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note	Bill Moyers to the President with attached memo from Bill Moyers to Larry O'Brien	6/9/65	C

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Legislative Background: Department of HUD Box 1, folder I

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Hays says:

LG/MC  
PR 8-1/4\*  
FG 999-kMEMORANDUM  
January 16, 1964

TO: Walter Jenkins

FROM: H.B. *Bung*SUBJECT: President's Meeting, U.S. Conference of Mayors  
X\*

Since sending my memorandum several days ago with a suggestion about handling of "urban affairs," I have learned that a meeting is scheduled in the very near future for the President with member of the Board of the U.S. Conference of Mayors.

Some illumination on this might be helpful.

1. Among the municipal organizations, the U.S. Conference of Mayors is the most consistent exponent of the strong "liberal" position. The Conference has traditionally favored a maximum Federal role in subsidizing cities. Much more strongly than any other municipal organization, it favored the creation of a Department of Urban Affairs. Perhaps it should be remembered also that the Conference was a source of strongest opposition to natural gas legislation, etc., during the President's early Senate days.

2. The orientation of the U.S. Conference of Mayors is principally to the Eastern metropolitan major cities. On many issues, the Conference tends to work more in alliance with political groups and organizations of importance to the constituency of the big-city Mayors rather than with the established municipal officials and municipal organizations.

3. The reason I happen to know at all of the proposed meeting is this. Shortly after the President's late November luncheon with Governors from various states, Brooks Hays contacted several of the municipal

- 1 -

Nothing else sent to  
Central Files as of 3/5/64

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organizations with the explanation that he was setting up a meeting of their leaderships with the President. Apparently, nothing further developed on this. Thus, in the municipal field, there is now some wonderment and puzzling over possible significance of the U.S. Conference of Mayors being invited and others not being asked. The unsupported inference which most have drawn is that the meeting with the Conference indicates a forthcoming White House indication of support for a Department of Housing and Community Development, such as President Kennedy was considering before his death.

4. Let me emphasize: there are, to my knowledge, no hurt feelings. However, I think the President would want to be advised that the Conference representatives are generally regarded in the municipal field as "the spenders." Also, there is a distinct coolness in Texas -- and in most Southwestern, Southern and Rocky Mountain states -- to the U.S. Conference of Mayors. If the meeting is for some other purpose than this vital question of a city department in the Cabinet, I think that should be made clear in advance.

EXECUTIVE

Hays says!

LG/MC

PR 8-1/4\*

FG 999-6

MEMORANDUM  
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EX-107 (2)

FG 981-6

H 53

March 6, 1964

Dear Congressman:

X Thanks for your letter on HR 9983, the proposal for a  
Department of Housing and Community Development.

I believe Lee White and Chuck Daly have talked with you  
on this subject. I have asked them to continue exploring  
possible routes of successful approach. As you know,  
this is an exceptionally tough item.

With best regards,

Sincerely,

Lawrence F. O'Brien  
Special Assistant  
to the President

X  
Honorable Henry S. Reuss  
House of Representatives  
Washington, D. C.

bc: Lee White

Larry O'Brien -- Reuss says why not hold hearings,

CD/dg

pass it to Rules, and then blast Rules for  
holding the bill. I asked what would happen  
if Rules people, knowing we're 100 votes  
short, passed it to the Floor. His reply:  
"They wouldn't do a thing like that."

WILLIAM L. DAWSON, ILL., CHAIRMAN  
HENRY S. REUSS, WIS.  
BENJAMIN S. ROSENTHAL, N.Y.  
CHET HOLIFIELD, CALIF.

CARD 111  
MAR 4 1964  
EIGHTY-EIGHTH CONGRESS

CLARENCE J. BROWN, OHIO  
JOHN B. ANDERSON, ILL.

CAPITOL 4-3121  
EXTENSION 2738

**Congress of the United States**  
**House of Representatives**

**EXECUTIVE AND LEGISLATIVE REORGANIZATION SUBCOMMITTEE**  
**OF THE**  
**COMMITTEE ON GOVERNMENT OPERATIONS**  
**HOUSE OFFICE BUILDING ANNEX**  
**ROOM 115, GEORGE WASHINGTON INN**  
**WASHINGTON 25, D.C.**

March 2, 1964

Mr. Lawrence F. O'Brien  
The White House  
Washington, D. C.

Dear Larry:

We have been expecting to hear from you concerning H. R. 9983, President Johnson's proposal to create a Department of Housing and Community Development. We need to have the Administration's plans and strategy in order to successfully move this one.

Sincerely,



HENRY S. REUSS, M. C.

*Elliot us - 1-5-8-10-12-13-14-15-16-17-18-19-20-21-22-23-24-25-26-27-28-29-30-31-32-33-34-35-36-37-38-39-40-41-42-43-44-45-46-47-48-49-50-51-52-53-54-55-56-57-58-59-60-61-62-63-64-65-66-67-68-69-70-71-72-73-74-75-76-77-78-79-80-81-82-83-84-85-86-87-88-89-90-91-92-93-94-95-96-97-98-99-100-101-102-103-104-105-106-107-108-109-110-111-112-113-114-115-116-117-118-119-120-121-122-123-124-125-126-127-128-129-130-131-132-133-134-135-136-137-138-139-140-141-142-143-144-145-146-147-148-149-150-151-152-153-154-155-156-157-158-159-160-161-162-163-164-165-166-167-168-169-170-171-172-173-174-175-176-177-178-179-180-181-182-183-184-185-186-187-188-189-190-191-192-193-194-195-196-197-198-199-200-201-202-203-204-205-206-207-208-209-210-211-212-213-214-215-216-217-218-219-220-221-222-223-224-225-226-227-228-229-230-231-232-233-234-235-236-237-238-239-240-241-242-243-244-245-246-247-248-249-250-251-252-253-254-255-256-257-258-259-260-261-262-263-264-265-266-267-268-269-270-271-272-273-274-275-276-277-278-279-280-281-282-283-284-285-286-287-288-289-290-291-292-293-294-295-296-297-298-299-300-301-302-303-304-305-306-307-308-309-310-311-312-313-314-315-316-317-318-319-320-321-322-323-324-325-326-327-328-329-330-331-332-333-334-335-336-337-338-339-340-341-342-343-344-345-346-347-348-349-350-351-352-353-354-355-356-357-358-359-360-361-362-363-364-365-366-367-368-369-370-371-372-373-374-375-376-377-378-379-380-381-382-383-384-385-386-387-388-389-390-391-392-393-394-395-396-397-398-399-400-401-402-403-404-405-406-407-408-409-410-411-412-413-414-415-416-417-418-419-420-421-422-423-424-425-426-427-428-429-430-431-432-433-434-435-436-437-438-439-440-441-442-443-444-445-446-447-448-449-450-451-452-453-454-455-456-457-458-459-460-461-462-463-464-465-466-467-468-469-470-471-472-473-474-475-476-477-478-479-480-481-482-483-484-485-486-487-488-489-490-491-492-493-494-495-496-497-498-499-500-501-502-503-504-505-506-507-508-509-510-511-512-513-514-515-516-517-518-519-520-521-522-523-524-525-526-527-528-529-530-531-532-533-534-535-536-537-538-539-540-541-542-543-544-545-546-547-548-549-550-551-552-553-554-555-556-557-558-559-560-561-562-563-564-565-566-567-568-569-570-571-572-573-574-575-576-577-578-579-580-581-582-583-584-585-586-587-588-589-590-591-592-593-594-595-596-597-598-599-600-601-602-603-604-605-606-607-608-609-610-611-612-613-614-615-616-617-618-619-620-621-622-623-624-625-626-627-628-629-630-631-632-633-634-635-636-637-638-639-640-641-642-643-644-645-646-647-648-649-650-651-652-653-654-655-656-657-658-659-660-661-662-663-664-665-666-667-668-669-670-671-672-673-674-675-676-677-678-679-680-681-682-683-684-685-686-687-688-689-690-691-692-693-694-695-696-697-698-699-700-701-702-703-704-705-706-707-708-709-710-711-712-713-714-715-716-717-718-719-720-721-722-723-724-725-726-727-728-729-730-731-732-733-734-735-736-737-738-739-740-741-742-743-744-745-746-747-748-749-750-751-752-753-754-755-756-757-758-759-760-761-762-763-764-765-766-767-768-769-770-771-772-773-774-775-776-777-778-779-780-781-782-783-784-785-786-787-788-789-790-791-792-793-794-795-796-797-798-799-800-801-802-803-804-805-806-807-808-809-810-811-812-813-814-815-816-817-818-819-820-821-822-823-824-825-826-827-828-829-830-831-832-833-834-835-836-837-838-839-840-841-842-843-844-845-846-847-848-849-850-851-852-853-854-855-856-857-858-859-860-861-862-863-864-865-866-867-868-869-870-871-872-873-874-875-876-877-878-879-880-881-882-883-884-885-886-887-888-889-890-891-892-893-894-895-896-897-898-899-900-901-902-903-904-905-906-907-908-909-910-911-912-913-914-915-916-917-918-919-920-921-922-923-924-925-926-927-928-929-930-931-932-933-934-935-936-937-938-939-940-941-942-943-944-945-946-947-948-949-950-951-952-953-954-955-956-957-958-959-960-961-962-963-964-965-966-967-968-969-970-971-972-973-974-975-976-977-978-979-980-981-982-983-984-985-986-987-988-989-990-991-992-993-994-995-996-997-998-999-1000-1001-1002-1003-1004-1005-1006-1007-1008-1009-1010-1011-1012-1013-1014-1015-1016-1017-1018-1019-1020-1021-1022-1023-1024-1025-1026-1027-1028-1029-1030-1031-1032-1033-1034-1035-1036-1037-1038-1039-1040-1041-1042-1043-1044-1045-1046-1047-1048-1049-1050-1051-1052-1053-1054-1055-1056-1057-1058-1059-1060-1061-1062-1063-1064-1065-1066-1067-1068-1069-1070-1071-1072-1073-1074-1075-1076-1077-1078-1079-1080-1081-1082-1083-1084-1085-1086-1087-1088-1089-1090-1091-1092-1093-1094-1095-1096-1097-1098-1099-1100-1101-1102-1103-1104-1105-1106-1107-1108-1109-1110-1111-1112-1113-1114-1115-1116-1117-1118-1119-1120-1121-1122-1123-1124-1125-1126-1127-1128-1129-1130-1131-1132-1133-1134-1135-1136-1137-1138-1139-1140-1141-1142-1143-1144-1145-1146-1147-1148-1149-1150-1151-1152-1153-1154-1155-1156-1157-1158-1159-1160-1161-1162-1163-1164-1165-1166-1167-1168-1169-1170-1171-1172-1173-1174-1175-1176-1177-1178-1179-1180-1181-1182-1183-1184-1185-1186-1187-1188-1189-1190-1191-1192-1193-1194-1195-1196-1197-1198-1199-1200-1201-1202-1203-1204-1205-1206-1207-1208-1209-1210-1211-1212-1213-1214-1215-1216-1217-1218-1219-1220-1221-1222-1223-1224-12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85TH CONGRESS  
2D SESSION

# H. R. 9983

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 13, 1964

Mr. REUSS introduced the following bill; which was referred to the Committee on Government Operations

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## A BILL

To establish a Department of Housing and Community Development, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the Department of Housing  
4       and Community Development Act.

5                               DECLARATION OF PURPOSE

6       SEC. 2. The Congress hereby declares that the general  
7       welfare and security of the Nation and the health and living  
8       standards of our people require, as a matter of national pur-  
9       pose, sound development of the Nation's communities in  
10      which the vast majority of its people live and work.

11      To carry out such purpose, and in recognition of the

1 increasing importance of urban communities in our national  
2 life, the Congress finds that establishment of an executive  
3 department is desirable to achieve the best administration of  
4 the principal programs of the Federal Government which  
5 provide assistance for housing and for the development of  
6 the Nation's communities; to assist the President in achieving  
7 maximum coordination of the various Federal activities  
8 which have a major effect upon urban, suburban, or metro-  
9 politan community development; to encourage the solution  
10 of problems of housing and of community development  
11 through State, county, town, village, or other local and pri-  
12 vate action, including promotion of interstate, regional, and  
13 metropolitan cooperation; and to provide for full and appro-  
14 priate consideration, at the national level, of the needs and  
15 interests of the Nation's communities and of the people who  
16 live and work in them.

