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Affordable Housing Bill, 11/28/90

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Withdrawal/Redaction Sheet

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Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Memo	Jack Kemp to Domestic Policy Council, Re: An Action Plan for Empowering People. (10 pp.)	11/26/90	P-5	

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Office: Speechwriting, White House Office of
Series: Grant, Mary Kate
Subseries: Subject File
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AR Case #:	MR Case #:
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- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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JAS 11/24 Draft Revised

November 26, 1990

MEMORANDUM FOR THE DOMESTIC POLICY COUNCIL

FROM: JACK KEMP
Chairman
Economic Empowerment Task Force

SUBJECT: An Action Plan for Empowering People

BACKGROUND:

On August 6, 1990, the President approved a DPC decision memorandum on the Administration's low income opportunity strategy creating the Economic Empowerment Task Force.

The Task Force was directed to: 1) advance the Administration's comprehensive economic empowerment strategy; 2) identify new initiatives consistent with the principles of the Administration's economic empowerment and budget policies; 3) coordinate the review of current programs by each Department, including a study of the distributional effects of existing programs; and 4) develop and implement proposals to integrate services and move toward a "client-centered" approach.

This paper is a status report on the activities of the Task Force and identifies for DPC consideration a series of initiatives ready to be launched or already underway. The initiatives are designed to give people the power to make choices and the incentive to act responsibly. They can be collectively thought of as a "downpayment" for the continuing effort to empower people.

This effort is driven by the observation that the centralized status quo does not work for people; the system must be reformed and restructured. The goal is a system that produces results by encouraging independence. Decisions about what people need are best made by the people themselves. With the right tools, opportunities, and incentives, people can and will succeed without becoming dependent on government.

The term "empowerment" is shorthand -- for an idea, a process, and a strategy. The idea is simple and is borne out by events around the world. All people, regardless of culture or wealth, share the same hopes and dreams, especially the hope for liberty and the dream of success. The American idea is that all of us -- whether born to privilege, or in barrios, ghettos, or reservations -- should have a chance to realize those hopes and

MK —
Only a draft!
The HOPE
item may be
the only one
you should
mention
RWT

dreams. Empowerment is process because it is not an end in itself, but only a means toward an end: a life of dignity, responsibility, and economic opportunity. As a policy strategy, empowerment is the benchmark by which we measure the degree to which public programs enable the poor to enjoy the fruits of democratic capitalism instead of the stale crumbs of dehumanizing paternalism.

WHAT WE ARE DOING NOW:

1. Evaluations of Existing Demonstration Projects: During the Reagan Administration, the Low Income Opportunity Board (LIOB) received requests for waivers for welfare demonstration projects from 26 States. Of these, 14 were approved and are now underway. Typically, these programs are operating in a few counties in each State.

Two projects were not approved by the LIOB because they were not technically budget neutral, but were subsequently approved through normal Departmental processes. The other 10 States withdrew their proposals either because the Family Support Act of 1988 allowed them to do many of the things they requested without a waiver or because they did not wish to perform an effectiveness evaluation as required by the LIOB.

There is a great deal of diversity in the 14 State demonstration proposals now underway (see Attachment B for a list of State demonstration projects). Alabama, for example, is testing a major simplification project, in which the AFDC, Food Stamp, and Low Income Home Energy Assistance programs are merged into one cash grant with a unified set of rules. West Virginia is encouraging welfare recipients to start their own small businesses. Wisconsin requires both teenage parents receiving AFDC as well as teenagers in families receiving AFDC benefits to stay in school -- those not meeting minimum school attendance requirements receive a reduced AFDC grant.

All of these demonstration projects were required to have an evaluation component. Generally, evaluations were required after three years, so although no evaluation results have been received thus far, evaluations from the projects approved earliest by the LIOB are due shortly.

2. Administration Accomplishments: The Administration has already accomplished a great deal in its first two years. (The DPC paper of July 20, 1990, on the low income opportunity strategy included a list of Administration empowerment accomplishments up to that date.) Since then, new successes include passage of HOPE legislation and expansion of Head Start.

The recent budget agreement also included several

initiatives to empower people, such as the Earned Income Tax Credit expansion (\$12 billion over five years), the Child Health Tax Credit (\$5 billion over five years), and funding for child care vouchers. All of these accomplishments are part of the Administration's empowerment agenda -- each piece is only part of a comprehensive whole effort to protect and enhance individual power.

3. Distributional Analysis and Services Integration: The Task Force was directed to conduct an analysis of the distributional effects of existing programs in order to better target funds to the poor. CEA has taken the lead on the distributional analysis. The Task Force was also charged with developing and implementing proposals to integrate Federally-funded social services. HHS has taken the lead for the services integration effort. Results of the studies and recommendations will be reported to the DPC in mid-1991.

EMPOWERMENT REGULATORY AND ADMINISTRATIVE ACTIVITIES THAT CAN BE IMPLEMENTED UNDER EXISTING AUTHORITY:

Each Department presented to the Task Force the actions currently being taken by the agencies to empower people or to make government work for people. By and large, these activities are primarily administrative or regulatory in nature. (Attachment A is a comprehensive listing of Regulatory and Administrative Empowerment Ideas.) These efforts are either already ongoing or easily implemented within current law and resources.

