



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20410-0001

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COMMENTS: ~~the report~~ I hope this helps. I'll get
you more info later

Comparison

Old HUD

45 days to process an FHA loan for a single family home

120 days to process and send FHA refunds back to consumers

13,600 employees

260 programs

Empowerment Zones promised; zero delivered

12 forms for a grant application

22 large troubled housing agencies

22,000 units demolished in previous 12 years

185 multifamily properties in inventory

19 civil rights suits against agency

50 management deficiencies identified by Inspector General

Clinton HUD

one day process

7-day process

reducing to 7,500

30 programs, reducing to 3 funds

72 designated urban empowerment zones and enterprise communities

one plan

12 large troubled PHAs remain:

3 under HUD control

6 innovative partnerships with mayors

3 court-appointed receivers

30,000 units to be demolished in 4 years

74 properties, reduced inventory by 60 percent and saved taxpayers \$1.5 billion

only 1 suit remains; nearly settled

only 16 remain

BACKGROUND

Senator Rob Dole

1. Voucher out public housing
2. Vouchers give families housing choice.
3. HUD is "landlords of misery."
4. "I think their [HUD's] goals are commendable. They want to reduce the number of homeless. They want to expand housing opportunities and open housing markets to minorities..."
5. "...I wonder about their methods."
6. HUD is intruding on citizen's First Amendment rights.

The Record

1. In April 1995, the Administration sent a major housing reform bill to Congress which included a plan to convert all public housing to vouchers. Congress rejected this plan, agreeing to provide vouchers for only 10% of public housing.
2. Congress voted to eliminate new vouchers for the first time in 20 years.
3. The Administration, with the support of Congress, is implementing the most far-reaching transformation of public housing since the 1960s:
 - demolishing the worst developments and replacing them with attractive, low-rise housing that is indistinguishable from neighboring private homes;
 - turning around management of troubled PHAs through innovative local partnerships, court-appointed receivers, or full takeovers;
 - strengthening incentives to reward working families and linking housing to technology-based learning, jobs, and services; and
 - placing tougher expectations on resident's by implementing stricter screening and evictions and cracking down on gangs, drugs and violent crime.
4. Congress made deep cuts in housing programs:
 - cut homeless funding by 26% (original Senate proposal cut program by 32%); eliminated all new rental vouchers; raised rents on the poorest residents; voted to sunset the Low-Income Housing Tax Credit; voted to cut Community Development Block Grants in half.
5. Working with Congress, HUD's reinvention is long underway emphasizing: greater local control, private sector partnerships, zero tolerance for bad management, work and personal responsibility, stronger families, a downsized agency and better customer service.
6. Clinton Administration overhauled existing policy governing fair housing complaints and issued new guidelines that protect free speech rights. The new policy was adopted and codified by Congress in the FY 1996 Omnibus Appropriations Act.

DETAILED BACKGROUND

The Dole voucher plan is the same plan offered by President Clinton and Secretary Cisneros a year ago.

In April 1995, the Clinton Administration sent Congress a sweeping housing reform bill which would have converted all of public housing assistance to vouchers, giving residents greater choice in where they live.

HUD's goal was to impose market principles and discipline on housing authorities and give public housing residents greater choice.

The Clinton plan was prudent and responsible -- with a 6 year transition period designed to help public housing agencies upgrade their stock and prepare for market competition. The Clinton plan also proposed, as a first stage, repealing and modifying many restrictive public housing laws -- substantial reform by itself.

Congressional Banking and Appropriations Committees held extensive hearings on the Clinton plan. Both Committees ultimately decided to develop legislation that would convert public housing to vouchers only for the portion of the stock -- 10 percent -- that is severely dilapidated. They also accepted Stage One of the Clinton bill and acted to overhaul the streamline and simplify the existing system (see below).

Senator Dole's call for vouchers directly contradicts Congressional action which eliminated new vouchers for the first time in 20 years.

The final FY 1995 rescissions law and the FY 1996 appropriations law eliminated all incremental rental vouchers -- over the strong objections of the Administration. Senator Dole voted for every appropriation measure that eliminated incremental voucher assistance.

Since 1974, there has been a bipartisan commitment to provide additional Section 8 vouchers every year -- to serve low-income families on local housing lists. Currently, some 1.5 million families receive vouchers which help them pay rents in apartments administered by private landlords, a true market approach.

The voucher program -- initially begun by Presidents Nixon and Ford -- was supported strongly by President Reagan. The Clinton FY 1997 Budget seeks 30,000 new rental vouchers as part of a larger welfare-to-work effort.

Senator Dole's call for vouchers directly contradicts Congressional action to cut public housing funding by \$2 billion.

The Clinton plan to convert public housing to vouchers was based on sound economics. It would have, over 6 years, used public housing appropriations -- set at \$8.2 billion in FY 1995 -- to make the public housing stock competitive and convert project-based subsidies to rental vouchers. That would have worked from a budget perspective.

In the FY 1995 rescissions bill and the FY 1996 appropriations law, however, the Republican Congress cut public housing funds significantly. These severe cuts make voucherizing out all of public housing impossible.

Capital funding has been reduced by \$1.2 billion, from \$3.7 billion to \$2.5 billion.

Development funding has been eliminated, a reduction of \$600 million,

Operating funds has been reduced by \$100 million, from \$2.9 billion to \$2.8 billion.

Efforts to cut almost \$800 million in anti-crime and distressed public housing funds have been rebuffed after strong Administration opposition.

The bottom line is that a voucher conversion plan no longer works economically -- the cuts in public housing funds are just too severe to make public housing competitive and cover the costs of rental assistance in the marketplace. Thus, the Dole plan does not even make sense on its own terms -- it is a pale imitation of the earlier Clinton plan.

Dole's critique ignores the transformation underway in public housing nationwide.

The Clinton Administration, key Congressional leaders and our local partners are now engaged in the greatest transformation of public housing since the 1960's. Our strategy is bringing systemic and fundamental change to public housing. It has four components.

First, HUD seeks to change the physical landscape of public housing by tearing down the most unlivable, dilapidated public housing stock that has blighted neighborhoods for a generation. Local agencies and private partners are replacing these failed projects with smaller-scale affordable housing that works for communities and for people. We are presently demolishing and replacing during our tenure about 30,000 units -- more than Secretaries Pierce and Kemp were able to do during their 12 years combined. At HUD's urging, Congress has supported this bold strategy by:

repealing the one-for-one replacement rules that for years blocked demolition;

permitted public housing capital funds to be used to demolish and replace dilapidated buildings; and

fully funded the distressed public housing program which the main source of federal funding for demolition and replacement.

Second, HUD is intervening aggressively -- for the first time in 20 years -- to reform the nation's most troubled housing agencies. HUD has assumed control of the Chicago and San Francisco housing authorities, entered into partnerships with local Mayors and the private sector in Detroit and New Orleans, and aided court-appointed receivers in Kansas City and Washington, D.C.

Third, HUD is committed to transforming the whole social dynamic of public housing by helping families make the transition from dependency to independence and emphasizing work and economic integration. At HUD's urging, Congress

has repealed federal preference rules to attract working families;

has reformed rent rules to encourage residents to work and earn more pay;

reform rent rules to help working families remain in good public housing; and

expand access to basic support services -- child care, educational aid, job training.

Finally, HUD is imposing tougher standards on residents. At HUD's urging Congress has funded Operation Safe Home (a HUD/DEA/FBI partnership against gangs) and set-aside rental vouchers for relocating witnesses in public housing who want to testify against local gangs. The Administration has also instituted one-strike admission and evictions policies.

HUD's public housing efforts have received strong bipartisan support. The legislative reforms described above are contained in:

the FY 1996 appropriations law, sponsored by Senator Bond (R-MO) and Congressman Lewis (R-CA);

S. 1260, the Senate public housing reform bill, sponsored by Senator Connie Mack (R-FL) (which passed the Senate by unanimous consent on January 10, 1996); and

H.R. 2406, the House public housing reform bill, sponsored by Congressman Ric Lazio (R-NY).



U. S. Department of Housing and Urban Development
Washington, D.C. 20410-4000

OFFICE OF THE ASSISTANT SECRETARY
FOR PUBLIC AFFAIRS

HIGHLIGHTS OF HUD ACCOMPLISHMENTS 1993-1996

Highlights of Department of Housing and Urban Development accomplishments under President Clinton and Secretary Henry G. Cisneros:

HELPED HOMELESS AMERICANS FIND HOUSING AND JOBS

- Changed focus of HUD's homeless assistance from providing emergency shelter and implemented a "continuum of care" strategy to help the homeless get jobs and permanent housing.
- Provided housing services for up to 290,000 homeless in 1995 -- 14 times more nationwide than 1992. Helped transitional and permanent housing providers in 345 communities, up from 129 in 1992.
- Put more emphasis on helping the homeless mentally ill.
- Increased homeless funding to \$1.1 billion in FY 95, up from \$571 million in FY 93.
- Consolidated application process for six homeless grant programs into one competition.

