

/* A press conference held on December 22, 1993 by the Secretary of Housing follows. Our statutes menu provides many statutes that provide funding for homeless programs. This press briefing contains many interesting facts-- for example, that 1/3 of applications are funded. */

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PRESS BRIEFING BY SECRETARY OF HOUSING AND URBAN DEVELOPMENT
HENRY
CISNEROS AND ASSISTANT SECRETARY OF HOUSING AND URBAN
DEVELOPMENT
ANDREW CUOMO The Briefing Room

3:20 P.M. EST

SECRETARY CISNEROS: Good afternoon, ladies and gentlemen. We are prepared to answer questions. With me is the Assistant Secretary of Housing and Urban Development, Andrew Cuomo. He's the Assistant Secretary in whose jurisdiction are most of the homeless programs. Let me just quickly recap.

Today the President has made an announcement of some 187 grants to 44 states in two different program areas. One of them is what's called Shelter Plus Care, which is as the name implies, shelter plus supportive services, and the sum of money in that program is \$297 million. The other program is SRO or single-room occupancy housing for singles, and the amount of money in that program announced today is \$113 million. This is 1993 funding that we were able to run the competition on our watch. That is to say, in this administration.

The request for applications went out in March. The applications came back in August. It was the largest number of applications ever received. We were able to fund about one-third of the number of applications. The review process went through the fall, and we have today been in position to make the announcements. We are now in the cycle where we will proceed with the 1994 applications ahead.

As I have said on any number of occasions, I'm very grateful to the President for the leadership he's given us on homeless issues and the funding priority that he has set on this subject. Year before last, the funding level was about \$550 million for homeless. Last year, Fiscal '94, it was \$823 million, and the lowest level of discussion we're having with the Office of Management and Budget, the most conservative assessment, is about \$1.1 billion now. We hope to increase on that, obviously, and one of the approaches that we will utilize is to use vouchers for the homeless, which many experts suggest is a means to be able to get persons into housing directly. That will, depending on how we do that and negotiate with the Office of Management and Budget, take us closer to what we have requested in the budget.

So that's -- yes ma'am.

Q I'm having a little difficulty understanding. This is money that's already in the pipeline.

SECRETARY CISNEROS: Correct. This is 1993 money, fiscal year ended October the 1st, and the application competition was run during the summer and ended roughly, September 1st, and the intervening months have been used to screen the heavy level of applications. And we're now in a position to make the announcement.

Q So, when they say -- the White House was saying this morning, the largest grant in history, it's actually the largest amount of money announced at one time.

SECRETARY CISNEROS: That's a correct statement. It's the largest single announcement about homeless funds and it's the largest allocations in these programs. And since the funding level that we've put forward -- \$823 million for all homeless programs at HUD -- was larger than ever, it's indicative of the priority given homelessness.

Q Just for the record, we saw reports, I think it was AP reports, about the memorandum that you had sent to the President outlining your ideas in urban policy; and there seem to be maybe some philosophical difference emerging between you and the President in terms of what should be done to the inner city. His emphasis is on crime, yours seem to be saying more funds and assistance should be to the inner city. Is there a difference there?

SECRETARY CISNEROS: Two quick things. First, I'm

not going to comment extensively on a communication that was in a sense private to the President. I just was sharing with him some ideas, some thematic directions and so forth. Secondly, there is no philosophical difference. And thirdly, what I was suggesting more was looking at the range of programs the President has already announced and basically packaging them or pulling them together into an urban fabric.

When you look at what this President has already put on the table in urban programs, not calling them urban necessarily, but putting on the table earned income tax credit, which promises to remove that category of Americans we call the working poor, permanent extension of mortgage revenue bonds -- hundreds of thousands of units of housing will come from that; permanent extension of the low income housing tax credits, which will draw hundreds of millions of dollars to housing from private investment incorporation. When you add to that national service, which is going to bring thousands of young people to work in central city neighborhoods and the efforts such as the Brady Bill, which will work in urban settings, as well as the commitment to add additional police officers, and you begin to pull all that together, as well as the things that lie ahead -- health care reform -- 37 million Americans are without health insurance; the majority of those live in urban settings, and today have no recourse but emergency room care; welfare reform, which will work in urban areas; strengthening of the Community Reinvestment Act; community development banks, you quickly get a feel for an urban agenda that can make a real difference in urban areas.

And I was simply suggesting in that memorandum not a philosophical departure, but a rhetorical approach to describing to mayors and people who live in urban areas that this administration is putting forth a pretty cohesive and, I think, effective urban strategy.

Q Would that also be a political approach?