The Task Force learned that all the Departments are actively and creatively looking for ways to government work better for people. For instance, the Department of Agriculture will improve coordination between the Food Stamp Employment and Training program, the new Job Opportunities and Basic Skills (JOBS) program, and Labor's JTPA program through demonstrations authorized by the 1990 Farm Bill. The Department of Education is ready to open its educational choice clearinghouse. The Department of Justice leads "Operation Cleansweep," an inter-agency effort to rid public housing of gangs and drug trafficking. HUD will promote systemic incentives for savings, such as homeownership escrow accounts, and removal of perverse disincentives that thwart family unification and entry into the workforce.

OPTIONS READY FOR POSSIBLE INCLUSION IN THE FY92 BUDGET AND FOR USE IN THE STATE OF THE UNION ADDRESS:

Empowerment options are presented here for Domestic Policy Council consideration. These options are not intended to be an

exhaustive list of all empowerment initiatives that the Administration will pursue, or even a list of all options that the Task Force will formulate and propose to the DPC.

Rather, the following is a list of the most promising ideas identified by the Task Force that -- with limited additional work -- are basically ready for inclusion in the FY92 Budget and could be announced, if desired, in the State of the Union Address as part of an Administration empowerment agenda. (Note: Some ideas may have already been included in the agencies' FY92 budget requests to OMB.) Wherever possible, variations on specific options are proposed that take a more experimental approach relying on demonstrations and evaluation.

The options have been arrayed within five broad empowerment categories: Housing; Education and Training; The Economy and Jobs; Family; and Empowerment of Welfare Recipients. It is expected that empowerment will also be a dominant theme in policies (e.g., health care, civil rights) being developed in other forums and not specifically addressed in this paper.

Guidance from the Domestic Policy Council is required on whether to advance, defer, or disapprove the action items proposed under each of the following options.

HOUSING:

1. Fund HOPE: The President's HOPE initiative (Homeownership and Opportunity for People Everywhere) was passed into law. Empowering through homeownership of public and assisted housing, resident management, urban homesteading, and linkages between housing and services for the homeless are among the major new initiatives authorized by the legislation.

Action: Fund HOPE in FY92. Although legislation was passed, no money was appropriated in FY91. Funding the HOPE initiative is vital to achieving the Administration's public goal of a million new low-income homeowners by 1992. (Included in HUD's FY92 budget submission to OMB.)

EDUCATION AND TRAINING:

1. Promote Educational Choice: During the last two years, educational choice initiatives have been undertaken in more and more jurisdictions across the country. East Harlem, New York; Cambridge, Massachusetts; Milwaukee, Wisconsin; and the State of Minnesota have implemented choice programs that permit parents to determine which schools their children should attend.

Action: Propose legislation to permit Federal funds from several programs administered by the Department of Education (Chapter 1, vocational education, and vocational-rehabilitation) to be used in connection with local choice plans. Such legislation, rather than "voucherizing" all of a given program such as Chapter 1, would permit Federal funds flowing to a jurisdiction to become part of the pool of resources that would be governed by an existing choice program. This would constitute an incremental approach, as distinguished from an effort to turn all Chapter 1 into a voucher program (an approach that failed four years ago).

2. Reintroduce Education Flexibility Legislation: A proposal supported by the Administration for waivers and flexibility in education-related programs failed to pass Congress this year, receiving opposition from some conservative Republicans as well as opposition from Democrats. Flexibility would permit the resources associated with some of the Department of Education's 208 programs to be spent at State and local levels with fewer regulatory constraints.

Action: Reintroduce the flexibility/waiver proposal as it applies to education programs, but also extend it to other Departments whose program-effectiveness could benefit from this approach. Any flexibility initiative authorized under this approach would also be coupled with a strong accountability and evaluation requirement to enhance the likelihood of success.

THE ECONOMY AND JOBS:

1. Create Enterprise Zones: Authorization for enterprise zones was removed in the final stages of the budget agreement.

Action: Create enterprise zone tax incentives in distressed communities to increase jobs and spur investment. This could include providing tax incentives, such as eliminating the capital gains tax within enterprise zones. (Capital gains, of course, could also be considered separately in some variation: simple cut; indexing; length-of-holding-asset limitations; etc.).

2. Repeal Davis-Bacon: Davis-Bacon was enacted in the depths of the Depression to require workers on Federally-financed projects to be paid the prevailing wage. The current threshold assures that virtually no project is beyond the requirement's reach.

Action: Make repeal of Davis-Bacon a legislative priority for 1991. Repeal could result in substantial budget

savings. Alternatively, Davis-Bacon thresholds could be raised, still resulting in some budget savings. Repeal would increase opportunities for thousands of individuals to obtain construction-related jobs.

3. Target SBA Loans: The Small Business Administration (SBA) operates several loan and technical assistance programs. these programs are not very well targeted to low-income persons.

Action: SBA will promote smaller loans by banks and others entities to provide access to capital to low-income persons. SBA proposes to designate non-bank community organizations to refer borrowers who qualify for micro-loans of less than \$15,000. SBA will also designate Enterprise Centers to provide technical assistance to low-income persons at existing Small Business Development Centers, and target technical assistance to low-income/high-unemployment areas.

