

AGENDA  
Domestic Policy Council  
Monday, February 7  
5:30-6:30 p.m.

PLEASE NOTE THAT THE TIME FOR THIS AND ALL MEETINGS HEREAFTER  
WILL BE 5:30-6:30 P.M. IN THE ROOSEVELT ROOM.

School to Work

Secretary Reich  
Secretary Riley

Urban Strategy  
(see attachment)

Secretary Cisneros

National Service

Eli Segal

Intergovernmental Report

Marcia Hale

Updates:

Drug Control Strategy  
Homelessness Coordinated Plan

DUE TO THE HOLIDAY, WE WILL NOT MEET ON MONDAY, FEBRUARY 21. THE  
NEXT MEETING WILL BE HELD ON MONDAY, FEBRUARY 28, 5:30-6:30 P.M.  
AND WILL THEREAFTER CONTINUE WITH THE BI-WEEKLY SCHEDULE. Please  
remember to call Rosalyn Miller at 456-2216 by the close of  
business Wednesday, February 23 with suggested agenda items.

cc: Mack McLarty  
Phil Lader  
Ricki Seidman  
Mark Gearan  
Christine Varney  
Katie McGinty  
DPC Staff

DPC MEETING ON MONDAY, FEBRUARY 7, 1994

CONFIRMED AS OF FRIDAY, FEB. 4, 1994

SEC. RICHARD RILEY  
SEC. REICH  
ELI SEGAL

HON. FEDERICO PENA

HON. DONNA SHALALA

HERSHEL GOBER

*for* →

HON. JESSE BROWN

TOM COLLIER

*for* →

HON. BRUCE BABBITT

HON. HENRY CISNEROS

HON. JANET RENO

HON. LEE BROWN

JACK QUINN

JOE STIGLITZ

*for* →

HON. LAURA TYSON

KRISTINE GEBBIE

ALICIA MUNNELL

*for* →

HON. LLOYD BENTSEN

KATIE MCGINTY

SUE TIERNEY

*for* →

HON. HAZEL O'LEARY

THE WHITE HOUSE  
WASHINGTON

February 3, 1994

MEMORANDUM FOR THE DOMESTIC POLICY COUNCIL

FROM: *CHR* Carol H. Rasco, Assistant to the President for  
Domestic Policy

SUBJECT: Meeting Agenda for February 7, 1994

NOTICE

The President, as the Chair of The Domestic Policy Council, has asked that a working group of the Domestic Policy Council be established to work on the Congressionally mandated urban report/strategy. HUD will be the lead agency and will serve as chair of the working group. Each member of the DPC wishing to have a member on the working group is asked to fax, as soon as possible, to Rosalyn Miller (456-2878) the name of a representative to serve on the group. In the case of Departments, it is recommended that these representatives be at the Assistant Secretary level. There will be a brief general discussion of the attached draft at the DPC meeting as noted on the agenda; HUD then plans to very quickly call the first meeting of the working group.

DRAFT OUTLINE OF THE POLICY FRAMEWORK FOR THE PRESIDENT'S  
NATIONAL URBAN POLICY REPORT (REVISED 2/2/94)

THE PRESIDENT'S  
COMMUNITY EMPOWERMENT STRATEGY

The Problem

The changing structure of the U.S. economy is increasingly concentrating poverty and unemployment among racial minorities in the inner cities and a growing number of suburban communities. These changes are impeding our national economic growth through the loss of human resources and labor productivity.

In addition, problems such as joblessness among African-American youth and men, rising teenage pregnancy and single-parent households, children in poverty and poor health, homelessness, welfare dependency, and crime are diminishing the quality of life throughout metropolitan areas. Many urban communities and low-income people must be brought back into the mainstream of American life with decent jobs, stable families, adequate health care, affordable housing, and accessible transportation.

The Goals

The primary goals of the President's Community Empowerment Strategy are to create economic opportunity and ensure that residents of distressed communities share in the benefits of economic growth. Our most urgent task is to restore to every American the conviction that if they work hard, they will be rewarded -- the absolute, unshakable belief that they can make their future better. We cannot do that without a community-based effort and without a partnership with employers all across the country. Three principles for reaching these goals are:

1. Every American should have real opportunities and choices for where they live and work.

People should be able to choose, and be fully responsible for the choices they make. If they wish to live and work in the inner city, that should be their choice. But living amidst drug dealing, violence and deterioration is not a real choice -- no one should be forced to live in such conditions. On the other hand, if people want to live and/or work in other parts of the metropolitan area, but are prevented from doing so by discriminatory housing practices, unfair mortgage lending, job discrimination, and lack of affordable transportation, then they also have no real choice. To achieve real choices, we must work on parallel tracks - - revitalizing distressed communities, providing access to metropolitan job markets, and promoting residential

mobility and fair housing. To achieve real choices, individuals must take responsibility for their lives, their families, their workplaces and their communities.

2. Every community should encourage active participation in local decision-making and civic culture to increase economic opportunity and enhance quality of life.

