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Remarks on the Nomination of Shaun L.S. Donovan To Be Director of the Office of Management and Budget and Julián Castro To Be Secretary of Housing and Urban Development

May 23, 2014

The President. Thank you. Thank you, everybody. Please, have a seat. Have a seat. When I took office, businesses were shedding 800,000 jobs a month, our deficits were heading towards $1 trillion a year, and every member of my Cabinet had a tough job in front of them.

And few had a tougher job than Shaun Donovan. The housing bubble that burst triggered the worst economic crisis of our lifetimes, and the irresponsibility of a few bad actors badly hurt millions of responsible, hard-working Americans. Home values had fallen 20 percent from the year before. New housing starts had fallen nearly 80 percent from their peak. Hundreds of thousands of construction workers were out of a job. And a record number of people were behind on their mortgages.

And 5 years later, things look a lot different. Home sales are up nearly 35 percent. Construction is up by more than 120 percent. New foreclosures are down by nearly half. And while we're not anywhere near where we need to be yet, millions of families have been able to come up for air because they're no longer underwater on their mortgages. A $50 billion settlement by the big banks means justice has been done for hundreds of thousands of homeowners who were unfairly targeted by deceptive mortgage schemes. And all this is in part because of the outstanding work of Shaun Donovan.

Now, here's the problem: When you're good at your job, people always want you to do even more. [*Laughter*] And that's why today I am nominating Shaun to be the next Director of the Office of Management and Budget. And to take his place at HUD, I am nominating another all-star who's done a fantastic job in San Antonio over the past 5 years, Mayor Julián Castro.

But before I talk about Julián, I want to embarrass Shaun a little more. [*Laughter*]

Over the years, Shaun has taken an agency with a $40 billion budget; he's made it smarter, and he's made it more efficient. He's changed the way HUD uses data to solve problems and save taxpayer dollars. He's helped build strong, sustainable neighborhoods and connect those neighborhoods with good schools and good jobs. He's helped reduce homelessness among our veterans by 24 percent since 2010. And he's helped 4.3 million families buy their piece of the American Dream: a new home.

Shaun has helped us navigate some unexpected challenges as well. When Hurricane Sandy slammed ashore, it was personal for Shaun. He was born in New York City, got married in New Jersey, raised his kids in Brooklyn. Once he took his driving—he once took his driving test on a road that was wiped out by the storm, so he understood what this devastation meant to a community that he loved. So when we were looking for somebody to lead the recovery and rebuilding efforts, I knew Shaun was the right person for the job. And he has come through, helping the communities he knows so well not only rebuild, but rebuild smarter and better.

So Shaun has earned a reputation as a great manager, a fiscally responsible leader, and somebody who knows how the decisions we make here in Washington affect people's lives all

across the country. And that's why I'm absolutely confident he will do a great job leading the Office of Management and Budget and help even more hard-working Americans get ahead. And my guess is that Shaun is grateful to my outgoing head of OMB, Sylvia Burwell, and her team for leaving behind a deficit that they've cut by more than half since I took office. I'm just saying, that's helpful. [*Laughter*]

Director-designate Donovan. High bar. [*Laughter*]

Now, obviously, we've also got to make sure that as we move Shaun into a new position, that we've got somebody who is going to do an outstanding job at HUD. And that public servant is Julián Castro.

Now, the first time most Americans heard this man speak is when he gave a speech at the Democratic National Convention almost 2 years ago. And they saw this young guy, a pretty good speaker, not bad looking—[*laughter*]—talk about how America is the only place where his story could even be possible. And I watched, and I thought, "That's not bad." [*Laughter*]

But the people of San Antonio have known about Julián and his brother, Congressman Joaquin Castro, who is here today, along with Leader Pelosi and Congressman and chair of the Congressional Hispanic Caucus Hinojosa—they've known about him for a long time. As mayor, Julián has been focused on revitalizing one of our most wonderful cities, planning thousands of housing units downtown, attracting hundreds of millions of dollars of investment. He's built relationships with mayors all across the country. He's become a leader in housing and economic development.

