

NATIONAL ARCHIVES AND RECORDS SERVICE
WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Memo	for the President from Nicholas Katzenbach re HHFA	3-17-65	C

FILE LOCATION

EX FG 245

RESTRICTION CODES

- (A) Closed by Executive Order 11652 governing access to national security information.
- (B) Closed by statute or by the agency which originated the document.
- (C) Closed in accordance with restrictions contained in the donor's deed of gift.

EXECUTIVE 5
HS
F1.14
F1.15
JL 2
FG 2-1.1
JL 4-1



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

JUN 10 1965

The President
The White House
Washington, D.C. 20501

Dear Mr. President:

As a part of the financing of Federally assisted low-rent public housing and urban renewal projects under the terms of the United States Housing Act of 1937, as amended, and Title I of the Housing Act of 1949, as amended, local public housing authorities and local public agencies sell to private investors each year more than \$3 billion in short-term notes and long-term definitive bonds. By March 31, 1965, more than \$37.4 billion had been provided for these programs in this manner.

In both programs notes and bonds are secured by Government contracts or requisition agreements which assure that Federal funds will be available as needed to make payments of principal and interest. Also, since the enactment of the Housing Act of 1961 (75 Stat. 149), each of these instruments bears a payment agreement affixed on behalf of the Housing and Home Finance Administrator or the Public Housing Commissioner in accordance with Section 302 of that Act. By the terms of this section these payment agreements are incontestable in the hands of a bearer and the full faith and credit of the United States is pledged to their payment. For this reason, as well as the fact that they are fully tax exempt because issued by local public agencies, these notes and bonds bear interest rates which are substantially less than those borne by Government notes and bonds and considerably less than the rates which under the applicable statutes

GENERAL SERVICES ADMINISTRATION



Washington 25, D.C.

JUN 7 1965

3

EXECUTIVE

7G 245

7G 240

RA 4

7G 212

Honorable Horace Busby, Jr.
Special Assistant to the President
The White House

Dear Mr. Busby:

I have your memorandum of June 4 and the memorandum of June 1, attached thereto, from Bill^XWalton.

In view of Bill's remark that we understated the case and, particularly, since my June 1 letter provides all of the pertinent data, I can only conclude that he wrote his memorandum to you before he saw our supplemental letter of June 1, and I'm reasonably sure this is the case since his memorandum to you bears the same date as my supplemental memorandum to you.

I agree completely with Bill that the complex of buildings, known up to now as F.O.B. 5, presents an ideal opportunity for the President to epitomize his ideas about excellence in Federal architecture and that it constitutes a good illustration of successful cooperative endeavor by the interested organizational elements within the Federal Government.

We thought it preferable to defer to the President's judgment and yours as to just how much he wishes to identify himself with this project. I believe all of the data necessary for the exercise of such judgment is provided in our May 27 and June 1 communications. See, for example, the data provided in that memorandum under the heading "Architecture."

We do believe, however, and so recommend for consideration in arriving at a conclusion as to whether the President desires to identify himself with this project and the newsworthiness of unveiling a model of this complex and in announcing its name, that both actions have great favorable potential. The model of the project is available and can be delivered on

RECEIVED
AUG 20 1965
CENTRAL FILES

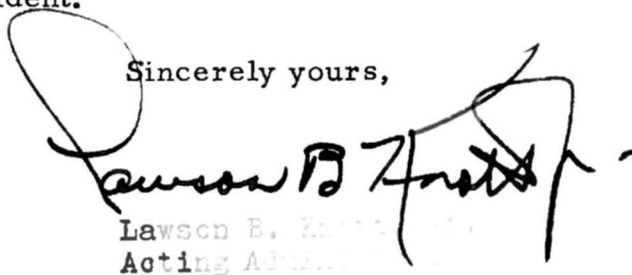
short notice to any place he may wish if he decides to do the unveiling. Also, of course, we stand ready and able to provide any additional information desired and to assist in planning and preparing whatever kind of a public announcement and ceremony the President may conclude is warranted.

