

The original documents are located in Box 1, folder “10/29/75 - Vice President's White House Public Forum, Tampa” of the Carla A. Hills Speeches at the Gerald R. Ford Presidential Library.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

FINAL

VICE PRESIDENT'S WHITE HOUSE PUBLIC FORUM

TAMPA, FLORIDA

OCTOBER 29, 1975

THE FISCAL PROBLEMS OF ALL THREE LEVELS OF GOVERNMENT
ARE PROFOUND AND DISTRACTING.

INFLATION HAS PUSHED UP THE COST OF PROVIDING SERVICES
WHILE RECESSION HAS PUSHED UP THE DEMAND FOR THOSE SERVICES.

THE FACT IS THAT ALL THREE LEVELS OF GOVERNMENT HAVE
FEWER DOLLARS TO SATISFY GREATER NEEDS.

TOO FREQUENTLY THE ISSUE SEEMS TO BE PRESENTED TO THE
PUBLIC AND TO THE MEDIA IN TERMS OF:

SHOULD WE SPEND MORE MONEY OR SHOULD WE SPEND LESS TO
RESTORE OUR ECONOMY TO A HEALTHY AND GROWING STATE?

OUR ANALYSIS MUST BE MORE PROFOUND AND OUR SOLUTIONS
MORE CREATIVE.



THIS FORUM OFFERS US THE OPPORTUNITY TO CONSIDER WHAT BALANCE OF INTER-ACTION AMONG THE THREE LEVELS OF GOVERNMENT WILL DELIVER NEEDED SERVICES WITH THE LEAST WASTE TO THE TAXPAYER.

COMING UP ON ITS 10TH BIRTHDAY, HUD'S JOB IS TO ASSIST IN THE DEVELOPMENT OF WORKABLE URBAN COMMUNITIES WHICH MEANS -- DECENT HOUSING IN A SUITABLE LIVING ENVIRONMENT AND EXPANDING ECONOMIC OPPORTUNITIES -- PARTICULARLY FOR PEOPLE WITH LOW AND MODERATE INCOMES.

AT HUD WE GET A WIDE VARIETY OF COMPLAINTS -- BUT THEY ALL HAVE A COMMON DENOMINATOR:

MONEY!

SOME OF OUR FRIENDS -- AND ALL OF OUR CRITICS WANT US TO GIVE MORE AT THE OFFICE.

AS A PREMISE TO OUR QUESTION AND ANSWER SESSION, LET'S TAKE A BRIEF TOUR OF HUD AND THE HOUSING SITUATION AND SEE WHAT'S GOING ON.



THE BEST THING THAT'S GOING ON IS THE FIRST ANNIVERSARY OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974.

IT GIVES CITY PLANNERS AND MANAGERS THE FIRST SAY -- AND CONTROL -- IN WHAT THEIR CITIES REALLY NEED.

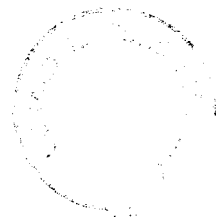
UNDER THE ACT, CONGRESS AUTHORIZED \$8.3 BILLION FOR COMMUNITY DEVELOPMENT IN THE FIRST THREE-YEAR PERIOD -- \$2.6 BILLION IN THE CURRENT YEAR ALONE.

NOW, LET'S TURN TO THE PLIGHT OF THE CITIES THEMSELVES.

WHAT IS THE BIGGEST SINGLE CAUSE OF URBAN DECAY?

WASTE! LITERALLY THOUSANDS OF UNITS OF HOUSING ARE ABANDONED EACH YEAR.

THE WASTE IS NOT JUST IN THE HOUSE OR UNIT ITSELF -- BUT IN THE UTILITIES, STREETS, SCHOOLS AND TRANSPORTATION THAT TOOK YEARS TO DEVELOP. AN ABANDONED HOUSE ABANDONS A PART OF THOSE INDISPENSIBLE SUPPORTIVE ASSETS AS WELL.



