

**The original documents are located in Box 39, folder “Urban Policy (4)” of the James M. Cannon Files at the Gerald R. Ford Presidential Library.**

### **Copyright Notice**

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

THE WHITE HOUSE

WASHINGTON

May 4, 1976

MEMORANDUM FOR:

JIM CANNON ✓  
ART QUERN  
STEVE McCONAHEY  
ART FLETCHER  
PAT DELANEY  
ALLEN MOORE

FROM:

LYNN MAY *Lynn May*

SUBJECT:

Urban Policy

Attached is a draft paper reflecting HUD's response to our urban policy initiative. I thought it would be useful to us to review it to assess the direction of the thinking in the Department on the issue.

I expect the final version of the paper and a meeting with Secretary Hills and her staff to crystallize within ten days to two weeks.

1) Art:

2) Lynn:

attachment

HUD's response is disappointing.  
In general, it is unresponsive to the questions, vague, windy and bureaucratic in approach. And fundamental questions about the reasons for urban problems are overlooked. Let's discuss it.  
*Jenn*



March 19, 1976

MEMORANDUM FOR CARLA HILLS

FROM: LYNN MAY /S/

SUBJECT: Urban Policy

Jim Cannon has requested the Domestic Council to examine a number of related issues affecting the Administration's urban policy. He is aware that you have taken a major interest in this subject and have discussed it at length with other Cabinet members.

In light of your concern and responsibilities for community development policy, Jim believes it would be useful for you and key members of your staff, like Dave Meeker and Charles Orlebeke, to meet with Domestic Council staff members to discuss issues.

Topics for discussion in this meeting would likely revolve around the following questions:

1. What position should the Administration take in regard to the problems of the cities?
2. What process do we have for dealing with specific calls for help from Mayors of cities in fiscal trouble?
3. How can we best approach the development of a long-term policy toward the nation's cities?

Some suggested initial steps for resolving these questions involve the following:

1. Assessing a survey of exactly which cities are, or soon will be, in trouble.
2. Establishing and maintaining a regular (not crisis oriented) channel of communication with urban centers).
3. Development of a "tool" or "yardstick" to assist in measuring the fiscal conditions of different cities.



4. Review Federal programs specifically designed to help the cities.

We realize, of course, that HUD has a long history of involvement in many of these subjects. What we would like to obtain from our initial meeting is your assessment of the issues and of possible options the Administration might adopt to resolve them, particularly in the realm of Federal, State and local coordination. We would also like a general description of the state of the analytical art for assessing urban fiscal problems.





DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
EXECUTIVE ASSISTANT TO THE SECRETARY

May 3, 1976

To : Lynn May, Domestic Council

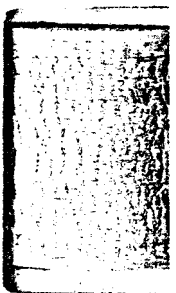
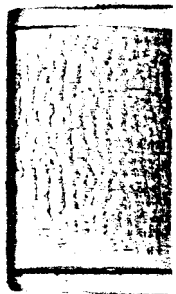
From: William C. Kelly, Jr.

*wck*

As I promised on Friday, attached is a draft paper on urban policy. Because it is a draft, I would appreciate your not circulating it outside the Domestic Council.

Dave Meeker will be in touch with you next week.

cc:  
Carla A. Hills  
John B. Rhinelanders  
David O. Meeker



DRAFT

## AN URBAN POLICY FOR CENTRAL CITIES

### I. The Request

The Domestic Council in April requested a meeting to discuss urban policy and city problems.

### II. The Problem

1. The Department's real and perceived urban development role is weaker than envisioned in the statutory base.

- o At present, major urban responsibilities are scattered in piecemeal fashion throughout the Executive Branch. With a trend beginning in 1968, Presidential and Congressional actions have greatly strengthened the urban role of other Federal agencies concerning the central cities.
- o That trend continues, with large city mayors, state and local officials, national public interest groups and key Congressional leaders increasingly looking to the urban development responsibilities assigned

elsewhere. The present attempt by the House Public Works Committee to assign a broad urban economic development role to the Department of Commerce's Economic Development Administration (HR 9398) is a prime example. This type of action stands to undercut the Department and, if successful, would be a step backward toward program proliferation and fragmentation. I have discussed with Sol Mosher a strategy to link this bill to the Community Development Block Grant Program, and my staff is working on specific suggestions. General options would include a Presidential veto or a re-working of the proposal to link Federal urban development funds, with the Department administering the program in conjunction with Commerce, through a combined Economic-Community Development Application.

- o Given the limited discretionary nature of the Community Development Block Grant Program and the funding limitations of the Comprehensive Planning Program, the Department is perceived by its constituents as having lost its urban development primacy.
- o Departmental initiatives to improve Federal interagency and intergovernmental coordination through agreements among agencies sharing the same constituency are not apparent, since they are not focused on specific urban development objectives such as the leveling off and re-alignment of functions in non-viable, large central cities.
- o Despite these interagency agreements and the Department's strong past record in pioneering the Integrated Grant Administration program leading to Joint Funding Simplification Act and other coordination improvements, state and local officials and public interest groups are increasingly turning to other Federal agencies. A current effort (S. 3075) to vest broader areawide coordination and areawide growth management responsibilities in the Office of Management and Budget serves as an example.

GERALD R. FORD

Again, this type of action undercuts the Department's urban development role.

