

**NLWJC - Kagan**

**DPC - Box 058 - Folder-002**

**Urban Policy - US Conference of  
Mayors**

Urban - US Conf. of Mayors

Draft 6/20/97 9:00pm

**PRESIDENT WILLIAM J. CLINTON  
U.S. CONFERENCE OF MAYORS  
SAN FRANCISCO, CALIFORNIA  
JUNE 23, 1997**

Acknowledgments: Sec. Cuomo; Sec. Herman; Sec. Slater; Sen. Barbara Boxer; Rep. Zoe Lofgren; Mayor Daley; Mayor Willie Brown; Mayor Helmke; Tom Cochran. *Announce intention to nominate Sol Ramirez, mayor of Laredo Texas, to be Assistant Secretary of HUD for Community Planning and Development.*

I want to congratulate the Conference of Mayors for choosing San Francisco as the site for this year's meeting. It isn't very hard to see why year after year, San Francisco is one of the world's most visited cities. From the Moscone Center to 3Com Park, from Twin Peaks to Coit Tower, from its thriving waterfront to its stunning coastline, San Francisco is a great city in a nation of great cities.

I want to talk to you today about the vitally important role all of our nation's cities will play as we prepare our country to meet the challenges of the 21st century. Throughout our history, cities have been the gateway to hope and opportunity for millions of Americans, and for millions of immigrants who came to our shores in search of a better life. Our cities have always been symbols of the economic progress and cultural achievement that has made America the envy of the world.

Today, our cities are still centers of commerce and culture, science and technology, education and the arts. New waves of immigrants are starting new businesses and bringing new energy to many of our largest urban centers. Our cities and the suburbs around them are home to almost 80% of the American people, and they contain close to 85% of America's jobs.

Now, at the dawn of a new century, we must make sure that our cities are the engines of opportunity and progress that will drive our success in the global economy of the 21st century. And the key is empowerment -- giving cities and citizens the tools they need to succeed.

*[Over the last four-and-a-half years, we have worked together to revitalize our cities. One of the things we should be most proud of is the progress we have made in turning back the tide of violent crime that threatens too many of our cities. Our strategy of more police, tougher punishments and fewer guns in the hands of criminals is making a difference. Last year we saw the largest drop in violent crime in more than three-and-a-half decades. Murders dropped a stunning 11 percent in 1996. Cities all around the country, including San Francisco, are experiencing*

*dramatic declines in their violent crime rates.]*

*[The Brady Bill has kept 250,000 felons, fugitives and stalkers from purchasing handguns. You stood with us to pass this important legislation, and it has been critical to our success. This morning, the Supreme Court ruled part of the Brady Law unconstitutional. I am deeply disappointed by the Court's decision. But let me be clear: Today's ruling should not mean an end to the background checks that are helping keep our streets safe. Twenty-seven states, including California, now conduct background checks as a matter of state law and will continue to do so. Today, I have instructed Attorney General Reno and Treasury Secretary Rubin to make sure police departments across the country know that they can keep conducting Brady background checks on a voluntary basis.]*

*[Our goal is clear: No background check, no handgun. And I will continue to do everything in my power to keep handguns out of the hands of criminals and to keep our cities safe.]*

*OR [The Brady Bill has kept 250,000 felons and fugitives from purchasing handguns. You stood with us to pass this important legislation, and it has been critical to our success. This morning, the Supreme Court upheld the Brady Law. This is a victory for all Americans.]*

Safe streets are only one part of our strategy to make our cities thrive. We must create the economic conditions that will bring business, jobs and people back to our cities . . . and keep them there. Our economic strategy is simple: reduce the deficit, invest in our people, and open the world to trade. It is designed to stimulate private sector growth, to help America move from the industrial age to the information age, and to make sure all of our people could benefit from the new opportunities of the new economy.

Today, our economy is the strongest in a generation -- and for the first time, the effects of this economic revival are being felt all around the country. Unemployment has dropped below 5% for the first time in 24 years, with the largest decline in income equality since the 1960s. We have cut the deficit by 77% -- from \$290 billion the day I took office to less than \$70 billion this year. And now, with the balanced budget agreement I have reached with the leaders of Congress, the deficit is heading to zero.