We differ with Bill Walton in only one respect. As is the case concerning the Lafayette Square development and restoration, design acceptance of the Housing and Home Finance Agency building to be located in the same vicinity, while also a fine structure and a significant factor in the overall development of the area, was announced last December 14, 1964, and received considerable attention in the local press the following day (see attached press release and newsclippings). Since there is no current news value in an announcement of that building at this time, to include information pertinent to it in announcing and unveiling a model of F. O. B. 5, might dilute the effectiveness of the latter action.

There is, as you know, of course, considerably more to the development of the general area than the two buildings being constructed by GSA. Any announcement or ceremonial unveiling concerning the entire area would entail extensive coordination between not only NCPC, the Fine Arts Commission and GSA, but also the District of Columbia Government, the D. C. Redevelopment Land Agency and the private developers in the area.

It is our thought that F. O. B. 5 is sufficiently significant to the whole project, especially when coupled with its naming in memory of the late James V. Forrestal, as to warrant a public announcement and unveiling of that project alone by the President.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Lawson B. Zerk". The signature is fluid and cursive, with a large loop at the beginning and a long, sweeping tail that extends to the right.

Lawson B. Zerk
Acting Administrator

Enclosure

GSA NEWS RELEASE

OFFICE OF INFORMATION
GENERAL SERVICES ADMINISTRATION
ROOM 6113, 18TH AND F STREETS NW.
WASHINGTON, D.C. 20405

343-4511

GSA 58-6648

FOR IMMEDIATE RELEASE
MONDAY, DECEMBER 14, 1964

GSA #2559

The design of a 10-story building that will serve as the Washington, D. C., headquarters of the Housing and Home Finance Agency was announced today by the General Services Administration.

Drawings for the \$26 million structure are being completed by the collaborating firms of Marcel Breuer and Associates of New York City, and Nolen, Swinburne and Associates of Philadelphia, Pennsylvania. Scheduled to occupy a site in the Capitol's Southwest Redevelopment Area, the project is expected to be ready for construction bidding by mid-year 1965.

With a striking exterior of architectural concrete and cast stone, the proposed building will have a basic floor plan of Y-shaped wings extending from two central circulation cores. The four curving elements will accommodate a record number of offices with windows, while imaginative planning for interior walls will free them from columns or other projections to assure maximum utilization of floor space.

