

REMARKS BY SENATOR HUBERT H. HUMPHREY

DEDICATION OF PILGRAM CHURCH HOUSING PROJECT

St. Paul, Minnesota
October 10, 1971

The Pilgram Church has accomplished a great objective here today.

But, then, I am not surprised. For, I know of the commendable and spirited civic consciousness of its members, and the dedication of its Pastor and elders.

Before coming to this dedication, I reexamined the law pertaining to nonprofit sponsorship of housing under the Section 236 program. And, I was struck by how closely the law resembled the energy, integrity, and drive of your efforts.

According to law, nonprofit sponsors cannot be given approval for projects unless they demonstrate (1) motivation -- the willingness to seize the initiative and lay the ground work for housing. (2) the background -- the kind of expertise or accesses to expertise that would make a project successful (3) commitment -- the desire of the nonprofit sponsor to stick with a project, to provide competent management after it is built, and (4) financial stability -- the 941,000 dollars invested in these homes are proof of that.

And, so I want to warmly congratulate you. These new homes are hard evidence of the motivation, the expertise, the commitment, and financial wherewithall that goes beyond the letter of the very spirit of the law.

It is a magnificent accomplishment.

And these new homes are an awareness of something else also -- our nation must simply meet the chronic housing needs of our society.

So today, I call for a Refocus on Housing -- a refocusing that good housing, adequate housing, housing that people can afford is a must for our nation.

It seems rather strange to be calling for a refocus on housing. For, it was just twenty years ago that we passed the National Housing Act of 1949 -- an act that stated the national housing goal was "a decent home and a suitable living environment for every American family."

In the fifties and sixties, this has become a venerable goal.

But sadly, it is one that we have not met.

By 1970, our nation had over 68.7 million units of housing. And, estimates are that in the decade from 1968 to 1978, more than 26 million more units would be necessary.

That means we must build more than 2 million units a year of both private and public subsidized housing.

Yet, our nation is building less than 500,000 total units for low and moderate income families. Included in this total are less than 100,000 units a year for public housing, we are rehabilitating only about 20,000 units per year in our cities, and we are falling short of our goals in providing rent supplements.

It is time to examine our housing programs. We must ask whether or not they are adequate for the times.

Clearly, something is wrong. There must be a problem when people who want to own their home can not do so because the interest rates are too high, the bank loans too costly, or the settlement costs exorbitant.

There must be a problem when the cost of building and rehabilitating new homes has increased over ten percent in just the last two years.

There must be something wrong when federal programs are so inflexible that red tape consumes projects such as this one and it takes a full-time secretary just to fill out federal reports.

I think it is time to change that.

I think it is time that the federal government gave up its stingy banker role and funded these programs -- not to meet arbitrary budget ceilings -- but to meet real and present needs.

Let me make some suggestions.

Your housing development here has shown that people definitely have a preference for homes that are walk-up, row-type, town houses. People do not want to buy or live in tall housing projects.

So, why build them? Why not do what people want instead of doing what "the government" wants?

Why can not we have a federal economy policy that emphasizes low interest rates? I say that we can and must.

Why can not we pass alternative means of spurring the home building and renting market? We need a program of Housing Certificates -- subsidies for low and moderate-income families that would supplement their reduced housing expenditures and allow them to go into the open market and seek the kind of housing they want -- rather than the kind of housing they must take.

Why can not we change the subsidy base for Section 236 programs -- the federal program under which these homes were built -- to reflect not capital costs but the total tenant needs and the total housing costs? I say we can and must.

I think the times call for a redefinition of our National Housing Goal. And, your development here today provides the proof and example for doing so.

Our national housing goals should be nothing less than to make available for all families, regardless of income or race, housing at prices they can afford, in locations of their choice, and with enough space to meet their needs.

These are minimums. And, it is a goal that our nation can meet.

Almost two thousand years ago, a wise and holy man walked this earth preaching and teaching about life. He told us that men really only need four things to survive the trials of life. First, a belief in God; second, a compassion and love for our neighbor that results in Peace Among Men; third, food and clothing for our bodies; and fourth, shelter from the elements that we may physically live another day.

