE THE HOPE INITIATIVE COMES IN. THIS INITIATIVE WILL ADDRESS THE FULL RANGE OF HOUSING CONCERNS: FROM SHELTER FOR THE HOMELESS TO AFFORDABLE HOUSING FOR LOW-INCOME FAMILIES -- TO INITIATIVES THAT OPEN ACCESS TO EXPANDED JOB OPPORTUNITIES, AND HELP MILLIONS MORE AMERICANS OWN THEIR OWN HOME.

LET'S START RIGHT THERE -- WITH WHAT HOPE CAN DO FOR FIRST-TIME HOME BUYERS. YOU ALL KNOW ABOUT FAMILIES WORKING TO BUY THAT FIRST HOME. WELL, THEY DESERVE OUR HELP -- AND THEY'RE GOING TO GET IT. I WILL ASK CONGRESS TO ENACT LEGISLATION ALLOWING FIRST-TIME BUYERS TO DRAW, WITHOUT PENALTY, ON I.R.A. SAVINGS AS A DOWNPAYMENT FOR THAT FIRST HOME.

OUR HOPE INITIATIVE ALSO MEANS EFFORTS TO IMPROVE LOW-INCOME HOUSING. AS YOU KNOW, MY ADMINISTRATION REJECTS COSTLY NEW PUBLIC CONSTRUCTION PROGRAMS THAT, IN THE PAST, HAVE TOO OFTEN PRODUCED THE HOUSING PROJECTS THAT SYMBOLIZE THE VERY ABSENCE OF HOPE IN OUR INNER CITIES. THERE'S A BETTER WAY: HOUSING VOUCHERS -- THAT EMPOWER LOW-INCOME FAMILIES TO CHOOSE WHERE THEY WANT TO LIVE.

OUR IDEA IS TO CREATE INCENTIVES FOR THE CONSTRUCTION AND REHABILITATION OF THE HOUSING LOW-INCOME FAMILIES NEED. THAT'S WHY I'M CALLING ON CONGRESS TO RENEW THE LOW-INCOME HOUSING TAX CREDIT -- BUT MAKE IT PART OF A PACKAGE THAT ALSO INCLUDES A CUT IN THE CAPITAL GAINS TAX. A CUT IN CAPITAL GAINS MEANS AN INCREASE IN JOBS, INVESTMENT AND GROWTH. I KNOW THE NATIONAL ASSOCIATION OF REALTORS HAS FOUGHT HARD TO MAKE A CAPITAL GAINS CUT A REALITY. WELL, THE FIGHT'S NOT OVER. ///

BUT WE'VE GOT TO GO ONE STEP FURTHER -- IN THOSE POCKETS OF POVERTY WHERE DESPAIR HAS DRIVEN OUT HOPE, WE'VE GOT TO ELIMINATE THE CAPITAL GAINS TAX ALTOGETHER. THAT'S A KEY ELEMENT IN THE ENTERPRISE ZONE LEGISLATION I WANT TO SEE ENACTED. I'VE CALLED ON CONGRESS TO CREATE AT LEAST 50 ENTERPRISE ZONES OVER THE NEXT FOUR YEARS TO HELP CREATE THE JOBS AND INCOMES THAT ARE THE REAL KEY TO AFFORDABLE HOUSING. I HOPE CONGRESS GETS THE MESSAGE. IT'S TIME WE GAVE THE GREEN LIGHT TO OUR INNER CITY ENTREPRENEURS.

AND HOPE CAN HELP US REVERSE A TREND THAT'S STUNTING GROWTH AND DEVELOPMENT IN LOW-INCOME AREAS. 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.

AND -- AT ALL LEVELS OF GOVERNMENT -- WE'VE GOT 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 -- BY TENS OF THOUSANDS OF DOLLARS -- OR CREATE PERVERSE INCENTIVES TO ALLOW EXISTING HOUSING TO DETERIORATE. I HAVE ASKED JACK KEMP TO CONVENE A BLUE RIBBON COMMISSION TO IDENTIFY BARRIERS TO AFFORDABLE HOUSING -- AND TO MAKE RECOMMENDATIONS ON HOW THESE BARRIERS CAN BE REMOVED. AND LET ME MAKE THE FIRST RECOMMENDATION RIGHT HERE: NO CITY, STATE OR TOWN SHOULD RECEIVE A SINGLE PENNY OF HOPE FUNDING UNTIL THEY HAVE IDENTIFIED BARRIERS TO AFFORDABLE HOUSING IN THEIR OWN BACK YARD -- AND START TAKING STEPS TO REMOVE THEM. ///

YOU KNOW, SOMEONE ONCE SAID "WE SHAPE BUILDINGS -- THEREAFTER, THEY SHAPE US." THE SAME IS TRUE WHEN IT COMES TO LOW-INCOME HOUSING POLICY.