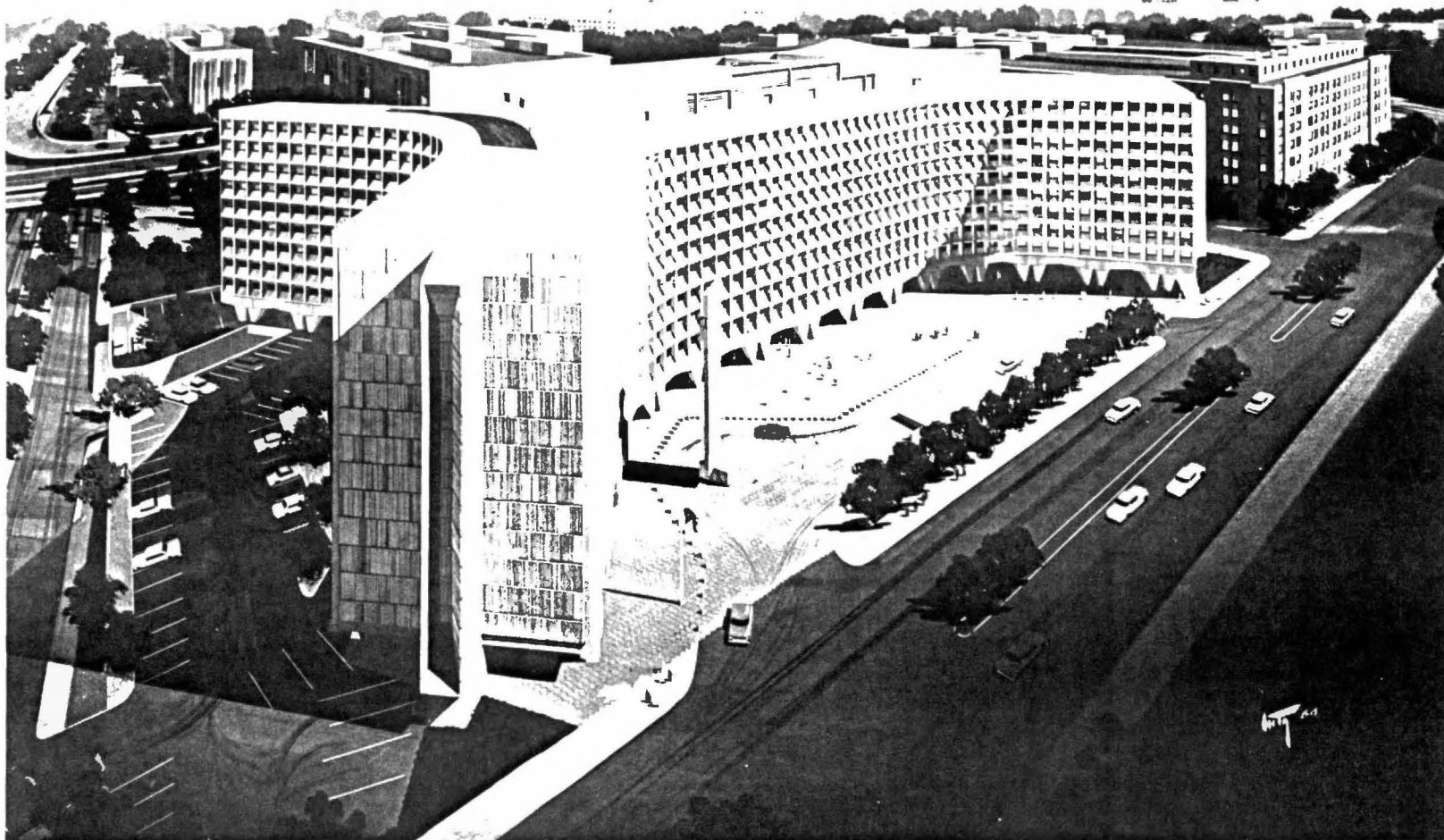
In other design distinctions, the building will be braced by 44 twin columns on tapered bases, creating rows of arcades and covered spaces that will provide ground level parking in addition to two under-ground floors for vehicles and storage use. Behind the building's main entrance off a paved plaza will be a modern cafeteria overlooking a landscaped area.

Destined to join the ranks of Washington's largest Federal office structures, the HHFA building will have a gross area in excess of 1.3 million square feet. Its site will be within a tract of cleared land bounded by D, E, 7th and 9th Streets, S. W.

FOR IMMEDIATE RELEASE

MONDAY

DECEMBER 14, 1964



HOUSING AND HOME FINANCE AGENCY
OFFICE BUILDING
WASHINGTON, D.C.

ARCHITECTS
MARCEL BREUER AND ASSOCIATES NEW YORK
NOLEN - SWINBURNE AND ASSOCIATES PHILADELPHIA

GENERAL SERVICES ADMINISTRATION
WASHINGTON, D.C.

PHOTOS SENT TO PHOTO LAB

Building in Southwest to Centralize All Federal Housing Agencies

By ROBERT J. LEWIS
Star Staff Writer

The federal government is preparing to start construction of another huge building in the Southwest Washington urban renewal area which will serve as headquarters for the Housing and Home Finance Agency and its five constituent agencies.

Final working drawings are now under way for the \$29,103,100 structure to occupy an over-five-acre site bounded by D, E, 7th and 9th streets SW.