SECRETARY CISNEROS: No, I would call it more a -- governing for a significant portion of America and describing what the administration is in fact already doing for urban areas.

Q Did you talk with him today about --

SECRETARY CISNEROS: No. Today was the day to announce this program, and that's where we focused today.

Q You've been out over the country, and you've

seen how these people live in these public housing places. What is your -- what do you think is the greatest weakness that we have now in our public housing program? Is it private management or what is it?

SECRETARY CISNEROS: Well, first of all, today we focused on homelessness. But let me switch and answer your question on public housing. I would say the greatest weakness in public housing today is our failure to keep up with the obsolescence of the stock and our failure to be able to continue to modernize. About 3.2 million units a year need work in rehabilitation or major modification modernization. And we've not been able to -- not \$3.2 million, \$3.2 billion worth of units. That's roughly the dollar figure that it takes just to keep up with modernization. And we've not been able to run at that pace. And frankly, probably won't in this budget either.

The second problem, quite apart from the physical condition, are the rules and the way in which public housing is structured today. For example, people's rent is so closely tied to income that when their income rises, their rent rises, and becomes a disincentive for people to work. We've got to change the very dynamics, the very motivations involved in public housing so that we encourage people to work, to get training. We encourage people to view it not as a permanent place, but as a platform from which to be able to move on to other aspects of life -- to be able to move on to other forms of housing.

So, what you will see from us in 1994 with respect to public housing is a concept that we're describing as transitions -- helping people move to a better life. And the whole kind of underpinning of rules and regulations and funding that helps us accomplish that is what we're going to try to do.

Q With all due respect, this is 1993 money. A cynical editor might ask, what's the big deal -- all you're doing is getting out money that's a year old. What's the news here?

SECRETARY CISNEROS: But a cynical reporter would not ask such a question.

Q A reporter wants to be ready to answer his editor. (Laughter.)

SECRETARY CISNEROS: The big deal is that the department has never been able to put all the programs together in such a way that they can be presented, and that it's legitimate

for the President of the United States to announce a major urban program of funds. It is, of course, well established in our government that the President makes announcements for his administration when large sums of money are to be presented, and that's what has occurred here today. We were ready to announce them. We've been focusing on homelessness. We think it's important to draw the President's voice to the subject and let his leadership show in an area where he has a sincere concern, and that's exactly what we've done.

Let me just say that --

Q Is it news that he himself has added his voice?

SECRETARY CISNEROS: I don't know what the news is. That's really for you to decide. But I will say this -- many Americans have not heard the President speak as profoundly as I have on this subject. And I will tell you that from the very first days that I came to office, literally on the day that he decided that I would be the Secretary, what he talked to me about more than anything else was homelessness. And in those early days, anytime he saw me privately or Assistant Secretary Cuomo, the questions that he asked about were homelessness. And he asked questions like, how long do you think it will be before we can make a difference? And what's it going to take to bring people in from the streets? And this is a real concern of his, and I think it's important at a time when editors and magazines and others are focusing on what they're calling the cynicism and frustration that the American people have about homelessness, that the nation will hear the President of the United States speak on the subject three days before Christmas. I think that's very appropriate.

Q What is causing this, generally -- causing it, it's increasing, and more children in it and everything?

SECRETARY CISNEROS: Well, I suspect that it's a variety of things. First of all, we've just come through a long and difficult recession, and companies are still laying people off. And so, a dimension of it is economic. I met yesterday with two homeless women here in the District of Columbia who described their situation as a result of pure economics. They had lost their jobs, they couldn't get a job, they had not way to pay rent, and nowhere to go. That's a part of it.

But we all know there are other factors -- drug addiction and the deinstitutionalization of persons who have been in mental institutions, the rising cost of housing so that the gap between what people can afford and what they can pay is greater

than ever before. All of those things are factors in homelessness that exist today.

Q Mr. Secretary, you talked about the lowest most conservative figure that you're dealing with in the budget talks now being \$1.1 billion for homeless programs. Are these -- is this new money going to come from other programs within HUD, is it going to come from other programs from somewhere else? Can you give us a little better idea of how this --

SECRETARY CISNEROS: I think that's probably best left to an overarching budget discussion when the administration presents its budget as to where exactly the sources of money come. All I can do is tell you what we've asked for and what OMB has concurred with in this particular subject area.

And I think it's very important to note that even if we stayed at this most conservative level of \$1.1 billion, that it's still almost double what it was last year when it was \$550 million. So, that's a pretty powerful increase, and there's not many areas of the federal government that are going to see that kind of increase level for spending. And we're asking for additional funding beyond that.