THAT'S THE REAL CENTERPIECE OF OUR HOPE INITIATIVE: TO RECAPTURE THE AMERICAN DREAM OF HOME OWNERSHIP FOR THOSE WHO HAVE BEEN LEFT BEHIND -- THROUGH RESIDENT MANAGEMENT AND RESIDENT OWNERSHIP. IT'S ALREADY WORKING: IN KENILWORTH-PARKSIDE, BACK IN WASHINGTON, D.C. IN COCHRAN GARDENS IN ST. LOUIS. BY ENCOURAGING NON-PROFIT AND RESIDENT GROUPS, IT'S GOING TO WORK RIGHT HERE IN DALLAS -- AT PLACES LIKE RHOADS TERRACE UNDER THE TAKE-CHARGE LEADERSHIP OF A COURAGEOUS MOTHER NAMED JESSIE TOLES -- AND ALL ACROSS THE UNITED STATES.

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. AND WE SEE SOMETHING MORE: A SENSE OF PRIDE THAT IS THE VERY CORE OF ANY THRIVING COMMUNITY.

I DON'T KNOW ANY BETTER WAY TO REVIVE HOPE IN OUR INNER CITIES THAN TO GIVE TENANTS THEMSELVES A SAY IN RUNNING THEIR COMMUNITIES, A STAKE IN THE FUTURE AND THE BELIEF THAT THEY, TOO, CAN OWN A HOME. BECAUSE THE TRUE MEASURE OF SUCCESS ISN'T HOW MANY FAMILIES WE ADD TO HOUSING ASSISTANCE ROLLS. IT'S HOW MANY FAMILIES MOVE UP AND OUT -- AND INTO THE RANKS OF HOMEOWNERS.

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BUT THERE'S MORE TO THE HOPE INITIATIVE. AND NOW I'M TALKING ABOUT 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. //

FOR MOST 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. //

THINK ABOUT THE CHILDREN. PRETTY SOON, YOUR KIDS WILL BE DREAMING ABOUT CHRISTMAS TOYS -- THAT NEW VIDEO GAME OR NEW BIKE THEY'D LIKE. IT'S DIFFERENT FOR KIDS ON THE STREET. I READ A STORY NOT LONG AGO THAT'S STUCK IN MY MIND ABOUT A LITTLE BOY WITHOUT A HOME. HERE'S WHAT HE DREAMS ABOUT AT NIGHT: "I DREAMED MY MOM GOT HER [HOUSING ASSISTANCE]," HE SAID, "AND WE GOT A HOUSE WITH A GREAT BIG BACK YARD."

BUT IN THE MORNING, FOR THAT LITTLE BOY, THE DREAM IS OVER. HE IS UP AT 5:30, OUT OF A SHELTER AND BACK ONTO THE STREETS. ///

THAT'S A TRAGEDY -- 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.

///

MY ADMINISTRATION IS GOING TO DO ITS PART TO EXPAND EMERGENCY SHELTERS. YESTERDAY, I SIGNED A BILL THAT SUBSTANTIALLY INCREASES FUNDING UNDER THE MCKINNEY ACT TO REDUCE HOMELESSNESS. AND WE'RE GOING TO CONTINUE TO PUSH FOR FULL FUNDING OF HOMELESS PROGRAMS UNDER THAT LAW. TODAY, I'M ALSO ASKING JACK KEMP TO FIND NEW WAYS TO PUT A PORTION OF OUR FHA FORECLOSURES INTO THE HANDS OF NON-PROFIT GROUPS -- GROUPS THAT ARE DOING SUCH WONDERFUL WORK REHABILITATING ABANDONED HOMES, AND FIGHTING POVERTY IN OUR INNER CITIES.

