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FINAL

PEOPLE UNITED TO SAVE HUMANITY

PHILADELPHIA, PENNSYLVANIA

AUGUST 7, 1975

INVITING ME TO FOLLOW JESSE JACKSON AND LEON SULLIVAN AS SPEAKER TODAY, IS SOMETHING LIKE ASKING ME TO DEMONSTRATE MY BACKHAND FOLLOWING ARTHUR ASHE OR TO MATCH DRIVES WITH LEE ELDER.

HAVING BEEN PRESENT AT THE LUNCHEON, I KNOW I CAN'T MATCH REVEREND SULLIVAN'S STYLE. ONLY LAST WEEK HE TOLD ME THAT HIS MESSAGE WAS ABOUT 30 PERCENT SPIRITUAL AND 70 PERCENT BUSINESS. YOU AND I BOTH KNOW THAT HE IS UP TO 100 PERCENT IN BOTH CATEGORIES.

I PLAN TO STAY IN MY FIELD -- WHICH IS HOUSING, AND MY RULES ARE VERY SIMPLE -- DO EVERYTHING POSSIBLE TO PRESERVE AND REVITALIZE OUR CITIES AND TO IMPROVE THE LIVES AND LIVING ENVIRONMENTS OF OUR PEOPLE.

HAVING STATED THAT, I SHOULD ALSO TELL YOU THAT I DON'T HAVE A FOOLPROOF METHOD TO REACH THOSE GOALS.



HAVE YOU EVER NOTICED THAT WHEN YOU GET TO BE THE HEAD OF SOMETHING, SUDDENLY EVERYONE SEEMS TO HAVE ADVICE ON HOW YOU SHOULD DO YOUR JOB? NOW, I AM GLAD TO GET ADVICE FROM EVERY QUARTER -- AND I MEAN THAT. I SPEND A LOT OF TIME MEETING WITH A VARIETY OF GROUPS.

BUT ONE REASON I AM SO PLEASED TO BE HERE WITH YOU TODAY IS THAT PUSH IS AN ORGANIZATION THAT HAS NOT CONTENTED ITSELF WITH GIVING ADVICE. IT HAS TAKEN AN ACTIVE ROLE IN WORKING WITH HUD.

TOGETHER WE HAVE TACKLED SOME REALLY TOUGH PROBLEMS, SUCH AS THE PLIGHT OF FEDERALLY-ASSISTED MULTIFAMILY HOUSING.

I AM PLEASED TO BE HERE FOR ANOTHER REASON -- BECAUSE I SHARE PUSH'S BASIC CONCERN FOR THE PEOPLE IN THE INNER-CITY.

THE CITIES ARE A VALUABLE AND IRREPLACEABLE NATIONAL ASSET. THEY ARE STILL THE CENTERS OF OUR INDUSTRY AND COMMERCE, THE SHOWCASE OF OUR CULTURE, AND IN THIS ERA OF SHORTAGES, THEY CONSTITUTE A RESOURCE WE CANNOT AFFORD TO WASTE.



A CITY IS BUT THE SUM OF ITS PARTS. IT IS COMPRISED OF BRICK AND MORTAR STRUCTURES -- BUT ITS HEART AND ITS MIND ARE ITS PEOPLE. UNLESS THOSE VITAL ORGANS ARE HEALTHY, THE CITY, LIKE THE PEOPLE IT CONTAINS, WILL NOT SURVIVE.

WHEN I LOOK AT THE CITIES -- AT WAYS TO REVITALIZE THE URBAN ENVIRONMENT -- I SEE ITS PEOPLE. THE PEOPLE NEED THE GOVERNMENT'S ASSISTANCE, AND THE GOVERNMENT NEEDS THOSE PEOPLE TO PRESERVE THE CITIES.

ONE PIECE OF ADVICE I GOT FROM A WELL-MEANING FRIEND BEFORE COMING UP HERE TODAY WAS TO TALK IN GENERALITIES, NOT OF PARTICULAR PROGRAMS, AS THAT COULD BE CONTROVERSIAL. BUT IT IS NOT MY NATURE TO DUCK CONTROVERSY. BESIDES THAT, I HAVE FOUND THAT A DIALOGUE OVER A CONTROVERSIAL ISSUE OFTEN PRODUCES THE INSIGHTS THAT LEAD TO SOLUTIONS.

