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THE WHITE HOUSE

WASHINGTON

June 9, 1976

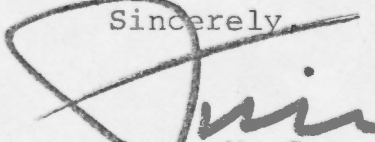
Dear Margaret:

I have just learned from the Department of Housing and Urban Development that your request for a Section 202 loan for Pascack Housing, Inc., was not selected for approval for this fiscal year.

I regret that your project was not chosen but there is a tremendous need for more elderly subsidized housing and choosing between the many qualified applicants is a complicated task. I have been assured that failure to be chosen should not be considered to be a determination by HUD that an applicant would not be qualified for funding under this program when additional funds become available.

I am sorry that I could not give you a more favorable reply.

Sincerely,


James M. Cannon
Assistant to the President
for Domestic Affairs

Ms. Margaret Cook
c/o Pascack Valley Center,
Meals on Wheels
90 7th Avenue
Westwood, New Jersey 07675



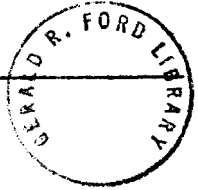
INFORMATION

THE WHITE HOUSE
WASHINGTON

DATE: 5/24/76

TO: Jim Cannon

FROM: LYNN MAY



Comments:

5/31/76
FYI. Please note that Margaret Cook
sent a letter to you on the Pascack
Valley's application for a HUD
Section 202 loan for elderly housing.

*Wynn
MS
approximate note
for me.
Thank you*



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION
WASHINGTON, D. C. 20411

Housing

ASSISTANT SECRETARY-COMMISSIONER

MAY 21 1976

MEMORANDUM FOR Lynn May
Associate Director
Domestic Council
The White House

Subject: Pascack Housing, Inc.
Application Number 450

This is in reply to your memorandum of March 16, 1976, on behalf of Pascack Housing, Inc., Woodcliff Lake, New Jersey, concerning a proposed project under the Section 202 direct loan program.

We regret to advise you that this applicant could not be selected for approval in this fiscal year. I am sure you are aware of the many applications filed in response to the invitation and the relatively small allocations which were available for each HUD Region. Choosing between the many qualified applicants was a difficult task, and failure to be chosen should not be considered to be a determination by HUD that an applicant would not be qualified for funding under this program when additional funding becomes available.

We have sent this applicant a formal notification letter which includes a discussion of other financing possibilities pending the availability of additional Section 202 funds in Fiscal Year 1977.

We are sorry we could not give you a more favorable reply. We do appreciate your continuing interest in our programs and this proposal.


David S. Cook

March 16, 1976

MEMORANDUM FOR PAT MCKEE

FROM: LYNN MAY

SUBJECT: Margaret Cook's Letter to Jim Cannon

I will monitor the mortgage application of Ms. Cook's organization with HUD and will receive early notification of HUD's decision, which Jim could relay to her if he wishes.

I suggest his reply if he wants to send one, could indicate that his staff will monitor the application, but cannot of course influence HUD's decision in any way.



PASCACK VALLEY CENTER,
MEALS ON WHEELS
90 7TH AVENUE
WESTWOOD, NEW JERSEY 07675
666-0620

Lynn Shaghtle
March 9th.

Dear Jim

It was good to visit with you in January, and many thanks for the lodgings.

I am working with a housing corporation aimed to build housing for the elderly in the Pascack Valley. We applied in December of 75 for 202 mortgage money, & have received word from David Cook of H.U.D., telling us that our application has been received and that we will hear by the end of March as to whether we have been granted funding. The number given our file is 450 & we were called Pascack Housing Inc.

I have worked with elderly people in the Pascack Valley for 41 years & know what a tremendous need there is for subsidized housing for the elderly. Average rents are \$260 a month plus



utilizes and are far beyond the social security sets income. If you can use your influence in any way to see that H.U.D gives our application a thorough review, I would be most appreciative.

I know that the money allocated is far below the real need, but I feel that our group has an excellent track record for concern & management in senior citizen programs. During the 4 years of Meals on Wheels we have served over 60,000 meals with only \$7,000. of federal & state money assisting. I personally raise \$12,000 a year for subsidy money.

Thanks for everything

Margaret Cook

With tears in her eyes Mrs. Smith haltingly sorted through the accumulation of 50 years. She had lived a fruitful life in the Pascack Valley and was preparing to move to a small apartment in South Jersey. Mrs. Smith was already finding that roots were hard to cut. As she arranged her things for the move she remembered with some emotional difficulty her 15 years as librarian, her church circle of familiar and loving friends, the piano lessons she used to give to what were now some of the areas most prominent citizens, the Women's Club where she had been charter member and past President, and the farmhouse in the Valley where she was born. Now it was over. Increasing taxes, inflated fuel oil, electric and food bills had made her income, fixed at a 1960 economy, inadequate. She could no longer stay where her life had been so generously plowed into the soil. Somehow, she knew, as she left that very familiar home, she would be leaving a part of herself.

According to the 1970 Census there are 2423 people over 65 living in the Pascack Valley.

NOW YOU CAN HELP PEOPLE LIKE
MRS SMITH STAY IN OUR VALLEY.



**PASCACK
HOUSING INC.**

BOX 582,
WOODCLIFF LAKE, N.J. 07675

WHO WE ARE:

We are 9 area churches committed to provide housing for the Mrs. Smith's of our Valley.

1st Congregational Church, Park Ridge
Christ Lutheran Church, Woodcliff Lake
Our Lady of Mercy Church, Park Ridge
Pascack Reformed Church, Park Ridge
St. Paul's Episcopal Church, Montvale
United Methodist Church, Hillsdale
United Methodist Church, Park Ridge
United Methodist Church, Westwood
Zion Lutheran Church, Westwood

WHAT WE ARE DOING:

Through Federal and State Funding, building one or more quality Senior Citizen Apartment Centers which will serve those on limited income at no increase in tax rate to Citizens of the Pascack Valley.

WHAT YOU CAN DO

*Senior Citizen Housing in Pascack Valley needs your active support.

*If you or someone you know needs such housing contact Pascack Housing, P.O. Box 582, Woodcliff Lake, N. J.

*Make your concern for senior citizen housing known to your Borough officials.

Call, or better yet, visit or write a letter to:

Mayor Owen Cassidy - Emerson
Mayor Thomas Misciagna - Hillsdale
Mayor Arthur Gelnaw - Montvale
Mayor John Kaschickey - Park Ridge
Mayor Edward Zucchi - River Vale
Mayor John Stapelton - Washington Twp.
Mayor Charles Bellon - Westwood
Mayor Robert Ellis - Woodcliff Lake

*We also need your financial support. Initial seed money is required to cover the cost of consultant and professional services until State and Federal Funding is available.

Please fill in the following and mail along with your kind contribution to:

Pascack Housing
P.O. Box 582
Woodcliff Lake, New Jersey 07675

Yes, I want to help keep Senior Citizens in our Valley.

I would like the following honorary membership.

Life.	\$1,000.00
Patron.	500.00
Sustaining.	100.00
Contributing.	50.00
Family.	25.00
Individual. . . up to	10.00

I will be willing to devote my time and talent to help. _____

NAME

ADDRESS

TOWN

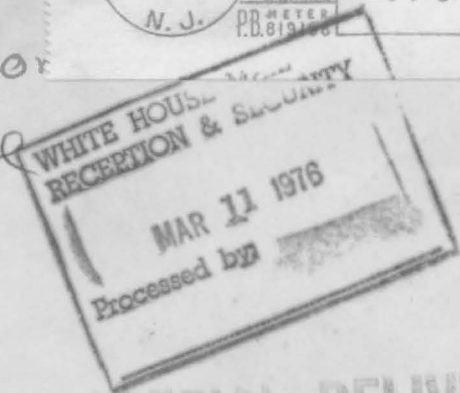
ALL CONTRIBUTIONS ARE
TAX DEDUCTABLE

Margaret Cook
PASCACK VALLEY CENTER,
MEALS ON WHEELS
90 7TH AVENUE
WESTWOOD, NEW JERSEY 07675

SPECIAL DELIVERY



Mr James Cannon
The White House
Washington
D.C.



SPECIAL DELIVERY

SPECIAL DELIVERY



Sent 7/7

Housing

THE WHITE HOUSE
WASHINGTON

INFORMATION

June 9, 1976

MEMORANDUM FOR JIM CANNON

FROM: LYNN MAY *lynn q*
SUBJECT: Gautreaux Decision



Attached is a copy of an agreement between HUD and the plaintiffs in the recent Supreme Court case regarding fair housing in Chicago. It would appear to defuse the issue for the time being. (See page 6.)

Attachment

cc: Jim Cavanaugh
Art Quern
Dick Parsons

*Lynn -
Pls summarize
the key point
or points of
the agreement.
Thanks*



THE GENERAL COUNSEL OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410

June 7, 1976

Mr. Alexander Polikoff, Esquire
109 North Dearborn Street
Chicago, Illinois 60602

Dear Mr. Polikoff:

Subject: The Gautreaux Litigation

This letter will confirm the understandings which, subject to submission for consideration by the District Court, HUD and the plaintiffs intend to carry out. It is intended that the steps set forth in this letter will enable the Court and the parties to the litigation to consider metropolitan-wide relief at a future point in time on a more informed basis. Neither the plaintiffs nor HUD make any representations as to what their respective positions ultimately will be regarding metropolitan-wide relief.

The said understandings are as follows:

1. HUD will develop a one year Section 8 demonstration program intended to house approximately 400 plaintiff class families in existing housing throughout the Chicago Standard Metropolitan Statistical Area (SMSA) along the following lines:
 - a. Not more than 25% of the families to be housed under this demonstration may locate in any portion of the City of Chicago or in minority areas (to be designated by agreement between HUD and the plaintiffs) of the Chicago SMSA outside of the City of Chicago. To the extent that any such families locate in the City of Chicago, it is understood that the units in which such families would be housed will be subject to existing court orders and should be treated as a separate category of units under those orders.



- b. HUD will enter into a contract with the Leadership Council for Metropolitan Open Communities under which the Leadership Council will provide the services of approximately six professional and three clerical employees to locate, counsel and assist members of the plaintiff class to find existing units, and locate owners of housing willing to participate in the demonstration program. It is intended that the Leadership Council's activities will commence on or about July 1, 1976.
- c. The Leadership Council will contact members of the plaintiff class in numbers and pursuant to a method to be determined, and will counsel and assist families who respond. These activities will be designed to house approximately 40 new subsidized families per month after the first few months.
- d. The 400 units will not be allocated among the counties, but tentative goals for distribution of such units among the counties are: approximately 100 to 150 units for Cook County, approximately 25 to 40 units for each of the other 5 counties in the Chicago SMSA and 0 to 100 units for Chicago plus designated minority areas outside Chicago. It is intended that families be located in each county in a dispersed fashion.
- e. All housing authorities in the SMSA will be given the opportunity to participate. Participating housing authorities will inspect units prior to occupancy, assist in initial occupancy, execute and administer the subsidy contract with owners, and perform the other functions of housing authorities under the Section 8 existing housing program. Housing authorities will receive the established 8 1/2% fee. The initial occupancy fee will be set at \$100, subject to adjustment by HUD, in view of the fact that services funded by HUD will be provided by the Leadership Council as referred to above. In areas where no housing authority has been organized or where an existing housing authority declines to participate, HUD will perform or cause to be performed the functions assigned to housing authorities under the Section 8 existing housing program.