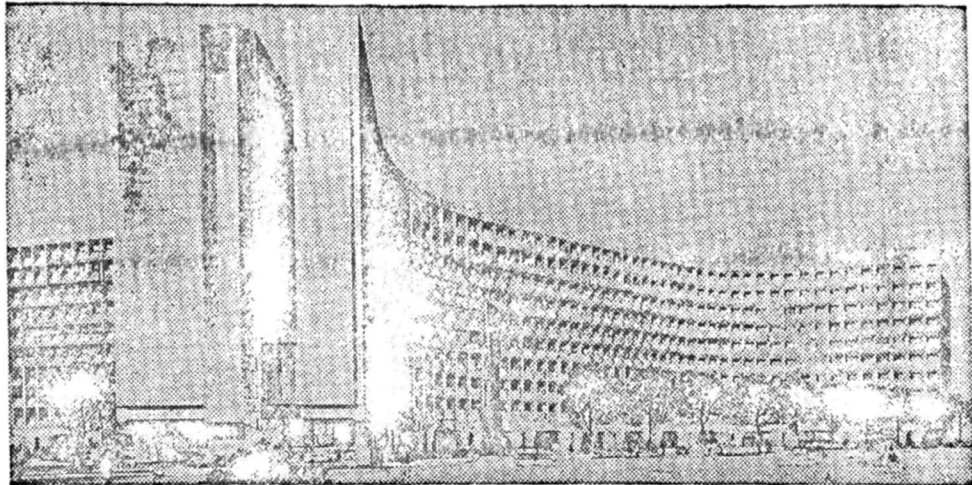
The building will be architecturally reminiscent of the UNESCO headquarters in Paris. It will consist of a main element from which will flow curving wings in an elongated quatrefoil, or four-leaved, design.

One of the two architects, Marcel Breuer, of New York, is internationally known and was associated in the design of the UNESCO project. The other architect is the Philadelphia firm of Nolen Swinburne.

Sketch Is First Shown

The sketch accompanying this article is the first to indicate the form of the structure.

The finished building will contain some modifications reflecting comments of the Fine Arts Commission and others entailed by congressional approval of an appropriation of nearly \$3 million less than was requested by the General Services Administration.



The proposed new Housing and Home Finance Agency building.

being
win-

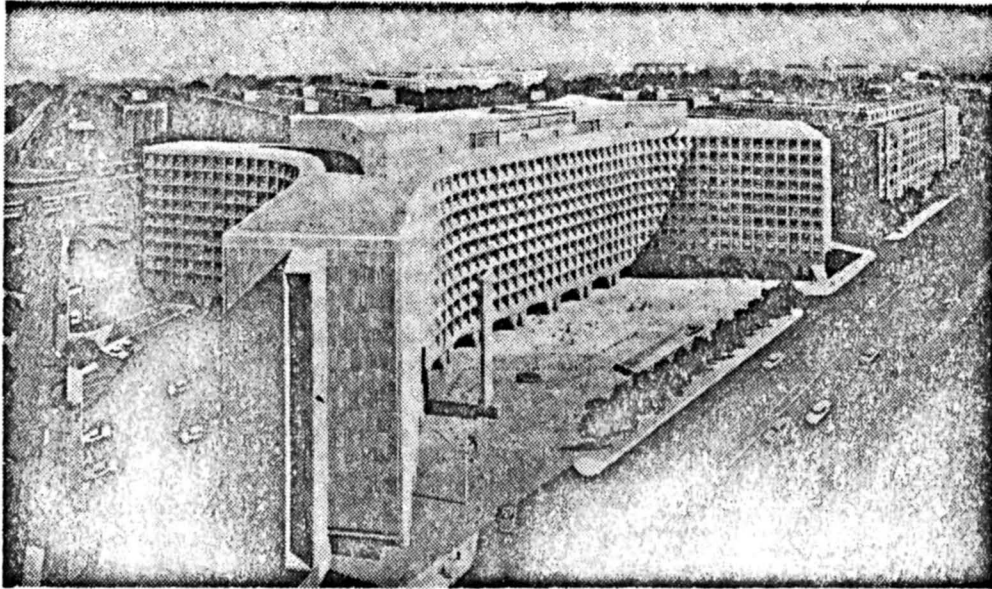
the
its
ad-
sur-

ast
in
ags
ult
he
c-
el
e-

l,
a
r

Wash Post 12/15/64

JCS



Plans for New HHFA Building in Southwest

This is the design for a new 10-story building that will serve as the Washington headquarters of the Housing and Home Financing Agency. Plans are expected to be ready for construction bids by the middle of next year. It will be located

in the Southwest Redevelopment area, on a tract bounded by D, E, 7th and 9th Streets. Marcel Breuer and Associates of New York and Nolen-Swinburne and Associates of Philadelphia are the architects on plans for the \$26-million structure.