- o Recent Congressional hearings focused heavily on the Department's housing role and research agenda. No new major urban development or growth development challenges were raised. This tends to further weaken the Department's real and perceived role in these vital areas.
- o On the assumption that a strong Department urban development role is of real benefit to the nation and the administration, major initiatives become necessary to regain lost ground and capture additional strength. Necessarily, these initiatives must be undertaken promptly, but need not necessarily involve large amounts of funding. Needed funds could be provided out of existing or anticipated resources through a shifting of priorities. For example, "701" funding, which may be increased by the Congress, could be applied for that purpose.

#### I. The Opportunity

The Department could seek to regain its primacy as the communications focal point with state and local governments.

- o The Department is the most logical Federal agency to provide both the structure and the process in responding to the Domestic Council's stated concern for "establishing and maintaining a regular channel for communication with urban centers".
- o Ours is the only agency with a broad statutory/executive order mandate to promote, facilitate and strengthen interagency and intergovernmental relations supportive of urban development through the statutory authority of Director of Urban Program Coordination. And the Department is the only agency, through interagency agreements and "701" funds, now providing the common Federal linchpin with state and local government.

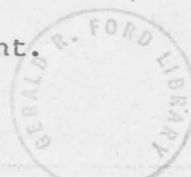


- o Policy Development and Research and CPD "701" already are major focal points for research and innovative projects dealing with urban development, including city fiscal issues and growth and development issues.
- o The Department also serves as a major focal point for the general national, state and local public interest groups and specialized interest groups, such as the Council of State Community Affairs Agencies, on matters related to urban development.
- o The Department could easily initiate a series of general and specific efforts to improve and strengthen the administration's communications ties with state and local governments. These efforts could focus upon regular communications and respond-to-crisis situations. A new inter-governmental communications system that builds upon the Federal Regional Councils could be developed with the Department as the lead agency. Special attention could be given to the different types of fiscal problems.
- o The Department could seek to firmly establish its primacy for dealing with balanced national growth and development, including various forms of large-scale urban development.
- o It is impossible to effectively deal with the central city fiscal issues outside the framework of growth and development affecting urban counties, metropolitan regions and national economic regions. For example, hard data supports the contention that when central cities constitute a major proportion of the metropolitan regions, such as Jacksonville with 91%, they are likely to be more viable than cities which constitute a small proportion, as in the case of San Francisco with 40%.
- o The short- and long-term success of the Department's housing, community development, urban design and other missions will hinge on how growth



and development balance is handled by cities, counties and states. And the success of the Federal government in coping with present and projected growth and development -- much of which will escalate the economic base and fiscal crisis now facing large central cities with a tradition of providing broad, high-level and high-cost social services -- will hinge on how cities, counties and states handle basic changes in the economic-community functions of the central cities. The Minnesota Metropolitan Fiscal Disparity Act is an example of an effort to deal with the central city revenue/expenditure imbalance within the context of areawide growth and development.

- o New communities, planned unit development, larger-than-usual developments, land-use management and other forms of economic/community development drawing support from the Department either contribute to central city economic/community gains, such as in Minneapolis and Houston, or losses, as in the case of Washington, D.C. It is impossible to ignore the impact of the Department and other Federal policies and programs on central cities.
- o The Department could assume a new leadership role in helping to shape differential Federal policies and programs within the context of balanced National Growth and Development to cope with different types of central cities such as housekeeping-physical orientation or full public delivery-social orientation in different National Economic Regions, states and metropolitan regions. Pin-pointed efforts could focus on large central cities without a viable economic base or a grossly distorted base linked to public-private sector service employment. Broader efforts could focus on central cities with a viable economic base that can be conserved, expanded and balanced through public economic-community development actions and reasonable policies backed by sound fiscal management.





IV. The Department could seek to fill the gap that exists for dealing with National Economic Regions and Interstate Growth and Development Corridors

- o Today, the Appalachian Regional Commission, the Department of Commerce and the Water Resources Commission are the major focal points for Federal attempts to cope with certain dimensions of National Regions and Interstate Corridors.
- o Congress remains the dominant force in support of "National Regionalism". Substantive amendments to the Public Works and Economic Development Act and the Appalachian Regional Commission place broader growth and development responsibilities on Title V Regional Action Commissions and the Appalachian Regional Commission. The 1975 amendments also make the Governors directly accountable for planning and implementation.
- o Despite funding reductions, it appears that the concept of "National Regionalism" is gaining ground. Broad recognition is being given to the impact that public-private investments have had, and are having, on states and large central cities in the Northeast and Midwest. Basic economic-population redistributions are taking place which contribute to growth and development imbalances.
- o New initiatives are being taken by public-private leaders at the state and local levels to understand and cope with the phenomenon of "National Regionalism" and its consequences on the provision and financing of public services in "loser" states, metropolitan regions, urban counties and large central cities.
- o The Academy for Contemporary Problems has prepared an unsolicited urban development leadership proposal seeking Department "701" and Economic Development Administration planning assistance funding to help launch a new Industrial Midwest Development Institute to deal with "... the profound economic and demographic shifts now altering the fiscal and social conditions of many of the older industrial cities...." Once established,



the Institute would be governed by a board made up of state, federal and private leaders, with federal officials drawn from the appropriate Federal Regional Councils. A similar effort is being developed by a northeast university consortia to focus on that Region's difficulties and growing imbalances. The Rocky Mountain Federation of States is examining the desirability of initiating a similar effort through the Federation of a new eleven-state vehicle.