IN THE RUSH OF PEOPLE TO THE OUTSKIRTS OF TOWN, WE HAVE FOSTERED THE DISASTROUS NOTION THAT CITY HOUSING CAN BE DISCARDED -- AND EASILY REPLACED OUTSIDE THE CITY BOUNDARIES.

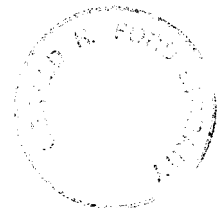
BUT, OUR STUDIES CONCLUDE -- STATISTICALLY -- WHAT WE MIGHT HAVE CONCLUDED -- INTELLIGENTLY -- A DECADE AGO.

THAT IT IS 50 PERCENT LESS COSTLY -- IN TERMS OF LAND, ENERGY, CAPITAL AND ENVIRONMENTAL IMPACT -- TO RECYCLE A CITY THAN IT IS TO BUILD A SUBURB.

IN TODAY'S ECONOMY CAN OUR NATION AFFORD THIS KIND OF WASTE?

THE ANSWER IS AN EMPHATIC "NO".

OUR FIRST YEAR WITH COMMUNITY DEVELOPMENT GRANTS SHOWS, UNMISTAKENABLY, THAT IF THE FEDERAL GOVERNMENT KEEPS ITS HEAVY HAND OUT OF LOCAL DECISION-MAKING, THE CITIES CAN AND WILL ADDRESS THE PROBLEM.



MORE THAN 60 PERCENT OF THE \$2.6 BILLION COMMUNITY DEVELOPMENT FUNDS GRANTED IN THE PAST FISCAL YEAR HAS GONE INTO THE PRESERVATION AND REHABILITATION OF DECAYING NEIGHBORHOODS.

ANOTHER IMPORTANT PART OF THE NEW ACT PROVIDES RENTAL SUBSIDIES FOR LOWER INCOME FAMILIES -- ALLOWING THEM TO FIND DECENT QUARTERS IN QUALIFIED BUILDINGS OF THEIR OWN CHOOSING, AT A RENTAL THEY CAN AFFORD TO PAY.

AGAIN, THE LOCAL COMMUNITY ITSELF HAS THE MAJOR SAY IN HOW THE RENTAL SUBSIDIES WILL BE USED, WHETHER IN NEWLY CONSTRUCTED, SUBSTANTIALLY REHABILITATED OR EXISTING HOUSING UNITS.

OUR GOAL TO HELP PROVIDE A SUITABLE LIVING ENVIRONMENT FOR EVERY AMERICAN FAMILY MAY SEEM NAIVE IN TODAY'S ECONOMY. WE ALL KNOW THAT HOUSING IS SUFFERING A SEVERE CASE OF CONTAGIOUS INFLATION.

INDUSTRY ECONOMISTS CAN SHOW YOU THAT OUR MEDIAN INCOME FAMILY -- MAKING \$13,000 A YEAR -- CAN SUPPORT A HOME COSTING \$32,500. BUT, IN FACT, TODAY'S MEDIAN NEW HOME SELLS FOR \$39,000.

DOES ALL THIS MEAN THAT THE AMERICAN DREAM OF HOMEOWNERSHIP HAS BECOME A NIGHTMARE?

WHAT IT SHOULD TELL US IS THAT THE TIME HAS COME TO START REORDERING OUR PRIORITIES.

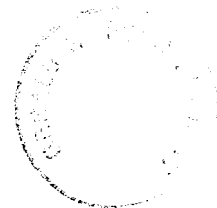
YES, THE COST OF THE MEDIAN HOUSE IS UP.

BUT, SO IS THE SIZE OF THAT MEDIAN HOUSE.

IN FACT, IT IS ALMOST 50 PERCENT LARGER THAN IN 1950 -- WITH GUEST ROOMS, "FAMILY" ROOMS, LAUNDRY ROOMS, BATHROOMS, AND TWO ROOMS TO HOUSE THE CARS.

OF COURSE, NOT EVERY HOUSE HAS ALL THOSE ROOMS -- BUT THE MANY THAT DO INFLATE THAT STATISTICAL "MEDIAN".

