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SPORTS FINAL

San Francisco Chronicle

NORTHERN CALIFORNIA'S LARGEST NEWSPAPER

★★★★★ FRIDAY, NOVEMBER 7, 1997 415-777-1111 50 CENTS

Bias Against Blacks Cited In Marin County Housing

Discrimination 47% of time, study says

By Peter Fimrite
Chronicle Staff Writer

An African American looking for rental housing in Marin County can expect to be discriminated against almost half the time he or she visits an apartment, a county-supported fair housing program concluded yesterday.

The results were particularly disturbing for minorities in Marin because they show more instances of racism than a similar study in 1994.

"We have a really bad problem," said Andrew Marshall, chairman of the Marin Human Rights Commission. "Housing has always been a problem out here for people of color. The study shows ... that race relations are going in the wrong direction in our county."

Fair Housing of Marin sent undercover black and white testers in April to 16 apartment complexes comprising 1,239 units, and found discrimination in 47 percent of cases. The 1994 study found discrimination in 42 percent of cases.

The testers were about the same age, with the same qualifications and personal profiles except race. They were dressed similarly and were supposed to conduct themselves in the same manner.

Nancy Kenyon, the program director of Fair Housing of Marin, said that while the statistical sample was small, the audit clearly showed race relations are a serious

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HOUSING

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problem in Marin County.

"We expected after the last audit that there would be more owners who would get their employees trained in fair housing law," Kenyon said. "I was surprised that it wasn't lower."

For the most part, the discrimination was subtle, the group said. White testers, for example, would be told about available units while blacks were not.

But the group cited six cases of what it called clear discrimination.

In one case, the white tester was offered a rent $30 lower with a security deposit $200 less than the African American tester. The manager showed the white applicant through the unit and told her he preferred her over previous applicants. The black applicant was told there were 10 people ahead of her and was instructed to look through the unit on her own, Kenyon said.

The locations of the apartment complexes were not released. Novato, however, was clearly the worst of all the areas tested, with 75 percent of the complexes visited showing some form of discrimination. Southern Marin, including Tiburon and Mill Valley, had the most improvement, with 25 percent of the complexes visited showing discrimination compared with 92 percent in 1994.

Two of seven sites that didn't show any discrimination were owned or managed by minorities, according to the report.

Kenyon said complaints may be filed with the U.S. Department of Housing and Urban Development or with the state Department of Fair Employment and Housing against the six apartment complexes that allegedly showed outright discrimination.

Marin has the highest proportion of whites of any Bay Area county, with 84.6 percent. The test excluded areas of Marin with large minority populations such as the Canal District of San Rafael and Marin City.

Printed using recycled paper

Marin Independent Journal

November 7, 1997

Marin County, Calif.

FRIDAY

Marin blacks face rental housing bias

Discrimination found at 47% of units checked

By Richard Halstead

Independent Journal reporter

A person of color looking for rental housing in Marin can expect to be discriminated against 47 percent of the time, according to a survey released yesterday.

That is the finding of an investigative audit conducted in April by Fair Housing of Marin, a nonprofit founded in 1986 to ensure equal opportunity to housing. The survey measured racial discrimination at 16 apartment complexes representing 1,239 units of housing throughout Marin.

Neighborhoods with large minority populations, such as San Rafael's Canal Area and Marin City, were excluded from the audit.

"Although this is not a large statistical sample, it sends a message to African Americans who want to live in Marin that they can expect discrimination at half of the units they visit, where they will be judged on their skin color, rather than on individual merits," said Nancy Kenyon, director of Fair Housing of Marin.

"I'm appalled," said Supervisor Annette Rose. "We need to address this problem even more vigorously than we have."

Kenyon said formal complaints could be filed

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with the U.S. Department of Housing and Urban Development against as many as six of the surveyed apartment complexes. First-time offenders could be fined $10,000 to $50,000, depending on the circumstances. Repeat offenders risk fines ranging from $25,000 to $100,000.

The level of discrimination in the survey was 5 percent higher than the 42 percent rate found in a similar audit conducted by Fair Housing of Marin in 1994.

"It indicates that race relations are going the wrong direction in our county," said Andrew Marshall, chairman of the Marin County Human Rights Commission.

Kenyon cautioned, however, that the statistical samples are probably too small to make that claim. Marin's level of housing discrimination is still lower than the 56 percent national average estimated by the U.S. Department of Housing and Urban Development four years ago, Kenyon said.

The highest level of discrimination in this year's survey was found in Northern Marin. That was a change from the 1994 survey which indicated that discrimination was greatest in Southern Marin. Once again, however, Kenyon said the size of the survey makes such comparisons tenuous.

In addition to these two race discrimination surveys, Fair Housing of Marin has previously done audits to determine the level of discrimination related to families with children, Latinos, and people with physical disabilities.

The level of discrimination against people with children was 42 percent in 1986. It was 25 percent against Latinos in 1992 and 28 percent against the disabled in 1996.

In the recent audit, matched pairs of African-American and white testers visited advertised rental housing sites in Marin randomly selected from the Marin Independent Journal and the Yellow Pages.

The treatment given the African-American apartment seeker was compared with that of the white to determine if any differential treatment was given. Both pairs of testers were employed, middle-income, married couples with no children, comparable in every aspect except for race.

The type of discrimination uncovered was subtle. No housing provider denied an African-American tester the opportunity to see an advertised unit or made outright discriminatory remarks. Discrimination manifested itself in three basic ways: availability, rental terms and conditions, and demeanor of the housing provider.

For example, in one case an African-American tester was told she would have to pay $30 a month more for the same two-bedroom unit, plus an additional $200 in security deposit fees.

The manager personally showed the white tester through the unit, described its advantages, showed her how to fill out an application for tenancy, and told her that he preferred her over previous applicants.

The African-American tester was told to look through the unit on her own, and that there were 10 people ahead of her. She was not offered an application, even though the forms were sitting on the counter, and was not encouraged to apply.

The manager later called the white tester back but not the African American. The African-American tester reported that the manager watched her closely as she went to her car and drove away.

Of the 16 sites tested, about 38 percent showed clear evidence of discrimination, while about 19 percent showed less demonstrative favoritism toward the white tester, the audit found.

Kenyon encourages all Marin landlords to send rental managers to seminars conducted by Fair Housing of Marin to avoid future problems. She said complexes which had received housing education in the past showed a lower degree of discrimination.

"We need to find the funding to send educational booklets out to all the owners in Marin," Supervisor Rose said. "Education does help."

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Marin Independent Journal

November 10, 1997 Marin County, California

MONDAY

'I thought it wouldn't happen here'

Rights official recalls 1972 experience in wake of 1997 housing bias report

By Richard Polito and Elizabeth Rosseter

Independent Journal reporters

Andrew Marshall thought the world was an open door.