17 ESTABLISHMENT OF DEPARTMENT

18 SEC. 3. (a) There is hereby established at the seat of  
19 government an executive department to be known as the  
20 Department of Housing and Community Development (here-  
21 inafter referred to as the "Department"). There shall be  
22 at the head of the Department a Secretary of Housing and  
23 Community Development (hereinafter referred to as the  
24 "Secretary"), who shall be appointed by the President by  
25 and with the advice and consent of the Senate. The Depart-



1 ment shall be administered under the supervision and direc-  
2 tion of the Secretary. The Secretary shall receive compen-  
3 sation at the rate now or hereafter prescribed by law for the  
4 heads of executive departments.

5 (b) The Secretary shall, among his responsibilities, ad-  
6 vise the President with respect to Federal programs and  
7 activities relating to housing and community development;  
8 develop and recommend to the President policies for fostering  
9 the orderly growth and development of the Nation's com-  
10 munities; exercise leadership at the direction of the President  
11 in coordinating Federal activities affecting community devel-  
12 opment; provide technical assistance and information includ-  
13 ing a clearinghouse service to State, county, town, village,  
14 or other local governments in developing solutions to com-  
15 munity development problems; encourage comprehensive  
16 planning by the State and local governments with a view to  
17 coordinating Federal, State, and community development  
18 activities at the local level; and conduct continuing compre-  
19 hensive studies, and make available findings, with respect to  
20 the problems of housing and community development.

21 (c) Nothing in this Act shall be construed to deny or  
22 limit the benefits of any program, function, or activity as-  
23 signed to the Department by this or any other Act to any  
24 community on the basis of its population or corporate status,  
25 except as may be expressly provided by law.

## 1 UNDER SECRETARY AND OTHER OFFICERS

2 SEC. 4. (a) There shall be in the Department an Un-  
3 der Secretary, three Assistant Secretaries, and a General  
4 Counsel, who shall be appointed by the President, by and  
5 with the advice and consent of the Senate, who shall receive  
6 compensation at the rate now or hereafter provided by law  
7 for Under Secretaries, Assistant Secretaries, and General  
8 Counsels, respectively, of executive departments, and who  
9 shall perform such functions, powers, and duties as the Sec-  
10 retary shall prescribe from time to time.

11 (b) There shall be in the Department an administra-  
12 tive Assistant Secretary, who shall be appointed, with the  
13 approval of the President, by the Secretary under the classi-  
14 fied civil service, who shall perform such functions, powers,  
15 and duties as the Secretary shall prescribe from time to time,  
16 and whose annual rate of compensation shall be the same as  
17 that now or hereafter provided by or pursuant to law for  
18 administrative Assistant Secretaries of executive depart-  
19 ments.

## 20 TRANSFERS TO DEPARTMENT

21 SEC. 5. (a) Except as otherwise provided in subsection  
22 (b) of this section, there are hereby transferred to and  
23 vested in the Secretary all of the functions, powers, and  
24 duties of the Housing and Home Finance Agency, of the  
25 Federal Housing Administration and the Public Housing



1 Administration in that agency, and of the heads and other  
2 officers and offices of said agencies.

3 (b) The Federal National Mortgage Association, to-  
4 gether with its functions, powers, and duties, is hereby trans-  
5 ferred to the Department. The next to the last sentence  
6 of section 308 of the Federal National Mortgage Association  
7 Charter Act and the item numbered (39) of section 106 (a)  
8 of the Federal Executive Pay Act of 1956 are hereby  
9 repealed, and the position of the President of said Associa-  
10 tion is hereby allocated among the positions referred to in the  
11 proviso of section 7 (c) hereof.

12 CONFORMING AMENDMENTS

13 SEC. 6. (a) Section 19 (d) (1) of title 3 of the United  
14 States Code is hereby amended by striking out the period at  
15 the end thereof and inserting a comma and the following:  
16 "Secretary of Health, Education, and Welfare, Secretary of  
17 Housing and Community Development."

18 (b) Section 158 of the Revised Statutes (5 U.S.C. 1)  
19 is amended by adding at the end thereof:

20 "Eleventh. The Department of Housing and Commu-  
21 nity Development."

22 (c) The amendment made by subsection (b) of this  
23 section shall not be construed to make applicable to the  
24 Department any provision of law inconsistent with this Act.

## 1                   ADMINISTRATIVE PROVISIONS

2           SEC. 7. (a) The personnel employed in connection with,  
3 and the assets, liabilities, contracts, property, records, and  
4 unexpended balances of appropriations, authorizations, allo-  
5 cations, or other funds held, used, arising from, or available  
6 or to be made available in connection with, the functions,  
7 powers, and duties transferred by section 5 of this Act are  
8 hereby transferred with such functions, powers, and duties,  
9 respectively.

10           (b) No transfer of functions, powers, and duties shall  
11 at any time be made within the Department in connection  
12 with the secondary market operations of the Federal National  
13 Mortgage Association unless the Secretary finds that the  
14 rights and interests of owners of outstanding common stock  
15 issued under the Federal National Mortgage Association  
16 Charter Act will not be adversely affected thereby.

17           (c) The Secretary is authorized, subject to the civil  
18 service and classification laws, to select, appoint, employ, and  
19 fix the compensation of such officers and employees, includ-  
20 ing attorneys, as shall be necessary to carry out the provi-  
21 sions of this Act and to prescribe their authority and duties:  
22 *Provided, That, any other provision of law to the contrary*  
23 *notwithstanding, the Secretary may fix the compensation*  
24 *for not more than six positions in the Department at the*  
25 *annual rate applicable immediately prior to the effective date*

1 of this Act to the Commissioners of the constituent agencies  
2 and units of the Housing and Home Finance Agency: *Pro-*  
3 *vided further*, That the foregoing proviso shall cease to be  
4 controlling upon the establishment of a new rate of com-  
5 pensation for such positions by or pursuant to the provisions  
6 of any law hereafter enacted.

7 (d) The Secretary may delegate any of his functions,  
8 powers, and duties to such officers and employees of the  
9 Department as he may designate, may authorize such suc-  
10 cessive redelegations of such functions, powers, and duties as  
11 he may deem desirable, and may make such rules and regu-  
12 lations as may be necessary to carry out his functions,  
13 powers, and duties. The second proviso of section 101 (c)  
14 of the Housing Act of 1949 is hereby repealed.

15 (e) The Secretary may obtain services as authorized by  
16 section 15 of the Act of August 2, 1946, at rates not to  
17 exceed \$100 per diem for individuals.

18 (f) The Secretary is authorized to establish a working  
19 capital fund, to be available without fiscal year limitation,  
20 for expenses necessary for the maintenance and operation  
21 of such common administrative services as he shall find to be  
22 desirable in the interest of economy and efficiency in the  
23 Department, including such services as a central supply  
24 service for stationery and other supplies and equipment for  
25 which adequate stocks may be maintained to meet in whole



1 or in part the requirements of the Department and its agen-  
2 cies; central messenger, mail, telephone, and other communi-  
3 cations services; procurement and management of office  
4 space; central services for document reproduction and for  
5 graphics and visual aids; and a central library service. In  
6 addition to amounts appropriated to provide capital for said  
7 fund, which appropriations are hereby authorized, the fund  
8 shall be capitalized by transfer to it of such stocks of supplies  
9 and equipment on hand or on order as the Secretary shall  
10 direct. Such fund shall be reimbursed from available funds  
11 of agencies and offices in the Department for which services  
12 are performed at rates which will return in full all expenses  
13 of operation, including reserves for accrued annual leave and  
14 for depreciation of equipment.

15 (g) The Secretary shall cause a seal of office to be made  
16 for the Department of such device as he shall approve, and  
17 judicial notice shall be taken of such seal.

18 ANNUAL REPORT

19 SEC. 8. The Secretary shall, as soon as practicable after  
20 the end of each calendar year, make a report to the Presi-  
21 dent for submission to the Congress on the activities of the  
22 Department during the preceding calendar year.

23 SAVINGS PROVISIONS

24 SEC. 9. (a) No suit, action, or other proceeding law-  
25 fully commenced by or against the head of any agency or

1 any other officer whose functions are transferred by the  
2 provisions of this Act, in his official capacity or in relation  
3 to the discharge of his official duties, or by or against any  
4 agency whose functions are transferred by this Act, shall  
5 abate by reason of the taking effect of the provisions of this  
6 Act, but the court may, on motion or supplemental petition  
7 filed at any time within twelve months after such taking  
8 effect, showing a necessity for the survival of such suit,  
9 action, or other proceeding to obtain a settlement of the  
10 questions involved, allow the same to be maintained by or  
11 against the Secretary or such other officer or office of the  
12 Department as may be appropriate.

13 (b) Except as may be otherwise expressly provided in  
14 this Act, all powers and authorities conferred by this Act  
15 shall be cumulative and additional to and not in derogation  
16 of any powers and authorities otherwise existing. All rules,  
17 regulations, orders, authorizations, delegations, or other  
18 actions duly issued, made, or taken by or pursuant to appli-  
19 cable law, prior to the effective date of this Act, by any  
20 agency, officer, or office pertaining to any functions, powers,  
21 and duties transferred by this Act shall continue in full  
22 force and effect after the effective date of this Act until  
23 modified or rescinded by the Secretary or such other officer  
24 or office of the Department as, in accordance with applicable  
25 law, may be appropriate. With respect to any function,

1 power, or duty transferred by or under this Act and exercised  
2 hereafter, reference in another Federal law to the Housing  
3 and Home Finance Agency or to any officer, office, or  
4 agency therein, except the Federal National Mortgage Asso-  
5 ciation and its officers, shall be deemed to mean the Secre-  
6 tary. The positions and agencies heretofore established by  
7 law in connection with the functions, powers, and duties  
8 transferred under section 5 (a) of this Act shall lapse.

9

**SEPARABILITY**

10 SEC. 10. Notwithstanding any other evidence of the in-  
11 tent of Congress, it is hereby declared to be the intent of  
12 Congress that if any provision of this Act, or the application  
13 thereof to any persons or circumstances, shall be adjudged  
14 by any court of competent jurisdiction to be invalid, such  
15 judgment shall not affect, impair, or invalidate the remainder  
16 of this Act or its application to other persons and circum-  
17 stances, but shall be confined in its operation to the provision  
18 of this Act, or the application thereof to the persons and cir-  
19 cumstances, directly involved in the controversy in which  
20 such judgment shall have been rendered.

21

**EFFECTIVE DATE AND INTERIM APPOINTMENTS**

22

23 SEC. 11. (a) The provisions of this Act shall take effect  
24 upon the expiration of the first period of sixty calendar days  
25 following the date on which this Act is approved by the  
President, or on such earlier date as the President shall

1 specify by Executive order published in the Federal Register,  
2 except that the President may nominate, and by and with  
3 the advice and consent of the Senate may appoint, any of  
4 the officers provided for in sections 3 (a), 4 (a), and 4 (b)  
5 of this Act at any time after the date this Act is approved  
6 by the President.

7 (b) In the event that one or more officers required by  
8 this Act to be appointed by and with the advice and consent  
9 of the Senate shall not have entered upon office on the effective date of this Act, the President may designate any person  
10 who was an officer of the Housing and Home Finance  
11 Agency immediately prior to said effective date to act in  
12 such office until the office is filled as provided in this Act  
13 or until the expiration of the first period of sixty days following said effective date, whichever shall first occur. While so  
14 acting such persons shall receive compensation at the rates  
15 provided by this Act for the respective offices in which they  
16 act.  
17  
18

88TH CONGRESS  
2D SESSION

**H. R. 9983**

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**A BILL**

To establish a Department of Housing and  
Community Development, and for other  
purposes.

---

By Mr. REUSS

---

FEBRUARY 13, 1964

Referred to the Committee on Government Operations



WE 9

EG999-6

July 18, 1954

Dear Mayor Collins:

*John F.*  
The President appreciated the statement of the Executive Committee of the American Municipal Association on some aspects of our urban and domestic problems, and asked that I reply to your letter and the points made in the statement. The support expressed for the Anti-Poverty Program and the Administration's proposals in the field of mass transportation, area redevelopment, and housing and community development, in of course most welcome. The American Municipal Association knows first hand the problems we are trying to solve with the Anti-Poverty Program and our major proposals to assist orderly urban growth and development.

We can easily understand the concern for effective coordination of Federal urban programs which prompts your recommendation for the establishment of a task force to study the need for a Presidential staff to provide this coordination. The growing size and complexity of urban problems has become a matter of great concern at every level of government. It is clearly apparent that only by concerted and coordinated governmental and private effort can we expect to cope with these serious problems which cut across State and local boundary lines.