- f. HUD will amend annual contribution contracts with participating housing authorities to add the contract authority necessary to fund in full the additional number of units which each housing authority administers pursuant to the demonstration program.
2. Funding of the Chicago Housing Authority Section 8 existing housing program, as distinguished from the demonstration program under paragraph 1 above, is outside the scope of this letter. It is HUD's intention to provide additional authority to CHA for its Section 8 existing housing program to be used in accordance with such orders as are applicable in the Gautreaux litigation. In this connection, HUD initially plans to make available to CHA in the near future authority for approximately 875 family units of Section 8 existing housing.
3. Prior to June 30, 1977, HUD may invite further applications for additional authority for Section 8 existing housing programs in the SMSA outside of the City of Chicago up to the following amounts without imposition of any additional requirements or conditions by reason of the Gautreaux litigation: 1250 units on or before June 30, 1976; 500 units between July 1, 1976, and September 30, 1976; no units between October 1, 1976, and December 31, 1976; 500 units between January 1, 1977, and March 31, 1977; and 500 units between April 1, 1977, and June 30, 1977. Any units not provided to housing authorities by the close of the specified periods may be provided in the subsequent periods. Prior to June 30, 1977, HUD will not invite applications for Section 8 existing housing units in excess of the above without the consent of the plaintiffs.
4. HUD may proceed to advertise for approximately 1500 additional units of Section 8 new construction and substantial rehabilitation in the Chicago SMSA of which approximately 900 will be family units. With respect to said Section 8 family units, HUD will encourage but not require developers responding to the advertisement



or subsequent readvertisements prior to June 30, 1977, to make special efforts to house members of the plaintiff class. Prior to June 30, 1977, or such earlier date as plaintiffs file a pleading against HUD covered by paragraph 8, HUD will not advertise further Section 8 new construction or substantial rehabilitation units in the Chicago SMSA without the consent of plaintiffs.

5. HUD shall be free to transfer Section 8 authority currently allocated for use in the Chicago SMSA to the Illinois Housing Development Authority (IHDA), and to allocate additional authority to IHDA for use in the Chicago SMSA, prior to June 30, 1977, all subject to the continued existence of arrangements acceptable to the plaintiffs for the marketing of Section 8 units in the IHDA projects in which such authority is utilized.
6. Plaintiffs and HUD agree to explore actively the possibilities of housing members of the plaintiff class through utilization of the FHA multifamily program, the program to provide Section 8 assistance to multifamily projects in need of further financial assistance, and the programs for disposition of HUD acquired projects, as well as any further programs which are implemented by HUD prior to June 30, 1977.
7. Plaintiffs and HUD agree to work actively toward development of a conceptual framework for the ultimate disposition of the pending suit, for future use by the Court and the parties.
8. Plaintiffs agree to postpone seeking a metropolitan-wide relief order from the District Court for nine months from July 1, 1976, while the foregoing steps are implemented. After the expiration of the said nine month period, plaintiffs will be free to file pleadings in the Gautreaux litigation seeking metropolitan-wide relief or relief preliminary to metropolitan-wide relief, provided that in the event such a pleading is filed between April 1, 1977, and June 30, 1977, HUD shall be entitled to terminate the operation of the demonstration program under paragraph 1 above, and HUD's encouragement efforts under paragraph 4 above. Nothing in this paragraph 8 shall prevent plaintiffs from filing

pleadings at any time seeking any type of relief from the Chicago Housing Authority, provided that any motion or pleadings seeking judicial relief to require the Chicago Housing Authority to seek authorization to operate housing programs outside of the City of Chicago and filed prior to June 30, 1977, shall be delivered in final draft to HUD at least 60 days prior to filing to enable HUD to determine what action to take in the Gautreaux litigation and under this letter, and provided further, that the subsequent filing by plaintiffs of such pleadings prior to June 30, 1977, shall relieve HUD of any obligation to continue operation thereafter of the demonstration program under paragraph 1, above, or to continue encouragement efforts under paragraph 4, above, but shall not limit or terminate any rights of HUD under this letter. Any unobligated Section 8 authority for new construction or substantial rehabilitation under paragraph 4 shall continue to be exempt after June 30, 1977, from plaintiffs' efforts in litigation to obtain metropolitan-wide relief, but only to the extent that such unobligated Section 8 authority is subsequently obligated pursuant to advertisements or readvertisements made prior to June 30, 1977. Commencing July 1, 1977, or the date on which HUD terminates the demonstration program or encouragement efforts pursuant to this paragraph 8, based upon a pleading filed by plaintiffs on or after April 1, 1977, unobligated Section 8 authority for existing housing under paragraph 3 shall not thereafter be exempt from plaintiffs' efforts in litigation to obtain metropolitan-wide relief.

Sincerely,

/s/ Robert R. Elliott

Robert R. Elliott
General Counsel

Accepted:

/s/ Alexander Polikoff

Alexander Polikoff

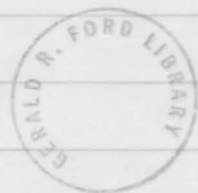
Date: June 7, 1976

[ca. June 30, 1976]

Fili

Hills - Wilson Dev

Project



PCUDNR

Program Description Sheet

1. Program name and statute.
2. Relevant background information, including date program began.
3. Objectives.
4. Program description.
5. Funding level, timing and mechanism.
6. Analysis of effectiveness and efficiency of program. ✓
7. Complaints.
 - (a) Have citizens and public and private interest groups complained about the program?
 - (b) What questions do they raise?
8. Whom should we talk to at hearings, workshops and interviews to obtain the perspectives of local officials and neighborhood groups on this program as it affects them?
9. What are the coordinating mechanisms among Federal agencies and other levels of government?
10. How does (or could) the program fit into a comprehensive strategy for neighborhood redevelopment? ✓



DRAFT

UNITED STATES CONFERENCE OF MAYORS

JUNE 30, 1976

MASTER

ONE OF THE FIRST AND MOST IMPORTANT EVENTS IN MY NEW LIFE AS SECRETARY OF HUD WAS THE OPPORTUNITY TO ADDRESS YOUR 43RD ANNUAL CONFERENCE IN BOSTON, LAST JULY.

IT WAS ALSO ONE OF THE MOST PLEASURABLE BECAUSE, ASIDE FROM YOUR WARM HOSPITALITY, I FOUND GREAT COMMON GROUND WITH YOU IN THE VIEW THAT THE ONLY WAY THE FEDERAL GOVERNMENT IS EVER GOING TO HELP THE CITIES HELP THEMSELVES IS TO CONCENTRATE ON THE THINGS THE CITIES THEMSELVES KNOW THEY NEED.

IT DOESN'T TAKE A GENIUS TO FIGURE OUT THAT THIS 200-YEAR-OLD NATION -- WHICH HAS LONG SINCE PASSED FROM A RURAL LAND MASS TO A NETWORK OF EVER-EXPANDING URBAN CENTERS -- WILL SURVIVE ITS THIRD CENTURY ONLY IF IT LEARNS HOW TO MAKE ITS URBAN CENTERS LIVE AND THRIVE THROUGH THE PERIOD OF UNPRECEDENTED GROWTH IMMEDIATELY AHEAD.

NOSTALGIA, NOTWITHSTANDING -- AND SURELY NO ONE CAN BEGRUDGE AMERICA THIS YEAR'S PLEASANT TRIP DOWN MEMORY LANE -- WE ARE AN URBAN SOCIETY, LIKE IT OR NOT, AND THE SOLUTIONS TO OUR NATIONAL PROBLEMS WILL BE FOUND ONLY IN THE SOLUTIONS WE FIND TO RECYCLE OUR CITIES AND THE HOUSING AND PHYSICAL RESOURCES THAT THEY CONTAIN.

TODAY I WOULD LIKE TO TAKE STOCK. WHERE WERE WE ONE YEAR AGO? WHAT HAVE WE DONE ABOUT IT? WHAT HAVE WE LEARNED? WHERE CAN WE GO?

WHEN I SPOKE TO YOU LAST YEAR, THE MAJOR UNDERLYING QUESTION MARK TEMPERING ALL OF OUR DELIBERATIONS WAS THE ABILITY OF OUR NATIONAL ECONOMY TO SUSTAIN THE FORWARD MOMENTUM WHICH, AT THAT POINT, WAS ON THE CUSP OF A POSITIVE TURN-AROUND FROM THE BLEAK AND DEPRESSING ____-MONTH PERIOD OF A FRIGHTENING RECESSION COMPOUNDED BY UNCEASING INFLATION.

FROM YOUR STANDPOINT YOUR TAX REVENUES WERE WAY DOWN, YOUR VOTERS WERE TURNING DOWN BOND ISSUES AT A TERRIFYING RATE, NEW YORK AND OTHER CITIES WERE ON THE BRINK OF FINANCIAL FAILURE AND ONE OF HUD'S MOST VISIBLE CONTRIBUTIONS WAS 51,000 ABANDONED HOMES, AND HUD'S NEW RENTAL SUBSIDY PROGRAM WAS BARELY OFF THE GROUND.

SO HERE WE ARE -- ONE YEAR LATER.

THE NATION AND ITS ECONOMY NOT ONLY SURVIVED -- IN SPITE OF THE DOOMSAYERS -- THE DELICATE HEALTH OF THE ECONOMIC UPTURN WHICH WE WATCHED SO FRETFULLY A YEAR AGO, HAS BECOME STRONGER WITH EACH PASSING MONTH. FOR EXAMPLE, TAX REVENUES OF STATE AND LOCAL GOVERNMENTS ARE NOW AT AN ANNUAL RATE OF \$248 MILLION, MORE THAN 12 PERCENT ABOVE LAST YEAR'S LEVEL. HUD'S INVENTORY OF UNSOLD HOMES HAS BEEN REDUCED BY A THIRD. AND WE HAVE CONTRACTED TO ASSIST ALMOST 300,000 RENTAL UNITS.

PRESIDENT FORD NOT ONLY PROVED THE SOUNDNESS OF HIS ECONOMIC COURSE, HE SET THE TONE FOR A NEW NATIONAL AWARENESS IN WHICH THE PEOPLE OF THIS COUNTRY HAVE INCREASINGLY ADOPTED HIS OWN LONG-HELD VIEW THAT NOT ALL OF AMERICA'S WISDOM RESIDES IN THE HALLS OF CONGRESS -- NOR IN THE CORRIDORS OF THE FEDERAL BUREAUCRACY.

IN TRUTH, THE VERY APPROACH WHICH THE PRESIDENT HAS ESPOUSED -- HIS CONTINUING STRONG CRUSADE TO RETURN GOVERNMENT TO THE GOVERNED AND TO TRANSFER POWER AWAY FROM THE POTOMAC AND BACK TO THE PEOPLE -- HAS SO CAPTURED THE IMAGINATION OF OUR NATION IN THIS BICENTENNIAL YEAR, THAT 1976 BECAME THE YEAR IN WHICH EVERY CANDIDATE FOR OFFICE WAS "RUNNING AGAINST WASHINGTON" -- SURELY A "GRAVE-TURNING" THOUGHT TO THE "FATHER OF OUR COUNTRY".

BUT THE FEDERAL GOVERNMENT IS WHAT THE AMERICAN PEOPLE HAVE MADE IT. IT HAS GROWN TO FIT THE EXPRESSED WILL OF THE ELECTORATE. MANY OF ITS FUNCTIONS, AND MANY OF ITS AGENCIES HAVE SURVIVED THE ELECTORATES AND THE LEGISLATURES WHICH PUT THEM INTO BEING. MANY HAVE OUTLIVED THEIR USEFULNESS, YET CARRY ON UNDER THE PROTECTION OF STRONG SPECIAL INTEREST GROUPS -- OR VOTING BLOCS -- OR SIMPLY BECAUSE NOT ENOUGH PEOPLE CARED.

IF THE FEDERAL GOVERNMENT HAS FRUSTRATED THOSE WHO HAVE GONE TO WASHINGTON TO HELP MANAGE IT, THE RIPPLE EFFECT OF ITS GROWTH -- PARTICULARLY OVER THE PAST SEVERAL DECADES -- HAS HAD AN EVEN GREATER IMPACT ON STATE AND LOCAL LEADERS WHO, INCREASINGLY, HAVE FOUND THEIR DESTINIES TIED TO DECISIONS BEING MADE FOR THEM IN THE UNITED STATES CONGRESS.

PERHAPS THE MOST VIVID WORD PICTURE OF THIS FRUSTRATION WAS OFFERED BY UTAH'S SENATOR JAKE GARN WHO SAID THAT WHEN HE WAS THE MAYOR OF SALT LAKE CITY HE FELT LESS LIKE THE CHIEF ADMINISTRATOR OF AN IMPORTANT URBAN ENTITY THAN THE LOCAL MANAGER FOR THE FEDERAL GOVERNMENT.

WELL, IT TOOK A LONG TIME, AND A LOT OF LEGISLATION TO PUT THE NATION'S MAYORS IN THAT POSITION, AND IT IS NOT GOING TO CHANGE OVER NIGHT, REGARDLESS OF CAMPAIGN RHETORIC.