Q This \$1.1 billion, was the exact amount that was appropriated under the '93 budget, or did you pull these monies together from some other place?

SECRETARY CISNEROS: No, '93 was \$550 million; '94 was \$823 million; and '95 is what we're talking about in this \$1.1 billion. And the question was, Sonya, whether this is new money, is that the question?

Q Well, I mean, with these being '93 monies --

SECRETARY CISNEROS: '95, you mean?

Q No, the money for the grants today --

SECRETARY CISNEROS: Oh, oh, okay.

Q The money for the grants today, the amount that you announced, is that the amount that was appropriated for this specific purpose --

SECRETARY CISNEROS: I'm sure that's right, yes. Yes.

Q Did you pull it together from a variety of other programs or --

SECRETARY CISNEROS: No, no, no. This is the money allocated for these programs.

Q Are they still lending -- wasn't there a lot of money loaned through your department under a former administrator that was -- went for building big office buildings and things that we didn't really need instead of building houses?

SECRETARY CISNEROS: Really, I can't speak to that. I don't know of any particular incident of that nature. I will know that -- I will simply say that we've established five very clear priorities for HUD, and we're going to be boring over the next several years, in how consistently we repeat those five priorities.

Let me repeat them for you now. Number one: homelessness is our stated first priority. Secondly, to deal with the worst of the public housing in the country and try to improve it

-- your question of a moment ago, Sarah. Thirdly, housing production and home ownership -- affordable housing. Fourthly, fair housing, dealing with issues of discrimination in banking and mortgage lending and insurance and fair housing generally. And fifth, a commitment to revitalizing communities, entire neighborhoods. Those are our five priorities. And everything you see from HUD, whether it's budgets or personnel or anything else, will focus on these five things in that order.

Q The money in this program, is it going for new housing units built from scratch, rehabilitated --

SECRETARY CISNEROS: The SROs go for rehabilitation of older buildings that are either being transformed into SROs or even some SROs that are being upgraded. The other is essentially housing, sometimes with vouchers, supported by social services -- shelter plus care, but not -- that is not for permanent housing.

Q But that already exists, it's already in the housing --

SECRETARY CISNEROS: Well, for example, if it's vouchers, people can select their housing wherever they go with the vouchers, so it doesn't involve having to construct housing.

Q I'm sorry if this is repetitious, but are you letting people help build their -- rebuild their own houses?

SECRETARY CISNEROS: We operate at HUD under something called Section 3, which is a law that requires to the maximum extent possible that federal dollars be used to employ the beneficiaries of programs. And that's something we're taking very seriously and putting extra effort into.

So, yes, we will create jobs in our programs, which we hope homeless persons will be able to use for work. That's a very important part of what homeless people ask for is work, because what they really fundamentally, many of them face, is just a lack of income.

Let me take the four or so questions, and we'll start here and work our way back.

Q You said today's announcement is \$411 million, but the money, the pot of money is \$550 million that these grants are coming from? What happened to the other \$140 million?

SECRETARY CISNEROS: This is not, of course, the only programs that we have. These are just two of the five McKinney programs that we operate. HUD has responsibility for five different McKinney programs, and these -- we've announced today two out of the five.

Q Next year, will you be using the \$1.1 billion in the same manner that these grants talk about today or will there be a new -- you talked about a new strategy --

SECRETARY CISNEROS: Yes, some of it will be different. By the time we can use that minimum \$1.1 billion number, which would be October 1st, 1994, or Fiscal Year 1995, by the time we can do that we will have addressed in the Congress new authorizing language. We hope to seek some consolidation of the programs that we have today. So where we now have five McKinney programs, we hope that we will have something more consolidated that could be used more effectively.

Right now, and I don't want to dwell at length on this, but if you're trying to put together a comprehensive strategy in a city, you might have to submit one grant for the shelter, another grant for the drug addiction treatment, another grant for the SRO, another grant for the permanent housing -- instead of being able

to address one block grant, which allows you to do all of the pieces. These different grants would have different deadlines and different applications and different matching requirements and different guidelines and different rules, and you would be in a real fix. You might be accepted for some and denied for others on different timetables -- virtually impossible. I have talked to the people who find themselves in this situation.

So one of the things we hope to do is just make more sense of these programs. The other thing we would hope to do is perhaps use some of our money in new ways, more emphasis on SROs perhaps, or better use of vouchers so that homeless families have more immediate options available to them.

So, no, I can't promise that we're going to match these programs exactly in the 1995 -- by 1955 we'll have some new legislation.

Q To follow that, the rhetoric in there was about a change from day to night, a totally new strategy for dealing with homelessness.

