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Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

It is with great pleasure today that I am signing into law S. 3066, the "Housing and Community Development Act of 1974."

This bill is of far-reaching and perhaps historic significance, for it not only helps to boost the long-range prospects for the housing market but also marks a complete and welcome reversal in the way that America tries to solve the problems of our urban communities. In urging passage of this bill on the Senate floor, Chairman Sparkman said that "it is probably... the most important legislation on community development since the passage of the Housing Act of 1949."

This bill climaxes years of efforts to replace the rigid programs of the past with a more flexible approach by sweeping away seven categorical grant programs such as urban renewal and model cities and replacing them with a single "block grant" program for community development. This new approach will put Federal funds to work on behalf of our cities and towns far more effectively than before by:

- providing communities with greater certainty about the level of Federal funding they can expect;
- distributing Federal funds to communities according to what they need rather than who they know;
- replacing Federal judgments on local development with the judgments of the people who live and work there; and,
- allowing local officials to concentrate on comprehensive programs for community betterment instead of grant applications for individual projects.

In a very real sense, this bill will help to return power from the banks of the Potomac to people in their own communities. Decisions will be made at the local level. Action will come at the local level. And responsibility for results will be placed squarely where it belongs -- at the local level.

I pledge that this administration will administer the program in exactly this way. We will resist temptations to restore the red tape and excessive Federal regulation which this act removes. At the same time, of course, we will not abdicate the Federal Government's responsibility to oversee the way the taxpayer's money is used. In particular, we will carefully monitor the use of funds to assure that recipients fully comply with civil rights laws prohibiting discrimination.

This act will also provide significant assistance to the mortgage market, and those who depend on it -- home buyers, homebuilders, and mortgage lenders. The act makes FHA mortgage insurance available to a greater number of

families by reducing required downpayments, expanding the limits on mortgages eligible for Federal insurance, and enabling FHA on an experimental basis to tailor plans for loan repayment to the unique circumstances of individual home buyers. Other sections of the act broaden the lending and investment powers of federally regulated financial institutions, making more credit available for mortgage loans, and thereby providing some needed help for the housing sector.

By prohibiting discrimination on the basis of sex in making mortgage loans, this measure will also enable millions of hardworking women and married couples to obtain the mortgage credit to which their economic position clearly entitles them. I fully support these efforts to eliminate discrimination based on race or sex.

Finally, S. 3066 authorizes a more flexible approach to assisting low- and moderate-income families obtain adequate housing. This new lower income housing assistance program should also help increase the supply of housing in areas where vacancies are unreasonably low.

No one expects this bill to bring substantial immediate relief to the housing market, but over the long haul it should provide the foundations for better housing for all Americans.

This act is important not only for what it does but for how it came about. Like any omnibus bill, S. 3066 has minuses as well as pluses. But it is the product of significant cooperation and compromise by the legislative and executive branches of this Government, and as such, it is an important example of how the Congress and I intend to approach the Nation's problems in the future.

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