- o The Department is the most logical Federal agency to respond to, and actively encourage, these types of initiatives. Positive response would strengthen the Department's capability to help answer the Domestic Council's question: "How can we best approach the development of a long-term policy toward the nation's cities?" Furthermore, a positive response would strengthen the administration's position in the midwest and northeast by demonstrating concern over imbalances. Concern backed by pin-pointed efforts can help counter charges that the administration has turned its back on states and central cities in the so-called "Steel and Retail Belts" in favor of the "Sun Belt".
- o The Department could easily initiate a series of responsive efforts. A major Department link with the Academy for Contemporary Problems on this issue would help strengthen communication and intergovernmental relations with state and local governments through the Academy's sponsors -- the major national public interest groups. Similar links could be developed in the Northeast and Mountain Plains Regions. Research data from a recent fiscal study indicates that an 11% increase in private service industry employment is required to generate the public revenue lost from one manufacturing job and a 61% increase in public sector service employment is required to offset such a loss. The long-term impact on large central cities in turn will impact on state





and Federal growth and development policies. Obviously, strategies such as public employment programs have both long- and short-term disadvantages.

V. The Department Could Seek to Fill the Gap that Exists for Dealing with Interstate Metropolitan Regions and Less than National Interstate Growth and Development Corridors

- o Today, the Department and the Economic Development Administration are the major focal point for certain economic-community development aspects of Metropolitan Regions involving two or more states and interstate corridors cutting through and extending beyond some of these Regions and other contiguous Regions and substate districts within each state such as the Inter- and Intrastate Cincinnati Growth and Development Corridor.
- o The Department of Transportation, the Environmental Protection Agency and other Federal agencies also have a major impact on growth and development within these Regions and corridors.
- o As with National Economic Regions and National Interstate Corridors as in the Northeast which cut through and extend beyond two or more entire states, the growing economic-community imbalances associated with Interstate Metropolitan Regions and interstate corridors are having a significant impact on the viability of larger central cities.
- o To date, most interstate compact commissions, regional councils of governments and similar vehicles receiving CPD "701" funds have not focused work elements on balanced growth and development and on the short- and long-term impact regional growth and development on the economic-community functions of large central cities. Few of these vehicles have formally recognized the importance of dealing with interstate corridors.



- o New initiatives by a few states recognize the importance of interstate growth and development (such as Ohio-Indiana-Kentucky). A few interstate vehicles, like Siouxland Interstate Metropolitan Planning Council have also taken some initiatives. The Southeast Federal Regional Council's leading effort to understand and deal with interstate and intrastate "border straddler" problems having a negative impact on programs and contiguous regional agencies has not moved into Phase II due to other priorities.
- o The Department is the most logical Federal agency to respond to, and actively encourage, new initiatives aimed at understanding and adjusting to interstate growth and development events. Pin-pointed efforts could focus on "troubled" Regions such as the New York Metropolitan Region and Regions trying to avoid growth and development imbalances such as the Iowa-Nebraska-South Dakota Interstate Region, centered in Sioux City, Iowa.
- o Positive response would strengthen the Department's and the Administration's position in dealing with central city issues and the problem of working out coordinated actions between and among states and between and among Federal Regional Councils with overlapping jurisdictional responsibilities, as in Sioux City.

VI. The Department Could Seek to Strengthen its Relationships with Regional Councils and Similar Vehicles with Service Areas Encompassing Large Central Cities

- o The Department has always been the economic-community source of Federal leadership calling for the solution of many fundamental problems through state and local efforts keyed to the metropolitan region encompassing the large central city.
- o The Metropolitan Council of Minneapolis and the Denver Regional Council of Governments offer examples of how councils can help large central cities retain their economic-community vitality. The



Metropolitan Council's accomplishments includ- critical support-building for the Metropolitan Fiscal Disparity Act. The Denver Council was the catalyst behind the effort to create a Regional Service Authority to link planning with implementation. Narrowly defeated, this effort may be advanced again.

- o The Houston-Galveston Area Council of Governments is an illustration of how councils can improve communications between Federal-state-local officials and public-private leaders. The Department successfully carried out problem-solving forums with this and other councils in 1972.
- o The Department has also helped finance "Forums on Federalism" sponsored by various local organizations in conjunction with councils and other "701" recipients. Several Forums focused specifically on large central city economic-fiscal problems, as was the case in St. Louis.
- o The Department could easily and profitably initiate a series of new efforts designed to attack large central city problems through communications and open dialogue using regional councils and similar vehicles. If carefully implemented these positive efforts could appropriately turn the first level of central city problem solving back toward the regions and states. This direction is totally consistent with New Federalism and could improve the administration's position with regard to city issues, without committing the administration to massive new Federal interdictions and bigger Federal government. Given the political makeup of regional councils and similar vehicles, the administration's overall positions will find support and the administration can effectively counter many of the charges that it is not sensitive or responsive to central city issues.