The President has, as you observed, submitted to the Congress a proposal to establish a Cabinet-level Department of Housing and Community Development, and your continuing support for this proposal is appreciated. A primary objective of establishing a Cabinet-level Department of Housing and Community Development is to provide leadership and assistance in achieving the necessary planning and action with respect to all Federal activities affecting urban areas.

There have been, as you know, many studies by independent commissions of the need for effective coordination of urban programs in the executive departments and agencies. Congressional committees have also studied and held extensive hearings on these same questions.



HOUSING AND HOME FINANCE AGENCY  
OFFICE OF THE ADMINISTRATOR • WASHINGTON, D.C. 20410

Federal Housing Administration  
Public Housing Administration  
Federal National Mortgage Association  
Community Facilities Administration  
Urban Renewal Administration

January 6, 1965

5A/FG 245

FC 979-6

MEMORANDUM FOR: Lee C. White  
Associate Special Counsel  
to the President  
The White House

Attached is a draft of a speech which I am scheduled to deliver on January 12 at George Washington University.

I am calling this to your attention - and simultaneously to the attention of Dick Goodwin and Bill Moyers - in order to be sure that it does not in any way conflict with the President's plans and program. You will note that from page 6 on I refer to specific approaches which might be taken. This is the part of the speech which I think is sensitive and which I should like to have cleared as soon as possible.

Rph.  
Administrator



HOUSING AND HOME FINANCE AGENCY

WASHINGTON 25, D. C.

EXECUTIVE

FG 999-6

FG 245

OFFICE OF THE ADMINISTRATOR

December 9, 1964

MEMORANDUM FOR: Bill Moyers  
Special Assistant to the President  
The White House

Enclosed are copies of two recent articles setting forth, first, the position of the Home Builders and, subsequently, the position of the leading trade journal on "Cabinet Status for Housing."

These documents are pertinent to the discussions which we have had on the name and function of such an agency and should be helpful in the discussion scheduled for tomorrow afternoon.

*Rh.*  
Robert C. Weaver  
Administrator

RECEIVED  
DEC 11 1964  
CENTRAL FILES

Nothing else sent to  
Central Files as of 12/15/64



## EDITORIAL

## A cabinet post for housing

Thomas Jefferson said, "The care of human life and happiness is the first and only legitimate object of good government." Jefferson's precept is especially important today as the Administration lays its legislative plans for President Johnson's "Great Society"—plans which will go to an overwhelmingly Democratic Congress.

Of all the housing legislation headed for Congress next year (see p. 5), none is more important than the creation of a cabinet post for housing an urban affairs. Its importance stems from a desperate need for better solutions to urban problems which the present housing agency is almost powerless to solve. The economic decline of central cities, inadequate transportation, slums and blight, urban sprawl and scatteration—all these problems spawn ugliness where there should be beauty, hopelessness and want where there should be hope and abundance.

One of the greatest domestic challenges now facing the nation is to make our cities more livable. Today about 70% of the U.S. population is clustered on just 1% of our total land mass, and in a few years this urban-suburban concentration will be up to 80%.

Few would favor a stronger federal role in urban policy if there were some other way of solving our urban problems. But the forces of economic growth and shifting populations are already well beyond local control. For instance, we have clearly reached a point where our urban slum problem alone is greater than the farm problem. And Congress gave cabinet recognition to rural needs when it created the Department of Agriculture in 1889 at a time when less than two-thirds of our population lived in rural areas.

The obvious question: what would a cabinet post do for housing that is not already being done? Here are a few possibilities:

- *Administration.* Cabinet status for housing would spotlight housing problems more prominently and bring them to Congress with more urgency. The HHFA administrator cannot provide the leadership that housing and urban programs now need. Reason: his authority is limited to general supervision and coordination of five major constituent agencies

two of which (FHA and PHA) can, if they choose, disregard his policy directives,

- *Community facilities.* Cabinet status for housing could broaden grants and loans for new community facilities (e.g., water and sewer lines) and lead to FHA loans for new land development. Such federal programs could relieve builders of huge capital investments, which most of them can't afford and open up new suburban land for housing.

- *Land planning.* Cabinet status for housing could produce more effective regional planning. In the nation's 220 top metropolitan areas, there are thousands of cities, towns and villages—each with its own set of land controls. The result is a jigsaw puzzle of meaningless land-use patterns.

- *Rehabilitation.* Cabinet status for housing could provide the coordinated administration necessary to end rehabilitation bottlenecks. After a decade of well intentioned efforts by FHA and URA, rehabilitation—the most pressing need in urban renewal—is still not a going proposition. An executive department could provide a completely fresh start, removing rehabilitation from its present administrative straitjacket. The U. S. has already staked \$4 billion on some 1,500 urban renewal projects in 787 cities, and the biggest handicaps these projects face are the rundown fringe areas surrounding them. Most of these areas could be salvaged through rehabilitation. But until they are, they will act as brakes on project completions and rentals.

A cabinet post for housing need not lead to unnecessary increases in programs and spending. Only Congress can establish new programs and appropriate funds for them. True, our urban problems will require greater expenditures in the years to come, but a cabinet post for housing could provide more for the money through tighter control and better coordination of housing and urban programs.

As housing men deliberate their policy toward the proposed cabinet post, HOUSE & HOME urges them to keep in mind that the government is not an enemy but an instrument to accomplish common goals. And in this case we think the common goal will be best served by giving housing cabinet status.

—RICHARD W. O'NEILL

## BUILDER CITES CUT IN HOUSING COSTS

But Association Head Sees Need for \$13,000 Homes

By GLENN FOWLER

Special to The New York Times

CHICAGO, Dec. 6 — There has been perceptible progress toward reducing the cost of adequate housing for the typical American family, the chief spokesman for the nation's organized home builders said today.

William Blackfield, president of the 43,000-member National Association of Home Builders, declared that the "crying need" was for more single-family houses to sell for between \$13,000 and \$16,000.

Such housing can be built in most American communities, he said if present efforts in three directions bear fruit.

These efforts, Mr. Blackfield declared, are the expanded development and use of prefabricated building components, the planning of communities for improved land use through "cluster" arrangements instead of conventional single-lot zoning, and the elimination of conflicting provisions in local building codes.

"Why can the same house be built for \$500 to \$1,000 less in one town than in the next town?" he asked in a news conference preceding the opening of the association's 21st annual convention. It is being held this week at the McCormick Place Exposition Center.

### Land Costs Noted

The high cost of land is the first barrier to adequate low-cost housing, he said.

Builders are proposing greater use of cluster, or density, zoning as a means of getting around the rising cost of usable land. Cluster zoning discards the traditional zoning method that prescribes the minimum amount of land on which each dwelling unit must be placed. It substitutes the concept of permitting a tract of land to be broken up irregularly, with perhaps less land for each individual house but fixed amounts of open land within the community to be shared by all house-holders.

By using expensive land in this manner, builders argue, they can place more units on a given tract—thus cutting the cost of each—and can also provide as much or more open space as can be obtained by single-lot zoning.

The extension of cluster zoning requires changes of law in virtually all communities, and Mr. Blackfield said that the builders have thrown their weight into this effort.

### Local Acceptance Cited

Advances are being made in prefabrication, he said, and, perhaps even more important, these are being accepted by more and more local building-inspection authorities.

As an example of progress being made in this direction, he cited fiberglass bathtub and shower units, which he said

were winning acceptance from an increasing number of local building-standards authorities.

Perhaps the most dramatic effort to cut the cost of housing, Mr. Blackfield continued, is being made in the area where it is most needed—in the drive to get uniform building codes accepted by more communities.

"We hope that by next spring we'll have a single model building code ready to propose to local authorities in every part of the country," he said.

### Code Is Being Drafted

The home builders' association has been working since early this year with the major associations of building-code authorities in an effort to draft a single code that will gain approval everywhere.

"There is no reason why wood shingles cannot be used on roofs in many parts of the country," Mr. Blackfield declared, "except that the asphalt-shingle people have a powerful lobby."

Other requirements that are obstacles to cost-cutting, he said, are brought about by interests other than manufacturers of particular products, notably labor unions.

"The five-inch-wide paint-brush is one of them," he said. "Brush manufacturers make

them four and six inches wide—no more and no less—and the painters have to tear the bristles out before they can use six-inch brushes."

The National Association of Home Builders is in itself a not inconsiderable pressure group. Its membership of more than 43,000 includes 37,000 separate building concerns, from one-man operations to corporate giants that erect several thousand houses a year.

Mr. Blackfield said that one of the association's main legislative objectives might be accomplished in 1965, if housing is given Cabinet status in Washington.

He reiterated the builders' opposition, however, to a Department of Urban Affairs — the present proposal of most interested organizations. Home builders prefer a Cabinet-rank Department of Housing and Community Development, with the promotion of more and better housing its prime objective, and with roads, sewers, mass transit and the like placed in a subsidiary role.

Mr. Blackfield predicted that by the end of this month the year's total of housing starts in the nation would reach 1.6 million. Last year the total reached 1,613,000.

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H-96(3-62)

UNITED STATES GOVERNMENT

# Memorandum

HOUSING AND HOME FINANCE AGENCY

7 EXECUTIVE 1

SP-3/29

HS

TO : Bill Moyers  
The White House  
Washington, D. C.

DATE: February 1, 1965

FROM : Robert C. Weaver

SUBJECT:

Attached is the draft of the Housing Message. I will, of course, be available at any time to discuss any questions that may arise in connection with it.

*original  
filed in  
Program  
Housing office*

*Robert C. Weaver*  
Administrator

Attachment

FEB 13 1965  
CENTRAL FILE

4-6/BB  
H-96(3-62)

UNITED STATES GOVERNMENT

# Memorandum

7 EXECUTIVE  
SP-3/LS  
HS  
HOUSING AND HOME FINANCE AGENCY

TO : Bill Moyers  
The White House  
Washington, D. C.

DATE: February 1, 1965

FROM : Robert C. Weaver

SUBJECT:

*original  
filed in Wilson  
Program  
Housing office*

Attached is the draft of the Housing Message. I will, of course, be available at any time to discuss any questions that may arise in connection with it.

*Robert C. Weaver*  
Administrator

Attachment

RECEIVED  
COMMUNITY DEVELOPMENT

To the Congress of the United States:

Our society cannot be great unless our cities are great. And our cities cannot be great until the people living in and around cities--and they are 70 percent of all Americans--have a personal vision of greatness and their role in its making.

We must start now to build this vision. And we must start with people. It must not only be a vision of enough housing, parks and community facilities. It must also be a vision of the best possible housing, parks and community facilities.

Our goal must be the enrichment of the whole environment, for all our people. This must include a higher order of physical development within a broad framework of metropolitan planning. It must also afford every individual the highest possible level of satisfactions within that environment.

This means humanizing the American city. It means beautifying the American landscape. And it means shaping our tremendous urban growth into communities which stimulate their citizens, rather than stifle them.

Most of all, this program means a great broadening of opportunity, an extension of choices for all Americans.

There are two challenges to this vision of an enriched environment. One is the challenge of growth. Another 120 million people will be pressed into metropolitan areas by the end of this century. This means we must build as much urban housing and related community facilities in about 40 years as we built in all the nation's history.

The other challenge is that posed by urban decay. Over the past several decades, our cities have suffered from physical and social blight. Neighborhoods with worn out housing, obsolescent schools and municipal facilities, polluted air and water and neglected parks and waterfronts, these are the obvious scars of

physical decay. Crime, illegitimacy, high rates of school drop-outs and delinquency and social disorganization are the signs of social decay.

Vast areas of the city have become communities of despair. And throughout it all the economic capacity of the city to deal with these problems has been sapped by the flight of many of its middle and high income families and much of its commerce and industry.

Between 1954 and 1963, per capita municipal tax revenues increased by 39 percent. During the same period, municipal indebtedness increased by 119 percent. Yet the backlog of unmet municipal public works needs is greater than ever.

We intend to meet the dual challenges of urbanization squarely. This nation must not only realize to the fullest the opportunities inherent in metropolitan growth. It must also reclaim the gray areas. The city of despair must again become the city of opportunity.

In the past four years, we have come a considerable way in attaining these goals. We have built or approved over 120,000 units of public housing for low-income families. Funds have been reserved for 95,000 homes for moderate-income families under the FHA low-interest rate program. And throughout this period, our homebuilding industry has enjoyed a record pace of construction, starting an average of 1.5 million homes each year.