TRANSFORMED PUBLIC HOUSING

- Demolished about 24,000 of worst public housing apartments. Will demolish total of 100,000 by 2000. HUD will replace these with 40,000 new units of public housing and 61,000 vouchers that allow poor families to rent housing in the private market. Because about 40,000 units being demolished are vacant, occupied affordable housing units supported by HUD will increase by about 40,000.
- Cut number of troubled public housing authorities by nearly 50 percent from 1993 to today. Took control of those in worst shape (e.g. Chicago, New Orleans, San Francisco).
- Began reforms to encourage residents to work. Launched job training programs, including Campus of Learners initiative to create learning centers linked to computers, jobs and education.
- Cracked down on crime and drugs. Issued One Strike and You're Out guidelines to help implement tougher screening and eviction procedures. Since 1994, HUD's anti-crime program in public housing (Operation Safe Home) has resulted in over 10,300 arrests.

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BOOSTED NUMBER OF HOMEOWNERS TO RECORD HIGH

- Launched unprecedented national public-private partnership with 58 groups that works to expand homeownership. The partnership, combined with lower interest rates and a strong economy created by Administration policies, helped boost the homeownership rate to 65.6 percent for the third quarter of 1996 -- the highest rate in 15 years. About 66.3 million American households own their homes -- 4.5 million more than in 1992.

- Cut Federal Housing Administration mortgage closing costs by up to \$1,000 and speeded mortgage approvals from two months to a day.

- Launched programs to increase homeownership opportunities for women and minorities.

CREATED JOBS AND SPURRED ECONOMIC DEVELOPMENT

- Designated 105 communities as Empowerment Zones and Enterprise Communities, where federal aid and tax breaks have attracted new businesses and expanded existing companies in inner cities. In Detroit, for example, federal aid has leveraged \$2 billion in private investment and created thousands of jobs.

- Made \$370 million in Economic Development grants to 112 distressed communities, attracting \$2 billion in private investment and creating up to 70,000 jobs.

- Played an important role in the comeback of America's cities, helping them to reverse decades of decline.

REDUCED HOUSING DISCRIMINATION

- Accelerated and improved investigation and prosecution of illegal housing discrimination based on race, ethnicity, gender, religion, disability and familial status.

- Helped housing discrimination victims recover \$80 million in damages -- compared with \$13 million in the previous four years.

- Reduced segregation in public housing. Settled nearly all pending public housing discrimination/segregation lawsuits.

- Broadened access of all Americans to mortgage loans by partnering with over 100 financial institutions.

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MADE HUD MORE RESPONSIVE AND EFFICIENT

- Replaced centralized decision-making in Washington. Delegated majority of decision-making power to localities and community leaders. Eliminated regional level of management.

- Reduced HUD staff from 13,600 in 1993 to 10,400 today. Set goal to reach a staff of 7,500 by 2000.

- Worked with Congress to consolidate HUD programs and eliminate unnecessary functions, reducing number of programs from 240 to 20 to improve operations. Consolidated 12 grant application forms into one, winning a national government innovation award.

- Earned \$1.3 billion for taxpayers by selling off foreclosed mortgage loans and properties.

- Transformed the FHA into a results-oriented, financially accountable operation. FHA received a clean independent audit in 1994 -- the first since 1974.

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MEMORANDUM

FOR: Leon Panetta

FROM: Henry G. Cisneros

DATE: September 19, 1996

SUBJ: Weekly Cabinet Report for September 20-October 4, 1996

HUD IN THE NEWS Secretary Cisneros recently led an interagency task force to St. Petersburg, Florida. The team, comprised of representatives from HUD, Labor, EPA, SBA, Justice, and Commerce, met with many different people to review local conditions and tensions that led to recent disturbances in the area. Based on their experiences, the federal task force developed a report on their visit that includes specific federal actions and recommendations on how to coordinate federal efforts with local leaders. HUD will take the lead in implementing the interagency response.

I. KEY DEPARTMENT NEWS

- **HUD provides nearly \$1 billion to House Elderly and Disabled Americans** HUD released more than \$950 million Thursday to finance the construction or rehabilitation of an estimated 10,700 rental housing units for low-income older Americans and people with disabilities. The grants fund both capital improvements and guaranteed rental assistance for 367 housing developments to be operated by private, non-profit groups in 45 states, Puerto Rico, and the District of Columbia. Of the \$959 million in grants, \$776.5 million is allocated under the Section 202 program for the development of 8,731 units of housing for low-income elderly persons. The remaining grants, \$182.9 million in Section 811 funds, will go toward the provision of 1,971 units for persons with disabilities. The Section 811 program aids persons with developmental disabilities, chronic mental illness, and physical disabilities.

"With these funds, we will help house many of our nation's neediest citizens in dignity and comfort," said Secretary Henry G. Cisneros. "These grants help older Americans and people with disabilities maintain their independence while living in a safe and supportive environment."

Because of an error in scoring applications for Section 202 grants by the Fair Housing and Equal Opportunity field office in New York, HUD's General Counsel advised rescoring affected applications and take the new scores into account for these awards. ~~That rescoring resulted in modification to the original ranking of applications.~~

HOUSING

"Over the past few years, I have emphasized three basic ideas -- community, opportunity and responsibility -- that I believe are at the heart of a more dynamic and prosperous America. The priorities of the Department of Housing and Urban Development, from making sure that hardworking Americans realize the dream of homeownership, to addressing the tragedy of homelessness, are outstanding examples of how our government can empower people and institutions."

President Bill Clinton
October 1993

Recognizing that our homes are central to our well-being, President Clinton has worked to increase housing opportunities for all Americans, make homes and communities safer and more secure and reinvent HUD to meet America's housing and community development needs.

A RECORD OF ACCOMPLISHMENT:

Transforming Public Housing: The Clinton Administration is implementing the most far-reaching changes in public housing in decades -- demolishing the worst housing developments, cracking down on bad management, rewarding residents who work and cracking down on crime.

- **Replacing Worst Developments:** The Administration will tear down an unprecedented 30,000 units of the worst public housing and rebuild them with lower-density, townhome-style developments which can serve as anchors for neighborhood renewal. HUD has awarded \$1.44 billion in grants to spur economic development and change the shape of 85 public housing developments nationwide.
- **Improving Management:** The Clinton Administration is cracking down on bad management in public housing through takeovers of the most troubled public housing authorities in innovative partnerships with local and state officials.
- **Opportunity and Responsibility in Public Housing:** The Clinton Administration is changing admission rules and rent calculations to reward working families. Making public housing a springboard to further opportunities and a safe place to live through:
 - Campus for Learners initiative to transform public housing developments into living and learning centers through linkages with education, technology and job training;
 - Aggressive implementation of "One-Strike-and-You're-Out" policy that helps cities prevent drug dealers and violent offenders from terrorizing public housing residents in their homes by ensuring that people who engage in drugs and other criminal activity will face certain and swift eviction; and
 - Operation Safe Home under which federal law enforcement agencies are working with local police departments and public housing residents and managers to increase the arrest and conviction of violent and drug-related suspects so public housing developments can be safer places to live. This initiative has resulted in the arrest of thousands of criminals and confiscation of hundreds of assault weapons and \$3 million worth of drugs.

Reinventing HUD: The Clinton Administration has proposed a dramatic restructuring of HUD to respond more fully to local needs and local efforts to help people improve their own lives. The Administration's proposals would: consolidate HUD's 60 programs into three flexible performance-based funds, giving mayors and governors the flexibility to develop local demand and supply-side housing and community investment strategies; continue the transformation of public housing and provide portable vouchers to residents of the worst developments; and turn HUD into a "right-side-up, community-first" agency by relocating and empowering local personnel.

Making the Dream of Homeownership a Reality for More Working and Middle Class Families: The Clinton Administration has helped increase the nation's homeownership rate to its highest level in 15 years. Last year's increase in homeownership was the fastest annual increase in 30 years.