- o A series of regional conferences pin-pointed on "troubled" or "endangered" central cities such as Detroit, St. Louis and Atlanta could be carefully staged, with regional councils serving as the delivery vehicles. Each conference could be handled with Department staff doing much of the work funded by a small "701" set-aside. Specific topics could include full state assumption of selected governmental functions such as health and education and the probable impact on central city, suburban, state and even Federal public finance.
- o The Department could initiate several experimental projects to see if the successful South Texas Cultural Basin Commission approach can be transferred to certain "troubled" metropolitan regions like New York and St. Louis. This approach brings state, including the governor; Federal, through the Federal Regional Council; local officials, including chairmen of regional councils of government; and private leaders together as Commission members to focus on short- and long-term actions to deal with systemic economic-community problems. The future of each city is viewed within a broader State Economic Region encompassing five separate substate districts served by five regional councils. If transferrable, this model could help state-local and Federal governments move forward toward a long-term policy for dealing with central city issues.
- o Strong positive response would strengthen the Department and administration's position on dealing with central city issues and help meet the three objectives of concern to the Domestic Council. This approach could give the administration a positive position that shows concern and understanding without unnecessary political and fiscal commitments and which promise future solutions without unnecessary delivery. It could





yield a major piece of a new process for dealing with calls for help from Mayors by turning first-level problem-solving back from the Federal government to regions and states. Furthermore, it could contribute to the development of a long term policy toward the future of central cities with and without viable economic bases.

VII. The Department Could Seek to Strengthen the Role of States in Dealing with Balanced Growth and Development Issues Impacting Upon Large Central Cities by using these methods:

- o Encourage states to undertake new applied research and problem-solving efforts keyed on the negative-positive aspects of growth and development within National Economic Regions, National Interstate Corridors, Interstate Metropolitan Regions, Interstate Corridors and Metropolitan Regions. Pin-pointed focus could be placed on large central city issues.
- o Work closely with the Council of State Community Affairs Agencies and similar organizations to strengthen the capability and capacity of different states for dealing with the economic-community problems of different types of central cities. Particular focus could be on new state-Federal program-funding links with the Community Development Block Grant Program through greater use of the Joint Funding Simplification Act and other mechanisms.
- o Initiate a series of efforts to get states more involved with central cities to prevent new economic-fiscal crises and with urban counties as true forms of areawide government for dealing with growth and development, for example, through the Community Development Block Grant Program and other Department programs focused on large-scale development and financing of selective public services.

Respond to new and current state initiatives. Concerning balanced growth and development, the National Governor's Conference offered a 1974-1975 proposal to Congress calling for a new system of multi-state and interstate



vehicles to deal with growth and development issues. New emphasis on the State role would strengthen the Department's capability to fully execute Federal interagency agreements and stimulate new uses of Joint Funding focused on a few targeted central cities. This approach would also strengthen the Administration's position in showing concern for urban counties and aging suburban communities, as well as for large central cities.

VIII. The Department Could Seek to Increase the Community Development Block Grant Program's Impact on Solving Large Central City Problems

- o The Block Grant Program is largely keyed to meeting the physical needs of cities. Detroit Mayor Coleman Young recently complained before the Joint Economic Committee that, "Community development won't help me run a police department or a sanitation department." To a great extent this statement is true. A reassumption of Department leadership in support of Joint Funding could help bring the funding priorities of other Federal agencies more into line with city needs and match Federal social service-human resources programs up with the Block Grant Program. This approach would greatly strengthen the Department and the administration's immediate ability to deal with calls for help from Mayors.
- o The Department could: Seek to gain the responsibility for administering Joint Funding Projects through lead agency designation or formal transfer.
- o Engage in new initiatives with the Departments of Commerce, Labor and H.E.W. to develop a new package of services and funds targeted on "troubled" and "endangered" central cities. It is almost impossible to cope with the basic changes that have occurred, and still are occurring, in the economic-community functions of large central cities without these Departments cooperating in a consistent and mutually-reinforcing set of policies.



- o Provide further leadership and advancing proposals calling for Federal financial formulae, governing statutes and regulations to give greater weight to poverty, unemployment and loss of economic base factors. A new twist would be to give weight to the increase of central city dependency on public-private service industry jobs. This would be a realistic and dramatic way to Federally recognize basic changes in the economic-community functions of large central cities.

IX. The Department Could Strengthen its Research Role and Seek to Become the Primary Federal Focal Point for Applied Research Targeted on Central City Issues

- o Building upon current and on-going efforts, the Department could immediately pull together the Federal and non-Federal research that exists on central city problems. Once catalogued and analyzed, the Department could issue self-help documents to guide local and state officials understanding and dealing with central city issues.
- o Apply research findings scattered throughout the Federal government and the nation to help improve communications on large central-city issues within the Federal government, between governmental levels and between public and private leaders.
- o Use proven research methods for determining immediate and impending fiscal crises and largely irreversible basic changes in economic-community functions to help states and local officials initiate self-help actions.
- o Put into practice proven public economic-community adjustment and realignment methods to help state and local officials and private leaders develop realistic self-help and short- and long-range action programs to level down certain public services, transfer the responsibility for certain functions to higher governmental levels and shift the cost of certain services to users through public user charges or private delivery.