*[The Supreme Court's decision today to strike down the line item veto deprives the President of a valuable tool to help keep the budget in balance and ensure that we put our public funds to the best possible uses. It will make the job of balancing the budget more difficult, but it will not deter us from that goal].*

*OR [The Supreme Court's decision today to uphold the line item veto gives*

*the President a valuable tool to help keep the budget in balance and ensure that we put our public funds to the best possible uses. It is a victory for all Americans.]*

America's cities reflect the progress we have made in the last four and a half years. Today, Secretary Cuomo has released a "Report on the State of American Cities" that documents the real progress our cities have made, but also identifies the real problems that we still face. It lays out a comprehensive urban agenda that will empower citizens and local governments to meet their challenges and bring our cities into the 21st century, stronger than ever.

Instead of imposing solutions from Washington, we are empowering communities and people to work with us as they solve their own problems. This strategy is working. As Secretary Cuomo's report makes clear, after decades of decline, the last four years have shown the first real economic resurgence in our cities since World War II. In America's 50 largest cities, the unemployment rate has been cut by nearly a third. Because of the disciplined leadership of so many people in this room, the fiscal health of our cities is stronger than it has been in decades. More downtowns are coming back to life, with sports and tourism and local business all booming.

There is much to be proud of -- but there is much to do. America has produced more than 12 million jobs in the last 4-1/2 years, but more and more of those jobs are being created in the suburbs, not in our cities. At the same time, hundreds of thousands of people in our cities are struggling to move from welfare to work. And our cities are still a gateway to opportunity for new waves of immigrants all in need of jobs. Meanwhile, the migration of middle class families of all races from cities to suburbs continues.

The first thing we must do to make sure that our cities can overcome these problems is give them the tools to attract businesses and jobs. We have already created 105 Empowerment Zones and Enterprise Communities -- providing a powerful combination of tax incentives and freedom from government red tape -- to leverage the power of the private sector, and create jobs and opportunity where both have been absent for too long.

Our Community Development Financial Institutions initiative is infusing our cities with the capital that entrepreneurs need to start new businesses, expand existing ones, and create jobs. And our Brownfields National Partnership is creating jobs and attracting new businesses by cleaning up contaminated sites that were the shame of our cities and converting them into productive assets.

The historic bipartisan budget agreement we reached with Congress last month expanded Empowerment Zones, Enterprise Communities, and Brownfields tax incentives. These initiatives are essential to the health of our cities. But the tax plans put together by the House and Senate fail to live up to this deal. That is

wrong. I want every one of you to make it clear to the people who represent you in Congress that you expect them to honor this agreement and their commitment to the health of your cities.

The second thing we must do to revitalize our cities is create jobs for the one million people who we have pledged to move from welfare to work by the year 2000. That is why I fought for a \$3 billion welfare-to-work job challenge fund in our balanced budget that specifically gives cities the resources they need to help get and keep good jobs. I also fought for a new welfare-to-work tax credit that will give private employers extra incentive to hire long-term welfare recipients.

I am very pleased that working together with Members of Congress of both parties, we have made sure that funds will go directly to cities and other communities where so many welfare recipients live. I am also pleased that we reached bipartisan agreement to restore benefits to legal immigrants who work hard and play by the rules, and I strongly urge the Congress not to renege on any part of this deal.

The third thing we must do is to make our cities places that anyone would be proud to call home . . . and make it easier for people to buy homes in our cities. Homeownership is one of the best ways to empower local residents, to give them a stake in the community, and to increase the bonds that tie people together. So far, our successful economic strategy has helped 2.5 million people across America to become new homeowners. But, not enough of these homes are in our cities.

In the last four years, we have reduced FHA mortgage premiums three times to lower the average closing cost on a new home by \$1,200. Today, I am happy to announce that we are cutting the premium by an additional \$200 for families who buy in our central cities, bringing the total reduction in closing costs to \$1400. This could make all the difference to a family struggling to escape the spiral of renting.

And there is even more that we can do to promote homeownership in our cities. Many of the hard-working families who receive Section 8 rental assistance are ready to assume the responsibility of owning their own homes . . . and they deserve a chance to do it. There is now bipartisan legislation before Congress to allow many of those families to use their Section 8 vouchers to help buy a home. And today, I am happy to announce that Freddie Mac will help us launch this important initiative by financing up to 2,000 of these mortgages.