- **National Homeownership Strategy:** The Clinton Administration entered into an unprecedented partnership with more than 50 key public and private sector organizations to form a National Homeownership Strategy. Coupled with a stable economy and low interest rates, this initiative is aimed at helping 8 million more families become homeowners by the year 2000.
- **FHA Working for Homebuyers Better than Ever:** The Clinton Administration is revamping the Federal Housing Authority to better meet the needs of today's consumers -- through streamlining and consolidating services, automating functions using the latest technologies, introducing new innovative products and forging strategic alliances with private and public partners. FHA is also better serving low-income and minority homebuyers and providing home purchase loans for African-American and Hispanic-American homebuyers at more than twice the rate of conventional home purchase loan insurers -- and the rate is increasing.
- **Fair Housing:** The Clinton Administration is working to reduce barriers to homeownership caused by unlawful discrimination. To date, HUD has signed 70 "Best Practices" agreements with key lenders that are resulting in more fair lending practices and expanded opportunities for low-income and minority families.

Producing More Affordable Housing for All Americans: The Clinton 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.

- **Low-Income Housing Tax Credit:** President Clinton fulfilled his promise to permanently extend the Low-Income Housing Tax Credit, spurring the private development of low-income housing and helping to produce more than 120,000 homes each year.
- **Innovative Public-Private Pension Fund Initiative:** The Clinton Administration launched an innovative public-private partnership initiative to encourage pension funds to invest in the production and rehabilitation of affordable multifamily housing. These partnerships will create 3,500 units of affordable housing for working families and the elderly.

- **Improved HOME Program:** Through a streamlined and more effective HOME program, the Administration, working with state and local governments, has significantly increased housing and rental assistance to families. In FY 1994 and 1995, the Administration provided approximately 127,000 families with housing assistance through the HOME program and over 19,000 families with HOME tenant-based rental assistance.
- **Greater Assistance to Poor Households with Acute Housing Needs:** The Administration continues to expand rental assistance for the record number of renter households who struggle to pay over 50% of their very low incomes toward rent and utilities. This assistance can be a critical tool for states and localities in helping families make the transition from welfare to work.
- **Home Equity Conversion Mortgage:** President Clinton strengthened and extended the Home Equity Conversion Mortgage, which allows seniors to use the equity in their homes to meet financial needs without having to sell their homes. The program has helped over 15,000 seniors -- a majority of whom are women living alone, and the numbers are increasing.
- **FHA Multifamily Portfolio Reengineering:** The Administration launched an effort to address long-standing problems in the FHA-insured subsidized multifamily portfolio that provides housing to nearly 800,000 low-income households. HUD proposes a comprehensive strategy to restructure debt, give tenants more housing choices and adjust rents to market, thereby reducing future subsidy costs and producing long-term savings.
- **Comprehensive and Coordinated Approach to Homeless Assistance:** The Clinton Administration has made homeless assistance a top priority, doubling its funding since FY 1993. In 1995, HUD awarded \$900 million to over 800 transitional and permanent housing programs nationwide to help homeless individuals and families move from the streets to self-sufficient lives and permanent housing. As a result of these efforts, HUD's homeless programs are serving 300,000 individuals, a fourteen-fold increase since 1993.

THE CHALLENGES AHEAD:

- Continue efforts to expand homeownership for all Americans.
- Continue working to build affordable homes and revitalize neighborhoods.
- Continue aggressive efforts to transform public housing.
- Expand Campus for Learners initiative to build education and technology linkages in public housing.
- Continue to expand opportunities for choice through tenant-based assistance for residents of public and assisted housing.

1 neighborhoods. Without a single Republican vote, we created 105 Empowerment Zones and
2 Enterprise Communities. This effort, chaired by Vice President Gore, is bringing jobs and
3 businesses to our poorest urban and rural areas. Thousands of new businesses have already
4 moved into these areas, or expanded existing operations, bringing new hope and new jobs to
5 these neighborhoods. We reformed the Community Reinvestment Act to shift the focus from
6 process towards results, and created a Community Development Financial Institutions Fund.
7 Together, these efforts are unleashing billions of dollars in new lending and investment in our
8 inner cities and poorest rural areas. The President and Vice President have created a brownfields
9 initiative to bring life back to abandoned and contaminated property by reforming outdated
10 regulations and providing incentives for cleanup. We support the President and Vice President's
11 call for a second round of Empowerment Zones, a radical expansion of the CDFI program, and a
12 new tax incentive to encourage further cleanup and redevelopment of brownfields. Today's
13 Democratic Party knows that the best way to bring jobs and growth back to our poorest
14 neighborhoods is to harness the job-creating power of the private sector.

15 *Helping people afford safe, secure housing.* Safe, secure housing is an essential part of
16 strong communities and strong families. We're proud that after four years of a Democrat in the
17 White House, the percentage of people who own their own house is at an all-time high. Bill
18 Clinton took executive action to make it easier and cheaper for working and middle-class
19 homebuyers to get a home loan. Fulfilling his 1992 pledge, President Clinton made the low-
20 income housing tax credit permanent, encouraging private developers to build more affordable
21 housing. This tax credit is making it easier for families to get housing, and we will stand against
22 Republican attacks on it. The Clinton Administration has made sweeping changes to transform
23 the nation's public housing system after decades of neglect. In the last four years, Democrats
24 demolished more units of unlivable public housing than Republicans did in the previous twelve
25 years, replacing them with lower-density developments that can serve as anchors for
26 neighborhood renewal. We want to transform the worst public housing from a system that traps
27 people in run-down, crime-ridden projects into one which gives families the freedom to choose
28 where they live by providing vouchers to help them with housing costs. We have dramatically
29 increased help for the homeless, and shifted focus from temporary shelters toward permanent
30 solutions designed to move people back into the mainstream, into jobs and a home of their own.

31 **Agriculture and the rural community.** America has the most abundant agricultural
32 economy on earth, and it must be preserved and strengthened as we enter a new century.
33 President Clinton and the Democrats have worked hard to promote economic growth in rural
34 areas, protect the family farm, and ensure that farmers get a fair return for their labor and
35 investment and consumers can continue to count on safe and nutritious foods. In the face of
36 Republican efforts to gut food safety, the Clinton Administration has revolutionized meat
37 inspection and set a new standard of consumer protection. President Clinton has reinvented the
38 Agriculture Department, reducing regulations and bureaucracy and improving service. The
39 Clinton Administration has cracked down on food stamp fraud, and approved experiments in
40 state after state to reform the food stamp program. When Senator Dole and Speaker Gingrich led
41 Republican efforts to destroy the nation's school lunch program, President Clinton and the

HOUSING

I. When the Clinton/Gore Administration came into office, HUD was a maze of inefficiency and inactivity, all resulting in poor services to American taxpayers and little attention to our nation's housing needs. This Administration has dramatically turned the agency and its services around. For example:

- . There were 22 large troubled housing agencies; today only 12 remain (3 of them are under HUD control, 6 are in innovative partnerships with mayors, and 3 have court-appointed receivers).
- . It took 45 days to process an FHA loan for a single family home; today, it is a one day process.
- . 260 overlapping and inefficient programs existed at HUD; today, HUD has streamlined operations into 30 programs, and has proposed to reduce these into 3 funds.
- . Only 22,000 units of the worst public housing developments were demolished in the previous 12 years; under this Administration's four years, 30,000 units will be demolished.
- . 50 management deficiencies at HUD had been identified by the Inspector General; today only 16 remain.

II. During the last four years, the Clinton/Gore Administration has:

Implemented the most far-reaching changes in public housing in decades: demolishing the worst housing developments, cracking down on bad management, rewarding residents who work and cracking down on crime.

Made the dream of homeownership a reality for more working and middle class families: The Clinton Administration has helped increase the nation's homeownership rate to its highest level in 15 years. Last year's increase in homeownership was the fastest annual increase in 30 years. The President's National Homeownership Strategy, an unprecedented partnership with more than 50 key public and private sector organizations, is aimed at helping 8 million more families become homeowners by the year 2000.

Helped to produce more affordable housing and improved assistance for those with acute housing needs: President Clinton fulfilled his promise to permanently extend the Low-Income Housing Tax Credit, spurring the private development of low-income housing and helping to produce more than 120,000 homes each year. The Clinton Administration has

made homeless assistance a top priority, doubling its funding at HUD since FY 93. HUD's homeless programs are serving 300,000 individuals, a fourteen-fold increase since 1993.

III. Republican approach is wrong because:

At a time when housing needs are increasing, the Republican Congress ended the 25 year bipartisan commitment to new rental assistance. The Republican Congress also proposed to slash homeless assistance, despite reports, such as the January 1996 U.S. Conference of Mayors survey, of increased requests for assistance, particularly among families and children.