- o Initiate a series of efforts to focus attention on hard research data and findings dealing with the cause-effect of central city fiscal problems. Assuming primacy for Federally sponsored applied central city solutions, the Department could strengthen its working relationships with the Advisory Commission on Intergovernmental Relations, the National Science Foundation and other agencies funding both theoretical and applied research on central city economic-fiscal and service delivery issues. Furthermore, the Department could assume primacy for serving as the Federal clearinghouse to ensure that all relevant research on central city issues is made known to potential users and that it is distilled into usable form for application through Federal and non-Federal sponsored projects.
- o Convene a non-political conference of leading public fiscal experts to discuss the state of the analytical art and directions the Federal government should consider taking to improve research methods and data.
- o Serve as the convenor to bring together public-private experts to share research findings and discuss ways to deal with specific types of public finance problems such as retirement and pension funding, municipal credit, collective/bargaining, wage/fringe roll backs or roll outs to higher governmental levels or suburban communities, and the negative-positive fiscal impact of state-Federal assumptions and "piggy-back" commuter-sales type taxes. Additional research is needed on the inelasticity of large central city tax bases and how equity problems might be addressed through income transfer approaches. Competitive research is also needed on service employee productivity in the public-private sectors.
- o Immediately initiate situational analysis targeted on selective central cities so that differential Federal strategies and pin-pointed selective Federal interdiction actions can be proposed for dealing with various types of large central cities in different National Economic Regions, states and metropolitan regions.





- o Longer range balanced national growth and development research projects could be initiated to determine the possible impact that basic economic-population shifts in favor of National Economic Regions and states, such as Texas, without a tradition of providing broad, high level and high-cost social services-human resources programs largely financed out of state-local revenues might have on a levelling down of services-programs in "loser" National Economic Regions and states like Northeast-New York, Midwest-Michigan and on a levelling down or up of Federal funding support.
- o Positive response would strengthen the Department and show the administration's willingness to remain open-minded to long-term solutions. Importantly, positive response would communicate to most citizens, the vast majority of public officials and private leaders that the situation is very complex, was long developing and will require a long term "work-out". Broadcast communication would help the Administration counter short term, high-cost, politically expedient proposals calling for more public service jobs and so forth. Many Presidential contenders are attracting excellent press and may be gaining independent voter support because the Administration's positions are not reaching broad groups of taxpayers in terms they understand.

#### X. Further Action

- o Members of the CPD staff are now preparing a more detailed response to the points raised in the Council's memorandum. I would like to submit a strategy paper, with options, and a proposed agenda for discussion upon my return the week of May 10. This paper will identify actions that the Department can take with or through the Council, and steps that can be taken under existing assignments.



Glenda Allen—no answer  
Sally Blue—run away  
Robert Brown—wants to quit  
Jess Brown—had court hearing today  
Richard Casey—unknown  
Keith Cline—truant, mother said he left for school.  
Sheila Davis—sink overflow. Had to wait for plumber.  
Tom Duffey—out painting house all week—parents' permission.  
Susie Gerholt—pregnancy illness.

Janice Grantham—missed ride  
David Harris—death in family (grandfather)

Nancy Hodap—ride left without her—no money for bus.

Sandra Holland—glasses broken—mother called.

Andrew Hunter—called mother; thought Andrew was in school.

Mark Gasser—Job Corps.  
Sandy Johnson—false labor pains.

Andrew Jones—overslept till 12.  
Paulette Jones—fell down the steps.

Leroy Kennard—went to Florida; sister had baby.

Vic Klinker—refuses to come to school; going to quit in a couple of weeks.

Dan Lauhorn—had appt. at health clinic.

Thomas Mason—in juvenile court.

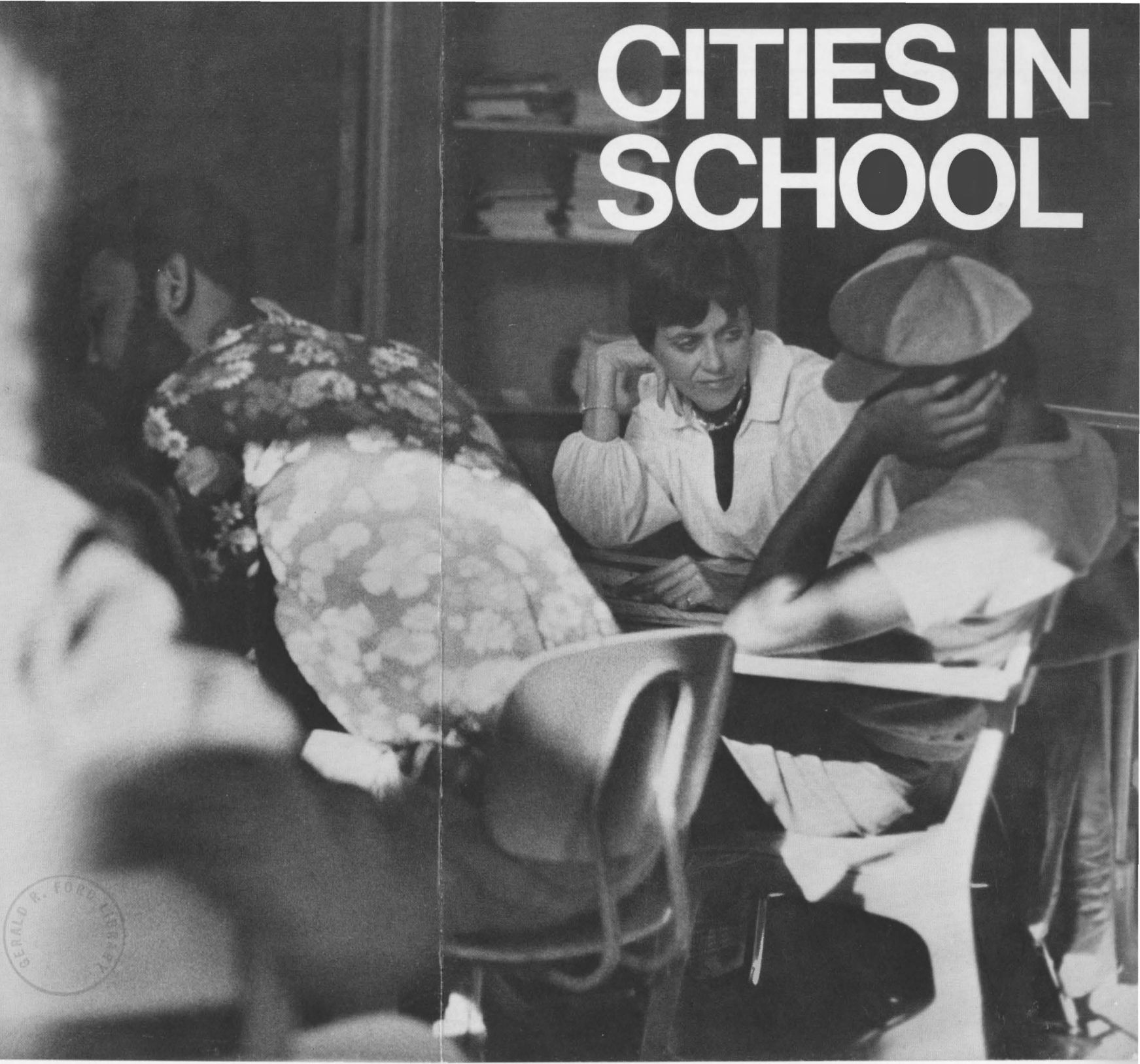
The names of these youth are not real. The reasons they stayed home from school are. This list represents a collage of human need which floods our schools each day. Teachers have neither the time, resources and in many cases the skills, to solve these problems.