Fourth, we have made remarkable progress in reducing crime and restoring peace and security to our cities. *[IF NO BRADY ANNOUNCEMENT: Our strategy of more police, tougher punishments and fewer guns in the hands of criminals is making a difference. Last year we saw the largest drop in violent crime in more*

*than three-and-a-half decades. Murders dropped a stunning 11 percent in 1996. Cities all around the country, including San Francisco, are experiencing dramatic declines in their violent crime rates].*

You and I know that community policing and our efforts to fight violent youth gangs have been critical to our success. That is why we are moving forward toward our goal of putting 100,000 new police officers on our streets. And that is why I will continue to push for real juvenile crime legislation that guarantees more prosecutors, probation officers, and afterschool programs for at-risk young people.

The "every day" presence of police on our streets has made a huge difference to the safety of our communities. We can increase that presence even more by encouraging police to live in the communities they serve. Today, I am pleased to announce that we are taking steps to do just that. In the coming year, we will offer law enforcement officers in designated areas a 50% discount on 2,000 HUD-owned single family homes in our central cities. More police on the beat have made our neighborhoods feel like home again -- just think what it will be like when more of our police make our neighborhoods their homes.

The fifth thing we must do is to improve our cities schools and make sure that all of our children -- no matter where they live -- get the best education in the world. That is why I made education my number one priority. But one of the main reasons families leave our cities is because they don't believe that city schools are doing a good enough job. We have challenged all of our schools to set and meet high national standards -- and our cities' schools are no exception. Each of us has an obligation to help our children reach those standards. That is why cities must have the flexibility to close down schools that aren't meeting those standards.

I am pleased that Mayor Daley and the city of Chicago has moved aggressively to stop social promotion once and for all, and to take over schools that are failing. I am strong supporter of public education, but I do not think that we must defend or accept schools that aren't making the grade. We need to turn them around, not just in Chicago, but all over the country.

Finally, we must do more to deal with the scourge of AIDS that has gripped so many of our cities. Last month I issued a call to find an AIDS vaccine within the next ten years. Yesterday in Denver, the other leading industrialized nations pledged to help us meet that challenge. Last week, the Department of Health and Human Services announced comprehensive new guidelines to help people with HIV and AIDS get the most up-to-date information on the dramatic new drug combination therapies -- including protease inhibitors -- that are helping to prolong lives. People with HIV and AIDS deserve the best possible care; this guide will help them get it.

Today I have outlined our urban agenda for the 21st Century, and I look forward to working with you in the coming years to put it into action. For 4-1/2 years, the Department of Housing and Urban Development has been your partner as we have worked to make our cities better and brighter than they have ever been. But it wasn't always that way. Before I took office, HUD was a symbol for overblown democracy -- a poster child for the failed policies that sapped our cities of their vitality. We changed all that -- and we are not through yet.

Six months ago, I directed Secretary Cuomo to undertake a complete overhaul of HUD and transform it into an engine of empowerment. I am proud to say that he has developed a plan to make HUD smaller, leaner, and better. And I know that he will make the new HUD the best partner you have ever had.

Economic empowerment, jobs for all who can work, citizen involvement in fighting crime, good schools, homeownership -- these are the best ways to create equal opportunity and a sense of community. And they are key to our mission of creating One America in the 21st century.

America's cities are clearly at a crossroads. If we do nothing, they will surely fall into decline and despair. But if we act with vision and courage, we will make them flourishing examples of America at its best. In the 21st century we know that America will be more multiracial, multicultural and multireligious than at any time in our past. This growing diversity is already taking root in our cities. And it must be a source of strength, not division.

*[We must do everything we can to promote greater tolerance and freedom, including religious freedom. That is why I am pleased by today's Supreme Court decision upholding the Religious Freedom Restoration Act. Throughout our history, men and women have come to this nation to escape religious persecution and secure the precious freedom to choose whether and how to worship. This legislation assures that the religious liberties of all Americans will be strongly protected.] or...*

*[We must do everything we can to promote greater tolerance and freedom, including religious freedom. Today the United States Supreme Court held part of the Religious Freedom Restoration Act unconstitutional. We will study that opinion closely. Religious freedom is central to the American system of liberty. Throughout our history, men and women have come to this nation to secure the precious freedom to choose whether and how to worship. This legislation reaffirmed that right. Although we are disappointed by the Supreme Court's ruling, we will continue to work to protect religious liberty to the fullest extent the Constitution allows.]*

In this new era, our cities must be the wellspring of a renewed sense of citizenship that unites us across all our differences. We must define what it means

to be an American by the duty we owe one another, and by the values and dreams we all share. It would be a terrible mistake for any group of Americans -- one city, one neighborhood, even one block -- to build walls of division, separating neighbor from neighbor.