We have greatly expanded the tools to deal with all our urban problems in the past four years. Tangible results have been achieved in the redevelopment of our central cities through the urban renewal program. Now there are also programs for open space conservation, and for mass transportation assistance and demonstration. Perhaps most important, we have developed a sounder, more rational basis for comprehensive planning. The open space, mass transportation and now our highway programs must all be executed in conformance with comprehensive areawide planning.

These are critical first steps toward insuring the orderly development we must have if we are to meet the overriding challenge of growth.

The poverty program is already giving us a foothold in the reclamation of our urban human resources. We must relate our housing and urban development policies to this objective in every way possible. The programs for health and education which I have already sent to the Congress are pointed in that direction. And the vital programs for the physical development of our urban communities I propose here will bring us still closer to our ultimate goal--cities in which citizens feel secure and can grasp the opportunity to fulfill their own objectives; new communities and better planned suburbs which offer the fullest range of choices for living and working and enjoying the fruits of leisure.

We must fill the unmet needs for housing and community facilities of many of our people, especially those of low-income, the elderly and others who are disadvantaged. And we must be certain that our metropolitan centers grow not only in the most efficient, economic fashion, but that they grow with beauty as well. There is a great need to bring nature back to our central areas and to prevent its being shut out in our suburbs.

There must be sound, comprehensive planning over whole metropolitan regions. The majority of our urban areas now have some sort of areawide planning under way. This is in large measure due to our program of urban planning assistance and requirements for highways, mass transportation and open space programs to conform to comprehensive planning. We shall continue to stress the need for more and better comprehensive planning. Only in this manner can growth be shaped in a meaningful and economic way.

Such a program demands the highest degree of cooperation between levels of governments and agencies within governments. On the Federal level, this caliber of organization can best be accomplished by the creation of a Department of Housing

---



and Urban Development. Such a department will not only afford the nation a more efficient administrative tool, but it will help all of us to focus clearly upon the urban context in which most of our people work and live.

#### HOUSING

In the rebuilding of our cities and the rational ordering of our growth, we must put the greatest stress on the quality of the American home and its community surroundings. In 1949, the Congress declared its intent to enable every family to have "a decent home and a suitable living environment." Since then, through the partnership of private and public enterprise, we have moved toward this goal. But there are still about 8 million families living in dwelling units which are below acceptable standards. About half of these are in urban centers, often in such concentrations as to cripple and blight the lives of thousands of persons in a single community.

To achieve our goals of decent housing for all Americans, we must concentrate on:

- Raising housing quality so that substandard units are upgraded or eliminated.
- Building enough new housing to accommodate a growing rate of net household formation.
- Meeting special housing requirements of groups which most need public support.
- Providing neighborhoods that are viable, safe and attractive.

To reach these goals, we must expand the total production of housing each year for the rest of this decade. By 1970, we should be building at least 2 million new homes each year, or a more than 25 percent increase over the rate at which we have been building.

With this level of housing production and more vigorous housing code enforcement, we can take a large step toward elimination of the dilapidated dwellings now in existence, and strive to bring the others up to acceptable community standards. But most of the families occupying this housing have moderate or low incomes. Many are elderly, have large families, or are unemployed. New housing created by the private market is well beyond their economic reach.

In order better to meet the needs of low- and moderate-income families, over the next four years, we will have to add at least one million dwellings to the supply of standard housing with some form of public assistance. Most of these homes will be in and around large cities, but there must also be a much greater effort to rid our rural areas of deficient housing.

In order to provide these badly needed homes for the neglected segments of our population, I am recommending:

Expansion of our public housing program to make it a more flexible instrument for meeting the complex needs of low-income families and individuals. Public housing is a well-established method for the provision of low-income housing. More than 2,000 communities are participating in the program. The 100,000 units authorized by the Housing Act of 1961 had been committed by the end of 1963, and the additional 37,500 units authorized by the Housing Act of 1964 will be committed before the end of September 1965. This program needs to be continued with a substantial authorization to allow an increase in the number of new units constructed annually and to permit more acquisition and rehabilitation of existing structures.

I am recommending that we provide at least 240,000 units of public housing in the next four years, with many of these to come via the upgrading of conditions in existing housing. The greater use of sound, existing housing for low-income families will ameliorate site problems and provide a more flexible tool for subsidized housing. Such an approach will also provide decent, low-cost housing more quickly than via new construction.

In order to facilitate the acquisition and rehabilitation of existing units, however, a modification of the present statutory formula governing Federal annual contributions must be made. The changed formula will permit use of existing housing with a shorter economic life without increasing the annual subsidy per dwelling unit. The modified formula could also be utilized to facilitate temporary leasing of standard units by local authorities for use in the low-rent program where it is feasible and economic.

The public housing program can also be a valuable vehicle for helping families make an easier adjustment to urban living conditions. In many cases, low-income families are not even aware of the social services which are available, and such services have often been inadequate. To help develop a better range of social services for families in public housing, and coordinate those existing services, I recommend broader assistance within the framework of the public housing program. Such a program could provide special counseling in the maintenance of housing, as well as counseling to families prior to moving into or out of public housing.

We will continue to place our main reliance for the supply of new housing on private sponsorship, and we must have ways of encouraging the production of private housing for moderate-income families. Changes work hardship on those who must lose their homes in the process of rebuilding our cities. In addition, far too many families still live in substandard housing. A just society must help rehouse these families in decent housing within their means. To this end, I am recommending several new programs:

A new program of rental and cooperative housing for those low- and moderate-income families who have been displaced by public improvement actions, including code enforcement, or who occupy substandard housing. Special emphasis would be placed upon providing new housing for families whose incomes fall between those

eligible for public housing and incomes sufficient to afford standard private housing without subsidy. These homes could be built by private builders, using FHA-insured mortgage funds bearing market rates of interest. Special assistance funds would be available through the Federal National Mortgage Association if necessary to help the program get started. Nonprofit and limited-dividend sponsors would own and operate such housing, and Federal support would be provided in the form of a rent supplement payment. Such assistance would be terminated when the family's income reached a point where it could bear the full economic rent. In the case of cooperatives, subsidies would end when a family's income reached a level sufficient to maintain a Federally-insured mortgage and all other housing expenses.

A new program of home ownership for low- and moderate-income families. This program would also be for persons displaced by public improvement actions or living in substandard housing, but it focuses on those with a capacity for increasing their income and assuming home ownership. Federal rental supplements would bridge the gap between reasonable payments out of family income and the economic rent in new units, up to the point where the families can afford to purchase the home outright. This program will provide, for the first time, an opportunity for low- and moderate-income families to enjoy home ownership through a lease-with-option-to-buy arrangement.

A similar new rental program which would make housing available to the elderly of limited income on the same basis as that outlined above. We have increased the economic capabilities of senior citizens to maintain their own households through social security and private pension plans. The incomes of many senior citizens are still too low to pay for standard housing, however, and almost one-fifth of them live in substandard dwellings.

The new program I have recommended will permit us to make decent housing available to a broader segment of lower-income elderly households than is currently served by the direct loan program for senior citizen housing. As the new program begins to get into production, we shall phase out the existing program of direct loans for senior citizen housing.

Stimulation of a program for the rehabilitation and operation of rental properties by nonprofit sponsors for low-income families at rents they can afford. The price of the housing would be written down with the aid of Federal urban renewal subsidies.

A new program of rehabilitation grants to low-income homeowners in urban renewal areas. These grants would enable homeowners of limited means to rehabilitate their homes to meet community housing standards.

I have already recommended that funds be appropriated for the program of low-interest rehabilitation loans in urban renewal areas authorized under Section 312 of last year's housing act. This program can be instrumental in reclaiming much of our existing housing from the relentless grip of blight and deterioration.

We must also improve provisions enacted last year for relocation and adjustment payments to families displaced by urban renewal and public housing, and extend it to cover mass transportation.

I urge the continuation, at the rate of 40,000 additional units for fiscal 1966, of the below-market interest rate program for moderate-income families (Section 221(d)(3)). This program has made a substantial contribution to the supply of reasonably-priced housing for moderate-income families. But the increasing cost of Federal borrowing on which the interest rate for moderate-income housing loans is based has reduced the benefits under this program. I am hopeful that the new



program of rent supplements will provide more flexible and effective means of meeting moderate-income housing needs.

For too long the condition of our housing in small cities and rural areas has been neglected. A major obstacle has been the lack of adequate mortgage financing. I have directed that additional steps be taken to enlarge investment opportunities for private lenders in financing housing in small towns and rural areas. Programs of the Federal Housing Administration and the Federal National Mortgage Association will be employed in this effort. I also recommend enactment of an insured home loan program for rural areas to be administered by the Department of Agriculture. (These loans should bear the same terms as home loans insured by the Federal Housing Administration.) *Agree, but Agriculture probably doesn't see*

Besides these pockets of neglect in our housing supply, we must insure the continued provision of housing for special needs. Particularly important is the college housing loan program. This is one of the fastest growing aspects of our society, and <sup>one</sup>of the most important. There can be no postponing of badly needed higher education facilities because of inadequate housing. This key program must be continued on an expanded basis.

We intend to see that the housing built with Federal assistance is available to all Americans who need it, regardless of color or creed. The programs I have recommended here should vastly expand the choices of those segments of our population which have been most hampered by low-income, racial barriers, age or physical handicap. Moreover, we must insure that choices are expanded in city and suburb alike, that many more families of moderate- and low-income will be able to live outside the central city, and by the same token, many higher-income families will want to move into the city. This widening of choices is the heart of our housing program, as it is the heart of all our urban development programs. There must be many more opportunities for people to enjoy sound housing and pleasant neighborhoods, whether in the city, the suburbs or in rural areas.

### Developing More Flexible Financing

Although the nation has recently enjoyed a plentiful supply of mortgage credit, there are still serious dislocations in our mortgage market. There are many areas which suffer from lack of savings and shortage of mortgage credit.

This is another instance where Federal action can broaden the key role of the private sector.

In order to broaden the accumulation of savings and an increase in the supply of mortgage funds, I recommend authority for the Federal chartering of mutual savings banks. At present, these banks, which are financial bulwarks of the mortgage market, are chartered in only 18 states. Federal chartering would extend the vital usefulness of mutual savings banks throughout the nation. (Policy Question)

### Urban Renewal and City Improvement

In our Federally-assisted urban renewal program we have made a start on the physical aspects of building a Great Society. But we have come to see, largely as a result of our fifteen-year experience with the urban renewal program, that there is a great deal more to eliminating slums than simply knocking down bad buildings and replacing them with good ones. In the last few years, emphasis has been shifting to the provision of more low- and moderate-income housing on urban renewal sites. This was made possible for the first time because of the provisions of the Housing Acts of 1961 and 1964. Furthermore, while the great majority of families displaced by urban renewal have been relocated in standard housing, many have had to pay higher rent. The Housing Act of 1964 made provision, therefore, for relocation adjustment payments to displaced families and also to small businesses.

Renewal has pointed the way toward putting cities on a sounder economic basis, through the revitalization of downtown, the provision of land for industrial and institutional expansion and the creation of new and attractive central city

neighborhoods. Urban renewal, with the close cooperation of FHA, has taken the first steps toward large-scale rehabilitation.

But out of the renewal experience has come the realization that public action cannot redevelop buildings alone and succeed--it must redevelop lives and futures as well. What we need, therefore, is a new emphasis in urban renewal and a new intensity of effort. The program should continue to provide land for nonresidential uses where they can be economically developed, and thereby give our cities the fiscal capacity to help with the larger job of redeveloping people and broadening opportunities.

But the greatest emphasis should be upon how the people live--on the residential environment, in all its aspects. We expect to increase property values; but above all we intend to enhance human values. Not only blighted buildings, but blighted human spirits must be rehabilitated.

1. Such an approach will require a greater depth of planning and a more pronounced emphasis upon the social aspects of the city. Analysis of social service needs should be an integral part of all city planning, and specifically a vital part of the Community Renewal Program. I am recommending that every city of 50,000 population and larger be required to prepare a Community Renewal Program as a prerequisite for future urban renewal loan or grant funds.

2. Authorization for urban renewal grants should be established at a level of \$750 million a year for the next four years.

#### Humanizing the City

We must begin to eliminate the substantial human deficits we have rung up in our central cities. One means of doing this is by providing a broad range of social services through various programs of the Department of Health, Education and Welfare and the Community Action Programs fostered by the Office of Economic Opportunity. The broad-gauge, systematic construction of community facilities is required to support a coordinated city-wide program of social services.

### 1. Neighborhood Centers--

Humanizing the city will depend in large measure on whether or not we can make cities meaningful in terms of an individual's every-day pursuits and activities. This must start close to home. It must be a living, breathing part of our neighborhoods, even those that are today badly blighted. We must insure that our neighborhoods offer the chance for the enrichment of its citizens' lives, the realization of its citizens' hopes.

