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THE WHITE HOUSE

FACT SHEET

INTERIM REPORT OF THE PRESIDENT'S COMMITTEE
ON
URBAN DEVELOPMENT AND NEIGHBORHOOD REVITALIZATION

President Ford today released the interim report of his Committee on Urban Development and Neighborhood Revitalization, headed by HUD Secretary Carla Hills.

The interim report is a statement of the Committee's progress. It sums up the Committee's initial observations, assesses some of the Federal policies and programs which most directly affect the cities, states a set of principles for future Federal urban policy and sets forth preliminary recommendations. It also sets out an agenda for moving towards national urban policy reform.

GUIDING PRINCIPLES FOR URBAN POLICY:

The Committee's interim report proposes the following set of principles to guide Federal urban policy:

- The preservation of the Nation's housing stock, the restoration of the vitality of its urban neighborhoods, and the promotion of healthy economic development for its central cities must become a national priority, to be met by a creative partnership between the public and private sectors.
- Federal resources must be targeted to the areas of greatest need, recognizing the disproportionate social and economic burdens borne by individual communities or classes of citizens.
- The delivery of Federal assistance to urban areas must be made more efficient. The Committee recommends expansion of the use of block grants in providing Federal assistance to urban areas, because block grants are more efficient, more responsive to local needs, and ultimately more democratic methods of aiding the cities than the massive categorical programs of the 1950's and 1960's.
- In moving towards block grants, electoral responsibility for the use of Federal funds must be established, citizen participation and a role for neighborhood groups must be assured, the rights of minorities must be protected, and the capacity of local and state governments to administer their block grants should be improved. Finally, block grants should be structured to facilitate their creative combination at the local level with other sources of public and private funds.

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RECOMMENDATIONS:

On the basis of successful experiences with recent Federal block grant programs, the report recommends the consolidation of other existing categorical programs into block grants in several broad areas of federal assistance, including:

Housing -- States and localities would receive formula determined block grants. Locally elected officials would use the funds primarily to assist moderate and low-income families to rent or own housing.

Transportation -- Consolidation of many urban surface highway transit assistance programs. Exempted would be money to complete interstate highway assistance.

Health -- Consolidation of categorical health service and preventive program grants into a single block grant, similar to that proposed earlier this year by President Ford.

Education -- Consolidation of categorical educational assistance programs into a single block grant, modeled on proposals submitted earlier this year by President Ford.

The Committee's other recommendations include:

- A comprehensive review of present Federal aid formulas to determine their impact on "declining" cities and the states in which they are located.
- A review of Federal tax policies with a view to providing greater incentives for the preservation and rehabilitation of urban homes and buildings and for business investment in urban areas with high unemployment.
- An aggressive search for new means of increasing private sector employment opportunities for inner-city youths.
- A stand-by program of countercyclical block grant assistance to areas with high unemployment.
- Legislation to allow nonjudicial foreclosure of Federally-insured properties to reduce the incidence of boarded-up housing.
- Vigorous enforcement of the Home Mortgage Disclosure Act of 1975 and the Equal Credit Opportunity Act amendments of 1976, with a view to eliminating "redlining."
- Expansion of the Urban Homesteading program.

The Future agenda for the Committee includes study of the public and private roles in:

- Improving the commercial and industrial bases of our cities, particularly in the Northeast and North Central corridor;

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- The complex inter-relationship between the center cities and the larger metropolitan areas in which they are located;
- Reversing neighborhood decline, with a particular emphasis on the role of neighborhood organizations in preservation strategies;
- Meeting the needs of fast-growing cities to anticipate and plan for future growth patterns and public service needs; and
- Improving the linkages between Federal assistance flowing to different recipients but with common objectives.

The Committee did not recommend massive new Federal assistance to the cities. The Committee believes that if spending programs are properly coordinated and targeted to real needs, the billions of federal dollars now being spent on domestic programs will more effectively help the cities. In contrast, large new outlays, which mean either higher taxes on wage earners or a new inflationary spiral, could exacerbate the urban crisis.

BACKGROUND

Formation:

President Ford created the President's Committee on Urban Development and Neighborhood Revitalization on June 30, 1976, stating a concern that "...the cities of this nation and the neighborhoods which are their backbone today face increasingly difficult problems of decay and decline."

Members are:

Carla A. Hills, Secretary of The Department of Housing and Urban Development, Chairman; William E. Simon, Secretary of the Treasury; Edward H. Levi, Attorney General; John A. Knebel, Acting Secretary of Agriculture; Elliot L. Richardson, Secretary of Commerce; William J. Usery, Jr., Secretary of Labor; Forest David Mathews, Secretary of Health, Education and Welfare; and William T. Coleman, Secretary of Transportation.

Also, James T. Lynn, Director, Office of Management and Budget; Mitchell P. Kobelinski, Administrator, Small Business Administration; Michael P. Balzano, Jr., Director, ACTION; Samuel Martinez, Director, Community Services Administration; and William J. Baroody, Jr., Director, White House Office of Public **Liaison**; and Russell E. Train, Administrator, Environmental Protection Agency.

Work Plan:

At the suggestion of neighborhood leaders meeting at the White House May 5, 1976, who urged that Committee members visit cities, analyze programs that affect urban areas and draw on the experience of such key efforts as job training, rental subsidies, and community development, Committee members visited Boston, Cleveland, Baltimore, Hartford, Newark, San Diego, New Orleans, Pittsburgh, Oklahoma City, and Springfield, Ill.

They talked with city officials, civic leaders, businessmen, neighborhood group leaders and individual citizens about their neighborhoods and their cities.

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The Committee found that many urban areas have had difficulty in dealing with losses of jobs and industry, problems of racial tension, issues of crime and educational policy. But it also found many hopeful signs for the Nation's cities. With greater flexibility in the use of federal assistance, it found many cities have taken innovative and effective steps to deal with their problems.

For Example:

Baltimore -- a new convention center anchors the downtown commercial area.

Newark -- Gateway Center offers stores, restaurants and office space serving the entire eastern seaboard.

Oklahoma City -- a long term growth plan is linked to economic incentives and planned spending.

Hartford -- 13 neighborhood associations have banded together with business leaders to revise commercial strips and stabilize neighborhoods.

In summary, the Committee found that the problems of cities and neighborhoods are severe but their prospects are encouraging.

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