SO LET'S TALK ABOUT OUR PROGRAMS FOR PEOPLE PARTICULARLY THOSE CREATED BY OUR NEW HOUSING LAW, THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974.



ONE OF THE NEW PROGRAMS IS THE RENTAL ASSISTANCE PROGRAM WHICH IS OUR PRIMARY PROGRAM FOR HOUSING OUR LOWER INCOME FAMILIES. THIS PROGRAM REPLACES A VARIETY OF COMPLEX AND OVERLAPPING SUBSIDY DEVICES. THIS PROGRAM DIFFERS IN PHILOSOPHY FROM MANY OF ITS PREDECESSORS IN ONE VERY IMPORTANT REGARD -- IT SUBSIDIZES PEOPLE NOT HOUSES.

UNDER THIS PROGRAM THE FEDERAL GOVERNMENT WILL GIVE \$1.6 BILLION IN RENTAL SUBSIDIES TO ELIGIBLE FAMILIES THIS FISCAL YEAR. THESE FAMILIES MAY LIVE IN NEW, SUBSTANTIALLY REHABILITATED OR EXISTING UNITS. THE AMOUNT OF THE SUBSIDY IS THE DIFFERENCE BETWEEN FROM 25 PERCENT TO 15 PERCENT, OF THE FAMILY'S INCOME AND THE COST OF ITS HOUSING.

IN THE PAST, GOVERNMENT HAS TOO OFTEN MET THE HOUSING NEEDS OF THE POOR BY TEARING DOWN THEIR EXISTING NEIGHBORHOODS, DESTROYING THEIR FAMILY TIES AND SOCIAL ROOTS, AND THEN MOVING THOSE FAMILIES INTO, ALTHOUGH NEW, COLD AND FOREBODING GOVERNMENT-SUBSIDIZED VERTICAL SLUMS.



PRUITT-IGOE IN ST. LOUIS, COLUMBIA POINT IN BOSTON, AND STELLA WRIGHT IN NEWARK DOCUMENT THE GOVERNMENT'S FOCUS ON BUILDINGS RATHER THAN PEOPLE IN YEARS PAST.

WE ARE HOPEFUL THIS NEW RENTAL SUBSIDY PROGRAM WILL PROVIDE A DIFFERENT KIND OF HOUSING OPPORTUNITY.

FOR ONE THING IT PLACES A HEAVY EMPHASIS ON UTILIZING EXISTING STOCK. FAMILIES WILL BE GIVEN HOUSING VOUCHERS TO SHOP THE MARKET FOR AN EXISTING DWELLING, MAXIMIZING THE OPPORTUNITY FOR A LOWER INCOME FAMILY TO CHOOSE THE HOME AND NEIGHBORHOOD IN WHICH IT WANTS TO LIVE.

AND, WE ARE COMMITTED TO ENSURING THAT A CHOICE REALLY EXISTS. WITH RESPECT TO EXISTING HOUSING, WE REQUIRE THE LOCAL AGENCY WHICH ADMINISTERS OUR RENTAL SUBSIDY PROGRAM TO HAVE AN EQUAL OPPORTUNITY AND OUTREACH PLAN, TO PROVIDE THE NECESSARY COUNSELING AND RELATED SERVICES TO RECIPIENTS, TO ENCOURAGE THE PARTICIPATION OF LANDLORDS OUTSIDE ESSENTIALLY LOW-INCOME AND MINORITY AREAS, AND TO ASSIST A RECIPIENT FAMILY IN SECURING HOUSING IN THOSE AREAS. FINALLY, WE ARE COMMITTED TO SUPPORTING THE PROGRAM WITH A VIGOROUS ENFORCEMENT OF THE FAIR HOUSING LAWS.



PROVIDING A SUBSIDY FOR USE WITH EXISTING STOCK ALSO ALLOWS A RECIPIENT FAMILY -- IF IT CHOOSES -- TO REMAIN IN ITS HOME AND PRESERVE ITS ROOTS IN THE NEIGHBORHOOD AND COMMUNITY.