And then he watched that door slam shut.

He was in his mid-20s, fresh out of UC Berkeley, ready to take his place in the world. He needed an apartment and he thought he'd found one in Tiburon. He knocked on the door. It never opened.

Inside

Discrimination can be subtle/A4

"I was refused even an application," the 52-year-old property manager recalls. Marshall is African American and, college degree or not, race was enough to shut him out.

That was 25 years ago. Marshall is a landlord himself now. He's also chairman of the Marin Human Rights Commission, and when Fair Housing of Marin announced last week that African-Americans looking for rental housing in the county can expect

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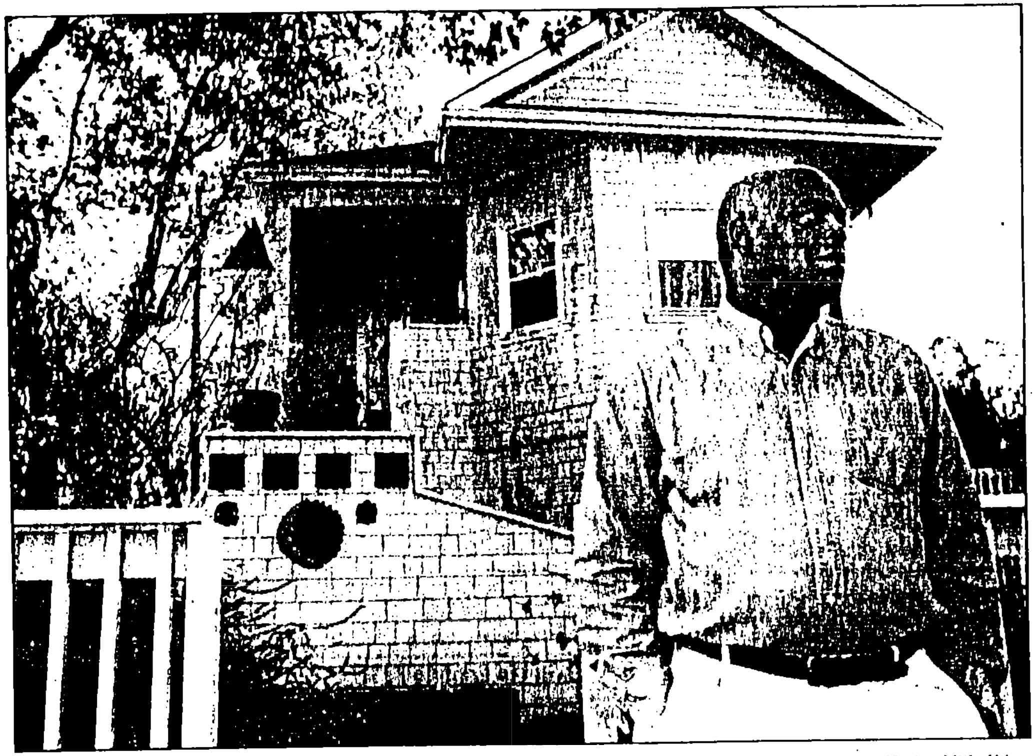

IJ photo/Marian Little Utley

LOOKING BACK: Andrew Marshall stands in front of his Gerstle Park Victorian, one of several properties he owns. But his experience of housing discrimination years ago still rankles.

Housing

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discrimination 47 percent of the time, he couldn't pretend to be surprised.

During the past three decades, Fair Housing of Marin has worked to end racial and other types of discrimination in housing. The San Rafael organization's annual survey serves as a snapshot of how the county's real estate community is living up to federal and state laws.

Housing discrimination based on race, color, religion, gender, national origin, disability or family status (especially families with children) is illegal under provisions of the federal Civil Rights Act of 1966 and Title VIII of the Fair Housing Act of 1968.

The two primary California laws applicable to the issue are the Fair Employment and Housing Act and the Unruh Civil Rights Act, which included protection from housing discrimination for the same categories as the federal law. The state laws also prohibit discrimination based on marital status, sexual orientation and age.

Fair Housing of Marin has filed complaints against property owners where clear evidence of discrimination was found. The agency will recheck apartment complexes where differential treatment was found, and commend those owners where no discrimination is found.

The organization offers training in fair-housing laws and practices to all owners and their employees included in its audit.

Marshall lost his innocence when it came to housing discrimination 25 years ago.

The year was 1972. The world was changing. He thought things were going to be different. "When I left college, I thought people were really trying to work together," he says.

Marshall had a job. He had enough money. He thought it would be as simple as finding an apartment and renting it. He never came close. He didn't get to see the apartment complex manager. He didn't get to fill out the application. He was rejected purely on race.

He didn't want to believe it. He had initially accepted the line that there were no apartments available. "I didn't believe it because I thought that wouldn't happen out here," Marshall recalled.

Then he told a friend about the incident and that friend directed him to talk to Fair Housing authorities. They sent a white "applicant" to the complex to ask about apartments. He was accepted. Marshall went back and was again told there were no vacancies.

Marshall and the Fair Housing officials repeated the process six times.

"They even sent a woman who said that she didn't have any money, that she wasn't working, and they said they'd hold the apartment for her."

Eventually, Marshall and Fair Housing authorities sued the property company and won. It didn't make him feel that much better. He'll never forget being shut out for nothing more than his race. "It was the most horrible feeling you could believe. It was like your guts were just pulled out."

When Fair Housing of Marin gets a complaint about alleged discrimination, it moves quickly.

For the audit released last week, Fair Housing formed teams of three whites and three African-Americans, all of whom had experience with previous tests.

Sent in pairs, the testers simulated the qualifications of likely actual applicants for the units, visiting the complexes and presenting credentials supplied by audit supervisors.

To minimize factors that could contribute to other forms of discrimination, testers were neatly dressed and close in age. They were assigned profiles of married couples with no children or pets, who were fully employed, with incomes at least three times the rent stated in the advertisements.

Apartment complexes were selected at random from advertisements in the Marin Independent Journal and the Yellow Pages. Fair Housing staff members called about advertisements offering one- and two-bedroom units in the selected areas, and identified units available in 16 complexes.

Teams visited the site within 30 minutes of each other. During the visits, the testers asked about availability of apartments and rental terms. They inspected all units available and went through the interview process, ending at the application stage.

Immediately upon leaving the site, testers filled out a Tester Report Form designed for the audit. The form asked for information on the complex just visited, units shown, rental terms and conditions, materials given, and the demeanor of the manager or owner. Testers were also debriefed in person by the audit supervisors.

"We compare four basics: First, the availability that our tester is told about (the number of units for rent). Then we compare whether or not the tester was told the same terms and conditions as was our customer. Next we assess the demeanor of the housing proprietor, and, finally, we keep our ears open for any blatant discriminatory remarks," says Nancy Kenyon, Fair Housing of Marin executive director.