BUT THE REAL ANSWER FOR THE HOMELESS -- THOSE WITH MENTAL PROBLEMS OR DEPENDENT ON DRUGS OR ALCOHOL, IS SHELTER PLUS CARE: 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. AND IF WE CARE ABOUT THEM, WE'VE GOT TO TAKE MORE THAN A ONE-DIMENSIONAL APPROACH TO THE PROBLEM.

THE HOPE INITIATIVE WILL INCLUDE IMPROVED
COORDINATION OF 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 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 THE
HOPE INITIATIVE -- AIMS WELL WITHIN OUR REACH.

THINK ABOUT THAT LITTLE BOY I SPOKE ABOUT A MOMENT
AGO. THINK ABOUT HIS DREAM -- BECAUSE IT'S REALLY THE
AMERICAN DREAM -- WHAT ALL OF US WANT FOR OURSELVES AND
OUR FAMILIES. ///

WE MUST 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.

THANK YOU. GOD BLESS YOU -- AND GOD BLESS THE
UNITED STATES OF AMERICA.

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year of our Lord nineteen hundred and eighty-nine, and of the Independence of the United States of America the two hundred and fourteenth.

George Bush

[Filed with the Office of the Federal Register, 11:39 a.m., November 13, 1989]

**Remarks to the National Association of Realtors in Dallas, Texas
November 10, 1989**

Thank you, Ira. I know I speak for everyone here today when I salute you for serving so ably as the president of the National Association of Realtors. And my best wishes to your successor, Norm Flynn. And let me also recognize—rerecognize, if you will, the man who is doing such wonderful work, bringing vision to HUD, putting through the tough new reforms that ensures that his agency serves people in need, my outstanding Secretary of HUD, Jack Kemp. I am so proud he's with me here today. And of course, an old friend and a fine Member of Congress who traveled down on Air Force One with Barbara and Jack and me today, Dallas' own Congressman Steve Bartlett. And of course, I'm delighted that the mother of the Texas Rangers boss is here today, my wife, Barbara, the "Silver Fox."

Before going into my main remarks, let me just say a word about the momentous events in East Germany. I was moved, as you all were, by the pictures of Berliners from East and West, standing atop the Wall with chisels and hammers, celebrating the opening of the most vivid symbol of the Iron Curtain. And then today, just on the plane coming down, I read a report where 18 new border crossings would be made in the Wall in the near future. And to be honest with you, I doubted that this would happen in the very first year of this administration. Twenty-eight years after the desperate days of 1961, when tanks faced off at Check Point Charlie and that terrible barrier was built—now the East German Government has responded to the wishes of its people. And while no one really accurately predicted the speed of the changes under-

way in Eastern Europe—and certainly I didn't—but last May, right here in Texas, over at Texas A&M, I noted hopeful, indeed, remarkable signs of a Soviet break with the cycles of the past. And I called upon the Soviet Union to support self-determination for the nations of eastern and central Europe and to tear down the Iron Curtain. And now we're seeing it happen. And when I visited Poland and Hungary in July, I sensed that historically important events there held the seeds for even more dramatic change.

And this played a big part in the decision last July made, really, at the G-7 meeting in Paris. On the way back, I proposed a face-to-face meeting with President Gorbachev before next spring's summit. And the Malta meeting, given recent events, takes on, I think, even more importance than when I conceived the idea 3½ months ago.

The changes in recent months make clear that the process of reform initiated by the Eastern Europeans and supported by Mr. Gorbachev and by America and by our allies is real, offers us all much hope, and deserves our continued encouragement. We're living in fascinating times, and we will seize every opportunity to contribute to lasting peace and to extend democracy. And in doing so, I will conduct the foreign policy of this great country with the prudence that these fascinating times, times of change demand—and with the imagination. The 1980's has been the decade of American renewal. And I believe that around the world, the 1990's will inevitably be the decade of democracy.