SECRETARY CISNEROS: Well, I think what the Pastor was referring to was the level of visibility, the level of priority, the promise that we've kept with respect to keeping our eye on this priority, the presidential attention drawn to it. I am told it's been a very long time before homelessness was addressed at the White House. And let me just say --

Q You're dad-gum right.

SECRETARY CISNEROS: -- two things. First, many presidents have been told by their advisers that this was not a winning subject and they ought to stay away from it. But here we have a President who's willing to address it from the White House. And secondly, it's even more powerful when you consider what's been happening in recent months -- we see a spate of articles about people becoming impatient or frustrated, angry at the homeless themselves -- and here's a President three days before Christmas who says to America: I care about it. I think it's important. And it's a concern we all ought to share. I think that's a very, very powerful

thing. And, you know, one can be cynical and denigrate that, but it's the use of the presidency and the Oval Office as it ought to be with compassion.

Andrew, did you have something you wanted say?

ASSISTANT SECRETARY CUOMO: Yes, whenever --

SECRETARY CISNEROS: Let me take these last two questions and then I'll turn it over to you.

Q I heard him sounding cautious, saying that there are some people that we're not going to be able to reach; he talked about demons something -- people having problems that they may never be able to be brought back into society.

SECRETARY CISNEROS: No, Jason, I don't think he was being cautious. What I heard him was describing his personal experience as he has seen it.

What the President said was that he has talked to people on the streets who are homeless, and some have great reluctance about coming in. Now, that's not a political statement, that is a experiential statement. That is a person who has talked to homeless people, as I have, who are concerned about shelter life or concerned about their experience having been robbed or beaten or something like that in a shelter setting and they want something else.

So, no, I don't think he was being cautious to prepare us for less than we can do. I don't think that's it at all. I think this was a person who was describing a personal experience, which is very real. And anyone who has worked with the homeless knows that there is a percentage of the population that doesn't want to come in under present conditions. They want a single-room occupancy facility, or they need mental health counseling. But simply pulling them into the shelter is not the answer.

Does that answer your question?

Q I heard him saying that no matter how hard we try, we won't save everybody on the streets. Do you agree with that?

SECRETARY CISNEROS: I would agree with that. No matter how hard we try, life in a nation this populous, this complex is such that we will not reach every single human being. But we can do a much better job than has been done in recent years.

Q Forgive me if you've dealt with this already, but do you have any guidelines or requirements on the cities on how fast they're supposed to start getting this assistance out? And

when are we going to start seeing people with the assistance coming off the streets?

SECRETARY CISNEROS: Well, these grants will be made immediately and the communities will begin spending them, I think, virtually immediately. You'll be seeing action within the next several months or just after the first of the year.

Q To follow up, would they -- are they going to be taking these off their roles of people who are on waiting lists right now? I mean how are they going to be reaching these people? And are there new ways to reach out?

SECRETARY CISNEROS: These funds go primarily to nonprofit providers -- Methodist church, for example, in Phoenix; an emergency housing consortium in San Jose, California and so forth across the country. So they'll be working with their natural network

of need. And some have waiting lists and some will just work with the populations that they know in their neighborhoods.

Andrew, would you like to come up and fill in any gaps that I've left here.

ASSISTANT SECRETARY CUOMO: Thank you. I'd just like to fill in a couple of points on questions that were raised.

On the grants that were announced today. The President announced, and the Secretary announced, \$411 million in grants from Fiscal '93 money from a total budget of \$570 million -- \$411 million of a total budget of \$570 million. That was Fiscal Year '93 money. Your question, Jason, yes, it was Fiscal Year '93 money which was appropriated. However, this was money that was designed, created and applied to a policy which is dictated by this President and this Secretary, as you heard the Secretary describe, the continuum of care. The policy was designed. The \$411 million is used to implement that policy which is a radically different policy shift than the homeless policy that had been in place.

'94 -- the \$570 million is increased to \$823 million. So when you have an opportunity for the Clinton budget to kick in, there will be about a 45 percent increase. So, if we're at the same place next year, the number of grants we would be announcing pursuant to the President Clinton budget would be about 45 percent higher than the grants we're announcing today. Fiscal Year '95,

as you heard Secretary Cisneros say, we're looking for about a \$1.1 billion budget at a minimum for these same programs. So it would have been \$570 million, \$823 million and \$1.1 billion or more. So, at a minimum, Fiscal Year '95 would have been a doubling of the '93 budget. Whatever we do above and beyond \$1.1 billion would obviously be that incremental a benefit.

