

A G E N D A

EDI Press Event

US Department of Housing & Urban Development
 Departmental Conference Room
 June 15, 1995
 10:00 am

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|-------|----------------------------|----------------------------------|
| I. | Opening Remarks | Secretary Cisneros |
| II. | EDI Announcements | Assistant Secretary Andrew Cuomo |
| III. | Louisville Project | Mayor Jerry Abramson |
| IV. | Louisville Project | Congressman Mike Ward |
| V. | Philadelphia Project | Mayor Ed Rendell |
| VI. | Philadelphia Project | Congressman Chakkah Fattah |
| VII. | Detroit Project | Mayor Dennis Archer |
| VIII. | St. Louis Project | Mayor Freeman Bosley |
| IX. | Denver Project | Mayor Wellington Webb |
| X. | Selma Project | Mayor Joseph Smitherman |
| XI. | St. Paul Project | Mayor Norm Coleman |
| XII. | Questions & Answers | All conference participants |
| XIII. | Press Conference Concludes | |

NOTE: Each Mayor will take 2 minutes to briefly describe their local project, in particular stress the leveraging component and job creation aspect of the grant. Please refer to attached suggested talking points.

The HUD conference call coordinator will begin calling the Mayors designated numbers at 9:55.

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 Molinari Waxman +
 Farr agreed
 against it
 one hour*



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

OFFICE OF THE ASSISTANT SECRETARY
FOR PUBLIC AFFAIRS

Economic Development Initiatives
Remarks by Secretary Henry G. Cisneros
June 15, 1995

Good morning. Welcome to today's press briefing.

I'd like to welcome all the press representatives, community groups and private sector representatives with us this morning.

I'd also like to recognize the Mayors participating by conference call. Welcome.

It gives me great pleasure to talk about the specific ways HUD is fulfilling one of its core missions: to create economic opportunities in communities and thereby to support America's neighborhood and city leaders.

We have heard President Clinton's call for a new partnership between the Federal Government and communities, and we have acted upon that call by taking dramatic steps to change the way HUD serves America's communities -- to make us more responsive to local needs and supportive of local efforts to help people improve their own lives.

You have heard about our plan to consolidate programs, transform public housing and revitalize FHA.

Our goal is to improve HUD's relationship with cities and states, so that the Department serves to empower people, eliminate duplication, and produce real results. That is our purpose.

For HUD, decades of efforts to solve urban America's problems of poverty and lack of affordable housing created layers of programs, regulations, and organizations that shifted the focus away from people to projects.

For over two years, we have worked to revolutionize HUD -- to make it an activist, enabling agent for change, more responsive to customer needs, and entrepreneurial in serving the public.

In recent weeks you have heard and seen dramatic examples of how reinvention is making a difference in public housing -- through major high-rise demolitions and intervention in Chicago and here in the District of Columbia. You heard just last week how reinvention will make homeownership possible for 8 million Americans by the year 2000.

Today, I'm proud to describe how reinvention is helping to create jobs, new businesses, economic opportunity for cities, and much more.

(Remarks were prepared for delivery by Secretary Henry G. Cisneros, whose actual remarks may have departed from this text.)

A central player in our strategy has been HUD's Office of Community Planning and Development. CPD has become a major catalyst in restoring hope and economic vitality to our inner cities, based on three main objectives:

Reinvesting in communities -- HUD recognizes that it must provide the tools communities need to fix their own problems as they see fit. Our programs and resources help create jobs, spark local investment and leverage additional public and private funds. The Community Development Block Grant and the Economic Development Initiative are two examples.

Reinventing government -- HUD is no longer a top-down bureaucracy. We have completely transformed our focus from process and paperwork to product and performance.

Renewing commitment to the most needy -- HUD is reaffirming its mission and its responsibility to help the least fortunate in our society.

Over the next few weeks, HUD's Office of Community Planning and Development will highlight its efforts to create *Communities of Opportunity* through a series of events, announcements and activities across the nation that embody our principles of reinvesting in our communities, reinventing government, and renewing our commitment to the most needy.