Today, companies are choosing to create jobs in San Antonio. And this year, my administration named the East Side of San Antonio a Promise Zone, a place where citizens and the Federal Government are working together to remake the community, family by family and block by block. And it speaks to the fact that Julián cares deeply about the people he serves and the city that he loves. It's also a reminder that he's never forgotten where he comes from.

Julián's grandmother came to this country from Mexico. She worked as a maid, worked as a cook, worked as a babysitter, whatever she had to do to keep a roof over her family's head. And that's because for her, and generations of Americans like her, a home is more than just a house. A home is a source of pride and security, a place to raise a family and put down roots and build up savings for college or a business or retirement or write a lifetime of memories. And maybe one day the kid grows up in that home and is able to go on to get a great education and become the mayor of San Antonio and become a member of the President's Cabinet.

Julián ha vivido el Sueño Americano. And it's precisely because he's lived out the American Dream that he'll work his tail off to make sure more people can travel that same path and earn their own dreams as well.

So I want to thank Shaun's wife Liza and her very outstanding boys, one of whom badly beat me in ping pong during a Super Bowl game. [*Laughter*] I want to thank them for sharing husband and dad with us a little bit longer. I want to thank Julián's wife Erica and this adorable young lady who gave me a hug before we came in for agreeing to let Julián take on a new challenge.

I'm absolutely confident that these two individuals are going to do a great job because they've done a great job in everything that they've done in the past. They are proven leaders. They're proven managers. They're going to be effective. And most importantly, they've got huge heart. They're involved in public service for the right reasons.

And for that reason, I hope that the Senate confirms them both without games or without delay. And with that, I want to give both of them an opportunity to say a few words. I'm going to start with Shaun. Come on up.

Director-designate Donovan. Thank you so much, Mr. President. I first heard the name Barack Obama in 1991 at a dinner with a couple who were among my closest friends. The night before, the husband had taken over the "Harvard Law Review," but was in a grumpy mood. I asked, "How could that be?" And he explained that he was required to address the entire law school immediately after the outgoing head, Barack Obama. [*Laughter*]

Of course, he had it easy. Try going between Barack Obama and Julián Castro. [*Laughter*] But then his wife said that Barack Obama would one day be President because he was one of the most remarkable people she had ever met.

Mr. President, after watching you guide this country through one of its most trying periods in history, with courage and grace, I believe those words even more today than I did 5½ years ago when I joined your team.

Thank you for your leadership and the confidence that you've shown in me. I also want to offer my congratulations to Mayor Castro. You've done outstanding work in San Antonio. I've seen it with my own eyes. And I know that you'll do exactly the same in your new role.

And let me tell you, you are one lucky guy, because the HUD team is a group of extraordinary public servants. It's been my honor to work with them to help the Nation recover from an historic economic crisis that began in the housing market. I'm proud to say that together, we've worked with millions of families to fight off foreclosure, reduce the number of veterans experiencing homelessness by 24 percent in the last 3 years, helped communities hit by natural disaster rebuild stronger than before, and revitalized distressed neighborhoods so that children's futures won't be determined by their zip code, but by their talent and work ethic.

I have loved this work, and I'm reminded today that Dr. King said: "Human progress is neither automatic nor inevitable. Every step towards justice requires dedicated individuals." HUD is made up of such individuals, and I will miss everything about working with them. Thank you, HUD team. Well, almost everything. I'm known around the office as a numbers guy, and at HUD, I often hear groans when I ask to see a spreadsheet that someone is holding at a meeting. If confirmed, I'll be glad to go to a place where my love of spreadsheets will finally be embraced. [*Laughter*]

In all seriousness, as the President said earlier this year, the budget is not just about numbers, it's about our values, and it's about our future. That's why I've always viewed OMB's unique role as one of the most critical in Government. Let me recognize Sylvia Burwell, whose extra-large shoes I have to fill. Some of you know, Sylvia and I actually lived in the same dorm freshman year in college, and we've been friends ever since. So I know she won't mind late-night calls for her late—for her sage advice and guidance. And I look forward to building on your work, Sylvia, with the remarkable team that you've built at OMB—Brian Deese, Beth Cobert, every one of you that's here today and across OMB—a really stellar team.

If Congress approves my nomination, Mr. President, it will be a great honor to join your White House; Mr. Vice President, to join yours as well, and work even more closely with you both to continue to move our Nation forward.