IV. 1992 Platform:

"Safe, secure housing is essential to the institutions of community and family." [can use again]

"We support homeownership for working families and will honor that commitment through policies to encourage affordable mortgage credit." [fulfilled promise in 1995 National Homeownership Strategy. Also fulfilled promise to permanently extend the Low-Income Housing Tax Credit.]

"We must also confront homelessness by renovating, preserving..." [don't use same language -- we're not preserving the affordable housing stock. Suggested new language:

We must also renew our efforts to end homelessness in our nation through a comprehensive and coordinated approach that builds on community solutions.

"We support tenant management and ownership, so public housing residents can manage their own affairs and acquire property worth protecting." [can use again; this Administration has significantly increased homeownership among public housing residents]

V. Vision for the next four years

- . Continue efforts to expand homeownership for all Americans.
- . Continue working to build affordable homes and revitalize neighborhoods.
- . Continue aggressive efforts to transform public housing.
- . Expand Campus for Learners and other initiatives that build education and technology linkages and make public housing a platform of opportunity.
- . Continue coordinated efforts to work with communities to end homelessness in our nation.

the extraordinary contribution of immigrants to America throughout our history. We support a legal immigration policy that is pro-family, pro-work, and pro-responsibility.

Community empowerment. Today's Democratic Party understands that we cannot rebuild our poorest communities by imposing cookie-cutter solutions from Washington. We have to give communities the tools they need to create opportunity. Citizens, local government, the private sector, and civic groups must come together and take the responsibility to rebuild their communities from the bottom up.

Encouraging private sector investment. After over a decade of sustained Republican neglect and empty Republican promises, President Clinton and the Democratic Party launched a comprehensive strategy to unleash economic growth and restore opportunity to our distressed neighborhoods. Without a single Republican vote, we created 105 Empowerment Zones and Enterprise Communities to bring jobs and businesses to urban and rural areas. We reformed the Community Reinvestment Act to shift the focus from process towards results, and created a Community Development Financial Institutions Fund. Together, these efforts are unleashing billions of dollars in new lending and investment in our inner cities and poorest rural areas. The President created a brownfields initiative to bring life back to abandoned and contaminated property by reforming outdated regulations and providing incentives for cleanup. We support the President's call for a second round of Empowerment Zones, a radical expansion of the CDFI program, and a new tax incentive to encourage further cleanup and redevelopment of brownfields. Today's Democratic Party knows that the only way to bring jobs and growth back to our poorest neighborhoods is to harness the job-creating power of the private sector.

[*Helping people afford safe, secure housing.* Safe, secure housing is an essential part of strong communities and strong families. We're proud that after four years of a Democrat in the White House, the percentage of people who own their own house is at an all-time high.] Bill Clinton took executive action to make it easier and cheaper for middle-class homebuyers to get an FHA loan.¹ The Clinton Administration has made sweeping changes to transform the nation's public housing system after decades of neglect.² We have dramatically increased help for the homeless, and shifted focus from temporary shelters toward permanent solutions designed to move people back into the mainstream, into jobs and homes of their own.³ In the last four years, Democrats demolished more units of unlivable public housing than Republicans did in the previous 12, and we worked to make it easier for low-income families to get housing by making the low-income housing tax credit permanent. This tax credit encourages private developers to build affordable housing, and we will stand against Republican attacks on it.⁴ We want to transform public housing from a system that traps people in run-down, crime-ridden projects into one which gives families the freedom to choose where they live by providing vouchers to help them with housing costs.

Agriculture and the rural community. America has the most abundant agricultural economy on earth, and it must be preserved and strengthened as we enter a new century. President Clinton and the Democrats have worked hard to promote economic growth in rural

*Start w/ 1st two sentences
of old version*

...Bill Clinton took executive action to make it easier and cheaper for working and middle-class homebuyers to get a home loan. Fulfilling his campaign pledge, President Clinton made the low-income housing tax credit permanent, encouraging private developers to build more affordable housing. This tax credit is making it easier for families to get housing, and we will stand against Republican attacks on it. The Clinton Administration has made sweeping changes to transform the nation's public housing system after decades of neglect. In the last four years, Democrats demolished more units of unlivable public housing than Republicans did in the previous twelve years, replacing them with lower-density developments that can serve as anchors for neighborhood renewal. We want to transform the worst public housing from a system that traps people in run-down, crime-ridden projects into one which gives families the freedom to choose where they live by providing vouchers to help them with housing costs. Under the leadership of the Clinton Administration, we have dramatically increased help for the homeless, and shifted focus from temporary shelters toward permanent solutions designed to move people back into the mainstream, into jobs and a home of their own.

PROMOTING AND INCREASING HOMEOWNERSHIP

"Over the past few years, I have emphasized three basic ideas - - community, opportunity and responsibility - - that I believe are at the heart of a more dynamic and prosperous America. The priorities of the Department of Housing and Urban Development, from making sure that hardworking Americans realize the dream of homeownership, to addressing the tragedy of homelessness, are outstanding examples of how our government can empower people and institutions."

President Clinton, October 1993

Recognizing that our homes are central to our well-being, President Clinton has worked to increase housing opportunity for all Americans, make homes and communities safer and drug-free, and to reinvent HUD to meet America's housing and community development needs.

A RECORD OF ACCOMPLISHMENT:

Making the Dream of Homeownership a Reality for More Working and Middle Class Families. The Clinton Administration has helped increase the nation's homeownership rate to its highest level in 15 years. Last year's increase in homeownership was the fastest annual increase in 30 years.

- **National Homeownership Strategy.** Entered into an unprecedented partnership with more than 50 key public and private sector organizations to form a National Homeownership strategy. Coupled with a stable economy and low interest rates, this initiative is aimed at increasing homeownership levels in America by 8 million households by the year 2000.
- **FHA Working for Homebuyers Better than Ever.** Revamping Federal Housing Authority to better meet the needs of today's consumers -- through streamlining and consolidating, automating functions using the latest technologies, new innovative products, and strategic alliances with private and public partners. FHA service to low-income and minority home buyers is also stronger than ever. FHA insures home purchase loans for African-American and Hispanic home buyers at more than twice the rate of conventional home purchase loan insurers, and the rate is increasing.
- **Fair Housing.** Working to reduce barriers to homeownership caused by unlawful discrimination. To date, HUD has signed 70 "Best Practices" agreements with key lenders that are resulting in more fair lending practices and expanded opportunities for fair housing.

Producing More Affordable Housing for All Americans. This Administration has provided the necessary flexibility and incentives to communities and business to encourage the development of more affordable housing, and has improved assistance for those with acute housing needs.

- **Low-Income Housing Tax Credit.** Fulfilled campaign pledge to permanently extend the Low-Income Housing Tax Credit (LIHTC), spurring the private development of low-income housing and helping to produce more than 120,000 homes per year.
- **Innovative Public-Private Pension Fund Initiative** Launched an innovative public-private partnership initiative to encourage pension funds to invest in the production and rehabilitation of affordable multifamily housing. These partnerships will create 3,500 units of affordable housing for working families and the elderly.
- **Improved HOME program.** Through a streamlined and more effective HOME program, the Administration, working with states and units of local government, has significantly increased housing and rental assistance to families. In FY 1994 and 1995, the Administration provided approximately 127,000 families with housing assistance through the HOME program and over 19,000 families with HOME tenant-based rental assistance.
- **Assisting more poor households with acute housing needs.** Continued to expand rental assistance for the record--and growing--number of renter households who struggle to pay over 50 percent of very-low-incomes toward rent and utilities. This assistance can be a critical tool for states and localities to use in helping families transition from welfare to work.
- **Home Equity Conversion Mortgage (HECM)** Strengthened and extended the Home Equity Conversion Mortgage, which allows seniors to use the equity in their homes to meet financial needs, without having to sell their homes or move. The program has helped over 15,000 seniors -- a majority of whom are women living alone, and the numbers are increasing.
- **FHA Multifamily Portfolio Reengineering.** Launched effort to address long-standing problems in the FHA-insured subsidized multifamily portfolio that provides housing to nearly 800,000 low-income households. HUD proposes a comprehensive strategy to restructure debt, give tenants more housing choices, and adjust rents to market, thereby reducing future subsidy costs and producing long-term savings.
- **Comprehensive and Coordinated Approach to Homeless Assistance.** The Clinton Administration and Secretary Cisneros have made homeless assistance a top priority, doubling funding since FY 1993 and requesting \$1.12 billion for FY 1997. In 1995, HUD awarded \$900 million in federal homeless assistance funds to 818 projects in 228 communities throughout the United States. These grants support comprehensive local and state initiatives that move homeless people off the streets to self-sufficient lives in permanent housing through a coordinated strategy -- called a continuum of care -- involving local and state governments, non-profit organizations, homeless persons, the business community and others.