One of those initiatives forms the basis of today's announcement: the Economic Development Initiative.

Other announcements will highlight our efforts to help at-risk youth, homeless people, and people with HIV/AIDS. We will also release the Consolidated Plan, which simplifies the process that cities undertake to receive HUD assistance.

Today's announcement, and the future planned activities, are built on a record of significant HUD accomplishments. These include:

- A comprehensive Federal plan to break the cycle of homelessness in America. Under that plan -- Priority Home! The Federal Plan To Break The Cycle of Homelessness -- HUD is helping local communities address the root causes of homelessness.
 - President Clinton's determination to attack America's tragic problem of homelessness is evident in HUD's budget. Our budget for homeless programs has doubled from \$570 million in 1993 to \$1.6 billion in 1995.
- The revitalizing of America's communities through Empowerment Zones and Enterprise Communities.
 - This is a multi-billion dollar effort conducted by HUD to help 65 urban communities and support 30 rural communities generate jobs, housing, and economic opportunities.

These two major initiatives of the last two years embody a basic understanding. In the New HUD, we understand that we must work together in partnership with local communities and the private sector if community revitalization is to become a reality. The Federal Government has an important role to play -- but not the only role.

Today's announcement of economic development grants to cities forcefully demonstrates President Clinton's commitment to help our nation's communities grow and become prosperous.

That is why I join our many partners -- local government, private business, the banking community, and nonprofit organizations, along with homeless providers, grassroots community organizers, affordable housing producers, mayors and city leaders. Together, we are working to restore jobs, and economic life in these cities -- and all communities -- across America.

And today's announcement clearly demonstrates President Clinton's commitment to strengthen America's communities and to put people first.

The Economic Development Initiative is a unique Federal grant which leverages community resources to create jobs, growth and prosperity. EDI is American ingenuity at its finest.

EDI works by bring-down interest rates on a city's economic development loan, or it can function as a pool of funds set-aside for use in the event of a loan default, and it can also be sued to capitalize a community bank as in a line of credit. EDI is the financial tool which communities can use to securitize their investments.

The 70 grants HUD is announcing today provide communities more than money from the Federal Government. The Economic Development Initiative grant is a resource that can be leveraged by communities for job growth, housing rehabilitation and other economic capabilities. Because of its leveraging capability, the economic impact of this grant is magnified tenfold.

EDI, and its contemporary Section 108 loan program, is the most valuable tool for entrepreneurial investment which the Federal Government has. They are highly sought after by communities and therefore only the strongest applications could be selected. The following examples make my point.

Fresno, in California's San Joaquin Valley, is one of today's 70 grant recipients.

Like many other medium-size cities, Fresno's medical facility has been taxed to its limit. Fresno is receiving a \$1 million EDI grant that will enable expansion and modernization of its medical center to include an adult acute care hospital, a trauma center, pediatric hospital, medical school, and a community health care and support facility.

EDI is an important part of the funding that makes this impressive expansion possible. EDI works in tandem with CDBG's Section 8 Loan Guarantee program. It will function as the glue that binds and supports the financing for the land acquisition, the construction of the medical facilities, and the job growth.

As estimated 250 jobs will be created by Fresno's medical facility expansion. That's EDI at work.

In Ohio, five cities and counties came together to seek support for a regional small business and micro loan fund. This fund will provide affordable credit to small businesses in distressed areas and will serve as a key generator for the economic revitalization of the entire region. That's EDI at work.

For low-income neighborhoods and distressed communities, EDI works with Section 8 for housing improvements, job growth, and large-scale economic development projects. EDI provides real solutions to real problems.

And its impact is even greater. We are restoring faith in our communities, renewing hope for families, and reaffirming the American tradition that we are more than neighbors, we are partners building a future together.

Now I'll ask Assistant Secretary Andrew Cuomo to announce these grants.

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