I also want to say a special thank you to my colleagues in the Cabinet. You've become not only close partners, but also good friends. Now, I'm going to be taking your calls for more funding—[*laughter*]—but I know that the mutual respect and trust that we've built—[*laughter*]—will allow us to make difficult decisions to leave this country a better place for the next generation. Thank you.

Finally, I want to thank my wife Liza and our two sons Lucas and Milo, who, after a year and a half of us being apart, left our beloved Brooklyn to join us here in DC. I'll never forget the morning I was first nominated in 2008. Liza and I woke them up early, brought them down to our bed to have that difficult conversation that I wouldn't be there on school days, but that I'd make it back on weekends whenever I could.

After explaining everything, the very first thing that came out of Milo's mouth—he was 9 at the time, and a lot shorter—it wasn't about the hardship that they would endure. He looked up at me and said, "First of all, Daddy, congratulations." My public service is their public service, and I can't thank them enough.

The President. That's true. [*Applause*] Good job.

Director-designate Donovan. Once again, congratulations, Mayor Castro. Thank you, Mr. President, Mr. Vice President.

Secretary-designate Castro. First of all, Mr. President, this is quite an honor. Thank you very much for the honor and for the opportunity. To Secretary Donovan, I have some very big shoes to fill, I know. I understand that fully. However, I just want to say, you understand the importance of urban development and housing in your new role, don't you? [*Laughter*]

Mr. Vice President, it's an honor to join your administration, the President's administration. And I also want to thank Madam Leader, you, and Chairman Hinojosa for being here. And I am here today with my father, with my mother, who, along with my grandmother, raised my brother Joaquin and I as a single parent after the age of 8. And I'm here with the two ladies who have stolen my heart, my wife Erica and my daughter Carina.

To be your nominee, President Obama, is simply a blessing to me. I am here alone at the podium right now, but I stand on the shoulders of so many folks over the generations who have worked very hard and dreamt the American Dream and have reached it. And I feel blessed to have reached it as well. And especially to the great many folks in San Antonio, I want to say a huge *muchísimas gracias*—thank you very much—for your support.

And my brother Joaquin and I grew up on the West Side of San Antonio, taking public transportation and living in rental homes as we grew up. And it was there that both of us got a sense of what is possible in America and an understanding that just because you were of modest means does not mean that your aspirations or your opportunity ought to be limited. And it certainly means that you can have the talent to succeed and achieve the American Dream.

After 5 years as mayor of my hometown, I know this much: We are in a century of cities. America's cities are growing again, and housing is at the top of the agenda. I look forward to being part of a department that will help ensure that millions of Americans all across the country have the chance to get good, safe, affordable housing and to reach their American dreams. And if confirmed, I stand ready to assist you, Mr. President, your administration, and local officials across the country to ensure that we do housing right and that because of it, more Americans achieve their dreams. Thank you very much.

The President. So I'm hoping for a quick confirmation. I think listening to these two individuals gives you a pretty good sense of why I'm nominating them for these positions. They're going to do outstanding work. I have—I told Shaun it's very rare where an announcement about an OMB confirmation gets people choked up. [*Laughter*] You're really milking that thing, man. [*Laughter*]

And I do want to point out that the mayor was remiss just in one last element in his remarks. I'm assuming that he's pulling for the Spurs to win the next two games.

Secretary-designate Castro. That's right. Go, Spurs, go! [*Laughter*]

The President. Go, Spurs, go. All right. Thank you, everybody.

NOTE: The President spoke at 3:43 p.m. in the State Dining Room at the White House. In his remarks, he referred to Secretary-designate of Health and Human Services Sylvia Mathews Burwell; Liza Gilbert, wife, and Milo and Lucas Donovan, sons, of Director-designate Donovan; and Carina V. Castro, daughter of Secretary-designate Castro. Director-designate Donovan referred to David G. Ellen, executive vice president and general counsel, Cablevision Systems Corporation, in his former capacity as president of the Harvard Law Review succeeding the President's tenure in that role; and Beth Cobert, Deputy Director for Management, Office of Management and Budget. Secretary-designate Castro referred to his parents Jesse Guzman and Rosie Castro.

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