Transforming Public Housing. The Clinton Administration is implementing the most far-reaching changes in public housing in decades -- from demolishing the worst developments to rewarding residents who work to cracking down on crime.

- **Replacing Worst Developments.** Will tear down an unprecedented 30,000 units of the worst public housing and rebuild them with lower-density townhome-style developments which can serve as an anchor for neighborhood renewal. HUD has awarded \$1.44 billion in grants to spur economic development and change the shape of 85 public housing developments nationwide.
- **Improving Management.** Cracking down on bad management in public housing through takeovers of the most troubled public housing authorities in innovative partnerships with local and state officials.
- **Building Positive Incentives and Tougher Expectations in Public Housing.** Changing admission rules and rent calculations to reward working families. Making public housing a springboard to further opportunities and a safe place to live through:
 - **Campus For Learners** initiative to transform public housing developments into living and learning centers through linkages with education, technology, and job training;
 - Aggressive implementation of "**One Strike and You're Out**" policy that helps cities prevent drug dealers and violent offenders from terrorizing public housing residents in their homes by ensuring that people who engage in drugs and other criminal activity will face certain and swift eviction; and
 - **Operation Safe Home** under which Federal law enforcement agencies are working with local police departments and public housing residents and managers to increase the arrest and conviction of violent and drug-related suspects so public housing developments can be safer places to live. This initiative has resulted in the arrest of thousands of criminals, and confiscation of hundreds of assault weapons and \$3 million worth of drugs.

Reinventing HUD. The Clinton Administration and Secretary Cisneros have proposed a dramatic restructuring of HUD to respond more fully to local needs and local efforts to help people improve their own lives. The Administration's proposals would: consolidate HUD's 60 programs into 3 flexible performance-based funds, giving mayors and governors the flexibility to develop local demand and supply-side housing and community investment strategies; continue the transformation of public housing and provide portable vouchers to residents of the worst developments; and turn HUD into a "right-side-up, community-first" agency by relocating and empowering local personnel.

THE CHALLENGES AHEAD

- Continue efforts to expand homeownership for all Americans.
- Continue working to build affordable homes and revitalize neighborhoods.
- Continue aggressive efforts to transform public housing.
- Expand Campus of Learners initiative to build education and technology linkages in public housing.
- Continue to expand opportunities for choice through tenant-based assistance for residents of public and assisted housing.
- Continue reinvention of HUD and efforts to turn agency community side up.

Contact: Molly Brostrom, Room 207 EOB, X65561
Last Update: April 30, 1996

Quote

CREATING HOUSING AND ECONOMIC OPPORTUNITIES FOR ALL AMERICANS

THE CLINTON ADMINISTRATION IS INCREASING HOUSING OPPORTUNITY FOR ALL AMERICANS

During the first two years of the Clinton Administration, HUD provided housing and homeownership opportunities for Americans:

- HUD provided rental assistance to 102,000 low income households
- HUD insured more than 1.3 million loans for homeowners, and 450,000 of these were for first-time homeowners
- HUD funded 7,665 units of elderly housing and 2,559 units of disabled housing
- HUD initiated an innovative partnership with pension funds to help build 2,500 units of housing
- HUD provided 100,000 new units of housing through the HOME program in FY 1994

THE CLINTON ADMINISTRATION IS CREATING STRONGER NEIGHBORHOODS AND CITIES

America's economic health and social stability are inextricably linked with the health and stability of its cities. The Clinton Administration has taken bold steps to foster the economic health and development of the nation's cities through the following initiatives:

- The Empowerment Zones and Enterprise Communities initiative which gives communities across America critical resources for economic and social development. The initiative will foster job development in neighborhoods and move people into the economic mainstream.
- The Section 108 program which in the past two years has successfully infused \$579 million into economic development projects.
- The Economic Development Initiative which leveraged more than \$250 million in additional investment to create jobs for low income people.

THE CLINTON ADMINISTRATION IS FOSTERING FAIR HOUSING FOR ALL AMERICANS

Housing opportunity must be made a reality for all Americans. The availability of homeownership opportunities and rental housing free from discriminatory impediments are essential to strengthening America's communities. The

Clinton Administration is taking steps to ensure that housing markets are open to all qualified homeseekers, and that fair housing and civil rights laws are vigorously enforced.

- HUD is taking steps to reduce barriers to homeownership caused by unlawful discrimination.
- HUD signed best practices agreements with the Mortgage Bankers Association and individual lenders and will work to eliminate lending discrimination and expand opportunities for fair housing.
- HUD took over the public housing authority in Vidor, Texas because it had failed to protect the civil rights of minorities.

HUD reorganization

⇒ Stephanie Smith
708-3600

Ted Wattle, FHA

Revamping - unique to this Admin.
ReTSins

Minority outreach - reflects industry
as a whole

Why double the rate of minority insuring @ FHA?

- cheaper: more risky, less downpayment
req'd by FHA; ^{FHA} fee is financeable

Stephanie Smith, FHA - why this trend?

- 1 - Lender's effort ^{by FHA} to make more available
- 2 - FHA → low-inc (demographics of low-inc → minority)
- 3 - often used in urban areas where mortgage
bankers are predominant

outreach
best practice
affects

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

06-Apr-1996 12:03pm

TO: Molly Brostrom
FROM: Amy_S._Liu
CC: Amy_S._Liu
SUBJECT: Re: sentence on FHA revamping

How about something like this:

FHA is converting itself into a corporate entity to better meet the needs of today's consumers as we move into the next century -- streamlining and consolidating processes, tapping the latest technologies to automate functions, introducing innovative products, and forging strategic alliances with public and private partners. For instance, FHA has:

reduced single-family home mortgage insurance processing time from six weeks to one day;

streamlined the popular purchase-rehabilitation loan program, increasing the number of these new homeowners by 133% in one year (1994 and 1995); and

returned billions of dollars back to consumers and taxpayers by reducing the size of home mortgage escrow accounts and selling off federally-held or -owned properties and mortgage notes.

Molly, I know this is a bit long but I'd rather give you examples so you can at least get a sense of what kind of changes have taken place. I figured you could pick and choose what you want to keep.

I hope this helps. Again, please feel free to call if you have any questions.

Amy



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY
WASHINGTON, D.C. 20410-0001

** The Final that was
signed had minor
edits to this. I
don't have the signed
copy. A.*

MEMORANDUM

FOR: Honorable William J. Clinton
Vice President Al Gore

FROM: Henry G. Cisneros

DATE: March 20, 1996

SUBJ: Your Administration's Most Visible Achievements in Community Development and Homeownership

Over the last three years, the HUD team has worked on a wide array of activities. We have tried to be creative and innovative in working with mayors and community development officials. Now as we focus on the areas of greatest success and undeniable achievement for 1996, I would like to provide you with a planning tool for taking advantage of the Administration's clearest and highest profile accomplishments in the areas of community development and homeownership.

We are ready to have you show the nation what your policies have made possible. This is not about future plans or policy pronouncements. It is about visual evidences which you can visit and show the nation. It is time to burnish your specific, demonstrable achievements in three selected areas:

- A. Expanding Homeownership -- The Administration has helped increase the nation's homeownership to the highest level in 15 years. The last year's increase in the homeownership rate is the fastest annual increase in 30 years. That impressive rate has been made possible by the Administration's economic policies, lower interest rates, creation of 8 million new jobs, streamlining of the Federal Housing Administration (FHA), and HUD's partnership with 56 private sector national partners to change the way the housing sector works and to seek an all-time high number of American homeowners by the turn of the century.
- B. Empowering Communities -- Over 70 urban communities have been designated as empowerment zones and enterprise communities, using billions in federal resources to create jobs and businesses and leverage private sector investment. HUD has also empowered the nonprofit movement to revive neighborhoods and communities by a commitment to building affordable housing.
- C. Transforming Public Housing -- We have implemented the most far-reaching transformation of public housing since its inception. With massive reconstruction now underway, this is the most visible of HUD's priorities.

Dozens of blighted high-rise projects are now being demolished and replaced by garden-style, economically-integrated developments. A national crackdown on gangs and violence has resulted in thousands of arrests and confiscation of weapons and gangs.