PRESIDENT FORD, WHO SPENT MANY YEARS ON CAPITOL HILL FIGHTING AGAINST THE FLOW OF YOUR POWER FROM CITY HALL TO THE FEDERAL BUREAU, HAS BEEN USING THAT LONG EXPERIENCE, IN HIS ROLE AS CHIEF EXECUTIVE, TO GIVE CONTROL BACK TO THE CITIES. HIS FIGHT FOR RENEWAL OF REVENUE SHARING -- ONCE AGAIN AGAINST THOSE IN CONGRESS WHO SEE ALL WISDOM IN THE CONFINES OF WASHINGTON -- IS WELL KNOWN TO THIS AUDIENCE.

WE MUST FIND IT AT LEAST PECULIAR THAT THIS CONGRESS WHICH HAS DEVISED MORE WAYS TO INCREASE THE FEDERAL DEBT THROUGH MASSIVE SPENDING BILLS HAS BEEN SO RECALCITRANT ON THE ONE MAJOR SPENDING PROGRAM ABOVE OTHERS THAT IS CRUCIAL TO YOUR MOST URGENT NEEDS.

ONE MUST WONDER IF CONGRESS REALLY TRUSTS THE PEOPLE TO MAKE THEIR OWN LOCAL DECISIONS -- OR IF THEY WERE ONLY TRYING TO "GET BACK AT" THE PRESIDENT FOR REFUSING TO GO ALONG WITH THEIR OWN PET SCHEMES.

WHATEVER THE ANSWER IT IS CLEAR THAT THE REAL NEEDS OF OUR CITIES, DURING THE PERIOD OF CONGRESSIONAL JOCKEYING ON REVENUE SHARING, TOOK SECOND PLACE WITH THE MAJORITY OF YOUR OWN SURROGATES ON CAPITOL HILL.

IT IS SOMETHING TO THINK ABOUT.

THIS PAST YEAR WE HAVE TRIED TO RESPOND TO THE FRUSTRATIONS OF THOSE WHO HAVE BEEN WHIPSAWED BY CONFLICTING FEDERAL PROGRAMS AND HAMSTRUNG BY OVERLY COMPLEX REQUIREMENTS. NO MATTER HOW WELL-INTENTIONED A NEW PROGRAM OR PIECE OF LEGISLATION, IT CANNOT ACHIEVE ITS INTENDED EFFECT UNLESS IT COMES IN BEHIND AN OVERALL STRATEGY ORCHESTRATED BY LOCAL OFFICIALS TO REVITALIZE OUR URBAN CENTERS.

THERE ARE AT LEAST ENOUGH OF US IN WASHINGTON NOW WHO KNOW THAT IT IS IMPOSSIBLE FOR US TO DEVELOP A COORDINATED URBAN STRATEGY FOR MILWAUKEE OR ANY OTHER CITY. TO ATTEMPT TO DO SO IS RATHER LIKE ASKING FRIGIDAIRE, ANACONDA COOPER AND GEORGIA-PACIFIC EACH TO DESIGN AND TO SEND TO THE HOMEBUYER ITS PART OF A HOUSE.

THE FEDERAL GOVERNMENT OVER THE YEARS DEVELOPED SO MANY SUPPLIERS WITH SO MANY DIFFERENT SCHEDULES, RULES AND REGULATIONS THAT IT HAD BECOME A PRACTICAL IMPOSSIBILITY TO DESIGN A PLAN TO USE RESOURCES EFFICIENTLY. EVEN THE BEST EFFORTS OF LOCAL OFFICIALS WERE TO SOME EXTENT FRUSTRATED BY THE REQUIREMENTS OF FEDERAL CATEGORICAL PROGRAMS.

AND SO, WE HAVE ASKED OURSELVES, CONGRESS AND MANY OF YOU AGAIN AND AGAIN: SHOULD WE NOT FIRST HAVE A DESIGN, LOCALLY SPONSORED AND SUPPORTED, RATHER THAN THROW FEDERAL FUNDS IN A RANDOM FASHION AT OUR CITIES?

AND IF WE HAVE A LOCAL DESIGN, IS IT REALISTIC TO PRETEND THAT FEDERAL FUNDS ARE NOT NEEDED TO CARRY OUT THAT DESIGN? THE ANSWER TO THAT QUESTION IS SURELY "NO" -- ONLY THE FEDERAL TAX SYSTEM HAS THE CAPABILITY TO PROVIDE THE RESOURCES NEEDED TO DO THE WORK WHICH MUST BE DONE.

AND IF WE PLACE OUR PRIMARY RELIANCE ON LOCAL DESIGN AND FEDERAL FUNDING, IS THERE NO FURTHER ROLE FOR HUD AND ITS SISTER AGENCIES? AGAIN, THE ANSWER IS "NO". THE FEDERAL ROLE WILL CONTINUE TO BE AN IMPORTANT ONE -- TO SET NATIONAL PRIORITIES, TO MONITOR LOCAL COMPLIANCE WITH BROAD FEDERAL GUIDELINES, TO SPONSOR INNOVATIVE DEMONSTRATIONS, AND TO SERVE AS THE FOCAL POINT FOR DISSEMINATING CREATIVE IDEAS.

IN THE AREAS WHICH FALL WITHIN THE JURISDICTION OF MY DEPARTMENT, I AM PLEASED TO REPORT SUBSTANTIAL PROGRESS IN MOVING TOWARDS THE FEDERAL ROLE I HAVE OUTLINED.

THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM, SIGNED INTO LAW BY PRESIDENT FORD IN AUGUST OF 1974, HAS PLACED DESIGN RESPONSIBILITY DIRECTLY ON LOCALLY ELECTED OFFICIALS. AND BLOCK GRANTS HAVE HELPED TO TURN LOCAL DESIGNS INTO LOCAL ACHIEVEMENTS. WE HAVE ACHIEVED A DRAMATIC REDUCTION IN FEDERAL RED TAPE. DESPITE INEVITABLE START-UP PROBLEMS, WE CONSIDER THE COMMUNITY DEVELOPMENT BLOCK GRANT TO BE A PROMISING START IN THE EFFORT TO RE-CAST THE FEDERAL ROLE IN DEALING WITH LOCAL URBAN PROBLEMS.

WE HAVE ALSO MADE NOTEWORTHY PROGRESS IN 1975 IN THE AREA OF SUPPORTING INNOVATIVE APPROACHES TO URBAN PROBLEMS.

LAST WINTER WE SELECTED 23 CITIES TO PARTICIPATE IN OUR URBAN HOMESTEADING DEMONSTRATION. THESE CITIES WILL USE HUD PROPERTIES AND SUBSIDIZED REHABILITATION LOANS IN COORDINATED NEIGHBORHOOD PRESERVATION PROGRAMS. WE HAVE SUPPORTED THE PENDING LEGISLATIVE EXPANSION OF THE FEDERAL HOMESTEADING PROGRAM. AND, AS PART OF OUR MONITORING OF THIS PROGRAM WE WILL PRODUCE -- BEFORE THE END OF THE YEAR -- A COMPLETE MANUAL ON HOMESTEADING.

HUD RECENTLY INITIATED A PILOT PROGRAM TO USE PUBLIC HOUSING FUNDS TO REHABILITATE SCATTER-SITE CITY ACQUIRED SINGLE-FAMILY UNITS. THE INFUSION OF FEDERAL FUNDS CAN RETURN THESE ABANDONED PROPERTIES TO ACTIVE USE AT LOWER COSTS THAN NEW CONSTRUCTION. THE INITIAL DEMONSTRATION IN BALTIMORE IS PROCEEDING SO WELL THAT IN A FEW WEEKS WE WILL ^{Substantially} EXPAND THIS PROGRAM.

HUD IS JOINTLY SPONSORING THE URBAN REINVESTMENT TASK FORCE WITH ~~SEVERAL OF~~ THE BANK REGULATORY AGENCIES. THE TASK FORCE ~~ACTS AS A CATALYST TO~~ BRING TOGETHER ~~PARTNERSHIPS~~ OF NEIGHBORHOOD RESIDENTS, CITY OFFICIALS AND LOCAL LENDERS COMMITTED TO A COORDINATED REINVESTMENT STRATEGY. THERE ARE ALREADY 33 NEIGHBORHOOD PROJECTS IN OPERATION, 20 MORE IN ACTIVE DEVELOPMENT AND ANOTHER 10 IN PLANNING.

THIS YEAR, WE HAVE INCREASED THREE-FOLD THE INNOVATIVE GRANT FUNDING DEVOTED TO NEIGHBORHOOD PRESERVATION. HUD HAS RECEIVED OVER 300 PROPOSALS AND WINNERS WILL BE ANNOUNCED ON AUGUST 13. AS WITH OUR OTHER DEMONSTRATIONS WE WILL EVALUATE EACH GRANTEE'S PROGRAM TO PROVIDE OTHER COMMUNITIES WITH THE BENEFITS OF THEIR EXPERIENCES.

IN ADDITION TO OUR DEMONSTRATIONS, WE ARE CONTINUING TO EVALUATE AND IMPROVE OUR ONGOING PROGRAMS.

WE ACCELERATED OUR REPORT TO CONGRESS ON COMMUNITY DEVELOPMENT BLOCK GRANTS FROM MARCH 1977 TO DECEMBER OF THIS YEAR. THE REPORT, WHICH IS THE CULMINATION OF NEARLY TWO YEARS OF INTENSIVE STUDY, WILL INCLUDE OUR RECOMMENDATIONS FOR LEGISLATIVE CHANGE.

WE ARE ABOUT TO COMPLETE A MASSIVE STUDY OF THE FUTURE ROLE OF FHA, INCLUDING ITS ROLE IN NEIGHBORHOOD REVITALIZATION. THIS REPORT WILL ALSO INCLUDE LEGISLATIVE PROPOSALS.

WE HAVE UNDERTAKEN A RECONAISSANCE OF OUR PROGRAM OF RENTAL SUBSIDIES TO FAMILIES IN EXISTING HOUSING AND FOUND THAT IT IS RESULTING IN THE UPGRADING OF URBAN HOUSING. A FULL-SCALE EVALUATION OF THE PROGRAM WILL COMMENCE EARLY THIS FALL FOCUSING ON THE EFFECTS ON LOCAL HOUSING MARKETS.

WHAT HAVE WE LEARNED? WE, LIKE ALL THOSE BEFORE US, LEARNED THAT WE CAN MAKE MISTAKES. THERE ARE SOME LIMITATIONS ON THE CONCEPTS WE SPELLED OUT ONE YEAR AGO.

FOR EXAMPLE:

WE HAVE LEARNED THAT CITIES NEED A LONG-RUN COMMITMENT OF COMMUNITY DEVELOPMENT FUNDS IN ORDER TO UNDERTAKE BROAD PRESERVATION STRATEGIES. ACCORDINGLY, WE WILL SEEK A MULTI-YEAR RATHER THAN ANNUAL AUTHORIZATION FOR THE BLOCK GRANTS.

WE HAVE BECOME ACUTELY AWARE OF THE PROBLEMS POSED FOR OLDER DECLINING CITIES BY THE PLANNED PHASE-OUT OF HOLD-HARMLESS FUNDING IN OUR COMMUNITY DEVELOPMENT PROGRAM. BUT, WE ARE ALSO AWARE THAT HOLD-HARMLESS IS AN IMPRECISE WAY TO TARGET FUNDS ON THOSE CITIES WITH PARTICULARLY PRESSING NEEDS. WE ARE CAREFULLY STUDYING THE ALLOCATION FORMULA TO ASSURE THAT OLDER DECLINING CITIES RECEIVE ASSISTANCE COMMENSURATE TO THEIR NEEDS.

WE ALSO SOUGHT A WAY TO PROVIDE TEMPORARY ASSISTANCE TO CITIES WHICH SUFFERED DISPROPORTIONATELY FROM THE RECESSION BY SUPPORTING CONGRESSMAN GARRY BROWN'S BILL TO PROVIDE OVER \$1 BILLION SUPPLEMENTAL GRANTS TO AREAS WITH HIGH UNEMPLOYMENT.

WE FOUND THAT THE MECHANISMS WE USED TO DEAL WITH FHA INSURED BORROWERS AND HUD ACQUIRED PROPERTIES MUST CONSIDER NEIGHBORHOOD IMPACTS. ACCORDINGLY, WE HAVE ADOPTED A NEW MORTGAGE ASSIGNMENT POLICY TO KEEP DESERVING HOMEOWNERS IN THEIR HOMES DURING PERIODS OF TEMPORARY FINANCIAL DISTRESS. AND, I HAVE INSTRUCTED ALL OUR FIELD OFFICES TO OBTAIN LOCAL INPUT TO DEVELOPING A PLAN FOR DISPOSING OF HUD-ACQUIRED PROPERTIES.