4. Revamp the Public Employment Service: The Employment Service, a State-run, Federally-funded program, is an important tool in minimizing the financial hardship and length of unemployment for workers.

Action: Redirect the efforts of the Employment Service towards targeting low-income persons, providing these clients with needed training, and tying Federal funding to both job placement rates and number of low-income persons served.

FAMILY:

1. Restore the Value of the Personal Exemption: In 1948, the personal exemption allowed each individual subject to tax to deduct \$600 from his or her income before computing tax liability. Today that amount is \$2,050, an amount that will increase according to inflation. The amount, however, would be \$6,000 had it been indexed since 1948.

Action: Endorse the objective of restoring the value of the personal exemption. Restoring the real value of the deduction to its 1948 level (\$6,000 today) would cost at least \$50 billion per year. Alternatively, this can be stated as a goal to be reached eventually, with any number of steps along the way. The Administration could propose to raise the deduction for children under age 4 in families of income under \$24,000. Or increase the exemption by \$1,000 for each additional child in a family. At the very least, Treasury should be directed to prepare a study on the alternatives.

EMPOWERMENT OF WELFARE RECIPIENTS:

1. Test Approaches to Make Welfare Transitional: At any given time, about half of the total population receiving AFDC will receive welfare for eight or more years. Two noted liberals, Harvard's David Ellwood and Mickey Kaus of The New Republic have suggested alternatives for keeping receipt of AFDC from being a long term experience. Under one approach that has been suggested, a stay on AFDC would be limited to eight years. Others have suggested that after two years of receiving cash AFDC benefits, recipients would be required to accept public employment in exchange for continued receipt of benefits.

Action: Conduct a series of rigorous demonstrations to discern the effects of time-limiting benefits, each using random assignment and careful evaluation. The Administration would propose models to be tested, work with States to identify locations to test the models, and provide funds for evaluation.

2. Establish Social Policy Enterprise Zones: Over half of the urban poor living in high poverty tracts live in seven large cities.

Action: Create social enterprise zones (analogous to enterprise zones), allowing increased waiver authority and flexibility for Federal and State programs in poverty areas. This could be done in either of two ways: 1) population-based (e.g., targeted at first-time unmarried mothers just going on welfare); or 2) geographically-based.

This approach could at least be done on an experimental and demonstration basis with Native Americans by proposing legislation for waiver authority for all Federal Indian programs, to form economic and community development partnerships with Indian tribes.

3. Job Training in Public Housing: Many residents of public housing and assisted housing are ideal candidates to benefit from job training.

Action: Actively promote an aggressive services integration initiative that is now being forged jointly by HUD, HHS, and Labor. This will help public and assisted housing residents gain access to job training, entrepreneurship, Operation Bootstrap, and other initiatives contained in the new housing bill.

REGULATORY AND ADMINISTRATIVE EMPOWERMENT IDEAS**Agriculture:**

- Improve coordination between the Food Stamp Employment and Training program, the new Job Opportunities and Basic Skills (JOBS) program, and the Job Training Partnership Act (JTPA) program through demonstrations authorized by the 1990 Farm Bill.
- Expand nutrition and consumer education through the Extension Service (additional resources would be required although existing regulations permit this activity).
- Use the Food Stamp Employment and Training program to create better linkages with child care, improve targeting, and enhance training.
- Improved coordination between AFDC and Food Stamps.
- Expand WIC (Supplemental Feeding Program for Women, Infants, and Children) nutrition education and health referrals.
- Explore creation of rural enterprise zones and options regarding rural housing.

Education:

- The Educational Choice clearinghouse is ready to be opened shortly.
- Promote consumer information about how to make choices in elementary/secondary and postsecondary education.
- Promote services integration among education, employment and training, social and health programs.
- Expand entrepreneurship opportunities at Historically Black Colleges and Universities (HBCUs).

Health and Human Services:

- Promote services integration.

- Find ways to make AFDC more of a temporary cash assistance program.

Housing and Urban Development:

- Review grant selection criteria.
- Aggressive linkage of education choice, resident initiatives for the homeless and those in public and assisted housing, and job training through joint actions among the agencies.
- Promote systemic incentives for savings, such as homeownership escrow accounts, and removal of perverse disincentives in the various Federal assistance programs that thwart family unification and entry into the workforce.
- Improve coordinated targeting.

Justice:

- Support educational choice by advocating remedies such as magnet schools, rather than mandatory reassignment, in desegregation litigation.
- Continue efforts to combat drugs and crime so that individuals will be free to pursue economic and educational opportunities. Explore more community-based programs such as National Night Out and the National Congress of Black Churches Anti-Drug Abuse Program, which are currently being funded by the Department of Justice.
- Rid public housing of gangs and drug trafficking through "Operation Cleansweep," and inter-agency effort to remove unauthorized persons from public housing, make buildings secure, identify needed repairs and establish a permanent security system.
- Enhance victims' rights.
- Create a nationwide mentorship program, based on the Legal Advocates in Education program recently developed by the Department of Justice, to link professionals with high-risk youth.