It will take all of us, working side by side, to build the cities of our future. America's great mayors and great cities will lead the way. You are already showing us in so many ways how to live and work and grow together. You are sending a message to all Americans -- and to all the world -- that America's cities are on the rise, united in their diversity, providing opportunity for all of their people, and poised for greatness in the 21st Century.

Thank you and God bless you all.



Urban -  
US Cont. of Mayors

## **The Freddie Mac Section 8 Homeownership Empowerment Voucher Pilot Program**

### **Announcement**

Today, Freddie Mac has agreed to help make Homeownership available for up to 2,000 low income people through an innovative program proposed by the Clinton Administration. To help guarantee the success of the Administration's proposal to permit the use of Section 8 rental subsidies as Homeownership Empowerment Vouchers, Freddie Mac, in partnership with the Department of Housing and Urban Development, will participate in a demonstration program to help provide financing for 1,000 to 2,000 lower-income families to purchase their own homes. This project will help make mortgage funds available to working, lower-income families across the country who have demonstrated the ability to manage their finances but have not had the means to purchase a home.

### **Background**

Under an administration proposal currently awaiting action by Congress, working lower-income families that qualify for HUD's Section 8 rental housing assistance could instead request Empowerment Vouchers to help reduce the gap between the amount the family can afford and the monthly payment on a mortgage.

Under the Freddie Mac pilot program, first-time homebuyers will obtain mortgages for up to 97 percent of the value of their home, with the Mortgage Guaranty Insurance Corporation providing private mortgage insurance on the loans. It is anticipated that a reasonable amount of funds for the down payment will be contributed by the family. The remainder of the down payment, and other funds necessary to close, may come from state or federal programs, gifts, or grants. The borrower will contribute a reasonable percentage of his or her income towards housing costs; the balance of the monthly mortgage payment will be provided through the Empowerment Vouchers. The borrower will receive comprehensive homeownership counseling before and after the purchase.

Participation by Freddie Mac, a leading secondary market agency, and MGIC, a leading mortgage insurer, is important because the underlying mortgages to be used with the Empowerment Vouchers will be originated by private mortgage lenders. These lenders require mortgage insurance and secondary market investors in order to originate the loans.

President Clinton and HUD Secretary Andrew Cuomo propose to provide responsible working families with the option of using Empowerment Vouchers because homeownership is an important component of an urban revitalization strategy. Homeownership encourages self-sufficiency, allows families to develop community ties and support networks, encourages the formation of household assets, assures continuity of schooling for children, stabilizes distressed neighborhoods, and equalizes housing opportunities for minorities, whose homeownership rates are far lower than those of the nation as a whole.

## Analysis of Key Domestic Policy Resolutions Proposed by U.S. Conference of Mayors

### 1. Welfare Reform -- US Conference of Mayors Resolution

#### Welfare Reform Implementation (Res. # 21)

The U.S. Conference of Mayors adopts the recommendations of the Task Force on Welfare Reform Implementation as its policy, specifically to:

- educate and support mayors by providing them information on welfare reform developments at the state and federal level;
- identify how existing programs and revenue streams can be rationalized to allow communities to help build economic opportunities for all residents;
- monitor welfare reform implementation in cities;
- shape federal legislation to restore cuts in immigrant assistance and the food stamp programs and establish welfare-to-work initiatives; and

That the restoration of cuts in the area of immigrant assistance include restoration of food stamp and SSI benefits to the more vulnerable non-citizens living legally within the country, particularly the disabled, elderly and children, and continuation of Medicaid eligibility for those currently eligible;

That the restoration of food stamp cuts include restoration of food stamps to unemployed adults age 18 to 50 without minor children who cannot find a job or workfare slot and establishment of a hardship exemption from the employment requirement, an increase in the shelter deduction or repeal of the cap on it, and an increase in the standard deduction and vehicle asset limit; and

That the Congress pass and the President sign a \$3 billion welfare-to-work jobs program which provides funds directly to cities to the maximum extent possible, allows local officials maximum flexibility to develop programs that address local needs, including job creation, and does not discriminate between public and private sector jobs; and

That Congress pass and the President sign a targeted welfare-to-work tax credit which will help move people into private sector employment and which will cover expenses such as child care, health care, transportation, training, and other related services.