REALIZING THAT OUR SITE-SELECTION CRITERIA FOR HUD-ASSISTED REHABILITATION HAS CONSTRAINED NEIGHBORHOOD IMPROVEMENT, WE ARE TAKING A HARD LOOK AT THE COMPETING SOCIAL GOALS THOSE REQUIREMENTS INVOLVE.

AND, BECAUSE PRIVATE DISINVESTMENT IS A CRUCIAL FACTOR IN NEIGHBORHOOD DECLINE, WE SUPPORTED THE RECENTLY ENACTED LEGISLATION TO REQUIRE BANK DISCLOSURE OF THE LOCATION OF THEIR LENDING ACTIVITIES. THE RESULTING INFORMATION SHOULD NOT ONLY PROVIDE NEEDED INSIGHTS ON PRIVATE DISINVESTMENT BUT ALSO AN EARLY WARNING SIGNAL FOR YOU TO USE IN ALLOCATING LOCAL PUBLIC RESOURCES.

WHERE CAN WE GO FROM HERE?

BEFORE ALL ELSE WE MUST MAKE THE REST OF AMERICA UNDERSTAND THAT WE ARE LITERALLY ENGAGED IN A WAR FOR THE SURVIVAL OF OUR URBAN CENTERS. IF WE CANNOT RESURRECT THE GREAT MASSES OF WEALTH, OF HISTORY, AND OF PRODUCTIVE CAPACITY THAT IS DETERIORATING IN OUR CITIES, WE WILL NOT AS A NATION RETAIN THE VITALITY THAT HAS FOR 200 YEARS MADE OURS THE CREATIVE SOCIETY THAT HAS LED THE WORLD.

LAST YEAR IN BOSTON I SAID:

"NO CHALLENGE DURING THE NEXT DECADE IS GREATER
THAN THE REVITALIZATION OF URBAN AMERICA."

I ONLY WISH I COULD FIND STRONGER WORDS TO SAY THE SAME THING
TO EVERY LOCAL STATE AND FEDERAL LEGISLATOR AND ADMINISTRATOR
AND TO EVERY VOTER.

WE HAVE NO GREATER PROBLEM.

THE PROGRESS WE HAVE MADE SINCE LAST YEAR HAS NOT YET
ACHIEVED REAL MEANING IN HUMAN TERMS. THE PROGRESS IS STILL
PRIMARILY IN OUR EFFORTS TO FIND A BETTER STRATEGY.

AS LARGE AS HUD IS, THE WINNING STRATEGY MUST HAVE A FAR
~~LONGER~~ ^{BROADER} FOCUS. TO REDUCE A WELTER OF CONFLICTING AND OVERLAPPING
FEDERAL PROGRAMS INTO BUILDING BLOCKS WHICH LOCAL OFFICIALS CAN
TURN INTO CREATIVE DESIGNS, PRESIDENT FORD HAS PROPOSED NEW
BLOCK GRANT PROGRAMS FOR HEALTH, EDUCATION AND SOCIAL SERVICES.
BUT BEYOND CONSOLIDATING AND SIMPLIFYING OUR PROGRAMS, WE IN
THE FEDERAL GOVERNMENT MUST ACHIEVE A NEW LEVEL OF SENSITIVITY
TO THE NEED FOR COORDINATION AMONG FEDERAL AGENCIES.

THESE ARE NOT PROPOSALS TO
REDUCE FUNDING, BUT PROPOSALS TO
MAKE IT MORE USEFUL.

IN A MAJOR INITIATIVE TO SORT OUT THE PROBLEMS FACED BY COMMUNITIES IN DEALING WITH FEDERAL PROGRAMS, THE PRESIDENT YESTERDAY CREATED A CABINET LEVEL COMMITTEE ON URBAN DEVELOPMENT AND NEIGHBORHOOD REVITALIZATION.

AS HEAD OF THAT COMMITTEE, I INTEND TO DEVOTE A MAJOR PORTION OF MY TIME AND ENERGY TO THE CHALLENGING WORK ON THE COMMITTEE'S AGENDA. THE COMMITTEE'S AGENDA WILL BE MY PERSONAL AGENDA. WE WILL CONDUCT A COMPREHENSIVE REVIEW OF ALL MAJOR FEDERAL PROGRAMS WHICH HAVE AN IMPACT ON THE CITIES AND THEIR NEIGHBORHOODS. WE WILL SEEK THE PERSPECTIVES OF LOCAL OFFICIALS AND NEIGHBORHOOD GROUPS ON THE FEDERAL PROGRAMS WHICH AFFECT THEM. BECAUSE NO CITY CAN SOLVE ITS PROBLEMS WITHOUT ADEQUATE RESOURCES, WE WILL ANALYZE THE PATTERS OF PUBLIC AND PRIVATE DISINVESTMENT IN URBAN AREAS.

WE WILL ADDRESS A NUMBER OF VERY HARD QUESTIONS:

HOW CAN WE ENCOURAGE MIDDLE INCOME FAMILIES AND COMMERCIAL ESTABLISHMENTS TO MOVE BACK INTO OUR CENTER CITIES?

HOW CAN WE ENCOURAGE THE COMMUNITIES IN A METROPOLITAN AREA TO ASSUME SOME OF THE BURDENS OF REVITALIZING THE CENTER CITIES?

AND, ON THE VERY PRACTICAL LEVEL, HOW CAN WE BEST TAILOR OUR BLOCK GRANT AND OTHER PROGRAMS TO LOCAL FISCAL AND PLANNING CYCLES?

THE MEMBERS OF THE COMMITTEE, WHICH INCLUDE THE CABINET OFFICERS AND OFFICE DIRECTORS WITH MAJOR RESPONSIBILITY FOR PROGRAMS AFFECTING THE CITIES, WILL IMPLEMENT CHANGES IN THOSE PROGRAMS TO MAKE IT POSSIBLE FOR LOCAL OFFICIALS TO PLAN AND CARRY OUT THEIR PROGRAMS. WE WILL PROVIDE RECOMMENDATIONS TO THE CONGRESS FOR CHANGES IN FEDERAL POLICIES AND PROGRAMS IN ORDER TO PLACE MAXIMUM DECISION-MAKING RESPONSIBILITY AT THE LOCAL LEVEL, REMOVE LEGAL AND ADMINISTRATIVE OBSTACLES TO EXERCISE OF THIS AUTHORITY, AND PROVIDE SUFFICIENT RESOURCES THROUGH COORDINATED TAX AND GRANT PROGRAMS TO MAKE THAT AUTHORITY MEANINGFUL.



I SAID EARLIER THAT WE ARE LITERALLY ENGAGED IN A WAR FOR THE PRESERVATION OF THE RESOURCES OF OUR CITIES. IT WILL BE A COSTLY WAR. HOW MUCH IT WILL COST AND WHO WILL PAY ARE QUESTIONS WE MUST ADDRESS WHEN THE CORRECTIVE STRATEGY IS BROADLY ACCEPTED AND THE LOCALLY CREATED DESIGNS FOR VICTORY ARE IN PLACE.

WE DO KNOW THAT IT IS A WAR THAT MONEY ALONE WILL NOT WIN AND A WAR THAT WILL SURELY BE LOST UNLESS IT IS SKILLFULLY DIRECTED AND SUPPORTED ON THE LOCAL LEVEL.

WE COULD NOT WIN THE WAR OF THE SOUTH VIETNAMESE VILLAGES WITH BILLIONS OF DOLLARS OF AID, AND WE LOST THE FIRST ROUND OF OUR FIGHT TO SAVE OUR CITIES EVEN THOUGH WE SPENT BILLIONS OF DOLLARS ON PUBLIC HOUSING.

WHOSE CITIES, ~~WHICH HAVE HAD THEIR~~ TAX BASE ^{HAVE} DANGEROUSLY ERODED, WHOSE SCHOOLS HAVE PRIMARILY THE DISADVANTAGED, AND WHOSE INDUSTRY IS LEAVING ARE IN A DOWNWARD SPIRAL. TO REVERSE THAT SPIRAL REQUIRES NEW INCENTIVES TO ATTRACT BUSINESSES AND TO ATTRACT A HETEROGENOUS MIX OF PEOPLE.

SUSPENSION OF PROPERTY TAXES, PRIVATE INVESTMENT INCENTIVES, FEDERAL REVENUE SHARING, AND FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANTS -- WHICH BET ON LOCAL INITIATIVE ARE ALL WEAPONS THAT WELL DIRECTED CITIES ARE USING.

TOO MANY OF US

~~AS INDIVIDUALS~~ [^] ~~WE~~ HAVE ABANDONED THE CITIES TO THEIR PROBLEMS. RATHER THAN ATTACK DETERIORATING NEIGHBORHOODS, INCREASING CRIME, SEGREGATED EDUCATION, AND JOBLESS MINORITIES WITH OUR VOTES, OUR TAX DOLLARS, AND WITH ALL THE CREATIVITY AND ENERGY THAT WE COULD MUSTER, WE HAVE TOO OFTEN CURSED THE INEPTITUDE OF OUR CITIES' LEADERS FROM THE SANCTITY OF OUR SUBURBS.

AS INDIVIDUALS WE MUST TAKE OURSELVES BACK TO THE FIGHT TO REHABILITATE THE STRUCTURES, THE GOVERNMENT, AND THE SCHOOLS OF THE CITIES.

AS GOVERNMENT OFFICIALS WE MUST ACKNOWLEDGE THAT IT TOOK OUR CITIES A LONG TIME TO REACH THEIR PRESENT STATE OF AFFAIRS, AND IT WILL TAKE A LONG TIME AND GREAT INGENUITY TO TURN THE TREND -- BUT TURN IT CAN. OUR ADVERSITY CARRIES WITH IT THE OPPORTUNITY TO RE-CREATE THE URBAN CENTERS TO THEIR KEY ECONOMIC, HISTORIC AND CULTURAL PLACE.

IT IS POPULAR TODAY TO BE CYNICAL ABOUT THE CAPACITY OF WASHINGTON TO UNDERSTAND OUR PROBLEMS OR TO DO ANYTHING ABOUT THEM. BUT AS REALISTS WE MUST KNOW THAT THE CLEANSING PROCESS OF THE PAST TWO YEARS HAS TOUCHED ALL PARTS OF OUR SOCIETY.

THE MEASURE OF OUR SOCIETY IS THAT WE STILL HAVE CLEAR CAPACITY AND WILL TO DEAL WITH CRISES AS THEY COME INTO VIEW.

I SEE THIS COUNTRY ENTERING ITS THIRD CENTURY WITH THE STRONGEST ECONOMY AND THE STRONGEST DEMOCRACY THIS WORLD HAS EVER KNOWN. WITH THE OLDEST CONTINUING GOVERNMENT IN THE FREE WORLD WE MORE THAN ANY OTHER NATION RETAIN THE WILL AND THE CAPACITY TO CORRECT PAST MISTAKES. HAVING LED THE FREE WORLD OUT OF ITS ECONOMIC RECESSION, WE ~~DO~~ HAVE IN OUR POLITICAL PROCESS IN WASHINGTON AND IN LOCAL GOVERNMENT THE LEADERS TO DEAL EFFECTIVELY WITH THE CRISIS OF THE CITIES.



Jimmy Carter

Presidential Campaign

For America's third century, why not our best?

JIMMY CARTER'S ADDRESS ON URBAN POLICY TO THE UNITED STATES
CONFERENCE OF MAYORS IN MILWAUKEE, JUNE 29, 1976

Urban Development

I.

MORE THAN FORTY YEARS AGO, PRESIDENT FRANKLIN ROOSEVELT DECLARED THAT AMERICA'S NUMBER ONE ECONOMIC PROBLEM WAS POVERTY IN THE SOUTH.

PRESIDENT ROOSEVELT WAS RIGHT, AND HE HAD THE VISION AND THE POLITICAL ABILITY TO ENACT PROGRAMS SUCH AS TVA AND REA THAT CHANGED MY LIFE AND THE LIVES OF MILLIONS OF SOUTHERNERS.