Labor:

- Implement Memorandum of Understanding with HUD to expand linkages with public housing and assisted housing programs with job training and to enhance the training initiative for the homeless.
- Design and test comprehensive training support and housing programs.
- Expand the Youth Opportunities Unlimited (YOU) initiative with other agencies.
- Reconsider use of the General Aptitude Test Battery as a job referral device.
- Improve services integration and coordination.
- Targeting of JTPA to those most in need of assistance along the lines of the JTPA amendments almost passed by Congress this year.

Small Business Administration:

- Establish Enterprise Centers in cooperation with local public housing agencies to introduce business planning concepts and opportunities to residents of public housing. Also create Centers at community colleges in low-income areas and in storefront Centers in low-income neighborhoods.
- Expand the number of Small Business Mobile Assistance Centers serving rural areas and Indian reservations.

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Grant

November 25, 1990 11/26

3 p.m.

12 noon

A:HUDBILL

PRESIDENTIAL REMARKS: NATIONAL AFFORDABLE HOUSING ACT
BILL SIGNING CEREMONY
THE EAST ROOM
WEDNESDAY, NOVEMBER 28, 1990
2:00 P.M.

((Acknowledgements))

Let me begin today with a story, a bit of a history lesson. It was 1862: the American Civil War was over, the cruelest barricade ever to human freedom was demolished for good. On May 20 of that year, [here, at the White House] one of my noblest predecessors, Abraham Lincoln, sat down with pen in hand, and signed into law the Homestead Act of 1862. That bill gave 160 acres to any poor family who wanted to make a go of it in the wilderness, and live the American Dream themselves.

It was one of the most celebrated proposals in American history -- caused the great land rush to the Wild West -- and it formed the vision for a new homesteading program in urban America today. Because Abraham Lincoln's Homestead Act **empowered people**. It freed the poor from the burden of poverty and government dependency. Likewise, today, creating the opportunity for low-income Americans to become property owners is the key to fighting poverty and making democracy truly work.

I've said before that the cornerstone of this Administration's domestic agenda is this idea of **empowerment** -- giving people -- working people, poor people, everyone -- control over their own lives, so that all Americans can have a life of

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dignity, responsibility and economic opportunity. Our initiatives are designed to give people the power to make choices and the incentive to act responsibly. The status quo of centralized bureaucracy is not working for the people -- the ones who need affordable housing, the ones who want the power to choose the best schools for their kids, the ones who want to pull themselves out of dependence and into a life of self-sufficiency in a safe, clean community -- but it is working for the bureaucrats, and very well. And so our goal is to build a system that puts power in the hands of people, not bureaucrats. Because it is **the people** who know what is best for themselves and their families, **not the government.**

That's exactly what this bill does. In the same spirit of Abraham Lincoln's legislation, the Affordable Housing Act of 1990 empowers people. It is truly a victory for low and moderate income Americans -- because it reforms the status quo, and makes the government work for people, not against them.

First of all, it a major Administration initiative: Homeownership and Opportunity for People Everywhere -- the HOPE Initiative. HOPE will provide new opportunities for low-income families to buy their own homes -- "urban homesteaders," if you will -- and helps the residents of public housing to buy their own units. Tenant ownership of public housing is an idea whose time has come. Let me tell you why:

When ^{those who live there} ~~these new homeowners~~ are in charge, the results are remarkable -- more people pay their rent, maintenance improves,

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operating costs decline, crime rates plummet, employment goes up, more kids stay in school and neighborhoods come back to life. And the reason? Because each resident now has an equity stake in society -- a chance to make a go of it -- to live the American Dream themselves.

We want public housing to become a springboard for independence, not a bottomless pit of dependency. HUD used to give awards for public housing residents who stayed in public housing the longest. They stopped doing that. Now -- and even moreso with this bill -- we're offering incentives to public housing tenants who move out -- and move up -- into the productive economic mainstream.

But there's more. This bill contains HOME Investment Partnerships, to assist people who currently rent and those who want to rehabilitate existing rural housing -- because affordable housing is in everybody's interest. The National Homeownership Trust would provide low-cost financing for people who are buying a home for the first time who would not otherwise qualify for financing because of their low income. And in addition to housing assistance to migrant farm workers, the elderly and the disabled, this legislation also creates the Shelter Plus Care Program -- to assist homeless persons who are mentally ill, who have a drug abuse problem, or who have AIDS. And finally, it reforms certain programs in the Federal Housing Administration to make it more financially sound.

DRAFT *to give them the support they need to keep them from returning to a life of misery on the streets.*
It gives hope to our goal of ending homelessness.

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The Fair Housing Act gives people the best kind of government assistance: it provides **opportunity** and encourages **responsibility** -- without **limiting liberty**. That's the American Dream -- for no matter where people live or how much money they have, **all men yearn to be free, to control their own lives**. Abraham Lincoln knew this, and his vision lives on today as the foundation for our efforts to empower all Americans. *Hope - control own destiny*

On my first day in office, I said to the nation: "We know what works: **Freedom works**. We know what's right: **Freedom is right**. We know how to secure a more just and prosperous life on Earth: through free markets, free speech, free elections, and the exercise of free will unhampered by the state."

So much has happened since that cold day in January in 1988, when the fires of freedom first began to spread so quickly across the globe. From Moscow to Managua, from Prague to Pretoria, and even in the nations of South America I'll visit next week -- the light of liberty is guiding people toward **democracy, prosperity and a better life** for themselves and their children. Free markets, free speech, free elections and free will truly are **working**.