I say to you now that these homes are inspirational -- because they are a product of a belief in God, a love for all peoples, and evidence that when we work together, all men can live another day.

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②

Baley
movus

(Dr. Massey)

Rev Brown

~~Wm. J. Conaty~~

~~Joseph Habler~~

Rev Joseph Pelate

Cecil Newman

Mr Ed Helfeld

REMARKS BY SENATOR HUBERT H. HUMPHREY

DEDICATION OF THE PILGRIM CHURCH HOUSING PROJECT

ST. PAUL, MINNESOTA

OCTOBER 10, 1971

Pilgrim Plaza

Rev Brown

civil rights award
Pilgrim Baptist Church

Baptist
L THE PILGRIM CHURCH HAS ACCOMPLISHED A GREAT OBJECTIVE

HERE TODAY.

Pilgrim Plaza

BUT, THEN, I AM NOT SURPRISED FOR, I KNOW OF THE

COMMENDABLE AND SPIRITED CIVIC CONSCIOUSNESS OF ITS

MEMBERS, AND THE DEDICATION OF ITS PASTOR AND ELDERS.,

L BEFORE COMING TO THIS DEDICATION, I REEXAMINED THE
LAW PERTAINING TO NONPROFIT SPONSORSHIP OF HOUSING UNDER THE

SECTION 236 PROGRAM. AND, I WAS STRUCK BY HOW CLOSELY THE

LAW RESEMBLED THE ENERGY, INTEGRITY, AND DRIVE OF YOUR EFFORTS.

ACCORDING TO LAW, NONPROFIT SPONSORS CANNOT BE GIVEN

APPROVAL FOR PROJECTS UNLESS THEY DEMONSTRATE (1) MOTIVATION

-- THE WILLINGNESS TO SEIZE THE INITIATIVE AND LAY THE GROUND

WORK FOR HOUSING. (2) THE BACKGROUND -- THE KIND OF Know how

OR ACCESSES TO it Development THAT WOULD MAKE A Project SUCCESSFUL.

(3) COMMITMENT -- THE DESIRE OF THE NONPROFIT SPONSOR TO STICK

WITH A Development Project, TO PROVIDE COMPETENT MANAGEMENT AFTER IT IS

BUILT, AND (4) FINANCIAL STABILITY and to the 941,000 DOLLARS

INVESTED IN THESE HOMES ARE PROOF OF THAT.

AND, SO I WANT TO WARMLY CONGRATULATE YOU. THESE NEW

HOMES ARE Solid Knowledge EVIDENCE OF THE MOTIVATION, the expertise, the

COMMITMENT, AND FINANCIAL WHEREWITHALL THAT GOES BEYOND THE

LETTER TO THE VERY SPIRIT OF THE LAW.

IT IS A MAGNIFICENT ACCOMPLISHMENT. !

AND THESE NEW HOMES ARE AN AWARENESS OF SOMETHING ELSE

~~ALSO~~ -- OUR NATION MUST SIMPLY MEET THE ~~CHRONIC~~ HOUSING NEEDS

OF ~~ALL~~ *all our people - not just some.*

SO TODAY, I CALL FOR A ~~RENEWED~~ *new commitment* ON HOUSING -- A ~~RENEWED~~ *determination*

THAT GOOD HOUSING, ADEQUATE HOUSING, HOUSING THAT PEOPLE

CAN AFFORD IS A MUST FOR OUR NATION. !

IT SEEMS RATHER STRANGE TO BE CALLING FOR ~~RENEWED~~ *special emphasis* ON HOUSING. ! *a little over*

FOR, IT WAS JUST TWENTY YEARS AGO THAT WE PASSED THE

NATIONAL HOUSING ACT OF 1949 -- AN ACT THAT STATED THE NATIONAL

HOUSING GOAL WAS "A DECENT HOME AND A SUITABLE LIVING ENVIRONMENT

FOR EVERY AMERICAN FAMILY. " !

when I came to Congress.