Our urban neighborhoods have for too long been held in the cold clutch of blight and decay. And many of our suburban neighborhoods have become sterile, with too few opportunities for meaningful expression of ambitions, particularly by the young and the elderly. There is an obvious need in these neighborhoods, and particularly in those located in the congested central cities, for better health and recreation facilities.

Therefore, I am recommending a program of neighborhood facilities grants to assist local governments in the construction of neighborhood centers for health, recreation and other purposes. They would be built under programs of the Housing and Home Finance Agency. Such grants would permit the planning and construction of those neighborhood facilities which the city deems vital to revive or maintain a community's livability. They could be used for a range of facilities, including community centers, health stations, and special recreation facilities. The young and the elderly particularly would benefit from such centers. The planning of such facilities should evolve from the city's Community Renewal Program or a comprehensive plan for social services.

2. We must not only make better use of the limited manpower and knowledge which we now have to deal with the forces of urban growth and development. We must work to develop better and broader skills as well. In order to accomplish this we need a range of services designed to develop understanding of urban problems as well as the capacity to cope with them. Such an approach should be based upon the HHFA

administered Federal-State program of training, technical assistance and research. This will enable us to mobilize the skills resident in public and semi-public bodies to overcome the problems of urban growth and decay.

A major step toward initiating these services would be the appropriation of funds to implement the Federal-State training program authorized by Title VIII of the Housing Act of 1964.

#### SOUND URBAN DEVELOPMENT

##### Providing Basic Community Facilities

We can no longer afford the waste inherent in unplanned, disorganized urban sprawl. This waste has been reflected in a more than 100 percent increase since World War II in local taxes and assessments payable by a homeowner.

A critical problem has been the need for basic community facilities in urban areas. Currently about one-third of the nation's population lack any sewer facilities. The present backlog of unmet municipal water and sewer facility needs would require work on 20,000 projects. This relates to present deficiencies only. In addition, we have to offset obsolescence and depreciation and provide for population growth.

We are already being swept along by the hurricane of growth. And we still have some repair work to be done in the urban fabric, a legacy from our inability to curb sprawl in the past.

To begin this crucial task, I recommend a new HHFA program of Federal matching grants to local governments for building basic community facilities, primarily sewer and water systems. To insure that such projects are planned and built in a sound and comprehensive manner, they must be consistent with an approved areawide comprehensive plan. If such a plan does not yet exist, there must be one in preparation.

The project should also fit into a program for an areawide system of sewer disposal or water supply or, where there is no such program, it should be actively under way.

There should be evidence that any facilities built will be adequate to meet growth in the reasonably foreseeable future. In some cases this will mean building excess capacity, at least for a short while. This is preferable to whole communities' being established with inadequate facilities that have to be replaced later at additional costs. And it will help insure that land is developed in an economic and orderly fashion. We must begin to substitute economies of scale for the waste of piecemeal installation and the constant rebuilding of systems which were inadequate in the first place.

To assure the availability of appropriate sites for public buildings and other facilities, land often should be acquired substantially before construction is called for. Local governments do not usually have the financing available to purchase land needed for future public facilities. I am recommending a new program of Federal financial assistance to aid in the advance acquisition of land for future public facilities. This program would make available Federal funds to cover the interest for up to five years on loans that are obtained by public bodies. This program will augment our existing programs of public works advance planning, and provide full continuity between planning and action.

These programs of planning, matching grants for basic community facilities, and advance land acquisition should give us the tools we need to accommodate our growth in a comprehensive and economic manner and to eliminate much of the obsolescence in our existing facilities.



New Communities and Planned Subdivisions

Last year I urged the Congress to pass special legislation to assist private enterprise in the planned development of suburban communities and subdivisions. In the year that has passed, over one million more acres have been urbanized, and much of this has contributed to the wasteful ugliness we have come to call urban sprawl. If many more years go by, and many more millions of urban acres are consumed wastefully by our mushrooming growth, we will have to resign ourselves to living with sprawl. It will cost more and it will afford us little chance to let nature into our lives, or to utilize fully man's own ingenuity to beautify his environment.

The Federal aids which I have outlined for basic community facilities will provide the nation's fast-growing urban areas a chance to lay out economic patterns for orderly development. But we still must depend upon the private builder, the private lender and private real estate developer for the great bulk of our construction. With new tools for installing public facilities and developing sites on less expensive land, opportunities for small builders will be enhanced.

In order to make it possible for the private market to meet adequately the challenge of urban growth, I recommend a program of FHA-insured private loans, backed by FNMA special assistance, to finance the acquisition and development of land and also the installation of basic water and sewer facilities where such facilities cannot be provided by a public body.

These programs recognize that, while fully-planned and well-serviced new communities are desirable, most of our metropolitan growth will more likely occur in the form of smaller subdivisions. Thus, the private builder and the locality are offered the means to organize the elements of growth into economic and efficient patterns.

The pressures of growth are so severe, and our deficits from existing sprawl, so heavy, that we cannot rely entirely on the instruments at hand to correct the situation. So far, there are too few private developers with the organization and abilities to take on large-scale, well-planned development. And there are too few local governments with the willingness and capacity to develop needed planning and then exercise land controls in a rational manner.

To fill this gap, it seems only natural to look to the states themselves. They are the foundation for local governmental powers. With them resides the ultimate capacity for evolving solutions to metropolitan area dilemmas.

I recommend, therefore, a new program of Federal aids to state land development agencies. Such agencies would acquire land, install basic community facilities and then resell the improved land to private builders for the construction of well-planned subdivisions or communities. Basic community facilities could be partly financed by the program of grants which have already been recommended. Federal loans would be available where necessary to finance land acquisition.

In the case of both private developers and state land development agencies, all developments would have to conform to areawide comprehensive planning. And all large-scale new community proposals must include a balanced mix of housing -- for low- and moderate-income families as well as higher-income families -- and adequate commercial, educational, and medical facilities.

Rising land prices have been a severe obstacle to providing the most efficient facilities and lower-priced housing. The programs of financial assistance for new communities and large subdivisions, in combination with the proposed program of assistance to public bodies for basic community facilities and advance acquisition of land for public purposes, will help prevent the skyrocketing of urban land prices. These programs will also cut down the high costs of borrowing for the development of new communities and subdivisions.

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Heretofore, builders and developers have incurred high interest charges in early years of development, even before any income was being generated. Much of this is due to lack of basic community facilities, and developers are often loath to provide these because of costs and little assurance that their market will remain strong through the arduous development process.

Finally these programs will generate a higher order of comprehensive, areawide planning. This is absolutely essential if we are to break out of old, wasteful and limited ways of thinking about our great urban areas.

#### Housing Cost Reduction

Most of our urban population growth must be accommodated in the cities and the many suburban subdivisions that will be created. In city and suburb alike, we must provide housing for all income groups.

The broadening of opportunity means the broadening of markets. Our great private building industry, which last year built over 1.5 million units of new housing, will be able to reach still further down into the income scale with the assistance I have outlined. But there must also be a concerted attack, by both public and private enterprise, on rising costs, or much of our work will be undone almost before it can be started.

The rehabilitation of older homes is one way in which standard housing can be created without making it too expensive for moderate- and low-income groups.

But there are still other methods of cost reduction which must be tried:

--I recommend a comprehensive program of technological research, aimed specifically at cutting building and development costs.

--I also recommend the establishment of a temporary National Commission on Codes to study the problems of the widely differing array of building and housing

codes, zoning and taxation affecting land development throughout the nation.

Such a commission would sift the effects of codes on housing costs, examine closely the critical problem of code enforcement, and study the possibilities of developing simplification and uniformity of codes. The commission would also study the effects of local zoning regulations, local real estate taxes and Federal taxes on costs of land development. Recommendations would be made for whatever action seems necessary in making codes and their enforcement more effective.

#### Open Space

No single action will be more important to the orderly accommodation of our metropolitan growth than the judicious preservation of open space. This is most urgent in fast-growing urban areas, but it is also essential that open spaces be carefully planned and preserved in non-urban places as well.

There are now two programs which afford the nation the opportunity to preserve open spaces--the Open Space Land Program of the Housing and Home Finance Agency and the Land and Water Conservation Program of the Department of the Interior. There exists at present a disparity in the grant assistance these two programs can offer. I am looking to the Housing Agency program to serve urban areas, and I recommend that the programs be made equivalent in terms of grant percentages so that all areas can receive similar treatment.

Aside from the obvious values which accrue through the preservation of open spaces, this program has been instrumental in generating a higher order of planning and intergovernmental coordination. Since the program got underway, there have been 31 intergovernmental agreements, involving 155 different jurisdictions, and covering many major metropolitan areas in the nation. These agreements have pointed the way toward practical workable arrangements throughout the areas involved.

In the congested inner city, aid is needed to create small breathing spaces. Little parks, squares, pedestrian malls, and playgrounds would contribute to the form, beauty, and living quality of the crowded urban scene. I recommend broadening the Open Space program by providing grants to assist city governments to acquire and clear small areas to create such open spaces.

There must also be additional assistance under the Open Space program aimed directly at injecting a higher order of beauty and amenity into our urban neighborhoods. To do this, I recommend a special grant program to cities for landscaping, tree planting, installation of outdoor lights, benches and other amenities, as well as additional measures for beautification. These activities should be directed not only at major thoroughfares and plazas downtown, but also toward raising the quality of environment in neighborhoods and particularly on our long neglected urban waterfronts.

#### Mass Transportation

The urban mass transportation program passed by the 88th Congress has given us a start on this particularly perplexing aspect of metropolitan development. The poor, the elderly and the handicapped are particularly dependent upon the availability of good public transportation. And the creation or expansion of well-conceived public transportation systems is essential for desirable growth patterns and the relief of traffic congestion in our expanding metropolitan and other urban areas. Sound transportation systems can also reinforce local efforts to revitalize our cities through urban renewal. Now that the Federal Government can share the cost of providing needed facilities, large and small cities and metropolitan areas across the country are diligently preparing to meet their public transportation needs.



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

A first order of business in meeting the challenges posed by growth and decay is to make our Federal administrative machinery as strong as possible. We are now operating with an agency--the Housing and Home Finance Agency--which was created to deal with the housing problems of a quarter century ago. Since then, it has taken on a number of newer programs, such as urban renewal, open space and mass transportation, and the scale of the problems our urban nation faces has vastly increased. These Federal programs should be fully coordinated and efficiently administered in the context of a Cabinet level department. Further delays will put this nation in the position of trying to meet the problems of the 1960's with the machinery of the 1940's. This would be both wasteful and ineffective.

Therefore, I strongly urge the Congress to establish a Department of Housing and Urban Development.

CONCLUSION

The program I have outlined is designed to make our cities great and economically strong. It is designed to insure that metropolitan growth takes place in such a manner that the aspirations of our people are stimulated and fulfilled. It is designed to foster opportunity. The emphasis is upon the means of enriching the human spirit, through the enrichment of the environment. The time to get on with this most critical job is right now. We have the means. We must show the determination. I most earnestly urge the Congress to provide us with the tools.

March 2, 1965

THE WHITE HOUSE  
WASHINGTON

February 27, 1965

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## MEMORANDUM

Mr. President:

Here is the semi-final draft of the Housing message.

There may be a few more minor changes from Budget, HHFA etc.

I hope to have the whole thing wrapped up, mimeographed, etc. by tomorrow.

There are a few things I would like to call to your attention.

1. This, like the natural beauty message, is an original. It is the first Presidential message on the cities.

2. Undoubtedly your proposal for a cabinet Department will cause immediate speculation about Weaver--since he was the focus of such controversy the last time. My own suggestion would be to make it clear that you have made no decision and will make none until Congress creates the new Department.

3. The absence of reference to any extension of the executive order on discrimination in housing will undoubtedly cause comment and perhaps some controversy. But, as far as I know, we are not ready to say anything about it at this time.

RUG

Dick Goodwin

Throughout man's history, the city has been at the center of civilization. It is at the center of our own society.

Over seventy per cent of our population -- 135 million Americans -- live in urban areas. A half century from now, 320 million of our 400 million Americans will live in such areas. And our largest cities will receive the greatest impact of growth.

Numbers alone do not make this an urban nation. Finance and culture, commerce and government make their home in the city and draw their vitality from it. Within the borders of our urban centers can be found the most impressive achievements of man's skill and the highest expressions of man's spirit, as well as the worst examples of degradation and cruelty and misery to be found in modern America.