Communities should be able to choose their destiny and move through dynamic transitions to reach their goals. To successfully make these changes they must include all of the community's residents, organizations, and institutions, public and private, in local decision-making and community partnerships. The voices of the disadvantaged and disenfranchised should be part of this community collaboration. Promoting basic values of work, responsibility, family, and community is the basis for reviving and sustaining civic culture. We need to care for our neighbors and create an environment of mutual respect. Local government, private business, community organizations and residents in partnership with the Federal government and the States, must be part of this new social contract, working together to revitalize distressed neighborhoods.

3. Every American who needs help should be able to step up a ladder of opportunity and climb toward self-sufficiency.

This means giving people a hand-up, not a hand-out. For example, it involves helping residents of distressed communities move from welfare dependency to gainful employment. It can also include helping low-income tenants move to homeownership, and helping homeless people move from the streets to permanent housing and jobs. This principle requires policies that are dynamic and provide movement upward to something better, rather than static services. It means diverse government agencies and functions coming together to help people climb from one step of the ladder up to the next, reinterpreting government's role as preparing people for the next stage.

## Chapter I. The Economic Context

The first chapter introduces the report and provides the macroeconomic context. A healthy national economy is essential for the success of the President's community empowerment strategy. This chapter examines national economic growth policies that benefit distressed communities, including:

- A. Reducing the Federal Budget Deficit
  - o Maintaining business confidence, keeping interest rates and inflation low, and promoting new private and public investment
- B. Increasing Economic Growth and Productivity
  - o Improving investment in human and physical capital in distressed communities.
  - o Investing in new technology, the National Information Infrastructure, and other essential capital improvements.
  - o Promoting housing production and homeownership to strengthen the economic recovery.

## Chapter II. Expanding Real Choices for Where People Live and Work

To achieve real choices, we must work on parallel tracks -- revitalizing distressed communities, providing access to metropolitan job markets, and promoting residential mobility and fair housing. Individuals must take responsibility for their lives, their families, their workplaces and their communities. The second chapter explains policies and programs designed to increase real choices for where people live and work, including:

- A. Improving Education, Job Training, and Employment Opportunities
  - o Providing for reemployment initiatives to adapt the workforce to a changing economy, including Temporary NAFTA Assistance, a comprehensive dislocated workers program, One-Stop Shop for Employment Assistance, profiling for unemployed workers, income contingent education and training loans, and Excel Accounts.

- B. Increasing Residential and Job Choice
  - o Expand metropolitan fair housing initiatives and residential mobility programs.
  - o Aggressively enforce laws and regulations for fair housing, fair lending and insurance, and equal employment opportunity.
  - o Increase nationally portable rental assistance linked to employment and housing search services and mobility counseling.
- C. Establishing Universal Health Care Coverage
  - o Ensuring basic medical services for every american supports individual income security and residential and job mobility
- D. Expanding Transportation Mobility
  - o Improve access to metropolitan employment and housing markets through innovative public and private transportation investment.

Chapter III. Promoting Community Economic Development and Quality of Life.

To strengthen economic opportunity and quality of life, communities should encourage active participation in local decisionmaking. Promoting values of work, responsibility, family, and community is the basis for reviving and sustaining civic culture. Local government, private business, community organizations and residents, in partnership with the Federal government and the States, must be part of a new social contract: everyone working together to revitalize distressed neighborhoods. This chapter covers a wide range of policies and programs designed to improve community life, including:

- A. Expanding Private and Public Investment in Cities and Distressed Communities to Create Jobs, Rebuild Infrastructure, and Support Community Development
  - o Creating Empowerment Zones and Enterprise Communities -- if we are to ensure the economic rebirth of distressed communities, we must create a full partnership between the private sector, government, and the communities themselves.

- Providing access to capital, credit, and banking services through regulatory actions to ease the credit crunch, strengthening the Community Reinvestment Act, and supporting the growth of Community Development Financial Institutions.
- Supporting economic development projects with gap financing for essential retail outlets in distressed communities.
- Targeting small and minority business assistance with Small Business Administration One-Stop Capital Shops, Minority Entrepreneurship, and expanded Microenterprise Loans.
- Encouraging innovative investment partnerships with pension funds, financial institutions, State and local finance agencies, government-sponsored enterprises such as Fannie Mae and Freddie Mac, and other sources of investment and credit.

#### B. Reducing Crime

- Put 100,000 police officers on the streets to work with communities that need them most
- Increase Federal, State, and local public and private support for Community Policing, Boot Camps, Safe Schools, weapons legislation, and grass roots anti-crime initiatives for public and government-assisted housing and distressed neighborhoods.
- The Safe Schools initiative will help provide a more secure environment for young people to learn and grow and communities to support education programs.

#### C. Creating More Affordable Housing and Homeownership

- Provide investment incentives for affordable housing and homeownership, including Federal Low-Income Housing Tax Credits and State and Local Mortgage Revenue Bonds.
- Strengthen Federal Housing Administration Mortgage Insurance Programs and create no down payment financing for revitalizing urban neighborhoods with affordable homeownership.