So, this was Fiscal Year '93 money, executed pursuant to a much different homeless policy and program, the continuum of care. The first Secretary Cisneros-President Clinton budget next year will go to \$823 million, which is about a 45 percent increase; thereafter, \$1.1 billion.

Q Andrew, describe the difference in the programs funded with this grant today versus programs funded in the past. What were you looking for with today's program that -- what programs were funded today that wouldn't have been funded a year ago?

ASSISTANT SECRETARY CUOMO: I think you have a fundamentally approach. As you heard the Secretary and the President speaking inside, we're getting beyond an emergency shelter approach. Most programs were geared toward emergency shelter -- get people off the streets; get them "three hots and a cot", as the expression was. This approach says that's not enough. Yes, we have to get people off the streets. Yes, we have to provide people shelter. But it's not enough. You have people with very serious problems, and if you don't address the problems, you're not helping anyone.

If someone has a mental health problem, a cot isn't enough. If someone has a substance abuse problem, a cot isn't enough. You have to get that treatment to that type of population. I think, Jason, that's what the President was referring to with your comments.

That is the beginning of what the Secretary then describes as a continuum of care. Give the individualized approach to whatever that person and that population needs, and then recognize that it must be a comprehensive approach and must be a continuum. You need shelter. You need services. And eventually, you need permanent housing. That is the policy that's in place. The

programs, the money that has been appropriated and announced today will go pursuant to that program.

Q So what can we do about educating these cynical people who live in cities who think that all of the homeless are just drug addicts or crazy or something like that? It seems to me we need to do a lot of educating of townspeople to this problem.

ASSISTANT SECRETARY CUOMO: I think a lot of people need to be educated on the problem. It's a very difficult one because it's a very diverse population. Within the homeless population you have people of mental illness, you have people who have substance abuse. To deny that does no one any good. It doesn't make them good people; it doesn't make them bad people; it makes them people who need assistance.

At the same time within that homeless population, you have a growing population -- the Secretary referred to the Conference of Mayors report -- 43 percent of the homeless population are now families. It's not a mental illness problem, it's not a substance abuse problem, it's an economic problem. It's a rental subsidy problem. It's an affordable housing problem.

So you have to figure out a way to approach populations. Much different -- different needs, different solutions -- called by the same label, homeless. That's what the Secretary's continuum of care does -- services for those who need it, economic assistance for those who need it, job training for those who need it, jobs for those who need it.

Q Can you talk a little bit about HUD's efforts to put shelters at closed military bases and what the agency is doing on that?

Q Do you need those?

SECRETARY CISNEROS: Let me just say I have said from the outset that I think it is appropriate that we do everything we can to utilize those provisions in the McKinney Act and the Defense Conversion Act, which allow for the use of sites on military bases. Now, from the beginning there was a good deal of confusion because some people read that to mean use entire military facilities. And that's not what we believe is appropriate. What we would hope to do is to use, for example, an area that was previously a barracks facility or a temporary quarters facility, or a neighborhood on many bases, or for example, a hospital where appropriate, and convert those for use by the homeless. These are tremendous federal resources frequently near major metropolitan areas, and we think that it's appropriate that we use them.

Now, these are not without controversy. And they are difficult to do. But I have asked Assistant Secretary Cuomo as we think through the use of our so-called innovative cities grants -- \$100 million that the Congress made available to us to be able to do some real innovation in the homeless area -- that at least one of those be a partnership between a city and a military facility that is being decommissioned. So, I do feel that this is something that we ought to pursue. As I say, they are not without controversy. Sometimes communities have in mind some great economic redevelopment plan for a military base, and sometimes nearby neighbors are upset that any part of it would be used.

First, I think we have to say we are not talking about entire military bases, we are talking about appropriate facilities on a base. And secondly, they can coexist with other uses. And these are resources too valuable when people are suffering without housing the way they are to pass them up.

Yes, sir, one final question.

Q As long as I have you -- there are some haves and have-nots in this program. For example, in Texas -- Dallas gets around \$6 million. Houston and San Antonio get money, but Ft. Worth doesn't get any money. Why are some cities left out?

SECRETARY PANETTA: Well, this is a competitive program, and cities competed on the basis of specific applications by specific groups within the communities. The Dallas Public Housing Authority will get \$4.2 million under one of these programs, and the Houston Public Housing Authority, \$2 million under the same program. Still in Texas, funding goes to Austin, Amarillo, Dallas, Houston, Longview, and San Antonio under the Shelter Plus Care program. So, it was competitive. As I said, we had three times as many applications as grants that can be made, and so it's just not possible to make every one. I can't even tell you whether Ft. Worth applied, but if they did, the other cities were more competitive.

Thank you very much.

END3:57 P.M. EST