AND THE PROMOTIONAL PUSH BEHIND THOSE "EVERYTHING" HOUSES HAS BEEN ENOUGH TO MAKE THE "AVERAGE" BUYER OF THE "AVERAGE" HOME BEGIN TO BELIEVE THAT SUCH FRILLS MUST BE "NECESSITIES".



PERHAPS THEY ARE. BUT MAYBE -- THEY'RE LIKE THE OVER-POWERED, SLEEKLY APPOINTED AND EXPENSIVE SUPER CARS THAT COLLIDED WITH OUR ENVIRONMENT CONCERNS AND THE GASOLINE SHORTAGE.

MODERN BUILDERS WHO LEAVE AN UNESSENTIAL ROOM OR TWO UNFINISHED HAVE FOUND THAT THEY CAN CUT THE ASKING PRICE OF A HOUSE FROM \$30,000 TO \$17,000.

THE SIGN OF THE TIMES IS REFLECTED IN THE HOUSING INDUSTRY'S ACCEPTANCE OF THE CHALLENGE. TOWNHOUSES, CLUSTER HOMES AND CONDOMINIUMS ARE ACCOUNTING FOR A GROWING PERCENTAGE OF SINGLE-FAMILY HOMES.

IS COST THE ONLY REASON?

THE TRUTH BEHIND THE INCREASING POPULARITY OF THE NATION'S NEW "CONVENIENCE" HOUSING IS THAT AMERICA ITSELF HAS BEEN UNDERGOING A DRAMATIC CHANGE IN ITS OWN LIFE STYLES AND DEMOGRAPHICS.



THE CHANGE IS UNDERScoreD BY THE REMARKABLE INCREASE IN SMALLER, ADULT-ORIENTED HOUSEHOLDS.

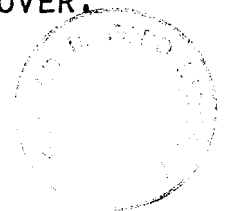
SINGLE PEOPLE, YOUNG MARRIEDS, CHILDLESS COUPLES AND THE ELDERLY ACCOUNT FOR 82 PERCENT OF OUR NET POPULATION GAIN BETWEEN 1970 AND 1973.

THE RESULT HAS BEEN THE DEMAND -- AND THE CONTINUING NEED -- FOR SMALLER UNITS, MORE ACCESSIBLE TO NEAR-BY INDUSTRY AND EMPLOYMENT OPPORTUNITIES.

ALL THIS IS FACT, BUT THE HOUSING INDUSTRY IS STILL DEPRESSED, AND YOU HAVE A RIGHT TO ASK WHAT HUD'S DOING ABOUT IT.

THE FIRST THING WE'RE DOING IS GIVING ALL-OUT SUPPORT TO PRESIDENT FORD'S ECONOMIC PROGRAM.

HOUSING RECOVERY IS TIED TO THE RECOVERY OF THIS COUNTRY'S OVERALL ECONOMY. UNLESS THIS NATION CAN HALT INFLATION AND REDUCE THE DISPARITY BETWEEN ACTUAL COSTS AND REAL INCOME, THE HOUSING INDUSTRY WILL NOT RECOVER.



ALL OF US KNOW THE BAD NEWS. THE GOOD NEWS IS THAT THE PRESIDENT'S NATIONAL PLAN HAS ALREADY BEGUN TO TURN THE ECONOMY AROUND.

IN HOUSING, SALES OF NEW HOMES HAVE RISEN 37 PERCENT SINCE THE FIRST OF THE YEAR. THERE HAS BEEN A 40 PERCENT IMPROVEMENT IN THE LEVEL OF HOUSING STARTS.

THE SECOND THING WE'RE DOING IS FOLLOWING THROUGH ON THE ADMINISTRATION'S FORCEFUL INITIATIVE TO ENSURE GREATER AVAILABILITY OF MORTGAGE CREDIT FOR PERSONS OF MODERATE MEANS.