IN ADDITION THE NEW RENTAL ASSISTANCE PROGRAM INCLUDES A NEW CONSTRUCTION COMPONENT, WHICH DIFFERS FROM PRIOR CONSTRUCTION PROGRAMS IN SEVERAL RESPECTS. BUT, YOU OF PUSH WHO HAVE BEEN STUDYING FEDERALLY-ASSISTED MULTIFAMILY PROJECT DEFAULTS WILL READILY RECOGNIZE THE MERITS OF THIS SUBSIDY, WHICH UNLIKE ITS PREDECESSORS, IS OPEN-ENDED.

WE HAVE SEEN TOO MANY HOUSING PROJECTS WITH FIXED INTEREST SUBSIDIES INCAPABLE OF SURVIVING THE RECENT RAPID RISE IN OPERATING COSTS. THE NEW SUBSIDY AVOIDS THIS PITFALL, SINCE IT RISES AUTOMATICALLY WHEN THE LOCAL MARKET RENTS INCREASE TO REFLECT INCREASED COSTS.



HUD IS FOCUSING ON THE NEEDS OF THE CITIES IN OTHER WAYS. THE FLIGHT OF MIDDLE-INCOME FAMILIES FROM THE CITIES COMMENCED AN ERA OF DECLINE FOR MANY URBAN NEIGHBORHOODS WHICH ULTIMATELY LED TO BLIGHT AND ABANDONMENT. WE BELIEVE THAT THAT TIDE OF DECLINE MUST BE STEMMED. WE CAN NO LONGER TOLERATE AN URBAN LANDSCAPE IN WHICH ABANDONED AND BOARDED-UP HOMES POSE A DETERRENT TO REHABILITATION AND AN INCENTIVE TO FURTHER ABANDONMENT.

REHABILITATION OF OUR EXISTING HOUSING STOCK IS CRUCIAL TO THE PRESERVATION OF OUR URBAN NEIGHBORHOODS.

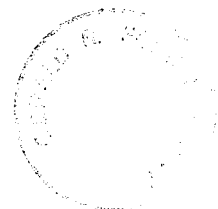
OVER THE COMING YEAR, HUD WILL PROVIDE MORE THAN \$70 MILLION IN DIRECT FEDERAL REHABILITATION LOANS BEARING A 3 PERCENT INTEREST RATE. THIS AMOUNT IS IN ADDITION TO THE \$221 MILLION OF FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS, WHICH LOCAL COMMUNITIES ARE DEDICATING TO REHABILITATION LOANS AND GRANTS. HENCE, A TOTAL OF ALMOST \$300 MILLION IN FEDERAL FUNDS WILL BE AVAILABLE DURING THE YEAR FOR THE REHABILITATION OF URBAN PROPERTIES.



THE COMMUNITY DEVELOPMENT BLOCK GRANTS CONSTITUTE AN IMPORTANT RESOURCE FOR THE REVITALIZATION OF THE URBAN ENVIRONMENT. WE WILL PROVIDE \$2.7 BILLION IN FEDERAL FUNDS TO LOCAL COMMUNITIES UNDER THIS PROGRAM DURING THE COMING YEAR, AND OVER \$8 BILLION OVER A THREE-YEAR PERIOD.

LOCAL COMMUNITIES ARE GIVEN BROAD LATITUDE IN UTILIZING THESE FUNDS TO ACHIEVE THE STATUTORY GOALS, WHICH INCLUDE PROVIDING HOUSING FOR LOWER INCOME FAMILIES, UTILIZING THE EXISTING HOUSING STOCK AND PRESERVING URBAN NEIGHBORHOODS. IN THE PROGRAM'S FIRST YEAR, 66 PERCENT OF THE FUNDS DISBURSED WERE USED FOR THE PRESERVATION OF DECLINING AND BLIGHTED NEIGHBORHOODS.