Attached is a chart that describes the on-the-ground achievements in each of these areas and suggestions for "visuals" that you and the Vice President can use to "own" these achievements.

Attachments

cc: Kitty Higgins
Leon Panetta
Doug Sosnick
Alexis Herman
Don Baer
Carol Rasco
Harold Ickes
Paul Dimond
Gene Sperling
Laura Tyson
Ron Klein
Marcia Hale
Stephanie Street
Ann Walley

Cabinet

Ron Brown
Frederico Pena
Bob Reich
Dick Riley
Bob Rubin
Donna Shalala

A. Expanding Homeownership Opportunities

Objective: Homeownership remains one of the most important vehicles to create wealth in our society. For many Americans, home equity is the principal way they borrow for college educations and medical bills. For many communities, homeownership is the bulwark to healthy, thriving neighborhoods. HUD is enhancing homeownership opportunities for all Americans by driving a 56-partner Homeownership Strategy, by revamping the Federal Housing Administration (FHA), by helping public housing residents and Section 8 recipients buy their own homes, and by using the fair housing laws to ensure that homeownership is accessible to record numbers of families.

Key Administration Initiatives	City/Time	Suggested Visible Accomplishments to Visit
National Homeownership Strategy - Homeownership rate grew to 65.1% in the close of 1995, the highest rate since 1981. This marks the sharpest one-year rise in the rate in 30 years. 3.6 million Americans have become homeowners under the Clinton Administration. - We have forged an unprecedented partnership with 56 leadership organizations in the housing industry to increase the national homeownership rate to an all-time high by the year 2000. - Strategy partners are producing more affordable homes, making it easier for consumers to acquire mortgages, and spurring local homeownership efforts.	Washington, D.C. June 5, 1995	Celebrate One-Year Anniversary of the National Homeownership Strategy: June 5, 1996 marks the first anniversary of the National Homeownership Strategy. That week, HUD will sponsor a two-day summit to celebrate the Partnership's efforts, increase momentum and strengthen local homeownership efforts. 500-700 national and local representatives from all facets of the housing industry are expected to participate. A Presidential workday, such as at the recent session on Youth, Drugs, and Violence, could focus on accomplishments and challenges for homeowners.
	Cleveland, OH June 21, 1996	Build Homes with Mayors and Habitat for Humanity Volunteers: In an effort to get local elected officials more engaged in promoting homeownership, HUD is working with U.S. Conference of Mayors and Habitat for Humanity to build homes in Cleveland during USCM's annual conference. Several big city mayors, Administration officials, and various national partners are expected to participate. Freddie Mac is also sponsoring the homebuilding event.
	Houston, TX Spring/Summer 1996 (or Los Angeles, Buffalo, Cleveland, or Detroit)	Kick-Off "Homes for Houston Campaign" with Mayor Bob Lanier. HUD has launched a nation- wide campaign to bring the National Homeownership Strategy to life at the local level. As part of that effort, the City of Houston has created "Homes For Houston," an aggressive, visible campaign to build 25,000 homes by the year 2000. "Homes For Houston" is one of the earliest and most dramatic local partnerships that HUD will feature this spring and summer.

Homeownership Zones Builds on the successes of the Empowerment Zone program by using challenge grants to develop local partnerships to develop large tracts of homeownership, create visible, large-scale changes and drive economic growth in targeted areas.	Atlanta, GA Detroit, MI New York City, NY Pittsburgh, PA Anytime	Visit Any of the Following Model Large Tract Homeownership and Neighborhood Revitalization Efforts: Summerhill (Atlanta). The Summerhill Neighborhood, a distressed community located in both the Olympic Ring and the City's Empowerment Zone, is undergoing a wholesale revitalization including the construction of nearly 300 units of new housing and the development of a full-scale grocery store. Victoria Park (Detroit). Victoria Park is a renewed suburban-style neighborhood in Detroit's east side that has attracted middle-class families back into the City. The revitalization of Victoria Park has spawned the development of 86 new homes, with 71 additional homes to be built, and an expansion of a local shopping center. East Brooklyn Nehemiah Homes (New York). The East Brooklyn Nehemiah Homes project, located in one of the City's most distressed neighborhoods, is one of the largest single family affordable home developments in the nation. The effort, started by East Brooklyn Churches (IAF), built 2,300 homes for low-income families to purchase at the affordable price of \$49,000. South Bronx Nehemiah Homes (New York). South Bronx Churches, in partnership with I.D. Robbins and the state housing finance agency, completed the construction of 512 affordable homes for working families. The \$1 million in revenue generated from the sales of the homes will be reinvested in future homeownership and neighborhood revitalization projects. Crawford Square (Pittsburgh). The City is embarking on its largest residential redevelopment effort in 30 years. Crawford Square, located in the Hill District overlooking downtown Pittsburgh, will provide nearly 500 units of affordable new apartments and homes when completed.
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B. Empowering America's Communities

Objective: HUD aims to provide communities greater flexibility to administer federal programs and greater incentive to form inclusive partnerships and comprehensive strategies at the local level and to give communities the tools they need to leverage private investment in affordable housing and job-generating activities.

Key Administration Initiatives	City/Time	Suggested Visible Achievements to Visit
Empowerment Zones/Enterprise Communities Initiative 72 urban empowerment zones and enterprise communities have received \$3 billion in federal grant and tax benefits, hundreds of millions of dollars in loan guarantees, preference in competitions for additional grants across the federal government, and unprecedented federal cooperation in waiving regulations and cutting red tape. - Program demonstrates the importance of revitalizing communities from the "ground up," forging local collaborations, meeting performance benchmarks to ensure responsible decentralization, and using challenge grants to attract private sector investment.	Atlanta, GA May 1996 (In conjunction with the Olympics)	Help Open a Recycling Plant with New Employees in Atlanta EZ: Renewal Atlanta, a recycling plant, will open this May. The plant will create 65 permanent jobs for Zone residents and 200 temporary jobs for high school and college students. Renewal Atlanta will place these young people in companies which do business with the plant and award them \$4,000 scholarships and career counseling. Construction is underway.
	Baltimore, MD July 1996	Participate in Opening of Job Training Site in Baltimore EZ: An abandoned building is being renovated with the help of student apprenticeships (funded by DOL) and will be converted into a job training and placement facility for Zone residents.
	Chicago, IL Anytime (In conjunction with the Democratic Convention)	Visit with Companies Opening in Former Brownfields Site in Chicago EZ: Several companies have opened or are opening facilities on a restored brownfield site. Two of them -- Madison Equipment and Sooft Peterson Meals -- have created more than 100 jobs for Chicago residents.
	Detroit, MI Anytime (In conjunction with the Empowerment Zone conference)	Visit Renovated Historic Building with Church Officials in Detroit EZ: The historic Garfield Building, owned by the Cathedral Church of St. Paul, will house a new Rite-AID drugstore, employing 45 Zone residents, and provide rental housing for 80 families, a third of which will be low-income. Construction is underway.
	Los Angeles, CA April/May, 1996	Join Bank in Issuing Loans to Small Businesses in L.A. EZ: The L.A. Community Development Bank will begin making loans to small business owners and others in the Zone soon, possibly as early as April. The Bank received more than \$450 million from HUD and \$550 million from private sector contribution for its loan portfolio.
	Cleveland, OH Anytime	Visit Fortune 1000 Company Headquarters in Cleveland EZ. Bearings, Inc., a Fortune 1000 industrial corporation, will build a new \$28 million world headquarters in the Zone, employing 300 people. Construction is underway.

New Wave of Building Affordable Housing • Supporting capable nonprofits: HUD will forge new relationships with nonprofits like Habitat for Humanity to help them continue to build affordable, single-family homes for low-income families. • Supporting community development corporations: HUD will continue to partner with the National Community Development Initiative (NCDI), a consortium of ten foundations and corporations to assist nearly 200 CDCs in turning around America's poorest neighborhoods. • Partnering with pension funds: HUD has encouraged pension funds to invest in the production and rehabilitation of affordable multifamily housing.	Philadelphia, PA July 1996 San Francisco, CA Boston, MA Anytime	Participate in Grand Opening of New Apartments and Grocery Store. Next July, the Association of Puerto Ricans in March (APM) is going to have a grand-opening of a 45-unit apartment complex and groundbreaking on a 40,000 square foot supermarket (\$50,000 in NCDI funds) Visit Affordable Homes Financed By AFL-CIO Pension Fund. The following are model affordable housing projects financed by the AFL-CIO Housing Investment Trust: • <u>Market Heights Apartments in Bernal Heights</u> -- This will be a 46-unit apartment complex located in the Bernal Heights neighborhood in San Francisco. In a city that has one of the most expensive rental markets in the country, the development will provide needed affordable housing for 24 working families (with incomes of \$28,800-\$34,560) and for 22 low-income families receiving federal rental assistance. Market Heights Apartments is currently under construction. • <u>Lowell Square in Boston</u> -- Lowell Square Apartments, located in a prime residential and commercial development area in the City's West End, will be a mixed-income, 183-unit complex providing affordable homes for working and middle-class families and low-income families receiving federal rental assistance.
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C. Transforming Public Housing

Objective: HUD is changing the dynamic of public housing by tearing down the worst projects and replacing them with smaller-scale developments that anchor neighborhood revitalization efforts; changing rules to reward people who work and promote self-sufficiency and responsibility; and cracking down on poor management and violent crime in public housing.