Educators and supportive staff (social workers, probation officers, youth workers, drug workers, and other related disciplines) must work together in meaningful concert. There is no other plausible road to quality urban education.

Cities in School represents a national model that demonstrates a new way to meet the comprehensive needs of youth.



# CITIES IN SCHOOL



## THE NEED

Most teenagers entering urban high schools would have trouble reading this sentence. Every year, for several years, the reading/comprehension level in urban schools has been getting lower and lower . . . because most urban high school teenagers have trouble.

They may be hungry, or beat up or anxious or pregnant or suffering from some terrible combination of fears and psychic injuries or whatever. But chances are, they have trouble.

And students in trouble cause trouble. Teachers, instead of teaching, "keep order." The toughest problem in urban education is not the quality of teaching. It is the social, economic, and personal problems of the students . . . problems that prevent the students from learning . . . and problems that the schools and the teachers cannot help.

If we could solve the human problems, the teachers could solve the learning problems.

Cities are rich with professionals, and budgets and programs for 15-19-year-olds. Well-staffed departments of housing, social work, welfare, health, probation, and parks & recreation exist now. But they are rarely coordinated with each other.

## THE PLAN

Instead of bringing the teenagers to the city services . . . bring the city services to the teenagers. Bring the city to school.

Bring trained professionals from health, welfare, probation, housing and parks & recreation into the school system. Make those people part of the educational process. Free the teachers for teaching.

The point is to make more effective use of the money, people and skills already provided by city budgets.

Give the teenager somebody to trust and relate to; who can meet his/her pressing needs.

Give urban high schools around the country an easily copied prototype that works!

Here's an outline of the model.

Divide the students into a family unit.

There are many social agencies in the city . . . often scattered all over town. The child has to leave home or school to seek service from each agency separately. Much time is wasted traveling, and looking for each individual child.

The teenager who needs help has to seek out each one separately. And each department has to find each child separately.

It's a classic management problem . . . how do you team up the existing resources of the city, to make the education of its future citizens possible?

One answer is being developed in Indianapolis, Atlanta and New York.

## FAMILY UNIT

40 students

1 teacher

## STAFF

1 family facilitator (to make things work)

1 program coordinator  
(vocational/recreation)

1 social service person  
(welfare/social worker/probation)

1 supportive educator (for remediation)

Make sure that there is a race and sex distribution so every student has a variety of staff to relate to.

Provide intensive tutoring during and after class.

Visit students' homes to gain the support of parents.

Organize field trips. Provide remedial reading programs and intensive math classes. Begin to use community resources.

Show the students that somebody cares. Solve the personal problems to solve the learning problems.

Most important . . . raise reading and math levels. Help students become responsible creative citizens that contribute to society instead of welfare and/or criminal burdens of society.