#### Description

The resolution agrees with the goal of reforming welfare with an emphasis on work, and favors creating a \$3 billion welfare to work program, enacting a targeted welfare-to-

work tax credit, and restoring benefits to legal immigrants. It also voices concerns about the end of the entitlement to assistance, the level of budget cuts in the welfare law, and whether there will be enough jobs for welfare recipients in many cities. It goes beyond the policy in the President's budget by supporting restoration of food stamp benefits for legal immigrants (we restored SSI and Medicaid, but not food stamps) and including SSI for non-disabled elderly legal immigrants, as well as the disabled.

### Administration Position

The Administration also favors a strong emphasis on welfare to work, including the \$3 billion welfare to work program first proposed by the President last summer. We agree with the mayors that cities should receive these funds directly to the greatest extent possible, and have been fighting for that position with Congress. We have generally been critical of the benefit cuts to legal immigrants, proposing in the President's budget a partial restoration of SSI and Medicaid benefits (although no restoration in food stamps), and winning much of this package in the budget agreement.

## **2. Education Resolution --U.S. Conference of Mayors Resolution**

### Mayoral Involvement In Education Partnership (Res. #16)

The United States Conference of Mayors believes that within the context of a collaborative partnership the following should be considered:

- a) Mayors should encourage the adoption of tough academic standards in schools.
- b) Schools should provide adequate training in the basic skills needed to succeed in the current and future job market.
- c) Through the city/school/business partnership, young people need to have many opportunities to develop relationships with adults.
- d) Many local businesses, especially small businesses, should be engaged in school-to-career efforts. Specific goals in terms of the number of placements should be established in these efforts.
- e) Mayors have a role in mobilizing the business community to assist in providing technology to the schools, wiring them, developing the curriculum and training teachers. In addition, mayors can assure that the technology is networked among the schools, libraries, and colleges and universities.
- f) Mayors, police chiefs and superintendents should identify initiatives which increase safety in and around schools and on school buses; and

That areas for specific collaboration and joint activity of mayors and superintendents include reading programs, technology, school construction, and renovation, social services, economic development, community schools/after-school programs and support for mayoral initiatives; and

That the U.S. Conference of Mayors strongly supports continued expansion of the Title I and school-to-career programs of the U.S. Department of Education; and

That the U.S. Conference of Mayors strongly supports increased funding within the U.S. Department of Education to spur new partnerships among mayors, schools, businesses, and the community, with such funding including a Mayor's Educational Initiatives Grant program and a "Labor-Management Partnerships" program; and

That the U.S. Conference of Mayors supports the President's school construction and renovation program, technology initiatives, and increased funding for after-school programs; and

That the U.S. Conference of Mayors should examine the impact of welfare reform on schools and identify efforts and activities to mitigate anticipated problems; and

That the U.S. Conference of Mayors should monitor research and efforts in early childhood programs and identify ways they can foster early learning programs.

### Description

The primary focus of the policy is on the role of Mayors in education partnerships. It essentially provides encouragement for mayors to carve out a role for themselves in education, working in partnership with local superintendents, regardless of whether the mayor has a formal governing role in K-12 education. In this context, it calls for Mayors to promote: the adoption of academic standards, business partnerships, school -to -work efforts, technology, and school safety initiatives. It also supports specific efforts with regard to reading programs, technology, school construction, and community schools/after schools programs. These are all consistent with the President's Call to Action.

### Administration Position

The Administration's education proposals are consistent with the Mayor's resolution. The Mayors, however, specifically cite the President's school construction initiative, which was not included in the Budget Agreement with the Congressional Leadership.

### **3. Health Care -- Conference of Mayors Resolutions**

#### Endorse the passage of Hatch-Kennedy children's health coverage plan (Res. #23)

The U.S. Conference of Mayors urges Congress to pass, and President Clinton to sign, the Children's Health Insurance and Lower Deficit Act of 1997, otherwise known as the Hatch-Kennedy Child bill.