- o Initiate risk-sharing credit partnerships with government-sponsored enterprises and State housing finance agencies.
- o Improve public housing developments and turn around distressed housing and neighborhoods through the Urban Revitalization Demonstration.

#### D. Improving Community Health Services

- o Expanding the services provided by essential Community Providers under Title I(E)(3) of the Health Security Act.
- o Providing funding for Academic Health Centers.
- o Expanding health services for medically underserved populations by funding community and migrant health centers and initiatives for access to health care.

#### E. Improving Education

- o Tighter targeting of Chapter I funds will assure that schools in poor communities have the resources targeted to meet the Goals 2000 plan.

#### F. Supporting Comprehensive Community Planning for Transportation, Land-Use, Environment, and Economic Development.

- o Renew the national commitment to mass transit, innovative land-use planning, and rebuilding infrastructure to improve community accessibility and services.

#### G. Expanding Opportunities for Community Involvement through National Service and Other Methods

- o Strengthening community organizations through the National Community Development Initiative and the Community Viability Fund.
- o Promoting community service through the National Service program and federal Community Services Grants.

- o Encouraging community participation in Empowerment Zones and Enterprise Communities.

Chapter IV. Moving up Ladders of Opportunity and Self-Sufficiency.

This chapter is about giving people a hand-up, not a hand-out. It focuses on dynamic policies that provide movement to something better, enabling people to make transitions in their lives, climbing from one step of the ladder to the next -- to better jobs, housing, health, and safe communities. The chapter discusses key policies and programs that support successful transitions, including:

- A. Reforming Welfare and Making Work Pay.
  - o Increasing the Earned Income Tax Credit to reduce economic dependency and expand self-sufficiency
  - o Transforming welfare from a dependency trap to an opportunity gateway by firmly linking income support to education, job training, and employment assistance.
  - o Supporting the move from welfare to work by providing child care and universal health coverage
  - o Reduce the need for welfare by promoting parental responsibility and preventing teenage pregnancy.
  - o Strengthen child support enforcement so that noncustodial parents pay more of the costs of raising their children.
- B. Increasing Self-Sufficiency and Career Ladder Opportunities
  - o Providing opportunities for at-risk youth and ex-offenders in low-income areas to obtain skills and enter the job market through programs such as Youth Fair Chance, Youthbuild, Job Corps, and Jobs for Residents.
  - o The School-To-Work transition program will develop a high quality system to prepare youth for lifelong learning and career advancement.
  - o Increasing availability of Family and Medical Leave, and Child and Elder Care services, to

support family life along with successful jobs and careers.

- o Expanding the Head Start program will improve education opportunities for low-income children in poor communities.

#### C. Expanding Homeownership Opportunities

- o Provide homeownership vouchers to low-income families and expand homeownership counseling and the National Homeownership Trust.

#### D. Reducing Homelessness through Continuum of Care

- o Expand innovative and comprehensive local efforts using the Continuum of Care approach -- help homeless people get off the streets into decent emergency shelters, assist them in moving to transitional housing and services, and then to permanent housing and jobs.

#### E. Improving Health

- o Providing grants for substance abuse programs.
- o Increasing childhood immunization to prevent disease and protect the health of low-income children.

### V. Reinventing Community Governance

This chapter is about implementing the President's community empowerment strategy. It explores the role of government, business, and community institutions in forming innovative partnerships and building bridges for effective action. These new approaches involve reinventing service delivery for greater efficiency and flexibility, promoting performance-driven management, and reaching across all levels of government, including:

#### A. The President's Community Enterprise Board

- o Streamline existing programs to help each community realize its own strategic revitalization plan. Through regulatory and program flexibility and waivers, the Federal government will help communities become laboratories for change, encouraging comprehensive vision, innovative local and metropolitan partnerships, and community-

oriented private sector entrepreneurship and investment.

- B. Performance Agreements and Results-Oriented Government
  - o The President will sign Performance Agreements with cabinet secretaries and agency administrators to create results-oriented government, greater cooperation, higher performance, and more public accountability in management, program, and service delivery.
- C. Cross-cutting Initiatives and Interagency Cooperation
  - o Encourage the development of links between human development strategies in education, health, and job training, with physical development strategies in housing, transportation, and community development.
- D. Regulatory Waiver Authority and Local Flexibility
  - o Emphasize the need for bottom-up, collaborative strategies through regulatory waiver authority and local flexibility to solve problems. State and local regulations can be just as burdensome as federal ones. A real partnership and flexibility at all levels of government is needed to revitalize communities.
- E. Local Demonstration Projects and Innovative Community and Metropolitan Partnerships
  - o Empowering local initiative to experiment with new ideas and to link distressed communities to metropolitan regional development.
- F. The President's Fair Housing Council
  - o Bring together cabinet departments, law enforcement agencies, and financial regulators for the first time to focus on coordinated and comprehensive efforts to expand equal opportunity and residential choice, working in partnership with state and local government, private business, and nonprofit groups.