TODAY, AMERICA'S NUMBER ONE ECONOMIC PROBLEM IS OUR CITIES, AND I WANT TO WORK WITH YOU TO MEET THE PROBLEMS OF URBAN AMERICA JUST AS FRANKLIN ROOSEVELT WORKED TO MEET THE PROBLEMS OF THE RURAL SOUTH IN THE 1930'S.

I WANT TO MAKE ONE POINT AT THE OUTSET, AS PLAINLY AS I CAN.

THERE IS NO ROOM IN MY CONCEPT OF THE PRESIDENCY FOR THE POLITICS OF ALIENATION AND DIVISION.

FOR EIGHT YEARS, OUR CITIES AND THEIR PEOPLE AND THEIR ELECTED OFFICIALS HAVE TOO OFTEN BEEN VIEWED BY THE WHITE HOUSE AS ADVERSARIES AND USED AS POLITICAL WHIPPING BOYS.

TOO OFTEN OUR HIGHEST FEDERAL OFFICIALS HAVE TRIED TO SCORE POLITICAL POINTS BY PITTING THE SUBURBS AND THE RURAL AREAS AGAINST THE CITIES.

TOO OFTEN, THESE ADMINISTRATIONS HAVE IGNORED THE COMMON INTERESTS WHICH UNITE OUR LOCAL, STATE AND FEDERAL GOVERNMENTS.

I PLEDGE TO YOU AN URBAN POLICY BASED ON A NEW COALITION - RECOGNIZING THAT THE PRESIDENT, GOVERNORS AND MAYORS REPRESENT THE SAME URBAN CONSTITUENCY.

I PLEDGE TO YOU THAT IF I BECOME PRESIDENT, YOU, THE MAYORS OF AMERICA, WILL HAVE A FRIEND, AN ALLY, AND A PARTNER IN THE WHITE HOUSE.

THAT THE PEOPLE WHO INHABIT EVEN THE POOREST AND MOST DETERIORATING OF OUR CENTRAL CITIES ARE OUR FELLOW AMERICANS, AND THAT THEY WANT THE SAME THINGS WE ALL WANT: PERSONAL SECURITY, A DECENT JOB, A GOOD EDUCATION FOR THEIR CHILDREN, OPPORTUNITIES FOR RECREATION - IN SHORT, THE BASIC AMERICAN PROMISE OF LIFE, LIBERTY AND THE PURSUIT OF HAPPINESS.

OUR GOAL MUST BE TO DEVELOP A COHERENT NATIONAL URBAN POLICY THAT IS CONSISTENT, COMPASSIONATE, REALISTIC, AND THAT REFLECTS THE DECENCY AND GOOD SENSE OF THE AMERICAN PEOPLE.

WE HAVE NEVER REALLY HAD A COMPREHENSIVE URBAN POLICY IN THIS COUNTRY, ALTHOUGH WE HAVE BEEN MOVING TOWARD ONE, IN FITS AND STARTS FOR SEVERAL DECADES.

THE INITIAL STEPS CAME IN THE LATE 1930'S WHEN WE BEGAN THE FIRST PUBLIC HOUSING PROJECTS. IN 1949 WE STARTED THE URBAN RENAISSANCE PROGRAM. IN THE 1960'S THE ANTI-POVERTY PROGRAM AND THE MODEL CITIES PROGRAM BROKE NEW GROUND IN URBAN POLICY, AND GAVE US SOME SUCCESSES, SOME FAILURES, AND MUCH EXPERIENCE TO DRAW UPON.

BUT FOR THE PAST EIGHT YEARS WE HAVE DRIFTED, WE HAVE SEEN INDIFFERENCE REPLACE EXPERIMENTATION, AND DEVISIVENESS REPLACE THE SEARCH FOR UNITY THAT THIS COUNTRY SO URGENTLY NEEDS.

BETWEEN 1972 AND 1974 ALONE, THE NIXON-FORD ADMINISTRATION CUT \$4.5 BILLION IN URBAN PROGRAMS AND ANOTHER SEVEN BILLION DOLLAR FROM PROGRAMS TO AID THE POOR, THE UNEMPLOYED AND THE MEDICALLY INDIGENT.

THE CITIES, WITH THEIR REVENUES ALREADY REDUCED BY THE WORST RECESSION IN FORTY YEARS, AND WITH RAPIDLY RISING COSTS, COULD ONLY RESPOND TO THE FINANCIAL CRUNCH WITH HIGHER TAXES OR REDUCED SERVICES. THUS, IN 1975, OUR CITIES ENACTED \$1.5 BILLION IN NEW TAXES WHILE REDUCING EXPENDITURES BY \$1.4 BILLION. THE RESULT OF THESE INCREASED TAXES AND REDUCED SERVICES CAN ONLY BE TO SPEED THE FLIGHT TO THE SUBURBS AND LEAVE BEHIND URBAN DWELLERS BEDEFT OF THE HOPE FOR A BETTER QUALITY OF LIFE.

IN SHORT, IN THE ABSENCE OF UNDERSTANDING AND COORDINATED ASSISTANCE AMONG GOVERNMENT LEADERS, MANY OF OUR CITIES ARE CAUGHT A VICIOUS CYCLE, A DOWNWARD SPIRAL THAT CAN ONLY BE BROKEN BY NEW ATTITUDES, NEW INITIATIVES, AND NEW LEADERSHIP.

II.

THE TIME HAS COME FOR US TO WORK TOGETHER TOWARD A RESTORATION OF FEDERALISM, THROUGH THE CREATION OF A BALANCED NATIONAL PARTNERSHIP THAT IS BASED ON MUTUAL TRUST, MUTUAL RESPECT, AND MUTUAL COMMITMENT TO THE FUTURE OF THE AMERICAN CITY.

THE BALANCED NATIONAL PARTNERSHIP I ENVISION MUST INCORPORATE THREE BASIC ELEMENTS.

FIRST, THE FEDERAL GOVERNMENT MUST PROVIDE PREDICTABLE AND

LEGITIMATE FISCAL NEEDS, SO THAT LOCALITIES CAN AVOID EXCESSIVE
SERVICE CUTBACKS AND INORDINATE PROPERTY TAX INCREASES.

Must not throw dollars at problems

OF COURSE, WE MUST BE REALISTIC.

~~WE MUST RESPECT THE DESIRE OF THE AMERICAN TAXPAYER~~
TO GET A DOLLAR'S WORTH OF RESULTS FOR EACH DOLLAR SPENT. BUT I
BELIEVE THAT IF WE TALK SENSE TO THE AMERICAN PEOPLE, WE WILL FIND
SUPPORT FOR A REALISTIC PROGRAM TO MEET THE URBAN CRISIS. THAT IS
WHAT I INTEND TO DO AS PRESIDENT.

SECONDLY, A BALANCED NATIONAL PARTNERSHIP MUST, TO THE GREATEST
DEGREE POSSIBLE, GRANT TO THE LOCAL GOVERNMENTS THE ADMINISTRATIVE
FREEDOM NEEDED FOR INNOVATIVE, CREATIVE PROGRAMMING.

BETWEEN THE MID-1950'S AND THIS YEAR, THE NUMBER OF CATEGORICAL
GRANT PROGRAMS GREW FROM 150 TO MORE THAN 1600, EACH WITH ITS OWN
ADMINISTRATIVE BUREAUCRACY, ITS OWN RESTRICTIVE CONDITIONS, INDIVIDUAL
APPLICATION PROCEDURES, REVIEW CONDITIONS AND FUNDING PRIORITIES.

THESE CATEGORICAL GRANTS CAN OFTEN SERVE IMPORTANT FUNCTIONS.
ON A PROGRAM OF NATIONAL DIMENSIONS, SUCH GRANTS CAN MAXIMIZE
LOCAL INVOLVEMENT IN CONFRONTING NATIONAL PROBLEMS.

IN PRACTICE, HOWEVER, THE PROLIFERATION OF GRANTS HAS BUILT AN
IRRATIONAL STRUCTURE, WHICH HAS OFTEN LIMITED LOCAL INITIATIVE AND
FRAGMENTED LOCAL EFFORTS TOWARD SOUND FISCAL PLANNING.

IT IS IMPORTANT TO ATTACH CONDITIONS TO PROGRAMS WHICH ENSURE
THAT FUNDS ARE DIRECTED TOWARD THE BENEFICIARIES INTENDED BY CONGRESS
AND THE PRESIDENT. BUT TOO OFTEN PROGRAMS DESIGNED FOR THE GHETTO
ILLIES HAVE BEEN SHIFTED TO FURTHER BENEFIT AFFLUENT FAMILIES WHOSE
POLITICAL INFLUENCE CAN PREVAIL.

YOU, THIS NATION'S MAYORS, ARE THE PEOPLE ON THE FIRING LINE,
FIGHTING A HARD BATTLE AGAINST HEAVY ODDS, AND WE CANNOT EXPECT
YOU TO FIGHT WELL IF YOU ARE TRAPPED IN THE BUREAUCRATIC STRAIT-
JACKET THAT CATEGORICAL GRANTS HAVE TOO OFTEN IMPOSED.

TO ACHIEVE A BALANCED NATIONAL PARTNERSHIP, I INTEND TO UNDER-
TAKE A REVIEW, BEGINNING THIS YEAR AND INVOLVING FULL CONSULTATION
WITH STATE AND LOCAL OFFICIALS, AND CONGRESSIONAL LEADERS, TO DETERMINE
IN WHICH INSTANCES CONSOLIDATION OF CATEGORICAL GRANTS WOULD BE
DESIRABLE.

THAT PROCESS OF CONSOLIDATION WILL INSURE THAT THE FEDERAL
STRUCTURE IS ORGANIZED TO ALLOW LOCALITIES MAXIMUM FLEXIBILITY IN
DELIVERING SERVICES WITHIN THE FRAMEWORK OF NATIONAL STANDARDS.
I CAN INSURE THAT CONSOLIDATION WILL NOT BE A COVER TO REDUCE
NEEDED FEDERAL ASSISTANCE, OR TO CHANGE THE DISTRIBUTION OF BENEFITS
SO AS TO DISCRIMINATE AGAINST THOSE INDIVIDUALS WITH THE GREATEST
NEED.

THIRD, A BALANCED FEDERAL PARTNERSHIP MUST INVOLVE THE GOVERNMENT
AND THE MAYORS IN THE VARIOUS STAGES OF FORMULATING OUR NATIONAL
URBAN POLICY, AND IN THE DESIGN OF NEW ADMINISTRATIVE MACHINERY
TO IMPLEMENT THAT POLICY.

earliest

FEDERAL GOVERNMENT SETS ITS OWN HOUSE IN ORDER. I INTEND AS PRESIDENT TO DIRECT A COMPLETE REORGANIZATION OF THE EXECUTIVE BRANCH OF THE FEDERAL GOVERNMENT ALONG RATIONAL FUNCTIONAL LINES, ONE THAT WILL ENABLE WASHINGTON TO WORK MORE EFFECTIVELY WITH YOU IN RESPONSE TO THE URBAN CRISIS.

I LOOK FORWARD WITH INTEREST TO OBSERVE SIMILAR IMPROVEMENTS IN MUNICIPAL GOVERNMENT ORGANIZATION AND MANAGEMENT WHICH YOU ARE SHARING WITH ONE ANOTHER. WE HAVE LONG RECOGNIZED THAT FEDERAL TAX FUNDS SHOULD NOT FINANCE LOCAL WASTE.

MY OWN VIEWS ON FEDERALISM ARE NOT JUST THEORIES: THEY DIRECTLY REFLECT MY EXPERIENCES IN DEALING WITH THE DELIVERY END OF COMPLICATED PROGRAMS WHEN I WAS GOVERNOR OF GEORGIA.

I LEARNED, ALONG WITH YOU MAYORS, JUST HOW CONFUSED AND IRRATIONAL THE WASHINGTON-BUREAUCRACY CAN BE. FOR EXAMPLE, WHEN WE STARTED A DRUG TREATMENT PROGRAM UNDER ONE STATE AGENCY, WE DISCOVERED THERE WERE SOME FOURTEEN DIFFERENT AGENCIES THAT WERE FUNDING VARIOUS ASPECTS OF THE DRUG PROBLEM, AND WITH LITTLE, IF ANY, COORDINATION AMONG THEM.

BUT I AM ABSOLUTELY CONVINCED THAT IF WE WORK TOGETHER ON THE TASK, WE CAN COME UP WITH A FEDERAL SYSTEM THAT IS EFFECTIVE AND EFFICIENT AND THAT CAN BE A SOURCE OF NATIONAL PRIDE INSTEAD OF NATIONAL EMBARRASSMENT.

