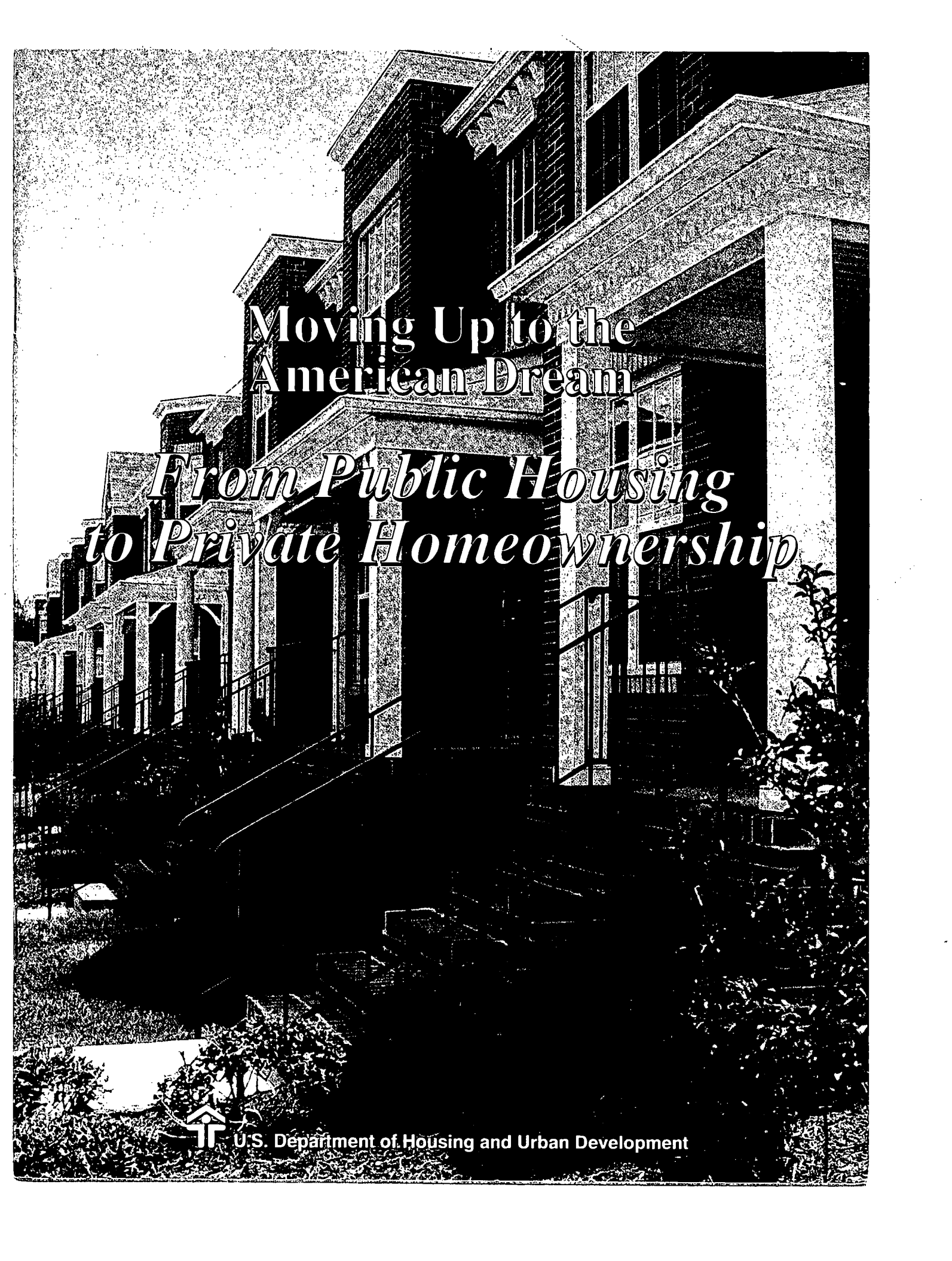

Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a publication.