The city is not an assembly of shops and buildings. It is not a collection of goods and services. It is a community for the enrichment of the life of man. It is a place for the satisfaction of man's most urgent needs and his highest aspirations. It is an instrument for the advance of civilization. Our task is to put the highest concerns of our people at the center of urban growth and activity. It is to create and preserve the sense of community with others which gives us significance and security, a sense of belonging and of sharing in the common life.

Aristotle said: "Men come together in cities in order to live. They remain together in order to live the good life."

The modern city can be the most ruthless enemy of the good life, or it can be its servant. The choice is up to this generation of Americans.

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\* In this message the word city is used to mean the entire urban area -- the central city and its suburbs.

For this is truly the time of decision for the American city.

In our time, two giant and dangerous forces are converging on our cities: the forces of growth and of decay.

Between today and the year 2000, 80% of our population increase will occur in urban areas. During the next fifteen years, thirty million people will be added to our cities -- equivalent to the combined population of New York, Chicago, Los Angeles, Philadelphia, Detroit and Baltimore. Each year, in the coming generation, we will add the equivalent of 10-15 cities of 200,000 each.

Already old cities are tending to combine into huge clusters. The strip of land from southern New Hampshire to northern Virginia contains 21% of America's population in 1.8% of its areas. Along the West Coast, the Great Lakes, and the Gulf of Mexico, other urban giants are merging and growing.

All of these new city dwellers will need homes and schools and public services. By 1970 we will need two million new homes a year. We will need schools for 10 million additional children; welfare and health facilities for 5 million more people over the age of sixty; transportation facilities for the daily movement of 200 million people and more than 80 million automobiles.

In the remainder of this century -- in less than forty years -- urban population will double, city land will double, and we will have to build in our cities as much as all that we have built since the first colonist arrived on these shores. It is as if we had forty years to rebuild the entire urban United States.

Yet these new overwhelming pressures are being visited upon cities already in distress. We have seven million homes, most of them in cities, which do not have running water or even plumbing.

check!

Many of our central cities are in need of major surgery to overcome decay. New suburban blight reaches out into the countryside, as the process of urbanization consumes a million acres a year. The old, the poor, the discriminated against are increasingly concentrated in central city ghettos; while others move to the suburbs leaving the central city to battle against immense odds.

Physical decay, from obsolescent schools to polluted water and air, breeds social decay. It casts a pall of ugliness and despair on the spirits of the people. And this is reflected in rising crime rates, school drop-outs, delinquency and social disorganization.

Our cities are making a valiant effort to combat the mounting dangers to the good life. Between 1954 and 1963 per capita local government tax revenues increased by 43%, and their tax indebtedness increased by 119%. City officials with inadequate resources, limited authority, too few people, and often with too little public support, have, in many cases, waged a heroic battle to improve the life of the people they serve.

But we must do far more as a nation if we are to deal effectively with ~~this number one~~ <sup>one of the most critical</sup> domestic problems of the United States.

Let us be clear about the core of this problem. The problem is people and the quality of the lives they lead. We want to build not just housing units, but neighborhoods; to construct not just schools, but educate children; not just to raise income but to create beauty and end the poisoning of our environment. We must extend the range of choices available to all our people so that all, and not just the fortunate, can



have access to decent homes and schools, to recreation and to culture. We must work to overcome the forces which <sup>divide our people</sup> ~~segregate entire communities~~ <sup>and create</sup> ~~by race and income~~, thus eroding the vitality which comes from the partnership of those with diverse <sup>incomes and</sup> interests and backgrounds. These forces, along with physical and social decay, encourage the separation which breeds loneliness and isolation. This in turn creates discontent and sometimes disorder. Worst of all it places us in danger that each of us will live apart, a stranger to the fate of all the rest. And this menaces the foundation of democratic society itself.

The problems of the city are problems of housing and education. They involve increasing employment and ending poverty. They call for beauty and nature, recreation and an end to racial discrimination. They are, in large measure, the problems of American society itself. They call for a generosity of vision, a breadth of approach, a magnitude of effort which we have not yet brought to bear on the American city.

Whatever the scale of its programs, the federal government will only be able to do a small part of what is required. The vast bulk of resources and energy, of talent and toil, will have to come from state and local governments, private interests and individual citizens. But the federal government does have a responsibility. It must help to meet the most urgent national needs; in housing, in education in health and many other areas. It must also be sure that its efforts serve as a catalyst and as a lever to help and guide state and local governments toward meeting their problems as effectively as their resources allow.

We must also recognize that this message, and the programs it proposes, does not fully meet the problems of the city. In part, this

is because many other programs, such as those for education and health, are dealt with separately. But is also because we do not have all the answers. In the last few years there has been an enormous growth of interest and knowledge and intellectual ferment. We need more thought and wisdom and knowledge as we painfully struggle to identify the ills, the dangers and the cures for the American city. We need to re-shape, at every level of government, our approach to problems which are often different than we thought and larger than we had imagined.

I want to begin that process today.

We begin with the awareness that the city, possessed of its own inexorable vitality, has ignored the classic jurisdictions of municipalities and counties and states. That organic unit we call the city spreads across the countryside, enveloping towns, building vast new suburbs, destroying trees and streams. Access to suburbs has changed the character of the central city. Highway and transportation systems built by one town create enormous pressures on others. The jobs and income of suburbanites may depend upon the opportunities for work and learning offered by the central city. Polluted air and water do not respect the jurisdictions of mayors and city councils, or even of Governors. Wealthy suburbs often form an enclave whereby the well-to-do and the talented can escape from the problems of their neighbors, thus impoverishing the ability of the city to deal with its problems.

The interests and needs of many of the communities which make up the modern city often seem to be in conflict. But they all have an overriding interest in improving the quality of life of their people. And they have an overriding interest in enriching the quality of American civilization.

These interests will only be served by looking at the metropolitan area as a whole, and planning and working for its development.

# DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

To give greater force and effectiveness to our effort in the cities

I ask the Congress to establish a Department of Housing and Urban Development.

Our urban problems are of a scope and magnitude that demand representation at the highest level of government. The Housing and Home Finance Agency was created a quarter century ago. It has taken on many new programs. Others are proposed in this message. Much of our hopes for American progress will depend on the effectiveness with which these programs are carried forward. These problems are already in the front rank of national concern and interest. They deserve to be in the front rank of government as well.

The new Department will consist of all the present programs of HHFA. In addition it will be primarily responsible for federal participation in metropolitan area thinking and planning. This new department will provide a focal point for thought and innovation and imagination about the problems of our cities. It will cooperate with other federal agencies, including those responsible for programs providing essential education, health, employment and social services. And it will work to strengthen the constructive relationships between nation state and city--the creative federalism--which is essential to progress. In this partnership the leadership of Governors and state legislatures will play a vital role.

The federal government cannot, and should not, require the communities which make up a metropolitan area to cooperate against their will in the solution of their problems. But we can offer incentives to metropolitan area planning and cooperation. We can help those who want to make the effort but lack the trained personnel and other necessary resources. And the new Department should have regional representatives in our metropolitan areas to assist where assistance is requested, in the development of metropolitan area plans.

INCENTIVES TO METROPOLITAN AREA COOPERATION

We already have federal programs in which assistance depends upon the completion of soundly conceived metropolitan area plans, such as the mass transportation program passed by the 88th Congress. This program strikes at the heart of one of our most critical and urgent needs--a transportation system which can relieve congestion and make it possible for people to travel with comparative ease to work, learning and pleasure.

I am proposing other programs which will also require sound, long-range development programs as a condition of federal assistance. Wherever it can be done without leaving vital needs unmet, existing program will <sup>also</sup> be keyed to <sup>planning</sup> ~~similar~~ requirements.

Among the <sup>most</sup> ~~other~~ vital needs of our metropolitan areas is the requirement for basic community facilities--for water and sewerage. The present backlog of urgent needs would require work on 20,000 projects. Many existing systems are obsolete or need major rehabilitation. And population growth will require a vastly increased effort in years ahead.

These basic facilities, by their very nature, require cooperation among communities. I therefore propose a program of matching grants to local governments for building basic community facilities with an appropriation of 100 million dollars for 1966. These grants will be contingent upon a comprehensive, areawide planning <sup>(in future growth)</sup> and will be made only for projects consistent with such planning. ~~There must be clear evidence that any facilities built under this program are designed to take care of future growth.~~

One of the greatest handicaps to sound programs for future needs is the difficulty of obtaining desirable land for public buildings and other facilities. As growth is foreseen it should be possible to acquire land in advance of its actual use. Thus when the need arises the land will be there. I recommend a federal program for financial assistance to help in this advance acquisition of land. Federal funds would be made available to cover the interest charges for five years on loans obtained by public bodies. Thus we will cover the costs during the period before the facilities are constructed.

Last year alone one million acres ~~were~~ were urbanized. As our cities spread, far too often we create the ugliness and waste which we call urban sprawl. At times we find we have built new slum areas in our suburbs. Some of our programs are designed to stem this tide by helping city governments to plan their growth. But we must continue to depend upon the private developer and lender for most of our construction. And the, sometimes lack the economic resources to ensure high standards of development. I therefore recommend a program of FHA insured private loans, backed by FNMA special assistance where necessary, to finance the



acquisition and development of land for entire new communities and planned subdivisions, and to install basic water and sewerage facilities where such facilities cannot be provided by a public body.

This program should enable us to help build better suburbs. And it will also make it easier to finance the construction of brand new communities on the rim of the city. Often such communities can help break the pattern of central city ghettos by providing low and moderate income housing in suburban areas.

This program will be complemented with a program of federal financial assistance to state land development agencies. Under this program states would acquire land, install basic facilities, and then re-sell the improved land to private builders for the construction of suburbs or new communities.

Both of these programs would be dependent upon the existence of area-wide planning for growth and development to which these developments would conform. They are designed to stimulate the farsighted planning for future growth which is necessary if we are to prevent sprawl and new slums; and to impose standards which will guarantee a decent environment for our future city dwellers whatever their race or income. In addition, these programs should enable us to build better suburbs, since it will be possible to acquire land and improve it before the imminent approach of the city has sent costs skyrocketing upward.

#### RESOURCES FOR PLANNING

To plan for the growth and development of an entire metropolitan area takes a wide range of skills and a large number of trained people. These vital human resources are in short supply. They are beyond the

command of many of our cities. To help meet this need I propose to  
establish an Institute Urban Development as part of the new department.

This Institute will help support training of local officials in a wide range of administrative and program skills. It will administer grants to state and cities for studies and the other basic work which are the foundation of long-term programs. And it will conduct research aimed especially at reducing the costs of building and home construction through the development of new technology.

TEMPORARY NATIONAL COMMISSION  
 Good planning for our metropolitan areas will take not only determination, the spirit of cooperation, and added resources. It will also take knowledge, more knowledge than we have now. We need to study the structure of building codes across the country, their impact on housing costs, how they might be more effectively enforced to help eliminate slums, and how housing <sup>codes</sup> can be simplified and made more uniform.

Zoning regulations also affect both the cost and pattern of development. We must better learn how these <sup>codes</sup> can be made consistent with sound urban development.

Nothing has greater impact on cost, on land speculation, and on the ability of private enterprise to respond to the public interest, than local and federal tax policies. These too must be examined to determine how they can best serve the public interest.

Finally, we must begin to develop better and more realistic standards for suburban development. Even where local authorities wish to prevent sprawl and blight, to preserve natural beauty and ensure decent, durable housing they find it difficult to know what standards should be expected of private builders. We must examine what kind of standards

are both economically feasible and will guarantee liveable suburbs.

To examine all these problems I recommend the establishment of a Temporary National Commission on Codes, Zoning, Taxation and Development Standards. I predict that the body masked by such an unwieldy name may emerge with ideas and instruments for a revolutionary improvement in the quality of the American city. In any event, that will be their mandate.

This entire range of programs is designed to help us begin to think and act across historic boundaries to enrich the life of the people of our metropolitan areas. We do not believe such planning is a cure-all or a panacea. It can sometimes be a slender reed. It must be flexible and open to change. And we cannot wait for plans before trying to meet urgent needs in many areas. But it will teach us to think on as large a scale as the problem itself, and act to prepare for the future as well as to repair the past.

I hope that, as time goes by, more and more of our federal programs can be brought into harmony with metropolitan area programs. For in this approach lies one of our brightest hopes for the American City.

