

THE WHITE HOUSE
WASHINGTON

September 19, 1974

The Speaker of the
House of Representatives

Sir:

I ask the Congress to consider a proposed change in appropriation language for the fiscal year 1975, involving no additional amounts, for the Department of Housing and Urban Development.

The details of this proposal are set forth in the enclosed letter from the Director of the Office of Management and Budget, with whose comments and observations I concur.

Respectfully,

GERALD R. FORD

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

September 19, 1974

The President

The White House

Sir:

I have the honor to submit for your consideration a proposed change in appropriation language for the fiscal year 1975, involving no additional amounts, for the Department of Housing and Urban Development, as follows:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT

For contracts with and payments to States and units of general local government and for related expenses, not otherwise provided for, necessary for carrying out a community development grant program as authorized by Title I of the Housing and Community Development Act of 1974 (P.L. 93-383, 88 stat. 633), to remain available until expended, \$2,129,625,000: Provided That, upon the date funds become available for obligation under said title, there shall be transferred to and merged with appropriations and authority provided under this head, the uncommitted balances of funds provided for fiscal year 1975 for "Urban Renewal Programs" and "Model Cities Programs:" Provided further, That there is hereby appropriated an additional \$50,000,000, to remain available until expended, for urgent community development needs pursuant to section 103(b) of said title.

The proposed change in appropriation language is prompted by the enactment of the Housing and Community Development Act of 1974 (P.L. 93-383). When the HUD appropriations were originally taken up by Congress, consideration of an appropriation for the Community Development Grant program was deferred, without prejudice, pending the enactment of authorization language now contained in P.L. 93-383.

The President's Budget provides for a total level of \$2.5 billion for the Community Development Grant program in fiscal year 1975. Since \$320 million already appropriated for the Model Cities and Urban Renewal programs can be used for the block grant program, \$2.18 billion of the President's original proposal remains to be considered by the Congress. An appropriation of this amount is needed to support the full budget level of activity and will allow commencement of the new block grant approach to community development on January 1, 1975 as scheduled.

The proposed language change would convert \$50 million of the pending request from "special transition" funds to contract authority. This change is required to reflect the fact that P.L. 93-383 authorizes an appropriation of only \$50 million for special transition in contrast to the \$100 million contained in the original Administration request. The revised language would also clarify the ultimate disposition of the funds appropriated for Model Cities and Urban Renewal programs.

The \$2.5 billion total level requested is the same amount contained in the 1975 Budget, as amended, and will not increase the totals of budget authority or outlays provided for in the Budget. Indeed, review of the Community Development Grant program as finally enacted reveals that outlays for fiscal year 1975 will be an estimated \$300 million compared with an earlier estimate of \$560 million.

I have carefully reviewed the proposal for appropriations contained in this document and am satisfied that this request is necessary at this time. I recommend, therefore, that this proposal be transmitted to the Congress.

Respectfully,