Ira mentioned to me that my speech is a special occasion for this association, and I said I was honored. And then Ira said, "Well, it's not often that we're addressed by someone who lives in public housing." [Laughter] And you know something: Barbara and I get just as emotional about it today as the day we first walked in there. The truth is, I am not a real estate wizard. When I was elected to Congress—and I get reminded about this by Barbara—when I was elected to Congress in 1966, we needed to make housing arrangements up in Washington. We were in Houston. And at that time, Senator Al Simpson's father, Milward Simpson, was retiring and moving back to

Wyoming. So, I bought the Simpson house, sight unseen over the telephone. And when we got to Washington, there were just two problems: We found out right away that the house wasn't quite big enough for our 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. [Laughter] And that's my claim to fame in your business. I'm the only person who ever lost money in Washington real estate in the last 20 years. [Laughter] Ira, where the hell were you when I needed you? [Laughter]

But few people have done more for the real estate industry than Barbara and I have. We've moved 28—this is true—we have moved 28 times in our 44 years of marriage. [Laughter] You ought to be smiling. Now, I know what you're thinking: What a dream client my family would make for any realtor. [Laughter] In fact, [Director] Dick Darman over at OMB is calculating the commissions we've paid over the years, measured as a percentage of the gross national product. [Laughter]

But I came here today to lay out a comprehensive agenda to help bring basic shelter and affordable housing within reach of millions of Americans, and I call it America's HOPE, Homeownership and Opportunity for People Everywhere.

But before I tell you about HOPE, I want to speak for just a minute about the single most important factor in helping millions of Americans realize the American Dream: the economy. Because the truth is, there is no better housing policy than a growing economy. And we've got one, one that provides jobs and wages and opportunities for advancement—long-term interest rates that open ownership opportunities to hundreds of thousands of first-time home buyers because every drop in interest rates makes it possible for more families to buy that home they want. And I pledge that my administration will vigorously support the mortgage-interest and property-tax deductions. These deductions encourage home ownership, and they are vitally important to our overall economic prosperity.

And all signs point to continued strength in the economy. November marks the 84th month of economic expansion—the longest peacetime expansion on record. And here's one statistic that really hits home: mortgage

rates are down from almost 14 percent back in November of '82 to less than 10 percent today. And my goal and Jack's goal, the goal of our entire administration—to pursue policies that will bring them down even further.

Of course, part of any responsible economic policy is getting our fiscal house in order. And I want you to know that my administration is hanging tough for a responsible budget, with real deficit reduction, no smoke and no mirrors. We don't like sequestration; no one does. But we'll have to live with it if we have to and 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 those costly extras and add-ons hidden away in those omnibus spending bills.

We're getting down to the wire, and I'm optimistic—optimistic that my administration and the Congress can agree on a responsible budget; optimistic 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. And I know we can count on you, just as we counted on your strong support in helping to pass that 1988 Fair Housing Act. Ira, that is a tribute to your leadership, to your strong organization, and to its dedication to the right of all people to be free from discrimination and prejudice.

But more must be done, and that's where the HOPE initiative comes in. This initiative will address the full range of housing concerns, from shelter for the homeless to affordable housing for low-income families to initiatives that open access to expanded job opportunities and help millions more Americans own their homes.

Let's start right there, with what HOPE can do for first-time home buyers. You all know about families working to buy that first home. Well, they deserve our help, and they're going to get it. I will ask Congress to enact legislation allowing first-time buyers to draw, without penalty, on IRA savings as a down payment for that first home.

Our HOPE initiative also means efforts to improve low-income housing. As you know, my administration rejects these costly new

public construction programs that, in the past, have too often produced the housing projects that symbolize the very absence of hope in our inner cities. There's a better way: housing vouchers that empower low-income families to choose where they want to live.

So, our idea is to create incentives for the construction and rehabilitation of the housing low-income families need. That's why I'm calling on Congress to renew the low-income housing tax credit, but make it part of a package that also includes the cut in the capital gains tax. I don't care what the political opponents say, what the critics say. A cut in capital gains means an increase in jobs, investment, and growth. And I'm grateful for the fact that the National Association of Realtors has fought hard to make a capital gains cut a reality. Well, let me tell you something: That fight is not over.

We've got to go one step further, as a matter of fact. In those pockets of poverty where despair has driven out hope, we've got to eliminate the capital gains tax altogether. And that's a key element in the enterprise-zone legislation that I want to see enacted, that Jack Kemp has worked so hard to produce. I've called on Congress to create at least 50 enterprise zones over the next 4 years to help create the jobs and incomes that are the real key to affordable housing. I hope Congress gets the message. It is time that we gave the green light to our inner-city entrepreneurs.