Publications have not been scanned in their entirety for the purpose of digitization. To see the full publication please search online or visit the Clinton Presidential Library's Research Room.



Moving Up to the
American Dream

*From Public Housing
to Private Homeownership*



U.S. Department of Housing and Urban Development

Molly

INSIDE:
HUD



Rules Could Increase Sale of Public Housing

Cisneros Launches Homeownership Drive

By Judith Evans
Washington Post Staff Writer

In a continued effort to boost the nation's homeownership rate, Housing Secretary Henry Cisneros yesterday launched a program to help 25,000 qualified working, public housing residents—including 2,500 in the District—buy their units or other single-family properties by the year 2000.

Officials at the Department of Housing and Urban Development estimate 30 percent of the 1.25 million residents living in public housing are capable of buying homes with some government support such as Federal Housing Administration federally guaranteed mortgages, discounted prices on agency-owned properties and homeownership counseling.

HUD plans to expand its past efforts to help public housing residents attain homeownership—an initiative dating to the late 1970s—by seeking changes in pending legislation that would allow nonprofit and community organizations to help broker apartments and single-family houses already in the public inventory and allow Section 8 housing residents to have lease-purchase agreements.

The legislation would also ease restrictions that require residents to provide 80 percent of the down payment with their own funds.

The agency also would encourage the nation's public housing authorities to encourage homeownership as an alternative because many are scheduled to demolish and replace nearly 100,000 run-down projects throughout the country.

HUD will make \$500,000 available to nonprofits and other community organizations; offer pre-

and post-purchase home counseling as well as employment training. Freddie Mac and Fannie Mae, which invest in mortgages, have agreed to buy the federally insured mortgages of residents.

"Expanding homeownership opportunities to everyone willing to work hard to achieve their dreams pays dividends far beyond the obvious benefits to the individual families," Cisneros said. "Homeowners tend to be more involved

"It could be quite beneficial. It's a workable program. People who become homeowners take more interest in their living environment."

— Ronald Utt, Heritage Foundation

in the life of their communities, bringing welcome stability to neighborhoods and surrounding areas."

Since 1974, when Congress first passed legislation to persuade public housing authorities to encourage homeownership, HUD has approved the sale of about 25,000 units, said agency officials. Promotion of homeownership took off in the late 1980s after Prime Minister Margaret Thatcher sold public housing units to residents in Britain.

Presidents George Bush and Ronald Reagan reenergized the initiative, said Ronald Utt, a senior fellow at the Heritage Institute. "Where it has worked, it has been costly in the sense of the transaction," Utt said. "But the end result has shown it could be quite beneficial. It's a workable program. People who have become homeowners take more interest in their living environment."

Utt's only criticism of the program is the role public housing authorities will play in brokering home-buying transactions.

"These are institutions hostile to the sales of their assets or being displaced by tenants as manager," he said.

However, HUD officials said they believe homeownership gives public housing authorities incentives.

By getting rid of scattered housing, public housing authorities will better be able to manage their properties, Cisneros said. Using nonprofits to broker deals to help tenants buy their units will free public housing authorities from spending time and financial resources to complete complex transactions, agency officials said.

Many public housing authorities already have begun selling units to eligible residents.

The Chicago Housing Authority, for example, is converting its Wentworth Gardens project, selling the units to residents for \$31,700 each. The CHA will keep the proceeds of those sales for future operations.

In the District, David Gilmore, the court-appointed receiver for the city's public housing authority, said that the agency plans sell 57 homes in the city's Columbia Heights and Shaw neighborhoods at discounted prices.

Cisneros yesterday stood on the steps of a residence on Girard Street NW where the door was cinder-blocked in and the windows boarded up.

The city's housing authority has contracted with the nonprofit group, Mi Casa Inc., to rehabilitate the four-story property and several others over the next two years.

Gilmore said HUD's initiative will allow the authority to "get a program back on track in selling units to residents who have lived in public housing far too long."