#### THE PHYSICAL ENVIRONMENT

We owe the quality of American housing to the initiative and vitality of our private housing industry. It has provided the homes which have made most of our citizens the best housed people in the world. Our federal housing programs are designed to work in support of private effort, and to meet the critical needs which can only be met through government action.

After World War II we worked to revitalize the housing market and provide homes for a growing number of our people. This effort has been successful far beyond our initial hopes. However, the problem now has a different shape. It is not enough simply to build more and more units of housing.

and communities.

12

We must

~~to~~ build neighborhoods, ~~means~~ combining construction with social services and community facilities. It means designing our programs to reduce segregation by race and income and occupation. It means to build so that people can live together in attractive surroundings sharing, to some extent, in a common life.

To meet ~~new~~ objectives we must work to re-direct, modernize and streamline our housing programs. I will ask the Congress to begin the process this year, while continuing those programs which are providing necessary assistance.

We hope to achieve a large increase of homes for low and moderate income families -- those in greatest need of assistance -- through an array of old and new instruments designed to work together toward a single goal.

-- To insist on stricter enforcement of housing codes by communities receiving federal aid, thus mounting an attack on slums.

But such insistence is not realistic, and often not desirable, unless we can provide realistic alternatives to slum housing. We will do this by:

-- providing rent supplements for families across a wide range of lower and moderate income brackets so they can afford decent housing.

-- providing rent supplement assistance to those forced out of their homes by code enforcement and all forms of federally assisted government action, <sup>from</sup> for highways to urban renewal.

-- using both urban renewal funds and public housing funds to rehabilitate existing housing and make it available to low and moderate income families, as well as building new housing. There is no reason

to tear down and rebuild if existing housing can be improved and made desirable.

--emphasizing residential construction and rehabilitation on a neighborhood-wide scale in the urban renewal program.

These instruments, combined with existing public housing and direct loan programs, will more than double the scale of our existing effort. <sup>(They should offer direct assistance to the housing of one million families in the next five years.)</sup> Moreover they will immensely add to our flexibility in the process of building neighborhoods.

#### RENT SUPPLEMENTS

The most crucial new instrument in our effort to improve the American city is the rent supplement.

Up to now government programs for low and moderate income families have concentrated on either direct financing of construction; or <sup>on</sup> making below-the-market-rate loans to private builders. We now propose to add to these programs through direct payment of a portion of the rent of needy individuals and families.

The homes themselves will be built by private builders, with FHA insurance, and, where necessary, special assistance through the Federal National Mortgage Association. The federal assistance will be the rent supplement payment for each family.

This approach has immense potential advantages;

First, its flexibility will allow us to help people across a much broader range of income than has hitherto been possible. And it will therefore make it possible to significantly increase the supply of housing available to those of moderate income.

Second, the payment can be keyed to the income of the family. Those with lower incomes will receive a greater supplement. Under present programs the amount of the subsidy is the same for all who live in a federally assisted development regardless of individual need.



Third, the amount of assistance can be reduced as family income rises. It can be ended completely when income reaches a certain level. Thus we will not end up, as is often the case, helping those who no longer need help.

Fourth, it will be unnecessary to evict from their homes those whose income has risen above the point of need. This will eliminate what is often a great personal hardship.

Fifth, since the supplement is flexible it will permit us to encourage housing in which families of different incomes, and in different age groups, can live together. It will make it unnecessary for the government to assist and even require the segregation by income level which detracts from the variety and quality of urban life.

In the long run this may prove the most effective instrument of our new housing policy. In order to give it a fair chance we are limiting it to carefully designed categories of need.

--in a program of rental and cooperative housing for those low and moderate income families displaced by government action or now living in substandard housing. The subsidy will help them pay rent or meet payments on a federally insured mortgage.

--in a program of home ownership for those displaced or living in substandard housing who display a capacity for increasing income and eventually owning their own home. These families will receive a lease with an option to buy, the federal government supplementing the rent until they can afford to buy the house.

--in a program to provide a broader range of housing for the elderly with inadequate incomes. The existing direct loan program for the elderly will continue at its existing level <sup>with the goals already authorized by the Congress</sup>. As our new program begins to take hold, it may be possible to phase out the present program while providing more housing

than ever for the elderly. I intend to ensure a steadily increasing supply of federal subsidized housing for older Americans.

On this basis our rent supplement program should add more than 500,000 homes over the next four years; while improving our ability to make these homes serve the social needs of those who live in them. If it works as well as we expect, it should be possible to phase out most of our existing programs of direct loans.

#### REHABILITATION

We have concentrated almost all our past effort on building new units, when it is often possible to improve, rebuild and rehabilitate existing homes with less cost and less human dislocation. Even some areas now classed as slums can be made decent places to live with intensive rehabilitation. In this way it may often be possible to meet our housing objectives without tearing people away from their familiar neighborhoods and friends. Sometimes the same objective can be achieved by helping local authorities to lease standard homes for low rent families.

I recommend a change in the public housing formula so that we can use public housing funds to acquire and rehabilitate existing dwellings--and to permit local authorities to lease standard housing for low-rent families. This will assist particularly in providing housing for large families.

I recommend the use of urban renewal funds to permit homeowners to repair their homes and/to rehabilitate and operate homes for low-income families at rents they can afford.

I recommend the appropriation of funds for low-interest rehabilitation loans under urban renewal, designed to rescue much of our existing housing from blight and decay.

I recommend grants to low-income home owners in urban renewal areas who cannot secure and finance loans required to rehabilitate their properties up to required standards.

~~...standards...~~

EXISTING PROGRAMS

I ask Congress to continue, on a modified basis, the existing housing programs which have proven their ability to meet important needs. But I also wish to state my intention to reduce or eliminate these programs whenever new and more flexible instruments have shown they can do a better job.

The public housing program should be continued with an authorization ample enough to permit an increase in the number of new units as well as to conduct a program of rehabilitation.

I ask the continuation, at the rate of 40,000 additional units for fiscal 1966, of the program of below market interest rate mortgage purchases for housing for moderate income families. At the same time we must recognize that the benefits of this program are decreasing as the rising costs of federal borrowing narrows the difference between the interest we ask and that demanded in the private market.

I urge continued support for our college housing program which is struggling to keep up with the needs of a rising volume of students.

I ask that our urban renewal program be increased to a level of 750 million dollars a year by 1968. This program has done much to help our cities. But we have also learned, through hard experience, that there is more to eliminating slums and building neighborhoods than knocking down old buildings and putting up new ones.

Through using funds for rebuilding existing housing, and by providing more and better assistance to families forced out by urban renewal, we can make this program better serve the people it is meant to help. We will continue to use urban renewal to help revitalize the business and industrial districts which are the economic base of <sup>The</sup> ~~our~~ central city. But this program should be more and more concentrated on the development of residential areas so that all our tools-- from the poverty program, to education and construction--can be used together to create meaningful and liveable communities within the city.

To accomplish this purpose cities must develop long-range programs which take into account social as well as construction needs. Therefore I recommend that every city of 50,000 or larger be required to develop a Community Renewal Program as a condition of federal help for urban renewal. These programs will provide an orderly schedule and pattern for development of areas of blight and decay-- combining social and educational services with the planning of physical construction.

~~up to required standards.~~

#### NEIGHBORHOOD FACILITIES

A community must offer added dimensions to the possibilities of daily life. It must meet the individuals most pressing needs, and provide places for recreation and for meeting with neighbors. I therefore recommend a new program of matching grants to help local governments build multi-purpose neighborhood centers for health and recreation and community activity. Related to our housing programs these centers can help urban renewal and public housing meet the goal of creating a meaningful community.

At the same time these centers must not be isolated expressions of interest. They should be part of an overall program for improving the life of people in disadvantaged areas. Therefore I am recommending that most of these grants be made only when they are consistent with an approved community action program under the War Against Poverty.

#### BEAUTIFYING THE CITY

In my message on natural beauty I pointed out that much of the effort of the new conservation would be directed toward the city. I recommend changes in the open space program, broadening its authority to help city governments acquire and clear areas to create small parks and squares, malls and playgrounds. In addition I recommend a special grant program to cities for landscaping, the planting of trees, the improvement of city parks and other measures to bring beauty and nature to the city dweller.

But beauty is not simply a matter of trees and parks. The attractiveness of our cities depends upon the design and architecture of buildings and blocks and entire urban neighborhoods. I intend to take further steps to ensure that federal activity does not contribute to drab and ugly construction. But in this field, as in so many others, most of our hopes rest on the concern and



work of local governments and private citizens.

### CONCLUSION

This message can <sup>only</sup> deal with a small fragment of the effort increasingly directed toward improving the quality of life in the American city. The creation of jobs, the war against poverty, education and health, natural beauty and anti-pollution are all part of an effort to build the great cities which are the foundation of our hopes for a Great Society.

Nor can we forget that most of our programs are designed to help all the people, in every part of the country. We do not intend to forget or neglect those who live on the farms, in villages, and in small towns. Working closely with the Department of Agriculture, the programs I have outlined above can do much to meet rural America's need for housing and the development of better communities.

~~From the continuation, at the rate of 40,000~~

Many of these programs are intended to help the poor and those stripped of opportunity. But our goal is more ambitious than that. It is nothing less than to improve the quality of life for every American--rich and poor, black and white, businessman and laborer. In this quest the future of the American city will play the most vital role. There are a few whose affluence enables them to move through the city guarded and masked from the <sup>real</sup> qualities of the life around them. But they are few indeed. For the rest of us the quality and condition of our lives is inexorably fixed by the nature of the community in which we live. Slums and ugliness, crime and congestion, growth and decay inevitably touch the life of all. Those who would like to enjoy the lovely parks of some of our great cities soon realize that neither wealth or position fully protects them against the failures of society. Even among strangers, we are neighbors whether we will it or not.

We are still only groping toward solution. The next decade should be a

time of experimentation. Our cities will not settle into a drab uniformity directed from a single center. Each will choose its own course of development; whether it is to unite communities or build entirely new metropolitan areas. We will seek new ways to structure our suburbs and our transportation; new techniques for introducing beauty and improving homes. This is an effort which must command the most talented and trained of our people, and call upon administrators and officials to act with generosity of vision and a spaciousness of imagination.

I believe today's proposals are an important start along that road. They should help us to look upon the city as it really is: a vast and myriad complex of homes and communities, people and their needs, hopes and frustrations. It can liberate the expectations of men, or it can crush them in body and spirit.

For underneath all the rest, at the very bottom of all we do, is the effort to protect, under the conditions of the modern world, values as old as this nation and the civilization from which it comes. We work in our cities to satisfy our needs for shelter and work and the ability to command a satisfying way of life. We wish to create a city where men and women can feed the hunger of the spirit for beauty and have access to the best of man's work; where education and the richness of diversity expands our horizons and extends our expectations. But we also look for something more.

Robert Frost said "Home is the place where, when you have to go there they have to take you in..." <sup>(The American City)</sup> Our cities too must be a collection of communities where every member has a right to belong.

It should be a place where every man feels safe on his streets and in the house of his friends. It should be a place where each individual's dignity and self respect is strengthened by the respect and affection of his neighbors. It should be a place where each of us can find the satisfaction and warmth which only comes from being a member of the community of man. This is what man sought at the dawn of civilization. It is what we seek today.

1. This is the first Presidential message on the Cities. It attempts, for the first time, to discuss the problems of the American city as a whole, although ~~the~~ most of the specific proposals are ~~limited~~ in the field of housing and construction.

2. The message proposes a Department of Housing and Urban Development. This new cabinet level Department will contain the present and proposed programs of HHFA. It will be the focal point for federal government interest in development programs covering an entire metropolitan area.

3. We want to give an incentive to cities and towns to cooperate and work together for the development of entire metropolitan areas.

Therefore, We propose:

1. Matching grants to cities for construction of basic community facilities--water and sewerage. This is a 100 million dollar program.

2. A federal program to help cities acquire land in advance of its actual use, so as the cities spread, land will be available for vital community facilities, public buildings etc.

3. A program of federally insured private loans to finance the acquisition of land for entire new communities or large new subdivisions in suburban areas.

All of this assistance will be available to those cities that ~~are~~ have a program of sound orderly development for the entire metropolitan area.

4. We are re-shaping and redirecting our housing programs.

A Existing program will be continued. However we will make available urban renewal and public housing funds to rehabilitate homes as well as build new ones. There is no reason to tear down and rebuild when you can rehabilitate existing housing, often at less cost.

B In addition we propose a program of rent supplements for low and moderate income families. This should enable us to double the size of our housing effort--contributing to the economy as well as providing housing. In effect we subsidize rents now with our low-interest loans to those who will build moderate income housing. By doing it more directly we can achieve greater flexibility and volume. \$245 MILLION OVER FOUR YEARS.