And so ^{it is} with that in mind -- the undying ideal of freedom and opportunity for all -- that I am pleased to sign this bill into law. Thank each and every one of you for joining us today, and God bless the United States of America.

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Grant/Blymire
November 27, 1990
5:00 p.m. A:HUDBILL

PRESIDENTIAL REMARKS: NATIONAL AFFORDABLE HOUSING ACT
SIGNING CEREMONY
THE EAST ROOM
WEDNESDAY, NOVEMBER 28, 1990
2:00 P.M.

((Thank you very much. It's great to see our HUD Secretary Jack Kemp here today, as well as so many Members of Congress who were able to make it today -- I see Senators Kit Bond and Al D'Amato are here. In particular, I want to thank the Chairmen of the Banking Committees -- Senator Don Reigle and Congressman Henry Gonzalez. I hear that Chalmers Wilie and Jake Garn could not join us today but as the Ranking Republicans on the Banking Committees, I want to thank them for their remarkable efforts. And I'd like to say hello to Mayor Sue Myrick of Charlotte, North Carolina, the head of the Republican mayors, and I understand quite a few other mayors are with us today, too. Welcome to the White House.))

Let me begin today with a story, a bit of a history lesson. It was 1862: the middle of the American Civil War. On May 20 of that year, one of my noblest predecessors, Abraham Lincoln, sat down with pen in hand, and signed into law the **Homestead Act of 1862**. That bill gave 160 acres to any family who wanted to make a go of it in the wilderness, and **reach for the American Dream**.

It was one of the most successful endeavors in American history -- causing the great land rush to the Wild West -- and forming the vision for a new homesteading program in urban America today. Because Abraham Lincoln's Homestead Act **empowered**

people, it freed people from the burden of poverty, it freed them to control their own destinies -- to create their own opportunities -- to live the vision of the American Dream. Likewise, today, creating the opportunity for low-income Americans to become property owners is a key to fighting poverty and offering real hope to thousands.

I've said before that a cornerstone of our efforts to reduce the heavy hand of government is this idea of **empowering people** -- not bureaucracies. Giving people -- working people, poor people, everyone -- control over their own lives and access to property and jobs, so that all Americans can have a life of dignity, responsibility and economic opportunity. Secretary Kemp has long been a champion of this idea -- and that's why I have appointed him as chairman of the Domestic Policy Council's Economic Empowerment Task Force.

The status quo of centralized bureaucracy is not working for the people -- the ones who need affordable housing, the ones who want to choose the best schools for their kids or child care for their younger children -- the ones who want to pull themselves out of dependency and into a life of self-sufficiency in a safe, clean and drug-free community. It is **the people** who have the best answers for themselves and their families, **not the government.** ///

That's exactly what the National Affordable Housing Act does in several ways -- it puts power in the hands of **the people.**

First, it authorizes a major Administration initiative:

Homeownership and Opportunity for People Everywhere

-- the HOPE Initiative. HOPE will provide new opportunities for low-income families to buy their own homes -- "urban homesteaders," if you will -- and helps the residents of public housing to buy their own units. Tenant management, control, and ultimately **ownership** of public housing is an idea whose time has come. Let me tell you why:

When the people who live in public housing are in charge, the results are remarkable -- more people pay their rent, maintenance improves, operating costs decline, crime rates plummet, employment goes up, more kids stay in school, and neighborhoods come back to life. And the reason? Because each resident now has an equity stake in society -- a chance to make a go of it -- to live the American Dream themselves.

We want public housing to become a **springboard for independence**, not a bottomless pit of **dependency**. HUD used to be asked to give awards for public housing residents who stayed in public housing the longest. We have stopped doing that. Now -- and even more so with this bill -- we're offering **incentives** to public housing tenants who move out -- and move up -- into the productive economic mainstream. These are the people who will help us meet our goal of **one million new homeowners by 1992**.

But there's more. This bill contains **HOME Investment Partnerships**, a new block grant to provide incentives to states, localities and non-profit organizations to provide people who

currently rent with vouchers, tenant-based assistance and rehabilitation of existing housing -- **because affordable housing is in everybody's interest.** And, in addition to housing assistance for migrant farm workers, the elderly and the disabled, this legislation also creates the **Shelter Plus Care Program** -- to assist homeless persons who are mentally ill, who have a drug abuse problem, or other problems -- to give them the support they need to keep them from returning to a desolate life on the streets. Finally, it **reforms** certain programs in the Federal Housing Administration to make them more financially sound. [[And next year we will return to the Congress with the Administration's request for Enterprise Zones, creating opportunity in our nation's most depressed communities.]]

The National Affordable Housing Act gives people the best kind of government assistance: it provides **opportunity** and encourages **responsibility** -- **without the shackles of dependency.** That's the American Dream -- for no matter where people live or how much money they have, **all people yearn to control their own lives.** Abraham Lincoln knew this, and his vision lives on today as the foundation for our efforts to empower all Americans.

And so it is with that in mind -- **the undying ideal of hope and opportunity for all** -- that I am pleased to sign this bill into law. Thank each and every one of you for joining us today, and God bless the United States of America.