WE SIMPLY CAN NO LONGER AFFORD THE PRICE OF THE RED TAPE. WE MUST GET THE MONEY AND SERVICES TO THE PEOPLE WHO NEED THEM, AND NOT JUST TO THE COMMUNITIES THAT HAPPEN TO BE MOST SKILLED IN THE ART OF GRANTSMANSHIP.

III.

THESE ARE AMONG MY BELIEFS AS I CONSIDER THE URBAN PROBLEM. NOW I WANT TO DISCUSS SOME OF THE SPECIFIC PROGRAMS I SUPPORT.

THE FIRST THING WE NEED IS JOBS, A JOB FOR EVERY AMERICAN WHO WANTS ONE. UNEMPLOYMENT AND POVERTY ARE AT THE HEART OF THE URBAN PROBLEM.

LAST YEAR, THE CENTRAL CITY UNEMPLOYMENT RATE WAS 9.59, AND AMONG BLACK TEENAGERS THE JOBLESS RATE IN MANY AREAS WAS OVER 40%. THOSE FIGURES ARE UNACCEPTABLE. THEY REFLECT A NATIONAL SICKNESS THAT WE MUST CONFRONT HEAD-ON. THEY REFLECT NOT ONLY HUMAN TRAGEDIES BUT THEY ARE AT THE HEART OF THE FISCAL AND SOCIAL PROBLEMS OF CITIES. THE ONLY WAY TO ACHIEVE THE GROWTH IN THE URBAN TAX BASE REQUIRED TO MEET RISING EXPENDITURES IS THROUGH A HEALTHY LOCAL ECONOMY.

TO PROVIDE EMPLOYMENT, WE NEED BOTH A PROGRAM OF INCENTIVES TO PRIVATE EMPLOYERS AND A PROGRAM OF PUBLIC NEEDS EMPLOYMENT.

WE MUST RECOGNIZE AT THE OUTSET THAT ALMOST 85% OF AMERICA'S

WORKERS DEPEND ON PRIVATE INDUSTRY FOR JOBS. I WOULD LIKE TO
MAINTAIN OR IMPROVE THIS RATIO.

OUT
TO ENCOURAGE NEW INDUSTRIAL DEVELOPMENT IN THE CITIES,
I HAVE PROPOSED ASSISTANCE TO LOCAL GOVERNMENTS FOR URBAN ECONOMIC
PLANNING, EMPLOYMENT CREDITS TO BUSINESSES FOR HIRING THE UNEMPLOYED
AND FEDERAL FUNDS TO SUPPORT ON-THE-JOB TRAINING BY BUSINESS.

IN TERMS OF PUBLIC EMPLOYMENT, I FAVOR AN IMPROVED CETA PROGRAM,
AN ACCELERATED PUBLIC WORKS PROGRAM, AND FUNDS FOR A TOTAL OF SOME
800,000 SUMMER JOBS. LIKE SOME OF YOU, I REMEMBER THE IMPACT OF THE
CCC AND WPA IN THE 1930'S, AND I THINK SIMILAR INITIATIVES ARE CALLED
FOR TODAY, BUT WITH STRESS ON URBAN, RATHER THAN RURAL WORK PROJECTS
AND WITH MAXIMUM POSSIBLE LOCAL CONTROL OVER THOSE PROJECTS. PUBLIC
EMPLOYMENT MUST BE MEANINGFUL AND PRODUCTIVE IN MEETING THE MOST
URGENT NEEDS OF THE COMMUNITY.

OUR EFFORTS TOWARD FULL EMPLOYMENT MUST BE SUPPLEMENTED BY
FISCAL ASSISTANCE, AND IN PARTICULAR BY AN IMPROVED PROGRAM OF
REVENUE SHARING.

I PREDICTED AT THE OUTSET OF THE NIXON ADMINISTRATION'S REVENUE
SHARING PROGRAM THAT IT WOULD EVENTUALLY BE USED TO REDUCE, RATHER
THAN INCREASE, NET FEDERAL ASSISTANCE TO OUR STATES AND CITIES.
UNFORTUNATELY, I WAS CORRECT.

I STAND WITH YOU IN URGING CONGRESS TO EXTEND THE GENERAL
REVENUE SHARING PROGRAM WITH AN INFLATION FACTOR AND WITH FULL
ENFORCEMENT OF THE CIVIL RIGHTS PROVISIONS OF THE BILL.

AS PERHAPS YOU KNOW, I HAVE FOR SOME TIME STATED MY BELIEF,
EVEN WHEN I WAS A GOVERNOR, THAT REVENUE SHARING FUNDS SHOULD GO
DIRECTLY TO LOCALITIES, AND THAT THEY SHOULD BE FREE TO USE THOSE FUNDS
TO DEFRAY COSTS OF EDUCATION AND SOCIAL PROGRAMS.

WE ALSO NEED COUNTERCYCLICAL ASSISTANCE, WITH REVENUE SHARING
AND OTHER FINANCIAL AID DESIGNED TO MEET THE SPECIAL NEEDS OF THE
MOST HARD-PRESSED URBAN AREAS. WE NEED AN AUTOMATIC COUNTERCYCLICAL
ASSISTANCE PROGRAM, WITH A LONG-TERM AUTHORIZATION, TRIGGERED BY
CAREFULLY DEFINED ECONOMIC CONDITIONS IN PARTICULAR LOCALITIES AND
DESIGNED TO MAINTAIN SERVICE LEVELS IN OUR CITIES AND THEREBY AVOID
DISRUPTIVE TAX INCREASES AND PUBLIC EMPLOYEE LAYOFFS.

I REGRET PRESIDENT FORD'S VETO LAST YEAR OF THE PUBLIC WORKS
ECONOMIC DEVELOPMENT ACT, ~~WITH ITS NEEDED PROVISION FOR PUBLIC WORKS
FOR COUNTERCYCLICAL AID TO CITIES, AND FOR WASTE WATER TREATMENT
PLANTS,~~ AND I JOIN YOU IN URGING THAT HE SIGN THE NEW VERSION PASSED
WITH OVERWHELMING DEMOCRATIC MAJORITIES, WHICH NOW AWAITS HIS ACTION.

THE PRESENT BILL IS WITHIN THE BUDGET RESOLUTIONS ADOPTED BY
CONGRESS, AND IT WOULD NOT BE REJECTED BY A PRESIDENT WHO GENUINELY
UNDERSTOOD AND CARED ABOUT OUR CITIES AND THEIR PEOPLE.

IN THE PAST YEAR, THE DRAMATIC FINANCIAL DIFFICULTIES OF NEW
YORK CITY HAVE BEEN THE FOCUS OF NATIONAL ATTENTION ON URBAN FISCAL
PROBLEMS. BUT THE TRUTH IS THAT CITIES THROUGHOUT AMERICA SHARE
THE SAME PROBLEMS OF DECLINING REVENUES AND INCREASING COSTS. YOU

OWN 1975 ECONOMIC REPORT MAKES THAT POINT ABUNDANTLY CLEAR. FOR THE FIRST TIME, CITIES OF EVERY SIZE, AND IN EVERY PART OF THE NATION, INCLUDING THE SUNBELT, ARE FACE TO FACE WITH FINANCIAL CRISIS.

I THINK THE PUBLIC AT LARGE DOES NOT YET REALIZE THAT WHAT WE CONFRONT IS NOT JUST NEW YORK CITY'S FISCAL CRISIS, BUT A NATIONAL PROBLEM. IT WILL BE YOUR DUTY AND MY DUTY TO MAKE THE NATION AWARE OF THE BROAD NATURE OF THE URBAN PROBLEM, AND TO PROVIDE THE LEADERSHIP AND THE IDEAS THAT CAN COPE WITH IT.

ANOTHER NEED IN EASING URBAN PROBLEMS, AS I HAVE STRESSED THROUGHOUT MY CAMPAIGN, IS A COMPLETE OVERHAUL OF OUR WELFARE SYSTEM.

OUR PRESENT SYSTEM IS A FAILURE DEPLORED ALIKE BY THOSE WHO PAY FOR IT, THOSE WHO ADMINISTER IT, AND THOSE WHO SUPPOSEDLY BENEFIT FROM IT.

ABOUT 10% OF THOSE ON WELFARE ARE ABLE TO WORK FULL TIME, AND THEY SHOULD BE OFFERED JOB TRAINING AND JOBS. ANY SUCH PERSON WHO REFUSES TRAINING OR EMPLOYMENT SHOULD NOT RECEIVE FURTHER WELFARE BENEFITS.

THE OTHER 90% OF THE PEOPLE ON WELFARE ARE CHILDREN, PERSONS DEPENDENT CHILDREN, OLD PEOPLE, HANDICAPPED PEOPLE, OR PERSONS OTHERWISE UNABLE TO WORK FULL TIME. THEY SHOULD BE TREATED WITH COMPASSION AND RESPECT.

WE SHOULD HAVE A SIMPLER NATIONAL WELFARE PROGRAM, WITH ONE FAIRLY UNIFORM STANDARD OF PAYMENT, ADJUSTED FOR COST OF LIVING DIFFERENCES BY AREAS AND WITH STRONG WORK INCENTIVES BUILT IN. IN NO CASE SHOULD THE LEVEL OF BENEFITS MAKE LOAFING MORE ATTRACTIVE THAN WORKING. AND WE SHOULD HAVE WELFARE RULES THAT STRENGTHEN FAMILIES RATHER THAN DIVIDE FAMILIES. LOCAL GOVERNMENTS SHOULD NOT BE BURDENED WITH THE COST OF WELFARE AND MY GOAL WOULD ALSO INCLUDE THE PHASED REDUCTION OF THE STATES' SHARE AS SOON AS THAT IS FINANCIALLY FEASIBLE.

I BELIEVE WE ARE COMPETENT ENOUGH TO CREATE A WELFARE PROGRAM THAT IS BOTH EFFICIENT AND COMPASSIONATE.

WE ALSO NEED PRESIDENTIAL LEADERSHIP IN HELPING CITIES MEET THEIR HOUSING AND TRANSPORTATION NEEDS.

1975 WAS OUR WORST YEAR IN NEARLY THREE DECADES IN TERMS OF THE NUMBER OF HOUSING UNITS CONSTRUCTED. WE SET A GOAL IN 1968 OF 2½ MILLION NEW HOUSING UNITS PER YEAR; LAST YEAR WE CONSTRUCTED BARELY ONE MILLION.

AT THE SAME TIME, COSTS HAVE BEEN RISING SO THAT ONLY ONE AMERICAN FAMILY IN SIX CAN NOW AFFORD NEW HOUSING.

WE NEED A PROGRAM THAT WILL PROVIDE JOBS FOR HUNDREDS OF THOUSANDS OF UNEMPLOYED CONSTRUCTION WORKERS AND ALSO FULFILL OUR NATIONAL COMMITMENT TO ADEQUATE HOUSING CONSTRUCTION.

OUR LONG RANGE, COMPREHENSIVE AND PREDICTABLE NATIONAL HOUSING POLICY MUST INCLUDE:

THERE IS ALSO A TREMENDOUS OPPORTUNITY FOR RELATIVELY INEXPENSIVE TRANSPORTATION IMPROVEMENT BY STRONG LOCAL ACTION TO PROVIDE OFF-STREET PARKING, ONE-WAY STREETS, EXCLUSIVE BUS LINES, LIMITED UNLOADING HOURS FOR DOWNTOWN STORES, MORE CARPOOLS, AND STAGGERED WORK HOURS FOR PUBLIC AND PRIVATE EMPLOYEES.

THESE ARE SOME OF THE NECESSARY FIRST STEPS IF WE ARE TO DEAL WITH THE URBAN CRISIS. THERE ARE OBVIOUSLY OTHER AREAS OF NEED, SUCH AS PARKS AND RECREATION, EDUCATION, ^{Health} POLLUTION, AND CRIME PREVENTION, THAT MUST ALSO BE ADDRESSED.

PERHAPS MOST IMPORTANTLY, WE MUST RECOGNIZE THAT MANY FEDERAL PROGRAMS IN THE PAST HAVE HAD A COUNTERPRODUCTIVE EFFECT ON THE HEALTH AND WEALTH OF OUR CITIES. IT IS TIME TO ASSURE THAT FEDERAL SPENDING POLICY TAKES INTO ACCOUNT THE BEST INTERESTS OF OUR URBAN COMMUNITIES.