## THE RESULTS

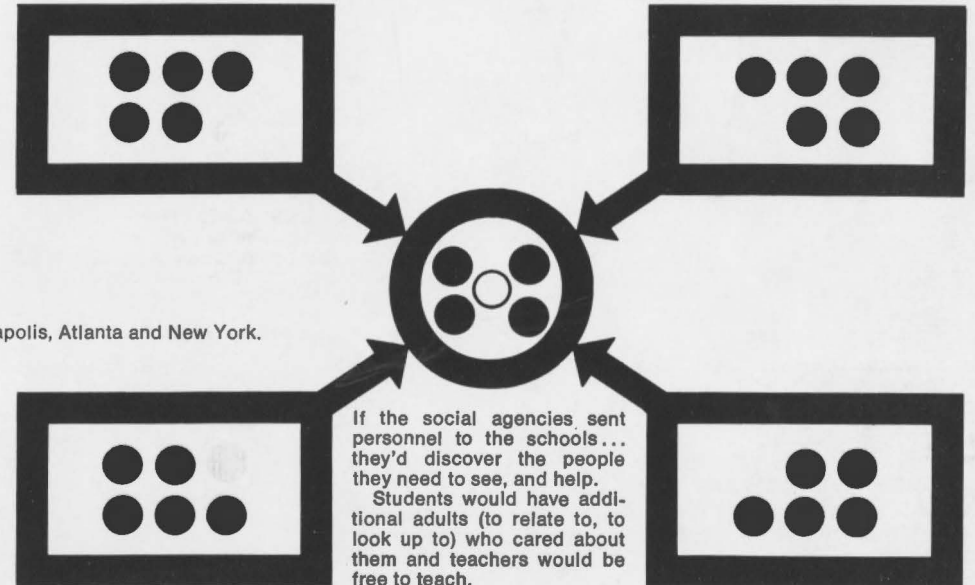
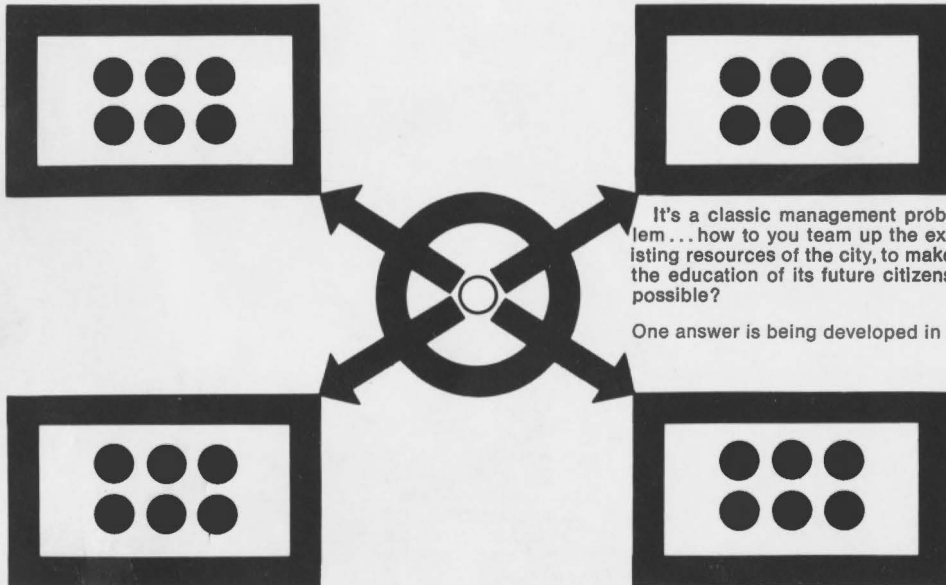
If the excitement and commitment of the staff involved in the model projects were the only yardstick . . . the Cities in School plan is a great success.

That's a good sign. But it will be the students who will be the measure of the program.

Through a grant from the Lilly Endowment, the University of St. Louis is now conducting a thorough evaluation of the program in Indianapolis . . . costs, reading levels, reduced numbers on probation, etc.

The Cities in School concept does not guarantee miraculous improvement. It is an attempt to coordinate the delivery of youth services *around the youth* through a school setting.

Cities in School is community resources working in concert with educational institutions. It is a real hope that the lives of our urban youth can be serviced; that their educational, cultural and conceptual deficiencies can be helped . . . that the youth who are the future of urban communities will be educated, responsible, contributing citizens.





Cannon File

THE WHITE HOUSE

WASHINGTON

June 28, 1976

MEMORANDUM FOR: JACK MARSH  
FROM: JIM CANNON *Handwritten: For Jim Cannon*  
SUBJECT: Carter Position on Urban Problems

It is our understanding that the Mayors meeting in Milwaukee expect Jimmy Carter on Tuesday, June 29, to endorse an "urban development bank" concept to provide major Federal assistance (possibly \$1 billion) for cities in a way that is designed to stimulate investment by the private sector.

Few details are expected, but the Democratic Mayors do anticipate that Carter will indicate his position by endorsing the attached resolution.

Attachment



WHEREAS, the preservation of existing neighborhoods and the rehabilitation of its housing stock, existing commercial facilities and basic infrastructure is part and parcel to any effort to revitalize our nation's central cities and a national objective of highest urgency and concern; and

WHEREAS, the achievement of such a vast undertaking requires the execution of a complex process which includes a strong, direct federal-local relationship, a partnership of public and private sector and a city's understanding of both the community development strategy as well as the interacting of economic and social factors enhancing residents' confidence, of which neither the programmatic tools nor monetary resources presently exist; and

WHEREAS, the United States Conference of Mayors adopted policy at the 43rd Annual Conference in Boston calling upon the Administration to create a substantial pilot program for neighborhood regeneration in at least 100 cities; and

WHEREAS, the Administration has yet to pursue such an activity and the forthcoming congressional debate on the reauthorization of the Housing Community Development Act of 1974 provides an excellent forum for further presentation, discussion and adoption,

NOW, THEREFORE, BE IT RESOLVED that the U. S. Conference of Mayors reaffirms and strengthens the previously adopted policy urging both the Administration and Congress to actively pursue the development and creation of a new and substantial \$1 billion demonstration/pilot program to foster neighborhood regeneration and rehabilitation; and

BE IT FURTHER RESOLVED that federal and all program resources be directly linked in a systematic way to the community development block grant multi-year planning and implementation activities including the housing assistance plans; and

BE IT FURTHER RESOLVED that, as an intricate part of this program, Congress and the Administration should examine and devise new and innovative federal financing techniques similar to such concepts as the National Urban Development Bank or the National Cities Corporation with the objective of stimulating and providing incentives for the involvement of the private sector.