~~IN THE FIFTIES AND SIXTIES, THIS HAS BECOME A VENERABLE~~

~~GOAL~~

L BUT SADLY, IT IS ONE THAT WE HAVE NOT MET. ! *a long ways off!*

L BY 1970, OUR NATION HAD OVER 68.7 MILLION UNITS OF

HOUSING. AND, ESTIMATES ARE THAT IN THE DECADE FROM 1968 TO 1978, MORE THAN 26 MILLION MORE UNITS WOULD BE NECESSARY. !

L THAT MEANS WE MUST BUILD MORE THAN 2 MILLION UNITS A YEAR OF BOTH PRIVATE AND PUBLIC SUBSIDIZED HOUSING. !

L YET, OUR NATION IS BUILDING LESS THAN 500,000 TOTAL UNITS FOR LOW AND MODERATE INCOME FAMILIES. INCLUDED IN THIS

TOTAL ARE LESS THAN 100,000 UNITS A YEAR FOR PUBLIC HOUSING, *(1949 - 125,000)*

L WE ARE REHABILITATING ONLY ABOUT 20,000 ~~HOUSES~~ *HOME* PER YEAR,

~~CITIES~~, AND WE ARE FALLING SHORT OF OUR GOALS IN PROVIDING

RENT SUPPLEMENTS. !

IT IS TIME TO EXAMINE OUR HOUSING PROGRAMS. WE MUST
ASK WHETHER OR NOT THEY ARE ADEQUATE FOR THE TIMES.

Clearly, something is wrong! There must be a problem when
people who want to own their home can not do so because the
interest rates are too high, the bank loans too costly, or
the settlement costs exorbitant.

There must be a problem when the cost of building and
rehabilitating new homes has increased over ten percent in
just the last two years.

There must be something wrong when federal programs
are so inflexible that red tape consumes projects such as this
one and it takes a full-time secretary just to fill out
federal reports.

I ^{say} ~~say~~ IT IS TIME TO CHANGE THAT.

~~I~~ IT IS TIME THAT THE FEDERAL GOVERNMENT GAVE UP

ITS STINGY BANKER ROLE AND FUNDED THESE PROGRAMS -- NOT TO

MEET ARBITRARY BUDGET CEILINGS -- BUT TO MEET REAL AND PRESENT

NEEDS.

⌞ LET ME MAKE SOME SUGGESTIONS. !

YOUR HOUSING DEVELOPMENT HERE HAS SHOWN THAT PEOPLE

DEFINITELY HAVE A PREFERENCE FOR HOMES THAT ARE WALK-UP,

ROW-TYPE, TOWN HOUSES! ^{out there where there is plenty of space} PEOPLE DO NOT WANT TO BUY OR LIVE IN

TALL HOUSING PROJECTS.

⌞ SO, WHY BUILD THEM? WHY NOT DO WHAT PEOPLE WANT INSTEAD

OF DOING WHAT "THE GOVERNMENT" WANTS? !

WHY ~~CAN~~^{can't} WE HAVE A FEDERAL ECONOMY POLICY THAT EMPHASIZES

LOW INTEREST RATES? I SAY THAT WE CAN AND MUST. !

L ~~CAN~~^{can't} NOT WE ~~USE~~^{deprive several} ~~ALTERNATIVE~~ MEANS OF SPURRING THE

HOME BUILDING AND RENTING MARKET? WE NEED A PROGRAM OF HOUSING

CERTIFICATES -- SUBSIDIES FOR LOW AND MODERATE-INCOME FAMILIES

THAT WOULD SUPPLEMENT THEIR REDUCED HOUSING EXPENDITURES AND

ALLOW THEM TO GO INTO THE OPEN MARKET AND SEEK THE KIND OF

HOUSING THEY WANT -- RATHER THAN THE KIND OF HOUSING THEY MUST

TAKE. !

L ~~CAN~~^{can't} NOT WE CHANGE THE SUBSIDY BASE FOR SECTION 236

PROGRAMS -- THE FEDERAL PROGRAM UNDER WHICH THESE HOMES WERE

BUILT -- TO REFLECT NOT ^{only} CAPITAL COSTS BUT THE TOTAL TENANT

NEEDS AND THE TOTAL HOUSING COSTS? I SAY WE CAN AND MUST.