5. We also propose a program of matching grants for neighborhood community centers. Thus, when we build housing we can also help provide some of the basic facilities which make a neighborhood up a community.

In the whole message the stress is to move away from just building housing units to building neighborhoods. Our goal is one million units of federally assisted housing over the next four years.

3/2/65

FOR THE RECORD:

The original Messages to Congress regarding the attached press release were transmitted to the Congress today. One was delivered to the Secretary of the Senate Felton M. Johnston, as the Senate is in adjournment and the other was delivered on the floor of the House.

No papers, other than the original messages were received in the Records Office. The attached press release will have suffice, for the time being, as the only file on the message until such time as other papers may make an appearance.

Tom Jones

## MESSAGE ON THE CITIES

Throughout man's history, the city has been at the center of civilization. It is at the center of our own society.

Over seventy per cent of our population -- 135 million Americans -- live in urban areas. A half century from now 320 million of our 400 million Americans will live in such areas. And our largest cities will receive the greatest impact of growth.

Numbers alone do not make this an urban nation. Finance and culture, commerce and government make their home in the city and draw their vitality from it. Within the borders of our urban centers can be found the most impressive achievements of man's skill and the highest expressions of man's spirit, as well as the worst examples of degradation and cruelty and misery to be found in modern America.

The city is not an assembly of shops and buildings. It is not a collection of goods and services. It is a community for the enrichment of the life of man. It is a place for the satisfaction of man's most urgent needs and his highest aspirations. It is an instrument for the advance of civilization. Our task is to put the highest concerns of our people at the center of urban growth and activity. It is to create and preserve the

- \* In this message the word city is used to mean the entire urban area -- the central city and its suburbs.

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P. 19  
2-24-65

sense of community with others which gives us significance and security, a sense of belonging and of sharing in the common life.

Aristotle said: "Men come together in cities in order to live. They remain together in order to live the good life."

The modern city can be the most ruthless enemy of the good life, or it can be its servant. The choice is up to this generation of Americans. For this is truly the time of decision for the American city.

In our time, two giant and dangerous forces are converging on our cities: the forces of growth and of decay.

Between today and the year 2000, more than 80 per cent of our population increase will occur in urban areas. During the next fifteen years, thirty million people will be added to our cities -- equivalent to the combined population of New York, Chicago, Los Angeles, Philadelphia, Detroit and Baltimore. Each year, in the coming generation, we will add the equivalent of 15 cities of 200,000 each.

Already old cities are tending to combine into huge clusters. The strip of land from southern New Hampshire to northern Virginia contains 21 per cent of America's population in 1.8 per cent of its areas. Along the West Coast, the Great Lakes, and the Gulf of Mexico, other urban giants are merging and growing.

Our new city dwellers will need homes and schools and public services. By 1975 we will need over two million new homes a year. We will need



schools for 10 million additional children, welfare and health facilities for 5 million more people over the age of sixty, transportation facilities for the daily movement of 200 million people and more than 80 million automobiles.

In the remainder of this century -- in less than forty years -- urban population will double, city land will double, and we will have to build in our cities as much as all that we have built since the first colonist arrived on these shores. It is as if we had forty years to rebuild the entire urban United States.

Yet these new overwhelming pressures are being visited upon cities already in distress. We have over nine million homes, most of them in cities, which are run down or deteriorating; over four million do not have running water or even plumbing. Many of our central cities are in need of major surgery to overcome decay. New suburban sprawl reaches out into the countryside, as the process of urbanization consumes a million acres a year. The old, the poor, the discriminated against are increasingly concentrated in central city ghettos; while others move to the suburbs leaving the central city to battle against immense odds.

Physical decay, from obsolescent schools to polluted water and air, helps breed social decay. It casts a pall of ugliness and despair on the spirits of the people. And this is reflected in rising crime rates, school drop-outs, delinquency and social disorganization.

Our cities are making a valliant effort to combat the mounting dangers to the good life. Between 1954 and 1963 per capita municipal tax revenues increased by 43%, and local government indebtedness increased by 119%. City officials with inadequate resources, limited authority, too few trained people, and often with too little public support, have, in many cases, waged a heroic battle to improve the life of the people they serve.

But we must do far more as a nation if we are to deal effectively with one of the most critical domestic problems of the United States.

Let us be clear about the core of this problem. The problem is people and the quality of the lives they lead. We want to build not just housing units, but neighborhoods; not just to construct schools, but to educate children; not just to raise income but to create beauty and end the poisoning of our environment. We must extend the range of choices available to all our people so that all, and not just the fortunate, can have access to decent homes and schools, to recreation and to culture. We must work to overcome the forces which divide our people and erode the vitality which comes from the partnership of those with diverse incomes and interests and backgrounds. These forces, along with physical and social decay, encourage the separation which breeds loneliness and isolation. This in turn creates discontent and sometimes disorder. Worst of all it places us in danger that each of us will live apart, a stranger to the fate of all the rest. And this menaces the foundation of democratic society itself.

The problems of the city are problems of housing and education. They involve increasing employment and ending poverty. They call for beauty and nature, recreation and an end to racial discrimination. They are, in large measure, the problems of American society itself. They call for a generosity of vision, a breadth of approach, a magnitude of effort which we have not yet brought to bear on the American city.

Whatever the scale of its programs, the federal government will only be able to do a small part of what is required. The vast bulk of resources and energy, of talent and toil, will have to come from state and local governments, private interests and individual citizens. But the federal government does have a responsibility. It must help to meet the most urgent national needs; in housing, in education, in health and many other areas. It must also be sure that its efforts serve as a catalyst and as a lever to help and guide state and local governments toward meeting their problems.

We must also recognize that this message, and the program it proposes, does not fully meet the problems of the city. In part, this is because many other programs, such as those for education and health, are dealt with separately. But <sup>it</sup> is also because we do not have all the answers. In the <sup>last</sup> few years there has been an enormous growth of interest and knowledge and intellectual ferment. We need more thought and wisdom and knowledge as we painfully struggle to identify the ills, the dangers and the cures for

city. We need to re-shape, at every level of government, the American city to problems which are often different than we thought and our approach than we had imagined. We want to begin that process today.

We begin with the awareness that the city, possessed of its own inexorable vitality, has ignored the classic jurisdictions of municipalities and counties and states. That organic unit we call the city spreads across the countryside, enveloping towns, building vast new suburbs, destroying trees and streams. Access to suburbs has changed the character of the central city. ~~Highway and transportation systems built by one town create enormous pressures on others.~~ The jobs and income of suburbanites may depend upon the opportunities for work and learning offered by the central city. Polluted air and water do not respect the jurisdictions of mayors and city councils, or even of Governors. Wealthy suburbs often form an enclave whereby the well-to-do and the talented can escape from the problems of their neighbors, thus impoverishing the ability of the city to deal with its problems.

The interests and needs of many of the communities which make up the modern city often seem to be in conflict. But they all have an overriding interest in improving the quality of life of their people. And they have an overriding interest in enriching the quality of American civilization. These interests will only be served by looking at the metropolitan area as a whole, and planning and working for its development.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

To give greater force and effectiveness to our effort in the cities  
I ask the Congress to establish a Department of Housing and Urban  
Development.

Our urban problems are of a scope and magnitude that demand representation at the highest level of government. The Housing and Home Finance Agency was created two decades ago. It has taken on many new programs. Others are proposed in this message. Much of our hopes for American progress will depend on the effectiveness with which these programs are carried forward. These problems are already in the front rank of national concern and interest. They deserve to be in the front rank of government as well.

The new Department will consist of all the present programs of HHFA. In addition it will be primarily responsible for federal participation in metropolitan area thinking and planning. This new department will provide a focal point for thought and innovation and imagination about the problems of our cities. It will cooperate with other federal agencies ~~including~~ those responsible for programs providing essential education, health, employment and social services. And it will work to strengthen the constructive relationships between nation, state and city -- the creative federalism -- which is essential to progress. This partnership will demand the leadership of mayors, Governors and state legislatures.

## INCENTIVES TO METROPOLITAN AREA COOPERATION

The federal government cannot, and should not, require the communities which make up a metropolitan area to cooperate against their will in the solution of their problems. But we can offer incentives to metropolitan area planning and cooperation. We can help those who want to make the effort but lack the trained personnel and other necessary resources. And the new Department should have regional representatives in our metropolitan areas to assist, where assistance is requested, in the development of metropolitan area plans.

We already have federal programs in which assistance depends upon the completion of soundly conceived metropolitan area plans, such as the mass transportation program passed by the 88th Congress. This program strikes at the heart of one of our most critical and urgent needs -- a transportation system which can relieve congestion and make it possible for people to travel with comparative ease to places of work, learning and pleasure.

I am proposing other programs which will also require sound, long-range development programs as a condition of federal assistance. Wherever it can be done without leaving vital needs unmet, existing programs will also be keyed to planning requirements.

Among the most vital needs of our metropolitan areas is the requirement for basic community facilities -- for water and sewerage. Many existing systems are obsolete or need major rehabilitation. And population growth will require a vastly increased effort in years ahead.

*Don't  
omit*

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These basic facilities, by their very nature, require cooperation among <sup>adjacent</sup> communities. I therefore propose a program of matching grants to local governments for building new basic community facilities with an appropriation of 100 million dollars for <sup>fiscal</sup> 1966. These grants will be contingent upon comprehensive, areawide planning for future growth; and will be made only for projects consistent with such planning.

One of the greatest handicaps to sound programs for future needs is the difficulty of obtaining desirable land for public buildings and other facilities. As growth is foreseen it should be possible to acquire land in advance of its actual use. Thus, when the need arises, the land will be there. I recommend a federal program for financial assistance to help in this advance acquisition of land. Federal grants would be made available to cover the interest charges for five years on loans obtained by public bodies. Thus we will cover the costs during the period before the facilities are constructed.

Last year alone one million acres were urbanized. As our cities spread, far too often we create the ugliness and waste which we call urban sprawl. At times we find we have built new slum areas in our suburbs. Some of our programs are designed to stem this tide by helping city governments to plan their growth. But we must continue to depend upon the private developer and lender for most of our construction. And they sometimes lack the economic resources to ensure high standards of

of development. I therefore recommend a program of federally insured private loans, backed by Federal Mortgage purchases where necessary, to finance the acquisition and development of land for entire new communities and planned subdivisions.

This program should enable us to help build better suburbs. And it will also make it easier to finance the construction of brand new communities on the rim of the city. Often such communities can help break the pattern of central city ghettos by providing low and moderate income housing in suburban areas.

This program will be complemented with a program of federal financial assistance to state land development agencies. Under this program public bodies would acquire land, install basic facilities, and then re-sell the improved land to private builders for the construction of suburbs or new communities.

All of these programs would be dependent upon the existence of area-wide planning for growth to which the aided developments must conform. They are designed to stimulate the farsighted planning for future growth which is necessary if we are to prevent sprawl and new slums, and to create standards which will guarantee a decent environment for our future city dwellers whatever their race or income. In addition, these programs should enable us to build better suburbs, since it will be possible to acquire land and improve it before the imminent approach of the city has sent costs skyrocketing upward.

### RESOURCES FOR PLANNING

To plan for the growth and development of an entire metropolitan area takes a wide range of skills and a large number of trained people. These vital human resources are in short supply. They are beyond the command of many of our cities. To help meet this need I propose to establish an Institute of Urban Development as part of the new department.

This Institute will help support training of local officials in a wide range of administrative and program skills. It will administer grants to states and cities for studies and the other basic work which are the foundation of long-term programs. And it will support research aimed especially at reducing the costs of building and home construction through the development of new technology.

### TEMPORARY NATIONAL COMMISSION

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Zoning regulations also affect both the cost and pattern of development. We must better learn how zoning can be made consistent with sound urban development.

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To examine all these problems I recommend the establishment of a Temporary National Commission on Codes, Zoning, Taxation and Development Standards. I predict that the body masked by such an unwieldy name may emerge with ideas and instruments for a revolutionary improvement in the quality of the American city. ~~In any event, that will be their mandate.~~

This entire range of programs is designed to help us begin to think and act across historic boundaries to enrich the life of the people of our metropolitan areas. We do not believe such planning is a cure-all or a panacea. It can sometimes be a slender reed. It must be flexible and open to change. And we cannot wait for completed plans before trying to meet urgent needs in many areas. But it will teach us to think on a scale as large as the problem itself, and act to prepare for the future as well as to repair the past.