July 13, 1976

Urban Policy  
Rt6

TO: The Vice President

FROM: William J. Roan

SUBJECT: INDUSTRIAL DEVELOPMENT AS AN AID TO URBAN BLIGHT AND  
CHRONIC UNEMPLOYMENT

### Background

The major older cities of the nation -- New York, Philadelphia, Boston, Detroit, Cleveland, Newark, St. Louis, etc. -- suffer from deterioration of their ratable values, outward migration of industry -- manufacturing, warehousing and distribution particularly -- and high unemployment and large welfare costs.

Any long term solution that will save these cities requires their economic revitalization -- and this means a sizeable portion of industry and jobs must be attracted back to the cities.

One significant element in this effort is Federal policy. Federal policy heretofore has encouraged urban decentralization -- FHA and Veterans housing, the Federal Highway Program, Federal electrification programs, etc. If the cities are to be reinvigorated Federal policy must encourage it. This will take several major policy changes:

1. Federal setting of maximum welfare as well as minimum welfare standards.
2. Federal housing programs to reattract the middle class to the cities.
3. Federal transportation policies to encourage public transportation in cities.
4. Federal energy policies to make energy costs in cities more competitive.
5. Federal assistance for industrial development and redevelopment in cities.

### Industrial Development

1. The large cities in trouble will not come out of their difficulties unless they can attract industry and employment.



2. These cities have vast areas of slums, depopulated "bombed-out" sections, which are producing little revenue and constitute not only "eyesores" but are areas of degradation, crime and delinquency, and these "rotten areas" have spread to adjacent areas. The properties in some of these areas have already been acquired by municipalities through tax delinquencies.
3. A Federal program to help acquisition of certain of these areas for industrial redevelopment would be a major assist to them. Many of these areas could be made available for industrial usage, if the land costs are written down, if they are cleared, and if the basics of utilities and transportation are provided.

Financing: \$2 Billion in Federal Funds

Because of the present stringencies on cities, Federal assistance would be a desirable bolt (?) as an incentive and for actual progression of such a program.

Federal assistance should take two, possibly three, forms:

1. Federal funds to assist state and local government in acquiring necessary additional land, clearing sites, and in writing down land values. Municipalities would be allowed to use land they now own to match Federal funds.
2. Modification of the so-called "Ribicoff Amendment" that currently limits the amount of tax-exempt revenue bond financing for industrial development. This modification should be designed to permit larger amounts of tax-exempt industrial revenue financing for urban areas that have had consistently high unemployment.
3. Consideration should be given in connection with these areas for industrial development in communities with consistently high unemployment rates above certain levels to:
  - a. the additional stimulus of a modification of the corporate income tax, and
  - b. a five-year tax write-off for capital outlays.

The matching financial assistance and the liberalized "Ribicoff" and the possible modification of the corporate tax incentives would be limited to:

1. Urban areas where there has been a rate of unemployment of more than 9% for at least two years.
2. Urban areas that have lost manufacturing, assembling, packaging or warehousing jobs aggregating more than 27% of their employment in such fields.
3. Urban areas where states have established public benefit corporations for industrial development that:





- a. Have power to issue revenue bonds, acquire and develop properties.
  - b. Have a continuing life and consistency of management.
  - c. Have power to lease and sell by mortgage such industrial properties.
4. And would be limited to urban areas wherein such developments are given real property tax protections.

#### Investment

A federal investment of \$2 billion to spur the growth of private sector employment in these urban areas of consistently high unemployment will be more than compensated for in terms of reduced welfare, crime and unemployment costs, and will be returned to the Federal treasury in the form of additional tax revenues.

Such a Presidential initiative might well be a turning point in the long steady deterioration of our urban centers and the start of their revitalization.

The basic result would have a lasting and invigorating effect on our entire economy which will benefit all citizens.

#### Singapore's experience is an interesting prototype:

In 1964, Singapore, with a population of three million Chinese, had a per capita GNP of \$300. Singapore's leaders decided to make Singapore a haven for international corporations -- believing that the only way to prevent Communist takeover was to advance economic and social programs for the people of Singapore.

As a step in carrying out this objective, Singapore built a 8800-acre industrial park, in which over 620 corporations employing nearly 70,000 workers have located in the short space of twelve years, and the per capita GNP has gone up from \$300 in 1964 to \$2000 today-- the third highest in Asia. The program has been so successful that they are now expanding to 14,000 acres and expect to attract over 1,000 factories.

This development shows what can be accomplished by imaginative governmental policy to attract industry. I believe the basic concept is adaptable to major city redevelopment here in the United States.

A brochure of Singapore's "Jurong Town Corporation" is attached.