L I THINK THE TIMES CALL FOR A REDEFINITION OF OUR
NATIONAL HOUSING GOAL. AND, YOUR DEVELOPMENT HERE TODAY PROVIDES
THE PROOF AND EXAMPLE FOR DOING SO.

L OUR NATIONAL HOUSING GOALS SHOULD BE NOTHING LESS THAN
TO MAKE AVAILABLE FOR ALL FAMILIES, REGARDLESS OF INCOME OR
RACE, HOUSING AT PRICES THEY CAN AFFORD, IN LOCATIONS OF THEIR
CHOICE, AND WITH ENOUGH SPACE TO MEET THEIR NEEDS.

L THESE ARE MINIMUMS. AND, IT IS A GOAL THAT OUR NATION
CAN MEET.

L ALMOST TWO THOUSAND YEARS AGO, A WISE AND HOLY MAN WALKED
THIS EARTH PREACHING AND TEACHING ABOUT LIFE. HE TOLD US THAT
MEN REALLY ONLY NEED FOUR THINGS TO SURVIVE THE TRIALS OF LIFE.

FIRST, A BELIEF IN GOD; SECOND, A COMPASSION AND LOVE FOR OUR

NEIGHBOR THAT RESULTS IN PEACE AMONG MEN; THIRD, FOOD AND

CLOTHING FOR OUR BODIES; AND FOURTH, SHELTER FROM THE ELEMENTS *to*

THAT WE MAY PHYSICALLY LIVE ANOTHER DAY.

L I SAY TO YOU NOW THAT THESE HOMES ARE INSPIRATIONAL --

BECAUSE THEY ARE A PRODUCT OF A BELIEF IN GOD, A LOVE FOR

ALL PEOPLES, AND EVIDENCE THAT WHEN WE WORK TOGETHER, *and so all* ~~ALL MEN~~

CAN LIVE ANOTHER DAY.

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To: Senator
From: Bob
Re: Housing Project Dedication

1. Among nonprofit housing groups -- the word "project" is an out word; "development" is just as bad. Perhaps we ought to talk about homes -- for that is what it really is all about anyway.

2. These homes were built under the Sec.236 program of the amendments to the National Housing Act. The 236 program provides a monthly payment to a commercial lender to reduce the owner's interest payments from the market rate to 1 percent. The owner must pass the benefit on to the tenant. And, the tenant then pays either a basic rental charge of 25 percent of income in rent, whichever is the greater. Eligibility for occupancy is restricted to families between 5 and 8 thousand dollars income.

Section 236 "owners" are in reality "sponsors" -- usually of the nonprofit variety who come together in a housing corporation to pool money, make application for tax federal grants, and obtain from the federal government, under 236, 100% financing. Other kinds of developers eligible for 236 programs are cooperatives, private builders who then

must sell to nonprofit sponsors, and limited profit sponsors -- not given the interest break but allowed to keep a six percent return on investment.

3. In the speech, there is also a mention of section 235 programs. This program provides homeownership assistance for low and moderate-income families.

This program was recently the subject of fraud and scandal. Unscrupulous real estate agents and developers in collusion with federal housing examiners sold substandard housing for rehabilitated to unsuspecting and timid low-income buyers at exorbitant prices -- thus milking the buyer and the federal government.

Patman's committee broke the scandal -- you probably recall. I believe it was in March or February of 1971.

Anyway, the program goals are admirable, and they ought not to be lost sight of because of the handiwork of a few. It is worth it to give a plug to the concept of homeownership.

Recent studies among the low and moderate-income have indicated that over 80 percent of the families in these brackets would like to own their homes -- to be property owners in what might be termed the American tradition of property -- a home of one's own.

4. I have mentioned the "Housing Certificate Program" in this speech. In general, this would work similar to the food stamp program. There are serious problems with it -- I prefer employment, or for those who cannot work, higher public assistance; in other words, cash subsidies, rather than certificates; but, in the short range, I think this kind of program is workable.

In the 1970 HUD Act, there was reference to a Housing Allowance program -- today, nine months later the program is still in the planning stage. It is being undertaken by the Urban Institute for HUD.

The goal is the same: to give low income people more purchasing power in the housing market, to spur demand, and hopefully, to stimulate construction.

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