THE ACT REQUIRES CITIZEN PARTICIPATION IN THE FORMULATION OF PLANS FOR THE USE OF THESE FUNDS. THE CITY MUST HOLD PUBLIC HEARINGS AND IT MUST GIVE YOU AN OPPORTUNITY TO PARTICIPATE. I HOPE YOU MAKE GOOD USE OF THIS LEVER ON THE DECISION-MAKING PROCESS.



RECENTLY AT HUD WE IMPLEMENTED A DEMONSTRATION URBAN HOMESTEADING PROGRAM TO SUPPORT AND ENCOURAGE COMPREHENSIVE LOCAL STRATEGIES FOR NEIGHBORHOOD PRESERVATION.

WE HAVE A LONG-STANDING COMMITMENT WITH THE FEDERAL HOME LOAN BANK BOARD TO THE URBAN REINVESTMENT TASK FORCE. THE TASK FORCE HAS SUCCESSFUL NEIGHBORHOOD PRESERVATION PROGRAMS IN SEVERAL CITIES, THE FOCAL POINT OF WHICH ARE HIGH RISK REVOLVING REHABILITATION LOAN FUNDS.

ALSO, WE HAVE TRIED TO ACHIEVE THE PRESERVATION OF URBAN NEIGHBORHOODS BY SAVING THEIR RESIDENTS' HOMES. WE ACTIVELY SOUGHT PASSAGE OF THE RECENT EMERGENCY HOUSING LEGISLATION WHICH INCLUDES AUTHORITY TO ASSIST DELINQUENT MORTGAGORS TO RETAIN THEIR HOMES. I HAVE CONVENED A DEPARTMENTAL TASK FORCE TO WORK ON THE IMPLEMENTING REGULATIONS FOR THIS PROGRAM.

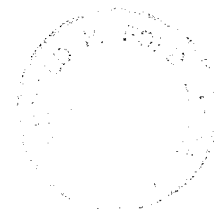
RECENTLY WE ANNOUNCED A NEW DEMONSTRATION DEFAULT COUNSELING PROGRAM.



FINALLY, ANOTHER TOOL THAT WE HAVE TO DEAL WITH THIS PROBLEM IS SECTION 518(B) OF THE 1974 ACT, WHICH ALLOWS THE GOVERNMENT, IN CERTAIN CIRCUMSTANCES, TO PAY FOR THE REPAIR OF SERIOUS DEFECTS AFFECTING THE SAFETY AND HABITABILITY OF FHA-INSURED HOMES IN "OLDER DECLINING URBAN NEIGHBORHOODS".

THAT FRIEND I TOLD YOU ABOUT EARLIER NOT ONLY SUGGESTED I AVOID TALKING ABOUT SPECIFIC PROGRAMS, BUT ALSO IMploRED ME NOT TO MENTION SECTION 518(B). WHEN PUSH CAME TO SHOVIING, -- HE CAUTIONED -- IT WAS USUALLY ON HUD'S PERFORMANCE IN IMPLEMENTING THIS PROGRAM -- AND I WOULD BE OPENING A CAN OF WORMS.

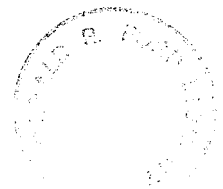
WELL, I THINK YOU ARE ENTITLED TO KNOW WHERE WE STAND ON THIS PROGRAM. LET ME SAY UNEQUIVOCALLY THAT I BELIEVE THAT GIVING HOMEOWNERS IN THESE "OLDER DECLINING URBAN NEIGHBORHOODS" THE RESOURCES TO CORRECT SERIOUS DEFECTS SO THAT THEY CAN CONTINUE TO LIVE IN THEIR HOMES WILL HELP US TO ACHIEVE OUR GOAL OF PRESERVING THOSE HOMES AND THOSE NEIGHBORHOODS. .



AT THE SAME TIME, YOU AND I BOTH KNOW THAT HUD HAS HAD PROBLEMS IN IMPLEMENTING THE 518(B) PROGRAM. THE STATUTE ITSELF IS EXTREMELY RESTRICTIVE AND IS DIFFICULT TO IMPLEMENT. BUT, WE HAVE TAKEN SOME POSITIVE STEPS.