And HOPE can help us reverse a trend that's stunting growth and development in low-income areas. Over 9 million Americans live in these FHA-insured homes, and every year nearly a half a million first-time home buyers 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.

And frankly, at all levels of government, we have got 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 by tens of thousands of dollars or that create perverse incentives to allow existing housing to deteriorate. And so, I've asked my able Secretary, Jack Kemp, to convene a blue ribbon commission to identify barriers to affordable housing and then to make recommendations on how these barriers can be removed. And let me make the first recommendation right here, Mr. Secretary: No city, State, or town should receive a single penny of HOPE funding until they have identified barriers to affordable housing in their own backyard and take steps to remove them.

Someone once said, "We shape buildings; and thereafter, they shape us." The same is true when it comes to low-income housing policy. That's the real centerpiece of our HOPE initiative: to recapture the American dream of home ownership, for those who have been left behind, through resident management and resident ownership. It's already working—Kenilworth-Parkside, back in Washington; Cochran Gardens in St. Louis; in East L.A., public housing through community leaders, like Alicia Rodriguez, and by encouraging nonprofit and resident groups. It's going to work right here in Dallas—at places like Rhoads Terrace under the take-charge leadership of a courageous mother named Jessie Toles—and all across the United States.

The results are promising because, you see, with tenants in control, we see better maintenance, more rents paid on time, a decrease in people on the welfare rolls. And we see something more: a sense of pride that is the very core of any thriving community. I don't know any better way to revive hope in our inner cities than to give tenants themselves a say in running their communities; a stake in the future; and the belief that they, too, can own a home. Because the true measure of success isn't how many families we add to housing assistance rolls; it's how many families move up and out and into the ranks of homeowners.

But let's face it. There's more to the HOPE initiative. And now I'm talking about 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 the

steam grates, living out of cardboard boxes. Of course, I'm talking about the homeless.

And for most of us, November is the time of year when we start looking forward to the holiday season: Thanksgiving, Christmas, New Year's. 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.

Think about the children. Pretty soon your kids—our kids—will be dreaming about Christmas toys—new video game or the bike they'd like. And it's different for kids on the street, though. I read a story not long ago that stuck in my mind about a little boy without a home. And here's what he dreams about at night: "I dreamed my Mom got her housing assistance," he said, "and we got a house with a great big backyard." But in the morning, for that little boy, the dream is over. He is up at 5:30 a.m., out of a shelter and back onto the streets. Now, that is a tragedy 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.

We've got to do better. And my administration is going to do its part to expand emergency shelters. And yesterday I signed a bill that substantially increases funding under the McKinney Act to reduce homelessness. And we're going to continue to push for full funding of homeless programs under that law. And today I'm also asking Jack Kemp to find new ways to put a portion of our FHA foreclosures into the hands of nonprofit groups, groups that are doing such wonderful work rehabilitating abandoned homes, fighting poverty in our inner cities.

But the real answer for the homeless, those with mental problems or dependent on drugs or alcohol, is shelter plus care: 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 hardcore homeless. And if we care about them, we've got to take more than a one-dimensional approach to the problem.

The HOPE initiative will include improved coordination of basic needs, like

shelter with other social services, to help the homeless get the treatment that they need to get control of their lives; to help them find and hold down jobs; to help them regain hope and leave life on the streets, leave that life 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—these are the aims of the HOPE initiative, and these are aims well within our reach. And think about that little boy I spoke about a moment ago. Think about his dream because it really is the American Dream, what all of us want for ourselves and our families.

We must unleash the resources of the profit and nonprofit sectors, of churches and synagogues, States and localities in our great national enterprise to assure safe, decent, and affordable housing for all. And only then will we be able to replace hopelessness with hope. And 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.

Thank you all very much. God bless you, and God bless the United States of America.

Note: The President spoke at 2:10 p.m. in the Chantilly Ballroom at Loew's Anatole Hotel. In his opening remarks, he referred to Ira Gribin, president of the association. A tape was not available for verification of the content of these remarks.

White House Fact Sheet on the HOPE Initiative: Homeownership and Opportunity for People Everywhere
November 10, 1989

President Bush today announced an initiative to increase homeownership opportunities for low- and moderate-income families and to create jobs and entrepreneurial activity in the Nation's distressed urban and rural communities. The President's forward-looking plan for housing is called HOPE—