IV.

IN ORDER TO HAVE A COMPREHENSIVE URBAN STRATEGY, FEDERAL, STATE AND LOCAL GOVERNMENTS MUST PROVIDE INCENTIVES TO DIRECT THE RESOURCES OF PRIVATE ENTERPRISE INTO OUR CITIES. OUR NATIONAL URBAN PARTNERSHIP WOULD BE INCOMPLETE WITHOUT THE CREATIVE INVOLVEMENT OF PRIVATE RESOURCES. THE PUBLIC SECTOR CANNOT REBUILD OUR CITIES ALONE. AN OPTIMUM PUBLIC - PRIVATE PARTNERSHIP MUST BE FORGED

IN THIS ERA OF SCARCE RESOURCES, THE FEDERAL GOVERNMENT CAN HELP MAGNIFY LIMITED PUBLIC SECTOR FUNDS BY ENGAGING SUBSTANTIAL PRIVATE SECTOR INVESTMENT IN OUR CITIES. AS URBAN ECONOMIST ANTHONY DOWNS NOTED, "FEDERAL FUNDS ALONE - AND EVEN ALL PUBLIC SECTOR FUNDS TOGETHER - HAVE LITTLE CHANCE OF STIMULATING EFFECTIVE COMMUNITY DEVELOPMENT UNLESS THEY USED AS A CATALYST TO ATTRACT LARGE AMOUNTS OF ADDITIONAL RESOURCES FROM THE PRIVATE SECTOR".

THE GOVERNMENT CAN ALSO HELP LOCAL COMMUNITIES ENCOURAGE INNOVATIVE NEW STRUCTURES, SUCH AS TAX INCREMENT FINANCING, WHICH ALLOWS A CITY TO USE GROWTH IN ITS PROPERTY TAX IN A GIVEN AREA TO STIMULATE NEEDED URBAN REINVESTMENTS, AND JOINT PUBLIC - PRIVATE DEVELOPMENT MECHANISMS.

THE COMMUNITY DEVELOPMENT ACT SHOULD NOT ONLY BE EXTENDED BUT ITS SCOPE SHOULD BE SIGNIFICANTLY ORIENTED TO ENCOURAGE FINANCIAL AND POLITICAL INNOVATION BY MUNICIPALITIES AND THEIR PRIVATE SECTOR PARTNERS. COMMUNITY DEVELOPMENT FUNDS, LOCAL TAX INCREMENT FINANCING, FEDERAL LOAN GUARANTEES AND OTHER PUBLIC AND PRIVATE FUNDS SHOULD BE USED FLEXIBLY TO CREATE A REVOLVING POOL OF FINANCIAL RESOURCES FOR URBAN REDEVELOPMENT. UNFORTUNATELY, THE FORD ADMINISTRATION HAS NOT YET EVEN IMPLEMENTED A SMALL SCALE VERSION OF THE CURRENT ACT, WHICH AFFORDS AN OUTSTANDING OPPORTUNITY TO COMBINE PUBLIC AND PRIVATE URBAN DEVELOPMENT INVESTMENTS.

PRIVATELY OPERATED NON-PROFIT ORGANIZATIONS COMMITTED TO URBAN REDEVELOPMENT, SUCH AS CENTRAL ATLANTA PROGRESS IN MY HOME STATE'S CAPITAL, ARE BEING FORMED THROUGHOUT THE COUNTRY TO HELP SERVE AS A CATALYST FOR PRIVATE INVESTMENT IN OUR CITIES. THEY MUST

Federal subsidies and low interest loans for the construction of low and middle income housing:

OF LOW AND MIDDLE INCOME HOUSING;

GREATER EFFORT TO DIRECT MORTGAGE MONEY INTO THE FINANCING OF PRIVATE HOUSING;

EXPANSION OF THE SUCCESSFUL SECTION 202 HOUSING PROGRAM FOR THE ELDERLY;

GREATER EMPHASIS ON THE REHABILITATION OF EXISTING HOUSING TO REBUILD OUR NEIGHBORHOODS AND PUBLICLY ~~CREATED JOBS TO SPEAR-HEAD THIS REHABILITATION;~~

CONTINUED CONSTRUCTION OF RENTAL HOMES FOR LOW INCOME FAMILIES; AND

— Our MAIN EXPERIENCE IN PUBLIC HOUSING —

PROHIBITION OF RED LINING PRACTICES BY LENDING INSTITUTIONS.

WE SHOULD GIVE SERIOUS CONSIDERATION TO THE PROPOSALS NOW BEFORE CONGRESS FOR A DOMESTIC DEVELOPMENT BANK THAT WOULD MAKE LOW INTEREST LOANS TO BUSINESSES AND STATE AND LOCAL GOVERNMENTS TO ENCOURAGE PRIVATE SECTOR INVESTMENT IN CHRONICALLY DEPRESSED AREAS.

THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974 CAN BE IMPROVED WHEN IT COMES UP FOR REAUTHORIZATION NEXT YEAR. IF I BECOME PRESIDENT, IT WILL BE NECESSARY FOR ME TO SUBMIT MY PROPOSALS ON THIS PROGRAM TO CONGRESS VERY SOON AFTER TAKING OFFICE, AND I WANT YOUR IDEAS AND RECOMMENDATIONS ON HOW IT CAN BE MADE MORE EFFECTIVE.

THE PLIGHT OF OUR MUNICIPAL TRANSPORTATION SYSTEMS IS ANOTHER SUBJECT FOR PRESIDENTIAL CONCERN AND INITIATIVE.

FOR TWENTY YEARS WE HAVE SPENT TENS OF BILLIONS OF DOLLARS ON THE INTERSTATE HIGHWAY SYSTEM WHILE VIRTUALLY IGNORING PUBLIC TRANSPORTATION. OUR BUS AND SUBWAY SYSTEMS HAVE DETERIORATED, PUBLIC USE OF THEM HAS DECLINED, AND DEFICITS HAVE MOUNTED.

ALTHOUGH WE MUST EXPEDITE FINAL COMPLETION OF THE INTERSTATE HIGHWAY SYSTEM, WE CANNOT ALLOW MASS TRANSIT TO REMAIN A NATIONAL STEPCHILD. IF PEOPLE CANNOT GET IN AND OUT OF OUR CITIES IN COMFORT AND SAFETY, THEN THE ECONOMIC STRENGTH OF OUR CENTRAL CITIES IS DOOMED.

AS FIRST STEPS TOWARD REVITALIZING OUR URBAN TRANSPORTATION SYSTEM, I PROPOSE:

TO CREATE A TOTAL NATIONAL POLICY FOR ALL MODES OF TRANSPORTATION;

TO INCREASE THE PORTION OF TRANSPORTATION MONEY AVAILABLE FOR PUBLIC MASS TRANSPORTATION;

TO CHANGE THE CURRENT RESTRICTIVE LIMITS ON THE USE OF MASS TRANSIT FUNDS BY LOCALITIES, SO MORE MONEY CAN BE USED AS OPERATING SUBSIDIES;

TO REVITALIZE OUR NATION'S RAILROADS.



BE ENCOURAGED IN THEIR EFFORTS.

V.

I DO NOT UNDERESTIMATE THE MAGNITUDE OF THE PROBLEM. BUT NEITHER DO I UNDERESTIMATE THE STRENGTH AND COMPASSION AND GOOD SENSE OF THE AMERICAN PEOPLE, WHEN THEY ARE GIVEN THE RIGHT KIND OF LEADERSHIP AND MAKE UP THEIR MINDS TO SOLVE A PROBLEM.

A NATION THAT CAN SEND MEN TO THE MOON CAN MEET ITS URBAN NEEDS. IT IS A MATTER OF PRIORITIES, OF LEADERSHIP, AND OF DETERMINATION.

I THINK WE STAND AT A TURNING POINT IN HISTORY. IF, A HUNDRED YEARS FROM NOW, THIS NATION'S EXPERIMENT IN DEMOCRACY HAS FAILED, I SUSPECT THAT HISTORIANS WILL TRACE THAT FAILURE TO OUR OWN ERA, WHEN A PROCESS OF DECAY BEGAN IN OUR INNER CITIES AND WAS ALLOWED TO SPREAD UNCHECKED THROUGHOUT OUR SOCIETY.

BUT I DO NOT BELIEVE THAT MUST HAPPEN. I BELIEVE THAT, WORKING TOGETHER, WE CAN TURN THE TIDE, STOP THE DECAY, AND SET IN MOTION A PROCESS OF GROWTH THAT BY THE END OF THIS CENTURY CAN GIVE US CITIES WORTHY OF THE GREATEST NATION ON EARTH.

I RECALL THE OATH TAKEN BY THE CITIZENS OF ATHENS:

"WE WILL EVER STRIVE FOR THE IDEALS AND SACRED THINGS OF THE CITY:

WE WILL UNCEASINGLY SEEK TO QUICKEN THE SENSE OF PUBLIC DUTY;

WE WILL REVERE AND OBEY THE CITY'S LAWS;

WE WILL TRANSMIT THIS CITY NOT LESS, BUT GREATER, BETTER, AND MORE BEAUTIFUL, THAN IT WAS TRANSMITTED TO US."

THOSE WORDS ARE MORE THAN TWO THOUSAND YEARS OLD, BUT THEY ARE STILL VALID TODAY. THEY ARE YOUR GOALS, AND THEY ARE MY GOALS, AND WORKING TOGETHER, WE CAN ACHIEVE THEM. THANK YOU.

Election - Success because close to American people who have inner strength.
Forge new intimacy between President and Mayors, who are closest to the people.
Will expect reorganization of local government - & will support those who



pending
Housing
[July 1976]

THE WHITE HOUSE
WASHINGTON

TO: LYNN MAY
FROM: KRIS BUCHANAN *kb*

Lynn, Mr. Seidman received this letter from Mr. Miller about the possibility of developing a liaison between the White House and the NIBS. Mr. Seidman thought this would be more in the Domestic Council area. Would you please review this letter and see what if anything should be done?

(I think this would go to you rather than Glenn Schleede -- right?)

Thanks.



DAVID S. MILLER & ASSOCIATES, INC.

THREE COMMERCE PARK SQUARE • 140-E • 23200 CHAGRIN BOULEVARD
CLEVELAND, OHIO 44122 • TELEPHONE: 216-292-3663

July 27, 1976

*OK
check with
common
JBS*

Honorable L. William Seidman
Assistant to the President
for Economic Affairs
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Bill:

Subject: National Institute of Building Sciences

You may recall a brief discussion that you and I had at the Time, Inc., sponsored Lyford Cay meeting early in May concerning the National Institute of Building Sciences (NIBS).

At that time, as one of President Ford's nominees to be a three-year term Director of NIBS, I had asked you for your opinion on whether there would be a logical liaison between the "Office of Science Advisor" to the White House and the National Institute of Building Sciences. You then had indicated that such a liaison relationship might be a good possibility but that you envisioned a broader form of liaison between NIBS and various key people on the White House staff and that you would be willing to discuss this idea in more detail when NIBS was finally established as a going concern.

The appointed directors of the National Institute of Building Sciences were confirmed by the Senate in June and sworn in by Secretary Hills on July 9th and we are now actively engaged in our organizational planning. A small Liaison Committee has been formed, with membership as follows:

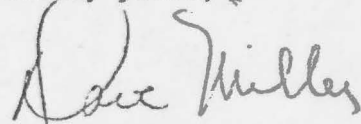
Chairman - David S. Miller
Robert A. Georgine - Washington
S. Peter Volpe - Boston

Based on your earlier suggestion that you would be interested in discussing various forms of liaison between NIBS and the White House staff, would you consider this an appropriate time for discussion with this small committee, or would you prefer a discussion with the full Board of Directors at one of their regular monthly meetings?



We are quite encouraged with the possibilities of developing an effective program and would appreciate your consideration of this matter.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "David S. Miller". The signature is fluid and cursive, with the first name "David" and last name "Miller" clearly distinguishable.

David S. Miller

DSM:as



file

THE WHITE HOUSE
WASHINGTON

August 9, 1976

MEMORANDUM TO: LYNN MAY
FROM: JIM CANNON

Jim

I am somewhat concerned that the Domestic Council has not been involved in the activities of the President's Commission on Urban Development and Neighborhood Revitalization.

It is my impression that the related Cabinet secretaries do not want White House involvement.