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90 OCT 26 P3:12

Grant
November 25, 1990
3 p.m.
A:HUDBILL

2 pm tomorrow

**PRESIDENTIAL REMARKS: NATIONAL AFFORDABLE HOUSING ACT
BILL SIGNING CEREMONY
THE EAST ROOM
WEDNESDAY, NOVEMBER 28, 1990
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It was one of the most ~~celebrated proposals~~ ^{successful endeavors} in American history -- caused ^{ing} the great land rush to the Wild West -- and ~~it~~ ^{ing} formed the vision for a new homesteading program in urban America today. Because Abraham Lincoln's Homestead Act empowered people, ~~it freed~~ ^{people} ~~the poor~~ from the burden of poverty and government dependency. Likewise, today, creating the opportunity for low-income Americans to become property owners is ^a the key to fighting poverty and ~~making democracy truly work.~~ ^{giving real hope to thousands.}

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 who need affordable housing, the ones who want ~~the power~~ to
 choose the best schools for their kids, the ones who want to pull
 themselves out of dependence and into a life of self-sufficiency
 in a safe, clean community, ~~but it is working for the~~
~~bureaucrats, and very well.~~ And so our goal is to build a system
 that puts power in the hands of people, not bureaucrats. Because
 it is the people who know what is best for themselves and their
 families, not the government.

That's exactly what ~~this bill~~ ^{*The National Affordable Housing Act*} does, ~~in the same spirit of~~
 Abraham Lincoln's legislation, ~~the Affordable Housing Act of 1990~~ ^{*in*}
~~empowers people. It is truly a victory for low and moderate~~
~~income Americans -- because it reforms the status quo, and makes~~
~~the government work for people, not against them.~~

in several ways.

First, ~~of all, it~~ ^{*through*} is a major Administration initiative:
 Homeownership and Opportunity for People Everywhere -- the HOPE
 Initiative. HOPE will provide new opportunities for low-income
 families to buy their own homes -- "urban homesteaders," if you
 will -- and helps the residents of public housing to buy their
 own units. Tenant ownership of public housing is an idea whose
 time has come. Let me tell you why:

When these new homeowners are in charge, the results are
 remarkable -- more people pay their rent, maintenance improves,

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operating costs decline, crime rates plummet, employment goes up, more kids stay in school and neighborhoods come back to life. And the reason? Because each resident now has an equity stake in society -- a chance to make a go of it -- to live the American Dream themselves.

We want public housing to become a springboard for independence, not a bottomless pit of dependency. HUD used to give awards for public housing residents who stayed in public housing the longest. They stopped doing that. Now -- and even more so with this bill -- we're offering incentives to public housing tenants who move out -- and move up -- into the productive economic mainstream.

But there's more. This bill contains HOME Investment Partnerships, to assist people who currently rent and those who want to rehabilitate existing rural housing -- because affordable housing is in everybody's interest. The National Homeownership Trust would provide low-cost financing for people who are buying a home for the first time who would not otherwise qualify for financing because of their low income. And in addition to housing assistance ^{for} ~~to~~ migrant farm workers, the elderly and the disabled, this legislation also creates the Shelter Plus Care Program -- to assist homeless persons who are mentally ill, who have a drug abuse problem, or who have AIDS. And finally, it reforms certain programs in the Federal Housing Administration to make it more financially sound.

*without the
sacrifice of
dependency.*

The Fair Housing Act gives people the best kind of government assistance: it provides opportunity and encourages responsibility ~~without limiting liberty.~~ That's the American Dream -- for no matter where people live or how much money they have, all men yearn ~~(to be free)~~ to control their own lives. Abraham Lincoln knew this, and his vision lives on today as the foundation for our efforts to empower all Americans.

On my first day in office, I said to the nation: "We know what works: Freedom works. We know what's right: Freedom is right. We know how to secure a more just and prosperous life on Earth: through free markets, free speech, free elections, and the exercise of free will unhampered by the state."

So much has happened since that cold day in January in 1988, when the fires of freedom first began to spread so quickly across the globe. From Moscow to Managua, from Prague to Pretoria, and even in the nations of South America I'll visit next week -- the light of liberty is guiding people toward **democracy, prosperity and a better life** for themselves and their children. Free markets, free speech, free elections and free will truly are working.

And so with that in mind -- the undying ideal of ^{hope} freedom and opportunity for all -- that I am pleased to sign this bill into law. Thank each and every one of you for joining us today, and God bless the United States of America.

#

new ending



Mary Kate —

Congratulations on a great speech
for the President. He was comfortable &
clearly in command of the concepts, ideas
& theme. It goes without saying that →

the British embassy gave a long
way ⁱⁿ ^{the} ^{matter} ^{of} ^{the} ^{British}
that has moved in the last year

camp - all of the ^{the} ^{camp} ^{is} ^{depleted};

John

P.S. Now the new battle begins!

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

THE SECRETARY
WASHINGTON, D. C. 20410

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DROPSHIPMENT
AUTHORIZATION # 29
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FIRST CLASS



Ms. Mary Kate Grant
Special Assistant to the
Director of Communications
OEOB
17th and Pennsylvania Avenue, NW
Washington, DC 20500

remarks, he referred to Senators Christopher S. Bond and Alfonse M. D'Amato, and Kimi O. Gray, chairperson of the National Association of Resident Management Corps. and chairperson of the Kenilworth-Parkside Resident Management Corp. S. 566, approved November 28, was assigned Public Law No. 101-625.