The data gathered by the testers were analyzed by Kenyon and an outside consultant who is also an attorney. In analyzing the data, the consultants looked at the availability of rental units, rental terms and conditions, demeanor of the housing providers and statements about race.

An overall rating was then given to each complex. A rating of "1" indicated clear racial discrimination, a rating of "2" showed differential treatment favoring the white tester, with further investigation recommended, and a rating of "3" indicated no racial discrimination.

Twenty-five years after his own experiences with bias, it is still difficult for Marshall to talk about that time in Tiburon. He didn't, however, give up on Marin. He still lives here. He owns a Victorian in Gerstle Park. He owns rental properties in Marin, Napa and Berkeley. He's the one taking applications now. He knows as much as anyone can that the difference between a good tenant and a bad tenant has nothing to do with race.

"I've seen the whole thing from all the way around," he says.

He is not happy with all that he has seen. The audit and so many other stories, stories he hears as chairman of the Marin Human Rights Commission, give him pause.

Discrimination is alive and well in Marin County, Marshall has found out again. He can't explain it. He can't understand it. But he knows it exists.

"You would think that things would be better now than they were then," he says, but he knows they're not.

People are having the same experiences he had a quarter-century ago.

He just hopes, the way he's always hoped, that it can change, that minorities in Marin can get a fair shot at fair housing.

"It could change rapidly, because I don't think that the majority of people in Marin want to see that," Marshall says. "There's still a pocket of people who are wiling to discriminate, but I also see a tremendous amount of people who are working to make change."

The people of Marin, Marshall says, need to start opening doors.

Independent Journal intern Leah Rothschild contributed to this story.

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Divider Title: 11

The Blue Ribbon Panel Report on *Black Infant Mortality Reduction*

Presented to

NEW JERSEY DEPARTMENT of HEALTH and SENIOR SERVICES

Christine Todd Whitman
Governor

September 1997

Len Fishman
Commissioner

II. EXECUTIVE SUMMARY

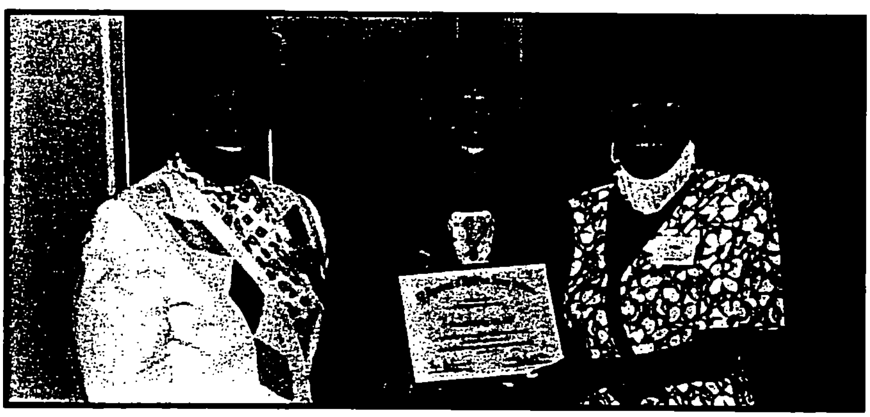
In the United States and in New Jersey, a black infant is more than two times as likely to die before his or her first birthday than a white infant. Even when variables such as income, education, maternal age, and marital status are similar, black women still deliver babies who die before age one twice as frequently as white women. The fact that so many black babies die before their first birthdays is a tragedy that has both social and public health implications.

The Blue Ribbon Panel was created to investigate the pressing problem of Black Infant Mortality (BIM) in the state of New Jersey. This panel was divided into four groups: a Literature Search Task Force, a National Initiatives Task Force, a Town Meetings Task Force and a Recommendations Task Force. The Deputy Commissioner charged the Panel with developing recommendations to reduce black infant death by channeling existing resources into activities that will yield improved birth outcomes. The findings and recommendations would then be presented to the Commissioner.

The Panel discovered the following factors about black infant mortality:

- the community lacks awareness of the BIM problem.
- psycho-social stressors, such as racism, are documented as factors responsible for BIM.
- the existing arrangement of perinatal services does not adequately meet the needs of families at risk of BIM.
- programs dedicated to reducing BIM lack effective evaluation mechanisms.
- there is more than one factor responsible for the high incidence of BIM.

The Panel developed recommendations which address these five findings, and concluded that reducing black infant mortality is a challenge that requires a public-private-community partnership in New Jersey. The Department has taken the first step by establishing the BIM Panel. Through the Panel's activities, communities have shared their ideas about the origins of the BIM problem and offered their suggestions about solutions. Private organizations have demonstrated their concern about the public's well-being through their participation on the Panel and have expressed an interest in taking responsibility for addressing many of the recommendations. State government has brought attention and resources to this issue, and is willing to forge a partnership to reduce BIM. The health and well-being of New Jersey's black community depends on the unity of these three entities in their commitment to reducing black infant mortality.



III. STATEMENT OF THE PROBLEM

Infant mortality is a tragedy that affects families across all racial and ethnic groups. In 1993, the United States ranked 22nd of twenty-five developed countries in overall infant mortality (See Appendix I). Like most countries, the U.S. has been effective in reducing infant mortality by improving the survival of low birth weight infants. According to Anderson et al., the infant mortality rate for 1995 was 7.6 infant deaths for every thousand babies born alive. (1)

While notable progress has been made in lowering infant mortality for all groups in the country, a significant disparity between black and white infants persists. Nationally, BIM remains at least twice that of white infants. Much of the disparity is linked to the increased incidence of low birth weight neonates (those weighing less than 2500 grams) and very low birth weight neonates (those weighing less than 1500 grams). (2) The BIM rate was 15.1 per thousand live births in 1995, while the white infant mortality rate was 6.3 per thousand live births in that same year, according to the latest official data available. (1)

The overall decline in infant mortality is largely attributed to improved treatment for premature and low birth weight babies. During the past three decades, the combined impact of advanced technology and the evolution of neonatology has resulted in improved neonatal outcomes. However, the disparity between white and black neonates persists. For every 1,000 white babies born in the United States in 1995, 4.1 babies died before they were one month old. In contrast, for every 1,000 black babies born in 1995, 9.8 babies died before they were one month old. This difference raises questions as to whether black and white infants have equal access to neonatal technology.