IN THE PAST 18 MONTHS, HUD HAS OFFERED \$15.5 BILLION TO PURCHASE OVER 500,000 MORTGAGES BEARING INTEREST RATES THAT ARE BELOW THE MARKET RATE. TODAY THAT IS 7-1/2 PERCENT WHILE THE MARKET IS AT ABOUT 9 PERCENT.

FOR THE FAMILY NEEDING A \$35,000 MORTGAGE, A 7-1/2 PERCENT TANDEM MORTGAGE INSTEAD OF A 9 PERCENT MARKET MORTGAGE, SAVES IT \$9,500 OVER THE LIFE OF THE MORTGAGE OF ABOUT \$20 A MONTH.



THIS PROGRAM HAS COMPENSATED TO A SIGNIFICANT DEGREE FOR THE RAPIDLY RISING COSTS OF HOME FINANCING AND HAS THUS SERVED TO CUSHION THE SEVERITY OF THE DEPRESSION IN HOUSING.

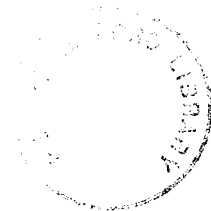
THE THIRD THING WE ARE DOING IS REACTIVATING HUD'S HOMEOWNERSHIP SUBSIDY PROGRAM -- IN SUBSTANTIALLY REVISED FORM.

TO SPUR NEW CONSTRUCTION AND SUBSTANTIAL REHABILITATION OF SINGLE-FAMILY HOMES FOR LOW AND MODERATE INCOME FAMILIES AND

TO EXPAND OWNERSHIP OPPORTUNITY FOR THOSE INCOME GROUPS WHO HAVE TRADITIONALLY BEEN PURCHASERS OF NEW HOMES BUT WHO HAVE BEEN OF LATE PRICED OUT OF THE MARKET BY THE INFLATIONARY SPIRAL.

THE PROGRAM WILL FOCUS ON NEW AND SUBSTANTIAL REHABILITATION AND WILL INVOLVE \$264.1 MILLION IN NEW CONTRACT AUTHORITY.

BY TOTAL INDUSTRY YARDSTICK, \$264.1 MILLION MIGHT SEEM LIKE A SMALL PATCH ON THE ROOF. BUT, IT'S ENOUGH TO SUBSIDIZE MORE THAN 250,000 NEW UNITS OF HOUSING.



AND, 250,000 UNITS TRANSLATES INTO ABOUT SIX-AND-ONE-HALF BILLION DOLLARS IN NEW CONSTRUCTION ACTIVITY AND THE CREATION OF MORE THAN 500,000 NEW CONSTRUCTION JOBS.

CERTAINLY, I AM NOT TELLING YOU THAT THESE THREE FEDERAL PROGRAMS WILL MAKE EVERYTHING COME UP ROSES IN THE HOUSING INDUSTRY THE DAY AFTER TOMORROW.

WE WILL NEED TO CONTINUE TO USE THESE PROGRAMS -- WITH CAUTION -- WITH AN EYE ON THE TOTAL ECONOMY.

WE KNOW THAT IF WE MAKE EXCESSIVE USE OF THESE STIMULANTS, WE WILL INJURE THE HOUSING INDUSTRY JUST AS IT IS REGAINING ITS HEALTH.

WE ALL KNOW THAT BY REQUIRING MUCH GREATER TREASURY BORROWING WE WILL DRIVE UP THE COST OF MORTGAGE MONEY GENERALLY AND DRIVE AWAY THOSE HOMEBUYERS WHO WOULD OTHERWISE HAVE ENTERED THE MARKET.

THE INDUSTRY IS FORGING AHEAD. THE UPWARD CURVE IS SAW-TOOTHED, BUT IT IS DEFINITELY SAW-TOOTHING ITS WAY IN THE RIGHT DIRECTION.



-12-

IN SHORT -- YES, WE HAVE PROBLEMS. LOTS OF THEM --
SOME OF THEM AGONIZING.

BUT, WE FACE A CHALLENGE. ONE THAT IS WORTHY OF --
AND INDEED SURMOUNTABLE WITH THE APPLICATION OF ALL OF OUR
ENERGY, INGENUITY AND HORSE SENSE.

THANK YOU.