WHEN THE PROGRAM WAS BEGUN, THE DETERMINANT OF A NEIGHBORHOOD'S ELIGIBILITY WAS WHETHER CENSUS DATA SHOWED THAT MORE THAN HALF ITS HOUSES WERE BUILT PRIOR TO 1940. WE QUICKLY DISCOVERED THAT OUR TEST WAS TOO RIGID AND MECHANICAL. ACCORDINGLY, ON JULY 21, WE ISSUED A MEMORANDUM THAT WHENEVER A NEIGHBORHOOD FAILS THE CENSUS DATA TEST, THE CHIEF APPRAISER AND CHIEF UNDERWRITER WILL MAKE AN INSPECTION AND CAN FIND A NEIGHBORHOOD ELIGIBLE WHERE THEY BELIEVE IT QUALIFIES FOR ASSISTANCE WITHIN THE INTENT OF THE STATUTE.

BESIDES EXPANDING THE TEST FOR NEIGHBORHOOD ELIGIBILITY, WE TRIED TO LIBERALLY CONSTRUE 518(B) ELIGIBLE DEFECTS TO INCLUDE, FOR EXAMPLE, CERTAIN LEAD BASED PAINT CONDITIONS. ALSO, WE HAVE SPECIFICALLY INSTRUCTED OUR FIELD OFFICE STAFF TO LOOK SYMPATHETICALLY ON ANY HOMEOWNER'S CLAIM AND WE HAVE PROVIDED AN APPEAL PROCEDURE.



RECENTLY, WE HAVE UNDERTAKEN AN OUTREACH EFFORT TO ENSURE THAT POTENTIALLY ELIGIBLE HOMEOWNERS KNOW ABOUT THE PROGRAM. IN ADDITION TO MEDIA ADVERTISING, WE HAVE SOUGHT TO INVOLVE COMMUNITY GROUPS. PUSH HAS BEEN AN ACTIVE ADVOCATE FOR OUR PROGRAM, AS WELL AS A CRITIC OF ITS OPERATION. PUSH HAS TAKEN AN IMPORTANT ROLE IN PUBLICIZING 518(B) IN SEVERAL CITIES.

BUT PROBLEMS REMAIN. WE HAVE CONSTRAINTS, STAFFING AS WELL AS STATUTORY. CONGRESS HAS SEVERELY CUT OUR MANPOWER IN THE AREA RESPONSIBLE FOR THE 518(B) PROGRAM. OUR STAFF SHORTAGES MAKE COOPERATION BETWEEN HUD AND COMMUNITY ORGANIZATIONS SUCH AS PUSH ALL THE MORE IMPORTANT.

I URGE YOU TO HELP HOMEOWNERS DETERMINE WHETHER THEY HAVE AN ELIGIBLE CLAIM AND TO ASSIST QUALIFIED HOMEOWNERS TO PREPARE THEIR APPLICATIONS.

I THINK THE END RESULTS WILL BE POSITIVE.



HOUSING CANNOT, OF COURSE, STAND ALONE AS A MEANS OF PRESERVING OUR CITIES. ANOTHER KEY TO THE SURVIVAL OF URBAN AMERICA IS THE AVAILABILITY OF EMPLOYMENT OPPORTUNITIES FOR THE CITY'S PEOPLE. HUD HAS TAKEN SOME STEPS ON THE ECONOMIC DEVELOPMENT ISSUE. WE RECENTLY RECEIVED A COMMITMENT OF \$6 MILLION FROM THE DEPARTMENT OF COMMERCE TO FUND EMPLOYMENT OPPORTUNITIES FOR INHABITANTS OF PUBLIC HOUSING PROJECTS. SINCE 1972, OVER \$29 MILLION IN CETA FUNDS HAVE BEEN USED FOR THIS PURPOSE.