Along with medical advances, regionalization of perinatal care has significantly reduced the mortality of high risk infants. The purpose of regionalization is to ensure that babies of low and very low birth weights are managed by professionals with neonatal

expertise. The Department has designated hospitals according to their level of service capability to promote the care of pregnant women and infants in the most risk appropriate settings. Despite efforts such as the hospital designation system, New Jersey continues to rank 13th of the states with documented black infant mortality rates. The goal of Healthy New Jersey 2000 is to decrease BIM to 11.0 per 1000 live births from its current rate of 16.3 per 1000 live births by the end of the century (see Table 1).

Data consistently highlights the insidious relationship between lower socioeconomic status and poor health. (2) Poverty is correlated with substandard and overcrowded housing, poor nutrition, and reduced access to health services. Yet, when variables such as income, education, maternal age, and marital status are held constant, black mothers continue to be at increased risk for poor pregnancy outcomes and infant death. (3) Improvement in socioeconomic status does not protect black infants against mortality and low birth weight as much as it does for white infants. (4) Therefore, black mothers in all segments of society are consistently at greater risk of losing their infants than white mothers.

Table 1

Rank of Black Infant Mortality Rates by State[1] 1994

Rank	State/Location	% Black	Rate	Rank	State/Location	% Black	Rate
1	Iowa	1.9	22.7	15	Louisiana	31.6	16.0
2	District of Columbia	64.2	20.9	16	Kansas	6.0	15.9
3	Colorado	4.3	20.2	17	Nebraska	3.8	15.7
3	Wisconsin	5.4	20.2	18	California	7.7	15.2
4	Indiana	8.1	19.5	19	Virginia	19.5	15.1
5	Illinois	15.3	18.7	20	Kentucky	7.1	14.7
6	Pennsylvania	9.6	18.6	20	Maryland	26.4	14.7
6	Minnesota	2.7	18.6	20	Mississippi	35.9	14.7
7	Connecticut	9.0	18.3	20	Washington	3.3	14.7
7	Michigan	14.4	18.3	21	New York	17.5	14.4
8	Tennessee	16.2	18.0	22	South Carolina	30.1	14.1
9	Ohio	11.1	17.7	23	Florida	14.5	13.9
10	North Carolina	22.2	16.6	24	Arkansas	15.9	13.0
11	Arizona	3.4	16.5	25	Texas	12.2	12.6
12	Alabama	25.6	16.4	26	Nevada	7.1	12.0
13	Missouri	11.0	16.3	27	Delaware	18.2	11.7
13	**New Jersey**	**14.4**	**16.3**	28	Oklahoma	7.7	11.3
14	Georgia	27.9	16.1	29	Massachusetts	6.03	11.0

[1] **Alaska, Hawaii, Idaho, Maine, Montana, New Hampshire, New Mexico, North Dakota, Oregon, Rhode Island, South Dakota, Utah, Vermont, West Virginia, Wyoming, Guam, Puerto Rico, and the U.S. Virgin Islands did not have data available.**

Source: Monthly Vital Statistics Report, Volume 45, Number 3(S), September 30, 1996

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CLINTON-GORE ACCOMPLISHMENTS
REFORMING WELFARE

On August 22, 1996, President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act, fulfilling his longtime commitment to 'end welfare as we know it.' As the President said upon signing, "... this legislation provides an historic opportunity to end welfare as we know it and transform our broken welfare system by promoting the fundamental values of work, responsibility, and family."

TRANSFORMING THE BROKEN WELFARE SYSTEM

- **Overhauling the Welfare System with the Personal Responsibility Act**: In 1996, the President signed a bipartisan welfare plan that is dramatically changing the nation's welfare system into one that requires work in exchange for time-limited assistance. The law contains strong work requirements, a performance bonus to reward states for moving welfare recipients into jobs, state maintenance of effort requirements, comprehensive child support enforcement, and supports for families moving from welfare to work -- including increased funding for child care and guaranteed medical coverage. State strategies are making a real difference in the success of welfare reform, specifically in job placement, child care and transportation.

- **Law Builds on the Administration's Welfare Reform Strategy**: Even before the Personal Responsibility and Work Opportunity Act became law, many states were well on their way to changing their welfare programs to jobs programs. By granting Federal waivers, the Clinton Administration allowed 43 states -- more than all previous Administrations combined -- to require work, time-limit assistance, make work pay, improve child support enforcement, and encourage parental responsibility. The vast majority of states have chosen to continue or build on their welfare demonstration projects approved by the Clinton Administration.

- **Largest Decline in the Welfare Rolls in History**: The President has announced that we've met -- two years ahead of schedule -- the challenge he made in last year's State of the Union to move two million more Americans off of welfare by the year 2000. New caseload numbers show that welfare caseloads fell by 4.3 million since President Clinton took office and 2.4 million in the first 13 months of the new law. The new figures, from September 1997, show 9.8 million Americans on welfare, a drop of more than 30 percent from January 1993. This historic decline occurred in response to the Administration's grants of Federal waivers to 43 states, the provisions of the new welfare reform law, and the strong economy.

- **Enforcing Child Support -- 63% Increase in Collections**: The Clinton Administration collected a record $13 billion in child support in 1997 through tougher enforcement, an increase of $5 billion, or 63% since 1992. Not only are collections up, but the number of families that are actually receiving child support has also increased. In 1997, the number of child support cases with collections rose to 4.2 million, an increase of 48% from 2.8 million in 1992. And paternity establishment, often the first crucial step in child support cases, has dramatically increased. In 1997, the number of paternities established or acknowledged rose to 1.1 million from 512,000 in 1992, an increase of 115%.

  Making Deadbeat Parents Pay: The President's unprecedented and sustained campaign to make deadbeat parents pay is working. In addition to tougher enforcement including a strong partnership with states, President Clinton has taken executive action including: directing the Treasury Department to collect past-due child support from Federal payments including Federal income tax refunds and employee salaries; taking steps to Federal deny loans to any delinquent parents; issuing an executive order making the Federal government a model employer in the area of child support enforcement. The President also directed the Attorney General to submit legislation that strengthens the Child Support Recovery Act by prosecuting more parents who take egregious actions to avoid paying child support. And most significantly, the welfare reform law contains tough child support measures that President Clinton has long supported including: a national new hire reporting system; streamlined paternity establishment; uniform interstate child support laws; computerized state-wide collections; and tough new penalties. These five measures are projected to increase child support collections by an additional $24 billion over the next ten years, but first, all states must enact the state laws to implement these tough new rules.

- **Breaking the Cycle of Dependency -- Preventing Teen Pregnancy**: Significant components of the President's comprehensive effort to reduce teen pregnancy became law when the President signed the 1996 Personal Responsibility Act. The law requires unmarried minor parents to stay in school and live at home or in a supervised setting; encourages "second chance homes" to provide teen parents with the skills and support they need; and provides $50 million a year in new funding for state abstinence education activities. Since 1993, the Clinton Administration has supported innovative and promising teen pregnancy prevention strategies; HHS-supported programs already reach about 30 percent or 1,410 communities in the United States. As part of this effort, the National Campaign to Prevent Teen Pregnancy, a private nonprofit organization, was formed in response to the President's 1995 State of the Union. Notably, data shows we are making progress in reducing teen pregnancy -- teen births have fallen five years in a row, by 12 percent from 1991 to 1996.