#### Description

The Mayors have joined many children advocacy groups and other interest groups in supporting the Hatch-Kennedy children's health legislation. The cities have large numbers of uninsured children (and adults) who frequently end up in their overburdened public hospitals. The infusion of \$20 billion dollars in grants -- over and above the \$16 billion that the President secured for children's health care in the budget agreement -- would provide financial assistance for state and local governments in addressing this need.

#### Administration Position

The Administration opposed the Hatch-Kennedy children's health care bill, but only in the context of an attempt to add it to the balanced budget agreement. The President has stated his support for the goals of the Hatch-Kennedy children's health plan and reiterated his desire to work with Senator Hatch and Senator Kennedy to achieve them.

#### CDC Funding For Training and Technology Needed by Local Public Health Departments & Rationale For Needle Exchange (Res. #27 & 26)

Endorse option for local communities to decide for themselves on whether to use Centers for Disease Control (CDC) block grant dollars for needle exchange programs, among other interventions, to help prevent spread of AIDS.

#### Description

San Francisco Mayor Willie Brown, Jr. sponsored this resolution because of its importance to his city and his AIDS advocate constituents. It calls on the Secretary of the Department of Health and Human Services to use her authority to grant cities, at their own discretion, the ability to use a portion of their CDC allocated prevention block grant for needle exchange programs. The sponsors of the resolution believe that the evidence is overwhelming that these programs -- which San Francisco and many other cities fund out of their own resources -- are effective in reducing the spread of AIDS and do not increase the use of drugs.

## Administration Position

The Administration cannot authorize the use of Federal funds for needle exchange programs unless there is conclusive evidence that they reduce HIV transmission and do not encourage drug use. Although there is strong evidence indicating that needle exchange programs help reduce the spread of AIDS, we have not yet concluded our review on whether these programs increase the use of drugs. However, local communities remain free to use non-Federal funds to support such programs if they so choose.

### **4. Crime -- U.S. Conference of Mayors Resolutions**

#### The COPS Program (Res. 40)

The United States Conference of Mayors reiterates its support for the COPS program and its appreciation of the U.S. Department of Justice's effective administration of it; and

That the U.S. Conference of Mayors calls on Congress to reinstate the flexibility in the COPS program which was included in the original legislation and, in fact, to expand the portion of the funds which can be used in that manner so that localities will be able to have maximum flexibility in addressing local needs as they administer the program; and

That the U.S. Conference of Mayors call on Congress and the Administration to provide the additional funding necessary to continue officers hired through the program beyond the initial three years where local fiscal conditions would not otherwise permit it.

#### Description

Generally, the resolution praises the COPS program and how it has been administered by the Department of Justice. The resolution also calls for two changes: (1) for Congress to restore appropriations for the 15 percent of the COPS funds that can be used for non-hiring purposes; and (2) for the Administration and Congress to extend COPS grants to cities beyond their 3 years of funding in cases of fiscal hardship.

#### Administration Position

The Administration is generally supportive of this resolution. We have supported the flexible use of COPS monies and are about to waive the \$75,000 per-cop cap for cities that seek funding this year. However, we have not yet embraced extending COPS grants into future years. We have supported the flexible use of COPS monies, including use for non-hiring purposes.

## **5. Tobacco -- U.S. Conference of Mayors Resolutions**

### Reducing Tobacco Use By Young People (Res. #28)

The United States Conference of Mayors supports the Administration's initiatives to reduce access to cigarettes by young people, to educate them on the health risks of using tobacco and to enforce laws prohibiting the sale and distribution of tobacco products to people under 18.

### Description

The resolution acknowledges the President's goal of cutting tobacco use by youth in half over 7 years; notes the new FDA restrictions on tobacco sales to minors and the states' obligation under the Synar Amendment to enforce youth access laws; and states the Mayors' support for the Administration's initiatives to: reduce access to cigarettes by young people; to educate them on the health risks of using tobacco; and to enforce laws prohibiting the sale and distribution of tobacco products to people under 18.

### Administration Position

We favor the amendment (with minor technical changes). FDA's new rules ban sales to people under 18 and require retailers to check ID cards for people under age 27. The mayors' commitment to enforcing these provisions and their support for the Administration's efforts generally will be critical to meeting our common goal of dramatically reducing youth smoking.