Statement on Signing the Cranston-Gonzalez National Affordable Housing Act

November 28, 1990

It is with great pleasure that I today sign S. 566, the "Cranston-Gonzalez National Affordable Housing Act." In addition to extending and reforming existing housing programs, this Act creates and expands innovative new programs proposed by this Administration. These new programs will advance opportunities for homeownership and economic self-sufficiency in our Nation's most distressed communities. This Act is an exciting bipartisan initiative to break down the walls separating low-income people from the American dream of opportunity and homeownership.

I want to note the contributions of several people to the enactment of this landmark legislation, starting with Secretary of Housing and Urban Development Jack Kemp. Secretary Kemp has brought a unique vision to his job and a commitment to empowerment as a tool to encourage individual dignity and initiative and reward productive work effort.

Many Members of Congress also made significant contributions to the bipartisan effort to produce a housing bill. A few deserve special recognition. Senators Alan Cranston and Al D'Amato have devoted the last several years to the passage of a comprehensive housing bill, and we would not be here today without their efforts. Likewise, I want to recognize the efforts of Congressmen Henry Gonzalez and Chalmers Wylie, whose spirit of cooperation throughout the legislative process helped bring us to this point.

S. 566 contains the Homeownership and Opportunity for People Everywhere—

HOPE—initiatives that my Administration submitted to the Congress earlier this year. HOPE represents a dramatic and fundamental restructuring of housing policy. It recognizes that the poor and low-income tenants—not public housing authorities and developers—are our clients. HOPE will do what traditional programs have not done: empower low-income families to achieve self-sufficiency and to have a stake in their communities by promoting resident management as well as other forms of homeownership.

The cornerstone of HOPE is a program to provide grants to enable low-income families and tenants to become homeowners. HOPE homeownership grants can be used for planning activities, including the development of resident management corporations. They can also be used for rehabilitation and post-sale subsidies to help ensure the success of homeownership. HOPE grants are eligible to be used in public housing and vacant, foreclosed, and distressed single-family and multifamily properties.

The legislation also includes my Administration's Operation Bootstrap—or Family Self-Sufficiency—proposal. In the past, public housing was seen as a long-term residence for low-income people. My Administration believes that Federal housing subsidies should serve as transitional tools to help low-income families achieve self-sufficiency, move up and into the private housing market, and join the economic mainstream. The Family Self-Sufficiency Program will ensure that all new housing voucher and certificate assistance is coordinated with employment counseling, job training, child care, transportation, and other services to encourage upward mobility.

S. 566 also authorizes our HOPE for Elderly Independence proposal to combine vouchers and certificates with supportive services to assist the frail elderly. In addition, it authorizes Shelter Plus Care, which couples housing assistance and other services to homeless persons with disabilities and their families.

This Act also reflects the efforts of the Administration and the Congress to enact needed reforms to the Federal Housing Ad-

ministration's insurance program to ensure that financially sound tenants are the four principal achievement standards by which we measure performance; minimum standards by which we measure performance; and minimum standards by which we measure performance.

I am pleased to announce that the project will be completed by the end of the year. The project will be completed by the end of the year. The project will be completed by the end of the year.

One important objective of the project is to provide project incentives to encourage low-income use of the incentives. The project will be completed by the end of the year.

This legislative grant, HOME, will promote partnership between the Government, State, and local organizations, and partnerships will be all available resources approaches to the project.

My Administration believes that the HOME program is the best approach for the project. The project will be completed by the end of the year.

telephone loan risk, and in effect turn control of the program over to the borrowers.

I also note that in enacting amendments to the law governing the Rural Telephone Bank Board, the Congress provided that the members of the Board would exercise management authority "within the limitations prescribed by law." Consistent with my obligation to construe statutory provisions to avoid raising constitutional questions, I construe this savings provision to embody the recognition that those Board members not appointed in conformity with the Constitution cannot exercise the authority vested by the Constitution in officers of the United States.

I further note that a number of other provisions of the bill could be construed to vest governmental authority in private parties. These provisions appear to raise constitutional concerns, and I am accordingly directing the Secretary of Agriculture to consult the Attorney General to consider whether curative legislation or other action is needed to ensure that these authorities are exercised as the Constitution requires.

In spite of these drawbacks, on balance I have before me a farm bill that will enhance the competitiveness of our farmers and the health of our citizens. My gratitude goes to those who have worked so tirelessly to produce this legislation: concerned citizens, Members of Congress, and my own Administration. I look forward to continued prosperity in the agricultural economy and good health and nutrition for our citizens.

This is not a perfect farm bill either from my perspective or from that of many Members of Congress. But the vision of all who worked on this legislation is the same: prosperity for our agricultural sector and the nutritional well-being of our people. The bill before me is faithful to our shared vision.

George Bush

The White House,
Nov. 28, 1990.

Note: S. 2830, approved November 28, was assigned Public Law No. 101-624.