Key Administration Initiatives	City/Time	Suggested Visible Achievements to Visit
Physical Remake of Public Housing - The Clinton Administration will tear down an unprecedented 24,000 units of bad public housing and rebuild them as attractive, low-rise apartments. That four year pace betters the 20,000 units demolished in all of the last ten years combined. - Awarded a total of \$1.44 billion in grants to spur economic development and change the shape of 85 public housing developments nationwide.	Baltimore, MD July 20, 1996	Participate in Full Transformation of Baltimore Public Housing -- Demolition, Groundbreaking, and Opening of Learning Center: On July 20, 1996, Mayor Schموke plans to showcase all of the following activities to highlight the City's plans to replace <u>all</u> high-rise developments in Baltimore: (1) <u>Groundbreaking for Lafayette Courts</u> -- all six high-rise buildings and 17 low-rise developments of Lafayette Courts have come down; groundbreaking for the new townhomes, low-rise family apartments and senior buildings will be ready in July. (2) <u>Demolition of Lexington Terrace</u> -- located within the city's Empowerment Zone, Lexington Terrace will be demolished (700 units) and replaced with a combination of townhouse apartments, townhomes, and rental housing for the elderly. (3) <u>Opening of Computer-Based Learning Center</u> -- Mayor intends to have a computer-based learning and training center operational in Lexington Terrace by the July event.
	Cleveland, OH June 7, 1996	Help Dedicate Carl B. Stokes Social Service Mall Adjacent to Public Housing: The Social Service Mall, adjacent to the King Kennedy Renaissance Village, will house a wide variety of educational, social, and health services to residents, such as: MetroHealth, Youth Enhancement Service, a child care center, and a training room for the GED program.
	St. Louis May 17, 1996	Participate in Groundbreaking for Vaughn (St. Louis): All 656 units of public housing have been demolished. Construction on new garden-style apartments for low and moderate-income families will begin this spring. Vaughn is the model of tomorrow's public housing: leveraging federal funds with private and public resources, creating market-rate housing for mixed-income families, and seeking private management. (Attached is a list of additional, high-profile public housing reconstructions that be considered for upcoming travel.)

Tougher Expectations and Respect for Residents • Crack down on drug-related and violent crime by enforcing "a one strike and you're out policy" that implements tougher screening and evictions. • Partner with federal and local law enforcement entities and residents (Operation Safe Home) to combat violent crime and gang-related activities in public housing. By end of 1995, Operation Safe Home had resulted in: 6,826 arrests; 737 search warrants served; seizure of 558 weapons, over \$1 million in cash, and drugs with street value of nearly \$2.9 million; and relocation of 183 families who witnessed violent crime and were willing to testify in court • Encourage community policing efforts	Flint, MI Anytime Toledo, OH Anytime Boston, MA Anytime	Visit Successful Community Policing in Flint, MI: Since 1991, the Flint Housing Commission has used federal funds to hire police/security officers and to implement a community policing program in partnership with the Flint police department. A private security firm was hired last year to provide greater police visibility and coverage to developments via foot and car patrols. As a result of these and other anti-crime efforts, drug-related arrests have dropped considerably, from 3,800 total arrests between 1991 and 1993 to only 12 drug arrests from 1993 to 1994. Visit Effective Implementation of One Strike and You're Out Policy: Two years ago, Toledo instituted a tougher lease and lease enforcement policy in public housing. The One Strike policy has been effective because the PHA has been working closely with local police, judges, and residents in designing and implementing the stricter policy. Today, six police substations, equipped with criminal records data systems, are located in developments to ensure prompt responses to disturbances. Overall incidents of drug crime has dropped since 1993. Overall level of other crime (murder, rape, assault, etc.) in the public housing community also dropped from 579 incidents in 1993 to 186 incidents in 1994. Visit with Boston Anti-Gang Task Force: HUD, together with Boston police and housing authority officials, rid public and assisted housing communities of gangs, drugs, weapons, violence and other crime. Last year, the task force arrested 130 individuals during a "Back to School" raid in an attempt to enhance safety around the developments as children prepare to walk to school. Task force also engages in recreational activities to establish more trusting relationships with youth.
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FOR THE SECRETARY

Program Area	Date Received	Date Submitted to Secretary	Special Assistant	Action Needed
Fair Housing	February 13, 1996	02/14/96	Liu	FYI ☒ Decision ☐ Direction ☐

Summary of Issue/Proposal**Implementing "Best Practices" Agreements: Launching Phase Two**

To date, 70 "Best Practices" agreements have been formally signed or executed in principal. HUD's goal is to enter into 30 additional agreements in FY 1996. Preliminary reports from earlier participants, such as Countrywide Funding, indicate that the Agreements have created promising results.

While we should be pleased with the impressive number of partnerships we have entered into to promote fair lending, we should also begin to focus on ensuring that these Agreements are effectively implemented. Acting A/S Julian presents you with a strategy for monitoring and facilitating the execution of these Agreements.

Secretary's Decision/Directions

Use the above
for Fair housing.

to



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY
WASHINGTON, D.C. 20410-0001

MEMORANDUM

FOR: Honorable William J. Clinton
Vice President Al Gore

FROM: Henry G. Cisneros *Henry Cisneros*

DATE: February 14, 1996

SUBJ: Number of New Homeowners Continues to Grow

I would like to share with you some extraordinary news about the nation's homeownership rate. The latest fourth quarter rate marks the sharpest one-year rise in the nation's homeownership rate in 30 years.

The national homeownership rate grew to 65.1 percent in the final quarter of 1995, the highest rate since 1981. This means that in 1995 alone, more than 1.4 million Americans have become homeowners. The families who are least likely to purchase homes -- minorities, moderate-income families, and young families -- all exhibited great gains in homeownership in the past year.

As you know, the Administration has created an unprecedented partnership with 56 leadership organizations in the housing industry -- including Fannie Mae and Freddie Mac, the Mortgage Bankers, the Realtors, the Home Builders, and Habitat for Humanity -- to increase the national homeownership rate to an all-time high by the end of the century. The partners of the National Homeownership Strategy are producing more affordable homes, making it easier for consumers to acquire mortgages, and sponsoring local homeownership efforts.

Last week, Federal Reserve Chairman Alan Greenspan addressed the quarterly meeting of the National Homeownership Partners and credited your economic policies, lower interest rates, the creation of 7 million new jobs, and this public-private partnership with the housing industry as contributors to the recent surge in the homeownership rate.

I have attached for your review the press stories from metropolitan areas across the nation that followed the homeownership rate announcement.

Attachments

cc: Leon Panetta
Laura Tyson
Gene Sperling
Kitty Higgins

Outline for Housing Accomplishments

I. Making the Dream of Homeownership A Reality for More Working and Middle-Class Families (see language on March 20th draft memo to WJC)

National Homeownership Strategy

FHA and SF insurance

Fair Housing

II. Producing More Affordable Housing for All Americans

*pension
fund* →

LIHTC

Improved HOME

FHA MF Restructuring (I'm assuming is MTM. What about SWAT?)

Acute housing needs

HECM

Homeless

III. Transforming Public Housing (see PH accomplishments memo of March 25)

Replacing the Worst Developments with Garden-Style Apartments and Townhomes

Improving the Management of the Troubled Housing Managers through Innovative Partnerships

Infusing Positive Incentives and Tougher Expectations in Public Housing

* Campus of Learners

* One Strike

* Operation Safe Home

IV. Reinventing HUD



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20410-0001

FAX TRANSMISSION

DATE:

10 March 1995

NUMBER OF PAGES (including this page)

4

To:

Lynn Margheris

FROM:

Clare Doyle

PHONE:

456-7028

708-1728

COMMENTS:

Koniki Gibson
on empowerment
zones statement
by POTUS.