Is this true?

You will recall that the President was very specific when he stated that he wanted substantial Domestic Council involvement in this enterprise. Please call me about this.

cc: Queen



241

THE WHITE HOUSE
WASHINGTON

July 13, 1976

MEMORANDUM FOR:

JIM CANNON ✓
JIM CAVANAUGH
ART QUERN

FROM:

STEVE McCONAHEY

SGM

Thought you might be interested in this
reaction to the Urban Task Force.

Attachment: Ltr to SGM dtd 7/8/76
from Dean Randy Hamilton
Golden Gate University

Steve -
Ms. see me on Tuesday.
Should we send to
Coker?
What is status
her visits to cities.

cc:MM





GRADUATE SCHOOL OF
PUBLIC ADMINISTRATION

July 8, 1976

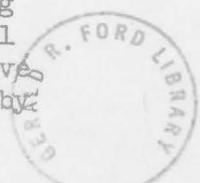
Mr. Stephen G. McConahey
Special Assistant to the President for Intergovernmental Affairs
The White House
Washington, D.C.

Dear Steve:

Gosh, you-all make it tough for a California Republican supporting the President. I was at the US Conference of Mayors meeting in Milwaukee when the President announced the appointment of his 13 member panel to "review" all major Federal programs having an impact on cities and neighborhoods. Believe me, had not the President the respect of the Mayors he would have been laughed at and hooted off the platform. Without exception, the Mayors treated the announcement with derision accompanied by such comments as "...like putting the fox to work guarding the chickens," "... we know what the programs are, what we want is some action to make them work better," "... he must be kidding," "... he can't be serious about this," "...oh goodie, just what we need another Committee to 'study' our problems."

I must say, intellectually I share those sentiments. If the President is to get any support from Mayors and if we are to make sense out of the intergovernmental system now characterizing American federalism, you-all are going to have to do much better than that.

For example, the Vice President spoke with the Governors at their National Conference in Washington, D.C. and did come forward with some intelligent policy statements but, of course, negated the whole point of the speech by emphasizing that what he was saying did "not purport to be Ford Administration Policy." Wherein hell is the "policy" which we have discussed verbally and which I have been needling you about? If the five recommendations offered by the Vice President to improve the federal grant system are not Administration policy, why are they not? What else is?



Mayors and Governors are up their eyeballs in redundant paperwork. The President has appointed a Commission on the matter. How about, at least, a special directive to the Commission accompanied by good press releases not only to the media but to all the magazines and publications put out by various local government associations (in and

GOLDEN GATE UNIVERSITY

536 Mission Street • San Francisco • California 94105

Telephone (415) 391-7800

Member: National Association of Schools of Public Affairs and Administration

International Institute of Administrative Sciences

✓ out of Washington) containing directions from the President to the Commission to come up with an immediate plan for the reduction of state and local government paperwork. That ain't much. But, it is more than we now have.

✓ Why not a special and specific "fireside chat" on national TV from the President on the problems of the cities?

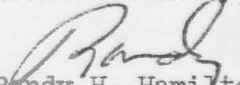
Why not a "state dinner" for Governors and Mayors who are at least as important in the scheme of things as the Queen of England?

As an example of the kind of heavy-handedness that should stop, I am attaching a memo sent to me by Bill Zaner, city manager of Union City, California, illustrating the kind of stuff that HUD will now be piling on the cities through the COGs. Steve, local governments do not like this kind of stuff. And, frankly, an Assistant Secretary of HUD signing his name "FAIA" "AIP" is just a bit pretentious, don't you think. (Fellow, American Institute of Architects - American Institute of Planners). Hell, this ain't England where this kind of thing is tolerated from bureaucrats.

I'm sorry if I continue to sound like a sorehead. I'm really not. It is just that I continue to be amazed at the lack of concerted attention to intergovernmental matters down where it really counts, at the local level.

In any event, thanks for the open invitation to express my views to you. I appreciate that courtesy.

Yours sincerely,


Randy H. Hamilton, Dean





Association of Bay Area Governments

Hotel Claremont • Berkeley, California 94705 • (415) 841-9730

RECEIVED

DT: June 23, 1976

TO: Bay Area County Administrators and City Managers

FM: Charles Q. Forester, Assistant Director of Planning and Programming *C.Q.F.*

RE: HUD Guidelines for A-95 Comments on Community Development Block Grant (CDBG) Applications

Recently State and Areawide Clearinghouses received a memo from HUD Assistant Secretary David O. Meeker, Jr. regarding A-95 comments on Community Development Block Grant (CDBG) applications. These guidelines reflect HUD's intent to:

1. give more consideration to A-95 comments based on State and areawide planning; and
2. describe the kinds of information which would be most useful to HUD in its review of CDBG applications for the next program year.

We are circulating the enclosed memorandum to keep you up to date with HUD's expectations regarding future A-95 reviews of CDBG applications.

HUD states that these guidelines are not requirements but were formulated to provide assistance to HUD field offices, A-95 clearinghouses, and applicants.

ABAG has indicated to HUD that each individual locality is best able to judge existing housing needs within their jurisdictions. In the development of a regional housing subsidy allocation plan (refer to HUD guidelines #1 and #2 in attachment) ABAG will use local jurisdictions' up-to-date housing needs statistics.

We hope this information will be helpful to you.

Enclosure

7/2
RANDY
We talked briefly about
A-95 in session the other day
Now look when we may be
needed -
Bill



Memorandum

HOUSING AND URBAN DEVELOPMENT

TO : State and Areawide Clearinghouses

DATE: MAY 3 1976

IN REPLY REFER TO:

9DP

RECEIVED

FROM : Elizabeth Tapscott
Office of Community Planning and Development

MAY 6 1976

PROJECT REVIEW

SUBJECT: Guidelines for A-95 Comments on CDBG Applications

The attached Guidelines from Assistant Secretary David O. Meeker, Jr. reflect HUD's intent to:

1. make better use of A-95 comments based on State and areawide planning; and
2. suggest the kinds of information which will be most useful to HUD in the review of CDBG applications next year.

HUD will hold meetings early in October with you to discuss these Guidelines and, if necessary, amplify them. HUD staff responsible for CDBG, housing, and 701 Comprehensive Planning Assistance will be present to make sure these Guidelines are of maximum assistance to you.

Elizabeth Tapscott
Assistant Regional Administrator

Attachments





DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WASHINGTON, D.C. 20410

APR 2 1976

OFFICE OF THE ASSISTANT SECRETARY
FOR COMMUNITY PLANNING AND DEVELOPMENT

IN REPLY REFER TO:

Memorandum For: State and Areawide Clearinghouses

Subject: Guidelines for A-95 Comments on CDBG Applications

Secretary Hills is looking to state and areawide clearinghouses to play a more active role in coordinating HUD-funded programs. Accordingly, the Department is encouraging states and areawide planning organizations (APOs) to make their housing and development planning more specifically relevant to the Community Development Block Grant (CDBG) applications and Housing Assistance Plans (HAP) through A-95 comments which are of direct bearing on the funding issues outlined in the Housing and Community Development Act of 1974. Secretary Hills has made clear that HUD "can and will make good use" of A-95 comments based on area-wide or state plans.

The following guidelines have been developed to identify the types of comments and information which would be most useful to HUD in making CDBG funding decisions. These should be regarded as amplification of OMB Circular A-95 and of the Department's requirements concerning A-95 review of CDBG applications (See 24 CFR Sec. 570.300(c) and (d) and Sec. 570.400(d)).

For CDBG entitlement grants, HUD's review is normally based on "the applicant's certifications, statements of facts and data and other programmatic decisions" (§ 570.306(b)(1)). HUD may consider substantial evidence including significant facts and data which challenges the certifications, statements of facts and data, and other programmatic decisions. Based on that review, an application will be approved unless HUD determines that:

1. the applicant's description of community and housing needs and objectives is plainly inconsistent with generally available facts and data;
2. the activities to be undertaken are plainly inappropriate to meeting the needs and objectives identified by the applicant; or

3. the application does not comply with CDBG requirements or other applicable law, or proposes activities ineligible under CDBG. (§ 570.306(b)(2))

In order to make the review and determinations described above, the HUD Area Offices would find the following A-95 comments most useful:

1. Identification of all generally available relevant and significant facts and data, including local and areawide plans, which would be pertinent to HUD's assessment of CDBG applications, particularly with regard to HAPs (e.g., areawide housing element, area-wide housing allocation plan, special studies providing employment or journey to work data, etc.).

2. Indication of whether the data used in the CDBG application and HAP is:

--the latest and most accurate data generally available;

--the same as or compatible with areawide data;

--analyzed with appropriate methodology:

--interpreted so as to reflect the clearinghouse's own judgment of housing conditions and the housing assistance needs of lower income households in the community and the region.

3. Description of the clearinghouse's role in assisting the applicant in preparing its application or in negotiations undertaken to resolve problems prior to the formal A-95 review process, that is, did the clearinghouse:

--identify relevant data sources;

--provide the applicant with data;

--participate in preliminary reviews and revisions of the application, etc.

4. Indication of whether the "expected to reside" or other goals and housing needs estimates are:



--based on areawide or State studies;

--based on or compatible with areawide or State data.

5. Indication of whether areawide or State housing and functional plans (e.g., water, sewer, solid waste, transportation, health and education, air quality, etc.) would be impacted by the CDBG application and identification of significant inconsistencies.

6. Identification of additional services and facilities not yet under development which will be necessary to support the proposed housing goals (e.g., health and education, parks and recreation, transportation, public safety, solid waste, etc.).

7. Identification of significant conflicts with plans or goals of other jurisdictions.

HUD suggests that clearinghouses relay these guidelines to other agencies or governmental units from which comments on CDBG applications are being solicited.

As previously stated, the guidelines presented above are not requirements, although HUD is considering incorporating performance standards into A-95 regulations which will be issued shortly. These guidelines are intended to provide guidance to HUD field offices, A-95 clearinghouses and applicants regarding what will be most useful to HUD in its review of CDBG applications under the statutory criteria for CDBG. Where desirable in particular cases, these guidelines may be supplemented within the boundaries of the statutory review criteria.

D. O. Meeker, Jr.
David O. Meeker, Jr. FAIA, AIP
Assistant Secretary



THE WHITE HOUSE
WASHINGTON

file
Housing

August 25, 1976

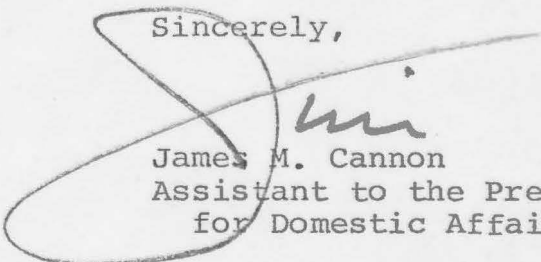
Dear John:

I appreciated your note of July 22 with which you enclosed a copy of a letter to the President from Bill Goodling regarding unused Farmers Home Administration ("FmHA") housing funds.

Since receiving your note, I have examined this situation carefully. It is my conclusion that FmHA is not withholding funds intentionally but rather is, appropriately, using increased care in making and servicing loans. This use of greater care in obligating new loan money is justified by the fact that FmHA has been experiencing problems with delinquent loans, and is dedicating more effort to monitoring these problem loans.

You were kind to bring this matter to my attention and I trust that this explanation is helpful.

Sincerely,



James M. Cannon
Assistant to the President
for Domestic Affairs

Honorable John J. Rhodes
Minority Leader
House of Representatives
Washington, D.C. 20515



THE WHITE HOUSE
WASHINGTON

August 30, 1976

Housing
J. Am.

ADMINISTRATIVELY CONFIDENTIAL

Economic Policy Decision Memorandum 21

TO: The Secretary of Housing and Urban Development
The Director of the Office of Management and Budget

SUBJECT: Release of Tandem Mortgage Purchase Funds

The President has reviewed the proposal to release \$2 billion of additional tandem mortgage purchase funds for multifamily housing. The President has authorized the release of additional tandem mortgage purchase funds for multifamily housing limited to projects for which FHA insurance had been applied for before June 30, 1976.

The Secretary of Housing and Urban Development is hereby requested to undertake the necessary arrangements to announce this decision in coordination with the Assistant to the President for Economic Affairs.

L. W. Seidman

L. William Seidman

cc: Assistant to the President ✓
for Domestic Affairs