Remarks on Signing the Cranston-Gonzalez National Affordable Housing Act

November 28, 1990

Well, thank you all very much for being here today. And of course, it's great to be with our enthusiastic and effective Secretary of HUD [Housing and Urban Development], Jack Kemp, who deserves great credit for what we're about to do here. And of course, I want to salute the Members of Congress—they've been so helpful and instrumental in this—who are with us today. I see Kit Bond, and Al D'Amato was to be—they're sitting there. And I want to thank, particularly, the chairmen of the Banking Committee, Senator Riegle and Congressman Henry B. Gonzalez, for their work on this. I'm told that their counterparts, Jake Garn and Chalmers Wylie, are not with us today, the ranking Republicans on the committee; but I also want to thank them for their remarkable efforts.

I understand that some mayors are in town. Quite a few mayors and other local elected officials are with us, and I want to welcome them to the White House. I'm told that Kimi Gray is here, over here. And, Kimi, you're kind of a symbol of hope for the aspirations of a lot of people, and I'm just delighted you're here with us today.

Now, let me start with a story, a bit of history—1862, the middle of the Civil War. And on May 20th of that year, Abraham Lincoln sat down with pen in hand and signed into law the Homestead Act of 1862. And that bill gave 160 acres to any family who wanted to make a go of it in the wilderness and reach for the American dream.

It is one of the most successful endeavors in American history, causing the great land rush to the Wild West and forming the vision for a new homesteading program in urban America today. Because Abraham Lincoln's Homestead Act empowered people, it freed people from the burden of poverty. It freed them to control their own destinies, to create their own opportunities, and to live the vision of the American dream. Likewise today, creating the opportunity for low-income Americans to become property owners is a key to fighting poverty and offering real hope to thousands.

I've said before effort to reduce ment is this ide bureaucracies, people, poor over their own and jobs so tha life of dignity, opportunity. See a champion of have appointed mestic Policy Empowerment

The status quo is not working who need afford want to choose kids or child dren; the ones w out of dependen sufficiency in a community. It's best answers for lies, not the Gov

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I've said before that a cornerstone of our effort to reduce the heavy hand of government is this idea of empowering people, not bureaucracies, and giving people—working people, poor people, everyone—control over their own lives and access to property and jobs so that all Americans can have a life of dignity, responsibility, and economic opportunity. Secretary Kemp has long been a champion of this idea, and that's why I have appointed him as Chairman of the Domestic Policy Council's Economic Empowerment Task Force.

The status quo of centralized bureaucracy is not working for the people—the ones who need affordable housing; the ones who want to choose the best schools for their kids or child care for their younger children; the ones who want to pull themselves out of dependency and into a life of self-sufficiency in a safe, clean, and drug-free community. It's the people who have the best answers for themselves and their families, not the Government.

And that's exactly what the National Affordable Housing Act that about to sign here does in several ways: It puts power in the hands of people. First, it authorizes a major administration initiative: Homeownership and Opportunity for People Everywhere, the HOPE Initiative. HOPE will provide new opportunities for low-income families to buy their own homes—urban homesteaders, if you will—and helps the residents of public housing to buy their own units. Tenant management, control and, ultimately, ownership of public housing is an idea whose time has come. And let me just tell you why.

When the people who live in public housing are in charge, the results are remarkable: more people pay their rent, maintenance improves, operating costs decline, and crime rates plummet. Employment goes up, more kids stay in school, and neighborhoods spring back to life. And the reason? Because each resident simply now has a stake in society—an equity stake—a chance to make a go of it, to live the American dream for themselves.

We want public housing to become a springboard for independence, not a bottomless pit for dependency. HUD used to be asked to give awards for public housing residents who stayed in public housing the

longest, and we stopped doing that. Jack made a significant change there. And now—and even more so with this bill—we're offering incentives to public housing tenants who move out and move up into the productive economic mainstream. These are the people who will help us meet our goal of 1 million new homeowners by 1992.

But there's more. This bill contains Home Investment Partnerships, a new block grant to provide incentives to States, localities, and nonprofit organizations to provide people who currently rent with vouchers, tenant-based assistance, and rehabilitation of existing housing, because affordable housing is in everybody's interest. And in addition to housing assistance for migrant farm workers, the elderly, and the disabled, this legislation also creates the Shelter Plus Care Program to assist homeless persons who are mentally ill, who have a drug abuse problem or other problems, to give them the support they need to keep them from returning to a desolate life on the streets.

Finally, it reforms certain programs in the FHA, in the Federal Housing Administration, to make them more financially sound. The National Affordable Housing Act gives people the best kind of government assistance: It provides opportunity, and it encourages responsibility without the shackles of dependency. And that is really the American dream, for no matter where people live or how much money they have, all people yearn to control their own lives. Abraham Lincoln knew this, and his vision lives on today as the foundation for our efforts to empower all Americans.

And so, it is with that in mind—the undying ideal of hope and opportunity for all—that I am pleased to sign this bill into law.

And once again, I want to thank each and every Member of Congress who has worked hard on this legislation, particularly the two chairmen that are with us today. And of course, again, my respects for his leadership to Jack Kemp, the Secretary of HUD. Thank you all for joining us today.

And now, if I can lift it up, I'll sign it.
[Laughter]

Note: The President spoke at 2:05 p.m. in the East Room at the White House. In his