MOVING PEOPLE FROM WELFARE TO WORK

- **Mobilizing the Business Community**: To make welfare reform a success and help move a million people from welfare into the workforce by the year 2000, President Clinton has enlisted the business community's leadership. At the President's urging, the Welfare to Work Partnership was launched in May 1997 to lead the national business effort to hire people from the welfare rolls. Founded with 105 participating businesses, the Partnership now has nearly 3,000 members. The Partnership provides technical assistance and support to businesses around the country, including: a toll-free number (1-888-USAJOB1), the Partnership's Web site (www.welfaretowork.org) and a "Blueprint for Business" manual.

  ... **and Civic, Religious and Non-profit Groups**: The Vice President created the Welfare to Work Coalition to Sustain Success, a coalition of civic groups committed to helping former welfare recipients stay in the workforce and succeed. Tailoring their services to meet welfare recipients needs and the organizations' strengths, the Coalition will focus on providing mentoring and other support services. Charter members of the Coalition include: the Boys and Girls Clubs of America, the Baptist Joint Committee, the United Way, the YMCA, and other civic and faith-based groups.

- **Doing Our Fair Share with the Federal Government's Hiring Initiative**: Under the Clinton Administration, the Federal workforce is the smallest it has been in thirty years. Yet, this Administration also believes that the Federal government, as the nation's largest employer, must lead by example. The President asked the Vice President to oversee the Federal government's hiring initiative in which Federal agencies have committed to directly hire at least 10,000 welfare recipients in the next four years. Already, the federal government has hired 2,400 welfare recipients. As a part of this effort, the White House pledged, and has already hired, six welfare recipients.

- **$3 Billion to Help Move 1 Million People from Welfare to Work**: Because of the President's leadership, the 1997 Balanced Budget Act included the total funding requested by the President for the creation of his $3 billion welfare to work fund. This program will help states and local communities move long-term welfare recipients into lasting, unsubsidized jobs. These funds can be used for job creation, job placement and job retention efforts, including wage subsidies to private employers and other critical post-employment support services. The Department of Labor will provide oversight but most of the dollars will be placed, through the Private Industry Councils, in the hands of the localities who are on the front lines of the welfare reform effort. In addition, 25 percent of the funds will be awarded by the Department of Labor on a competitive basis to support innovative welfare to work projects.

- **A Welfare-to-Work Tax Credit for Employers**: This tax credit will give employers an added incentive to hire long-term welfare recipients by providing a credit equal to 35 percent of the first $10,000 in wages in the first year of employment, and 50 percent of the first $10,000 in wages in the second year, paid to new hires who have received welfare for an extended period. The credit is for two years per worker to encourage not only hiring, but also retention.

- **Welfare to Work Housing Vouchers**: In his FY 1999 budget, the President proposes $283 million for 50,000 new housing vouchers for welfare recipients who need housing assistance to get or keep a job. Families could use these housing vouchers to move closer to a new job, to reduce a long commute, or to secure more stable housing to eliminate emergencies that keep them from getting to work every day on time. These vouchers, awarded to communities on a competitive basis, will give people on welfare a new tool to make the transition to a job and succeed in the work place.

- **Welfare to Work Transportation**: One of the biggest barriers facing people who move from welfare to work -- in cities and in rural areas -- is finding transportation to get to jobs, training programs and child care centers. Few welfare recipients own cars. Existing mass transit does not provide adequate links to many suburban jobs at all, or within a reasonable commute time. In addition, many entry level jobs require evening or weekend hours that are poorly served by existing transit routes. To help those on welfare get to their jobs, President Clinton has proposed a $100 million a year welfare to work transportation plan as part of his ISTEA reauthorization bill. This competitive grant program would assist states and localities in developing flexible transportation alternatives, such as van services, to get people to where the jobs are.

RESTORING FAIRNESS AND PROTECTING THE MOST VULNERABLE

The President made a commitment to fix several provisions in the welfare reform law that had nothing to do with moving people from welfare to work. After continuous refusals by the Congressional leadership to consider these changes, the President fought for and ultimately was successful in ensuring that the Balanced Budget Act protects the most vulnerable. And now, with his 1999 budget, he's continuing the fight.

- **Protects Immigrants Who Become Disabled and Those Currently Receiving Benefits**: The Balanced Budget Act of 1997 restored $11.5 billion in SSI and Medicaid benefits for legal immigrants. The new law protects those immigrants now receiving assistance, ensuring that they will not be turned out of their apartments or nursing homes or otherwise left destitute. And for immigrants already here but not receiving benefits, the BBA does not change the rules retroactively. Immigrants in the country as of August 22, 1996 but not receiving benefits at that time who subsequently become disabled will also be fully eligible for SSI and Medicaid benefits.

- **Helps People Who Want to Work but Can't Find a Job**: The Balanced Budget Act also restored $1.5 billion in food stamp cuts. The welfare reform law restricted food stamps for able-bodied childless adults to only 3 out of every 36 months, unless they were working. This move ignored the fact that finding a job often takes time. The Balanced Budget Act provided funds for an estimated 235,000 work slots over 5 years and food stamp benefits to those who are willing to work but, through no fault of their own, have not yet found employment. In addition, the BBA allows states to exempt up to 15 percent of the food stamp recipients (70,000 individuals monthly) who would otherwise be denied benefits as a result of the "3 in 36" limit.

- **Food Stamps for Legal Immigrants**: The President's 1999 budget proposes to restore Food Stamp benefits for vulnerable groups of legal immigrants. The President's proposals would provide Food Stamp benefits to an additional 730,000 legal immigrants in 1999 at a cost of $2.5 billion over 5 years. Specifically, benefits would be restored for: families with children, regardless of date of entry into the U.S; immigrants with disabilities and elderly immigrants age 65 and older who entered the U.S. before welfare reform was enacted; refugees and asylees, whose eligibility would be extended from 5 to 7 years; Hmong immigrants who came to the U.S. after the Vietnam war; and certain Native Americans living along the Canadian and Mexican borders.

- **Protects Children by Keeping the Medicaid Guarantee**: The Balanced Budget Act preserved the Federal guarantee of Medicaid coverage for the vulnerable populations who depend on it, and contains additional investments to extend coverage to uninsured children. It also ensures that 30,000 disabled children losing SSI because of the new tighter eligibility criteria keep their Medicaid coverage. The President's 1999 budget proposes to provide States the option to provide health care coverage through Medicaid and the Children's Health Insurance Program (CHIP) for legal immigrant children, regardless of when they entered the U.S.