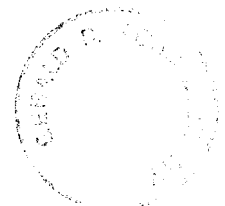
WE HAVE ISSUED REGULATIONS AND ARE IN THE PROCESS OF DEVELOPING HANDBOOKS TO IMPLEMENT A REQUIREMENT THAT THE RECIPIENT OF COMMUNITY DEVELOPMENT BLOCK GRANTS PROVIDE TRAINING AND EMPLOYMENT OPPORTUNITIES TO THE LOWER INCOME RESIDENTS OF PROJECT AREAS AND CONTRACT WITH LOCAL BUSINESSES, TO THE GREATEST EXTENT FEASIBLE, IN EXPENDING THEIR FEDERAL GRANT FUNDS. GRANTEES ARE REQUIRED TO ADDRESS THIS ISSUE IN THEIR PERFORMANCE REPORTS. WE ARE TRYING TO KEEP JOBS AND MONEY IN THE INNER-CITY NEIGHBORHOODS WHERE THE COMMUNITY DEVELOPMENT GRANTS ARE BEING DIRECTED.



WE ALSO HAVE UNDERTAKEN AN EFFORT TO INCREASE THE PARTICIPATION OF SMALL MINORITY CONTRACTORS IN HUD REPAIR WORK AND OF MINORITY BROKERS IN THE SALE OF HUD-ACQUIRED PROPERTIES. TO DATE, MINORITY AND SMALL BUSINESS OPPORTUNITY WORKSHOPS HAVE BEEN HELD IN 13 CITIES. IN FISCAL YEAR 1975, HUD AWARDED 60,000 REPAIR CONTRACTS TOTALLING OVER \$7 MILLION TO MINORITY FIRMS; WE HOPE TO MORE THAN DOUBLE THAT AMOUNT IN FISCAL YEAR 1976.

I AM PROUD OF THE HUD PROGRAMS TO PRESERVE THE INNER-CITY AND TO ASSIST ITS RESIDENTS IN ACHIEVING A BETTER LIVING ENVIRONMENT.

I AM ALSO PROUD OF ONE OF MY FIRST ACTIONS AT HUD WHICH WAS TO RECOMMEND TO THE PRESIDENT THE APPOINTMENT OF MR. JAMES H. BLAIR TO BECOME HUD'S ASSISTANT SECRETARY FOR FAIR HOUSING AND EQUAL OPPORTUNITY. HE IS UNIQUELY QUALIFIED TO SHOULDER THE HEAVY RESPONSIBILITIES WHICH I HAVE DELEGATED TO THAT OFFICE. HE HAS BEEN ASSOCIATED WITH CIVIL RIGHTS ENFORCEMENT PRACTICALLY ALL OF HIS ADULT LIFE.



JIM SERVED AS THE DIRECTOR OF THE DIVISION ON CIVIL RIGHTS, STATE OF NEW JERSEY, DEPARTMENT OF LAW AND PUBLIC SAFETY, WHICH ADMINISTERED NEW JERSEY'S FAIR HOUSING LAW AS WELL AS ITS OTHER NON-DISCRIMINATORY STATUTES. MORE RECENTLY, HE WAS THE EXECUTIVE DIRECTOR OF THE MICHIGAN CIVIL RIGHTS COMMISSION, WHICH HAS THE RESPONSIBILITY FOR ENFORCING ALL OF MICHIGAN'S NON-DISCRIMINATION STATUTES INCLUDING ITS FAIR HOUSING LAW.

THOSE OF YOU WHO ARE PERSONALLY ACQUAINTED WITH HIM, KNOW HIM AS A MAN OF COMMITMENT TO CIVIL RIGHTS AND A MAN OF DIRECTION AND PURPOSE. ALTHOUGH JIM HAS BEEN IN THE DEPARTMENT LESS THAN TWO MONTHS, I ASKED HIM TO JOIN ME TODAY SO THAT I MIGHT INTRODUCE HIM TO THOSE OF YOU WHO HAVE NOT HAD THE PLEASURE OF MEETING HIM AND TO ENABLE HIM TO MENTION SOME OF HIS PRIORITIES IN REACHING OUR COMMON GOAL OF AN OPEN SOCIETY. I WILL REMAIN FOR QUESTIONS AT THE CONCLUSION OF HIS COMMENTS. BUT NOW, I WOULD LIKE TO PRESENT TO YOU MR. JAMES H. BLAIR, ASSISTANT SECRETARY FOR FAIR HOUSING AND EQUAL OPPORTUNITY.