**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20410-0001**

TO: Lynn Margherio
FROM: Clare Doyle
DATE: 10 March 1995
SUBJECT: Information for Fact Sheet

Per our conversation this morning, I am faxing you a couple of different Clinton Quotes that could be used in the talking points.

In addition, I have included worthwhile information on HUD's accomplishments over a 30 year period. Unfortunately, the statistics in this section do not include any information about the billions of dollars HUD has put into economic development or the number of jobs created through these initiatives. I encourage you to include these statistics in the talking points because they drive home the essential work of the Department in helping millions of Americans.

The third section are the central points in the new reinvention initiative.

Clinton Quote:

"Over the past few years, I have emphasized three basic ideas--community, opportunity and responsibility -- that I believe are at the heart of a more dynamic and prosperous America. The priorities of the Department of Housing and Urban Development, from making sure that hardworking Americans realize the dream of homeownership, to addressing the tragedy of homelessness, are outstanding examples of how our government can empower people and institutions."

(See attached letter for other possible comments)

HUD: PROVIDING THIRTY YEARS OF ASSISTANCE TO AMERICAN COMMUNITIES

Thirty years ago, Congress created the U.S. Department of Housing and Urban Development. Millions of Americans have been able to afford or own their own home thanks to HUD. Thousands of communities nationwide have improved the quality of life in their community thanks to HUD grants, loans, and technical assistance:

- HUD has insured new mortgages and refinanced loans for 23 million homeowners.
- Nearly 12.5 million households -- including millions of senior citizens and people with disabilities -- have lived or are living in HUD-insured apartments.
- Almost 6.5 million lower income people have been able to find affordable housing thanks to HUD rental assistance.
- HUD has built more than 70,000 housing units for Native Americans families.

REINVENTING HUD TO MEET AMERICA'S HOUSING AND COMMUNITY DEVELOPMENT NEEDS

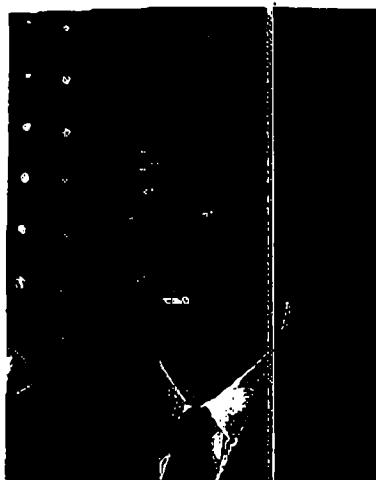
The Clinton Administration and Secretary Cisneros have proposed a dramatic re-structuring of HUD. We believe that these changes will result in an agency that is fully responsive to local needs and supportive of local efforts to help people improve their own lives.

Decision makers at the neighborhood, local, and state levels should have maximum flexibility: Reinvention would consolidate HUD's 60 programs into 3 flexible performance-based funds. These funds would give mayors and governors the flexibility to develop local demand and supply-side housing and community investment strategies.

Support Self-Sufficiency initiatives for lower income families: Lower income families have been locked into public housing and HUD-assisted housing due to stringent rules, badly managed and inefficient Public Housing Authorities (PHAs) and absentee apartment landlords. Reinvention would give residents of public housing the freedom to choose where they want to live by providing a mobile housing voucher. The consequence of this action would be to encourage residents to choose better housing and to force PHAs to operate more efficiently.

Create an Entrepreneurial FHA Corporation: Reinvention would transform the FHA Corporation into a government-owned corporation, thereby enhancing the ability of the public and private sectors to expand homeownership opportunities and affordable rental housing for millions of Americans.

from October 1993
HUD Document
"Creating Communities of Opportunity"



THE WHITE HOUSE
WASHINGTON

Over the past few years, I have emphasized three basic ideas -- community, opportunity, and responsibility -- that I believe are at the heart of creating a more dynamic and prosperous America. The priorities of the Department of Housing and Urban Development, from making sure that hardworking Americans realize the dream of home-ownership to addressing the tragedy of homelessness, are outstanding examples of how our government can empower people and institutions.

By accomplishing these priorities through a "reinvented HUD," where ineffective programs are eliminated, burdensome requirements removed, red tape cut, and priorities shifted to meet the needs of our nation, this agency, under the leadership of Secretary Henry G. Cisneros, says it understands that the federal government of today must motivate, partner, and enable, not discourage, abandon, or impede the important work of developing our communities.

With your help and partnership, we can make the dream of communities of opportunity a reality for all Americans. I am proud that my administration has produced this fine report, "Creating Communities of Opportunity." HUD's priorities are the priorities for change that I have worked hard to bring into the federal government.

Soon HUD will be involved in additional new ventures, particularly Empowerment Zones and Community Development Financial Institutions, that will bring community empowerment, job creation, and economic growth to our towns and cities. Innovative, flexible tools such as these are essential to the enormous challenges we face today.

My fervent wish is that all of you will become part of the empowerment of your own communities, because if we face these challenges together, we will surely succeed.

Bill Clinton

Remarks at the National Association of Realtors Conference in Anaheim, California:

- Americans should own their own homes, for reasons that are economic and tangible and reasons that are emotional and intangible but go to the heart of what it means to harbor, to nourish, to expand the American dream.
- ... But by 1992, the national rate of homeownership had slipped dramatically. . . Therefore, today, I am directing HUD... The biggest untapped market in America for many of us are the millions and millions and millions of people that the economy of the 1980's left behind, people who live in our cities, people who live in our isolated rural areas, people with productive capacities who, if they can become consumers, can explode the American economic growth rate well into the next century. That is what this is all about, and we should focus on it.

Remarks to the National Association of Home Builders. January 30, 1995.

- Too many people are working harder for less. They have less security, less income, less certainty they can even afford a vacation, much less the downpayment on a new home. That's why I proposed a middle class bill of rights . . . the middle class bill of rights will help even more Americans to buy a home. It says to our young couples in particular, owning a home is not out of your reach. There is a reason to save and real hope that your hard work and responsibility will pay off for your family.
- In the housing field, we want to do even more. As you know, I set a national goal of boosting home ownership to an all-time high by the end of the century, to forge a national home ownership strategy. . . The strategy will aim to lower regulatory barriers so we can step up construction of starter homes. It will give communities more power to rebuild themselves. And it will give citizens more information so they can take hold of their opportunities.
- We must recommit ourselves to building a stronger American and to giving our people even more opportunities in the years to come. That's what the new national home ownership strategy is all about. It's what the middle class bill of rights is all about. It's what the New Covenant is all about.

Remarks to the Greater Houston Partnership in Houston. February 7, 1994.

- Henry Cisneros has done a brilliant job at HUD. His budget increases funding for homelessness in a way that

actually gets people off of the homeless rolls permanently. His budget gives more housing vouchers to people who are eligible, to let them go out into the private sector and make their own decisions about where to live and let the markets work.

- Do we cut some other programs? You bet we do. Why? There's \$8 billion in the HUD pipeline that should have been spent 2 or 3 years ago that can't be spent because of Government redtape. So Secretary Cisneros says we've got a homeless problem in this country. We have people out there, working people, who are eligible for help. Give them the vouchers, get them out there, let the system work, and cut something else.

Remarks and a Question-and-Answer Session at Hillcrest High School in Country Club Hills, Illinois.

- zip

Remarks on Presenting the Teacher of the Year Award

- zip.

Statement on the Report of the Federal Interagency Council on the Homeless. May 17, 1994.

- zip.

Statement on Grants to Projects Aiding the Homeless. December 29, 1994.

- It is imperative that we not turn our backs on the Nation's homeless. The number of homeless families and young people suffering from abuse and neglect continues to rise. It is my hope that these grants will help those who need our help the most. I am also pleased that Americorps members will be engaged in the struggle to end homelessness. This is an example of national service at its best.

Statement on Signing Federal Housing Administration Legislation. July 5, 1994.

- Home ownership is one of the foundation stones of the American dream. Renewing and expanding this dream is one of my Administration's highest priorities and deepest commitments.
- Our economic plan, which did so much to lower interest rates, has helped make homes affordable for more people. As more Americans realize that home ownership is within their reach, many of them turn to the Department of Housing and Urban Development (HUD) and the Government National Mortgage Association (Ginnie Mae) for Government assistance. These programs, some of which operate at a profit to the Federal Government, have enabled millions of Americans to enjoy the pride and sense of accomplishment that come with owning your own home.