2/5/98

WELFARE TO WORK HOUSING VOUCHERS

The President's FY99 budget will take further steps to promote work and welfare reform through a new plan to provide 50,000 new housing vouchers to welfare recipients who need housing assistance in order to get or keep a job.

Families could use these housing vouchers to move closer to a new job, to reduce a long commute, or to secure more stable housing to eliminate emergencies that keep them from getting to work every day on time. These targeted vouchers will give people on welfare a new tool to make the transition to a job and succeed in the work place.

The $283 million proposal will help address the problem that in many regions, jobs are being created far from where many welfare recipients live. Currently, about two-thirds of new jobs are being created in the suburbs, but three of four welfare recipients live in rural areas or central cities. To make this daily commute possible, the President is fighting for a $600 million welfare-to-work transportation initiative as part of the reauthorization of ISTEA. But in some cases it makes more sense for someone to move closer to work -- and this new proposal will make that move from welfare to work possible.

How It Will Work

These vouchers will provide States and communities with a new flexible tool to help families who need housing assistance in order to achieve self-sufficiency.

- The additional vouchers will be available on a ***competitive basis*** to local housing agencies. Local housing agencies, including Indian housing authorities, may submit an application, developed in consultation with the state, local, or tribal welfare agency and the local Welfare-to-Work formula funds grantee (typically the Private Industry Council).

- The vouchers will be used where they are ***essential to a successful transition from welfare to work--that is, where housing assistance is critical for a family to get or keep a job.***

- Families who receive the vouchers must be ***eligible for or currently receiving Temporary Assistance for Needy Families (TANF) or have received TANF within the past year.***

The initiative recognizes the direct link between affordable housing and self-sufficiency. Along with the Administration's proposal to increase the Low-Income Housing Tax Credit, this initiative will make decent, affordable housing available to more Americans.

The most recent data (1993) show that approximately 2.7 million African American households and 1.8 million Hispanic American households were eligible for but did not receive housing assistance. These new vouchers will help address the unmet housing need for some African American and Hispanic American families who are making the transition from welfare to work.

01/21/98

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CLINTON-GORE COMMUNITY EMPOWERMENT AGENDA: TAPPING THE UNTAPPED POTENTIAL OF AMERICA'S URBAN AND RURAL COMMUNITIES

Since 1993, President Clinton and Vice-President Gore have been committed to tapping the untapped potential of America's urban and rural communities. The Clinton-Gore Administration has worked with states and local communities to help revitalize America's communities by bringing private enterprise, capital, jobs, and opportunity to distressed areas; reducing crime; cleaning up the urban environment; reinventing public housing; making housing more affordable for more American families; and making the dream of homeownership a reality.

Private Enterprise and Capital to Distressed Areas. The Clinton Administration has renewed the commitment of the Federal government to helping bring private enterprise and improving access to capital for lower-income households, minorities, and other traditionally underserved borrowers.

- ***105 Empowerment Zones and Enterprise Communities.*** The Clinton Administration has awarded announced 105 EZs and ECs – nine urban and rural EZs, two supplemental zones, and 95 ECs, four of which received enhanced awards. During the first eighteen months alone, the EZ/EC effort generated more than $2 billion of new private sector investment in community development activities.

- ***Strengthened and Simplified the Community Reinvestment Act (CRA).*** The Clinton Administration reformed CRA regulations to emphasize performance. Under President Clinton, the private sector has pledged $270 billion going forward in loans to low-income communities. Lending to minority and low-income borrowers is on the rise: since 1993, conventional home mortgage lending to African Americans increased by 67.2 percent, lending to Hispanics is up to 48.5 percent, and lending in low and moderate income neighborhoods increased 37.9 percent.

- ***Created the Community Development Financial Institutions Fund (CDFI).*** Through grants, loans, and equity investments, the Treasury Department's CDFI Fund is helping to create a network of community development financial institutions in distressed areas across the United States. This year, the CDFI Fund's budget was increased to $80 million. *The President's FY99 budget will call for $125 million for CDFI fund -- a 56-percent increase over FY98.*

Helping Bring Jobs and Opportunity to Distressed Areas. A cornerstone of the Administration's community empowerment agenda is helping to bring jobs and opportunity back to distressed areas:

- ***$3 Billion Welfare-to-Work Jobs Initiative.*** The Clinton Administration fought for a $3 billion welfare-to-work jobs initiative, as part of the Balanced Budget Agreement. The Administration is implementing this challenge fund directly to both cities and states for allocating additional resources to help long-term, hard-to-serve welfare recipients find and keep jobs.

- ***A New Welfare-to-Work Tax Credit.*** The President signed into law a new Work Opportunity Tax Credit (WOTC), which expands eligible businesses to include those who hire young adults living in Empowerment Zones and Enterprise Communities. Employers may claim a 35-percent credit on the first $10,000 of wages in the first year of employment for long-term welfare recipients, claim a 50-percent credit in the second year of employment, and treat employer-provided education, training, health care, and dependent care as wages.

- ***Job Creation through Economic Development Initiative and Section 108 Loan Guarantee.*** EDI grants are being used as an infusion of capital into community development activities, enhancing the debt financing provided by the 108 Loan Guarantee program. Together, the programs serve as a catalyst for economic development and build on the economic development successes of the community Development Block Grant program. The estimated jobs created by EDI and the 108 loan guarantee program increased from 16, 900 in 1993 to over 200,000 in 1995.

Cleaning Up The Urban Environment. The Clinton Administration has launched a landmark effort to clean up and redevelop Brownfields sites. In total, the Brownfields action agenda has marshaled funds to clean up and redevelop 5,000 properties, leveraging between $5 billion and $28 billion in private investment and creating and supporting 196,000 jobs.

- ***Brownfields Tax Incentive.*** The President signed into law a new tax incentive help motivate the private sector to clean up and put back into productive use environmentally contaminated properties in distressed communities, or Brownfields. This incentive is expected to leverage $6 billion in private sector clean up investment, and help clean up 14,000 Brownfields sites.

Reducing Crime Across the Nation. The Clinton Administration has worked hard to make urban neighborhoods safe and crime-free. As a result of the President's efforts, crime rates have plummeted in many large cities. The downturn has been particularly noticeable with respect to violent crime; the national murder rate decreased by 8 percent between 1994 and 1995.

- ***Police on the Streets.*** The Cornerstone of the Administration's efforts to fight crime is the continuing effort to put 100,000 more community policing officers on the streets. Thus far, Federal grants are funding the hiring or redeployment of more than 64,000 additional officers.

- ***Reducing Crime in Public and Assisted Housing.*** The President believes that public and assisted housing are a privilege, not a right, and residents who commit crime and peddle drugs should be immediately evicted.

- ***One Strike-and-You're-Out.*** The Administration is aggressively implementing the "One Strike and You're Out" policy that helps cities prevent drug dealers and violent offenders from terrorizing public housing residents by ensuring that people who engage in drugs and other criminal activity will face certain and swift eviction.

Making The Dream of Homeownership A Reality. The Clinton Administration has helped increase the homeownership rate to an *all-time high* of 66 percent. As a result, 67.6 million Americans own their homes. Equally encouraging, these gains have been broadly distributed among minorities, female-headed households and families with less than median income.

- ***National Homeownership Strategy.*** The National Partners in Homeownership is an unprecedented public-private partnership formed in 1995 in response to a challenge by President Clinton. These Partners have made significant strides in increasing housing production, reducing regulatory barriers, and expanding homeownership opportunities for *all* Americans.

- ***Lowering Homeownership Costs.*** During the last five years, President Clinton reduced the Federal Housing Administration (FHA) mortgage insurance premiums three times for first-time homebuyers who obtain homebuyer counseling. HUD expects 45,000 homebuyers a year to benefit from the reduction that makes homeownership more affordable. As a result, homebuyers will save $1,200 in closing costs on the average FHA mortgage of $85,000.

- ***Making FHA Work Better.*** The Clinton Administration is also revamping the Federal Housing Administration to better meet the needs of today's consumers – through streamlining and consolidating services, automating functions using the latest technology, introducing innovative new products, and forging strategic alliances with public and private partners.

Producing More Affordable Housing for All Americans. Besides the Low-Income Housing Tax Credit, the Clinton-Gore Administration has provided the necessary flexibility and incentives to communities and businesses to encourage the development of more affordable housing and has improved assistance for those with acute housing needs.

- ***HOME Investments Partnership Program.*** To date, the Administration has provided almost 310,000 families with housing assistance through the HOME program. Since 1993, the funding for the HOME program has increased by 50% -- to $1.5 billion in FY98.

- ***Homeless Assistance.*** Funding for homeless assistance has increased from $571 million in 1993 to $823 million today. The President and Vice-President's next budget will include a 40-percent increase in homeless assistance, bringing the funding level to $1.15 billion. HUD has improved the use of these program dollars, supporting a new "continuum of care" strategy. As a result, HUD's transitional and permanent housing programs are serving up to fourteen times the number of persons served in 1993.

Promoting Equal Opportunity to Achieve One America. HUD has pledged to double its targeted number of housing discrimination enforcement actions, partnering with 67 non-profit housing groups to reduce housing discrimination. HUD has also entered into 113 best practice agreements with key lenders, which are resulting in more fair lending practices and expanded opportunities for low-income minority families.

Making The City Home. The Clinton Administration has implemented several programs that targets homeownership expansion in inner cities.

- ***Officer Next Door.*** This program provides incentives for police officers to live in the communities where they work by offering a 50 percent discount on the purchase of HUD-owned foreclosed properties in designated revitalization areas. To date, HUD has accepted 261 sales contracts and closed 59 deals on HUD-held properties under this initiative.

- ***Homeownership Zones.*** This program enables cities to undertake large-scale, single family developments in inner city neighborhoods. Such developments can retain and attract stable, middle-income families into the inner cities. In addition to increasing the supply of safe and decent housing in urban areas, the program will create new jobs in the home-building industry and stimulate new investment in revitalized communities.

- ***Ginnie Mae's Targeted Urban Lending Initiative.*** Ginnie Mae is spearheading a new Federal initiative to stimulate at least $5 billion in annual mortgage loans to help about 75,000 families buy homes in one of 72 cities designated as Empowerment Zones or Enterprise Communities across the nation.

Reinventing Public Housing. The Clinton Administration has initiated a comprehensive effort to fundamentally transform public housing.

- ***Replacing the Worst Developments..*** More than $2 billion in funding has provided for the demolition and revitalization of 68 of the worst public housing developments.

- ***Improving Management.*** The Clinton Administration is cracking down on bad management in public housing by taking over the most troubled public housing authorities and forging innovative partnerships with local, state officials and residents.

- ***Rewarding Working Families.*** The Administration's Public Housing Management Reform Act of 1997 proposes new admissions policies that balance the need to achieve a greater mix of incomes in public housing with policies that offer incentives for existing poor tenants to raise their own incomes. It also allows housing authorities flexibility to design their rent systems to be consistent with local welfare programs and encourage work.

EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES

"We are helping America's communities -- not with more bureaucracy, but with more opportunities -- through our successful empowerment zones and community development banks, we are helping people to find jobs and to start businesses. And with tax incentives for the companies that clean up abandoned industrial property, we are bringing back jobs to the places that desperately, desperately need them."

--President Clinton, State of the Union, January 23, 1996

"Through our community empowerment agenda, we recognize that the federal government alone cannot solve the problems of distressed communities. But we also recognize that the government can be a catalyst in giving communities the ability to solve their own problems and in encouraging the private sector to join in those efforts."

--Vice President Al Gore, March 19, 1996

The Clinton Administration's Community Empowerment Agenda is designed to empower our nation's distressed rural and urban communities to create greater opportunity. The Agenda -- which includes a series of initiatives across the federal government -- creates a new approach to revitalizing neighborhoods and creating jobs for their residents. This approach recognizes that top-down, big-government solutions are not the answer to communities' problems, and that enhanced public-private partnerships are essential. Three specific principles underlay the Agenda's programs: (1) there must be bottom-up, community-driven solutions that bring people together; (2) the private sector must be involved; and (3) the federal government must reinvent and improve the way it serves communities.

The Empowerment Zone/Enterprise Community (EZ/EC) Initiative is at the heart of the Community Empowerment Agenda. Signed into law by President Clinton in 1993, the EZ/EC initiative challenged communities to develop comprehensive strategic visions for revitalizing their neighborhoods, with the input of a wide array of community partners. The competition resulted in over 500 applications from across the country. The Administration designated 105 communities in 42 states, rewarding communities that developed innovative, locally-driven strategies supported by significant additional investments from the private and public sectors.

EZ/EC communities receive a variety of tools from the federal government: (1) a package of tax incentives and flexible grants available over a ten-year period; (2) priority consideration for other federal empowerment programs; and (3) assistance in removing bureaucratic red tape and regulatory barriers that prevent innovative uses of federal funds. In 1993, the President created the **Community Empowerment Board**, composed of the heads of 17 federal agencies and chaired by Vice President Al Gore, to coordinate the federal government's response to distressed communities and to strengthen federal-local partnerships.

There are several kinds of EZ/EC communities:

•**Empowerment Zones.** Nine EZs (six urban, three rural) are receiving between $40 million and $100 million each in flexible block grant funding. Businesses located in an EZ will receive a wage tax credit of up to $3,000 per employee for the cost of wages and training for employees who are Zone residents. Zone businesses will also receive tax deductions for capital investment and tax-exempt bond financing.

•**Enterprise Communities.** 95 ECs (65 urban, 30 rural) are receiving block grant funding for approximately $3 million and access to tax-exempt bond financing for private activities in the targeted communities.

•**Supplemental Awards.** Among the EC and supplemental communities, four "enhanced ECs" also received economic development grants of $22 million and two "supplemental" EZs received economic development grants of $90 to $125 million.

The President also has proposed in his 1997 budget that Congress act to designate a second round of Empowerment Zones and Enterprise Communities. As in the first round, the President and Vice President would challenge low-income communities to develop their own comprehensive strategic plans and involve a wide range of partners in their efforts. At the same time, the President has proposed the enactment of a tax incentive to encourage the cleanup and redevelopment of contaminated former industrial sites (known as "brownfields") in all distressed communities -- including EZs and ECs.

The current round of Empowerment Zones and Enterprise Communities are already on their way to achieving successful results. For instance:

•**In the Mississippi Delta Empowerment Zone**, two top-quality manufacturers -- Viking Specialty Products and Classic Interior Arts -- will be opening up manufacturing plants in the town of Itta Bena, which is one of the smallest and poorest communities in the Delta. These plants are expected to hire 100 workers. Itta Bena has never before had a manufacturing plant.

•**In Detroit**, the Empowerment Zone has attracted $2 billion in local private-sector investments, and has already creating hundreds of jobs. At least 21 private developments have been announced, including 10 industrial and five residential projects. One of the new businesses was started by former Detroit Pistons basketball player Vinnie Johnson Vinnie opened, and now runs, a manufacturing plant in the heart of the zone called Piston Packaging. He's hired 34 workers -- and with tax incentives, he expects to expand his business to hire 250 more in the next year and a half.

Through the EZ/EC Initiative, distressed communities and their residents, along with the federal government and other stakeholders, are learning valuable lessons -- creating new ways of working together and getting things done -- that can help all communities across the country. As the President has stated, "*We want to do everything we can to help everybody in America be part of the comprehensive strategy for the future embodied in the empowerment zones and enterprise communities ...*"

EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES

"The spirit we bring to our work will make all the difference. We must be committed to the pursuit of opportunity for all Americans, responsibility from all Americans, in a community of all Americans. And we must be committed to a new kind of government not to solve all our problems for us, but to give our people -- all our people -- the tools they need to make the most of their own lives."

President William Jefferson Clinton, State of the Union Address, February 4, 1997

"We need to create a climate where families can flourish and hope can blossom. And after two years, we know that our Community Empowerment Agenda is working to make government better, creating jobs, reducing crime, improving infrastructure and creating strong communities that endure. And that's why the President's budget include the "Community Empowerment Act" that would provide for a second round of Empowerment Zones as well as a tax incentive to encourage the redevelopment of the abandoned brownfield industrial sites."

Vice President Al Gore, Budget Announcement, February 6, 1997

The President's Community Empowerment Agenda empowers our nation's distressed rural and urban areas to combat the inter-related problems facing communities -- from job creation to public health. This Agenda, which includes various Federal initiatives, spurs entrepreneurship and private investment in distressed communities; reinvents the relationship between government at all levels and communities and promotes community-driven solutions to local problems.

At the heart of this Agenda is the Empowerment Zones/Enterprise Communities (EZ/EC) Program. This program provides tax incentives and other tools to enable communities to implement their comprehensive strategic plans for revitalization.

In December 1994, the President and Vice President announced the first round of EZs and ECs, designating 105 communities. EZs and ECs received the following Federal benefits:

- flexible block grants ($100 million for urban EZs, $40 million for rural EZs and approximately $3 million for ECs);
- targeted tax incentives (tax-exempt bonds for EZs and ECs and a wage credit and increased Section 179 expensing for EZs); and
- priority consideration in a variety of other Federal programs.

This round also included two "Supplemental Zones," which received an economic development grant of $90 to $125 million, and four "Enhanced ECs," which received an additional economic development grant of $22 million.

THE COMMUNITY EMPOWERMENT BOARD MEMBER AGENCIES

The Department of Agriculture (USDA)
The Department of Commerce (DOC)
The Department of Defense (DOD)
The Department of Energy (DOE)
The Environmental Protection Agency (EPA)
The Federal Emergency Management Agency (FEMA)
The Department of the Interior (DOI)
The General Services Administration (GSA)
The Department of Health and Human Service (HHS)
The Department of Housing and Urban Development (HUD)
The Department of Justice (DOJ)
The Corporation for National Service (CNS)
The Small Business Administration (SBA)
The Department of Transportation (DOT)
The Department of Treasury (Treasury)
The Council of Economic Advisors (CEA)
The Domestic Policy Council (DPC)
The Office of Management and Budget (OMB)
The Office of National Drug Control Policy (ONDCP)
The National Economic Council (NEC)

Over the last three years, these and other community empowerment initiatives have been coordinated by the Community Empowerment Board, which is chaired by the Vice President and comprised of 18 different federal agencies. This unprecedented cross-agency coordination has vastly improved the Federal government's responsiveness to State and local governments and to communities themselves.

The EZ/EC program is already bearing fruit, bringing new businesses and hope into long-forgotten areas, and the President and Vice President are expanding it. The Community Empowerment Act, introduced in June 1996 by Senator Carol Moseley-Braun (D-IL) and Representative Charlie Rangel (D-NY), would authorize the Secretaries of HUD and USDA to designate an additional 20 EZs an 80 ECs to receive tax incentives and other tools to revitalize even more of our impoverished communities. The President also proposes a new Brownfields tax incentive that would be available to businesses located in all areas of 20% poverty, existing EZs and ECs, and new EZs and ECs that would be designated in the second round. With this incentive, a business could fully deduct the cost of environmental clean-up for contaminated properties within an EZ or EC. As in the first round, the President and Vice President would challenge communities to develop their own comprehensive strategic plans for revitalization, with the input of residents and a wide array of community partners

In addition to calling for a second round of EZs and ECs and the brownfields tax incentive, the President and Vice President are building on the success of the agenda through the following efforts:

- the President's recently-announced Welfare-to-Work Jobs Challenge include the Work Opportunity tax credit for hiring at-risk youth who live in designated EZs and ECs;

- the Empowerment Contracting Program will offer special incentives for Federal government contracting awards to businesses in distressed communities; and

- the Executive Order on Historic Properties encourages Federal agencies themselves to locate offices in our central cities and attempts to ease the regulatory burdens that have impeded such efforts.

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