June 4, 1965

Dear Bill:

Many thanks for your comment and amplification on Lawson Knott's memo about "FOB No. 5." Despicable as that designation is, I did manage to detect the presence of some of the values you mentioned about this project -- and have become an active lobbyist here for White House recognition of and identification with the new building.

The information from GSA was apparently not so complete as your note indicates. I will be pursuing this further with Mr. Knott and maybe we can develop a suitable program within the next few days.

Many thanks for your interest and helpfulness on this -- and, not least, for your contribution to the decor of my own office, which is now snugly ensconced as the envy of the West Wing.

Sincerely,

**Horace Busby
Special Assistant to the President**

**Honorable William Walton
Commission of Fine Arts
Washington, D. C.**

HB:gbk

June 4, 1965

MEMORANDUM FOR LAWSON KNOTT

Attached is a note I have received from Bill Walton regarding the "Ferrestal Building" idea.

Bill's note indicates that there is apparently considerable more to this project than was reflected in the earlier information. I would like to develop this to the fullest, as I have indicated, and would welcome any comments or suggestions you might have about the idea Bill advances.

**Horace Busby
Special Assistant to the President**

HB:gbk

THE COMMISSION OF FINE ARTS

WASHINGTON, D.C.

June 1

Dear H.B.,

Larry Knott of GSA has sent me a carbon of the letter he wrote you about architecture etc. I feel he has understated the case for getting The President to associate himself with those new buildings which soon will start on Independence Avenue just behind the old Smithsonian.

First, they are huge, very fine architecturally and probably will be the biggest project to be built in Washington during LBJ's first term.

Though the press has, from time to time, seen models and drawings, they never have quite clamped on to the project as a whole---two huge defense buildings by Curtis & Davis, another big one by Marcel Bruer, two short axial malls, great landscaping, a glass-enclosed restaurant for government employees, etc. Its a mammoth project of highest design quality.

I can imagine the President unveiling models of the whole thing, perhaps on the site, and then perhaps naming the main building after Forresstal. I'd like to get away from the cursed system of calling buildings by numbers.

THE COMMISSION OF FINE ARTS

WASHINGTON, D.C.

The whole thing is also a good example of inter-agency cooperation. It really did work, with all these involved:

Defense---the customer.

GSA---the builder

RLA---landowner

Nat. Cap. Planning agency--overall planning

Fine Arts Commission---design overseer.

I commend it to your consideration.

All the best,

A handwritten signature in dark ink, reading "Bill Walton". The signature is written in a cursive style with a long, sweeping horizontal line extending from the end of the name.

EXECUTIVE

FI 8

FG 245

June 2, 1965

TO: HARRY McPHERSON

FROM: BILL MOYERS

I agree. Let's proceed as Semer suggests.

Enclosures

Returning memo to McPherson 6/1/65 from M ilton Semer, HHFA
re Interest Rates on College Housing, Elderly Housing, and Moderate-
Income Rental Housing Program. s

LD



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

EXECUTIVE

LE
FG245

HOUSING AND HOME FINANCE AGENCY

OFFICE OF THE ADMINISTRATOR

WASHINGTON, D.C. 20410

MAY 28 1965

The President
The White House
Washington, D. C.

Attention: Horace Busby

Dear Mr. President:

filed same
In accordance with Mr. Busby's request of May 25, there is enclosed a report on the status and prospects of legislation pending in the Congress with respect to the Housing and Home Finance Agency.

Respectfully yours,

Robert C. Weaver
Robert C. Weaver
Administrator

Enclosure

RECEIVED
OCT 6 1965
CENTRAL FILES

Original not sent to file

EXECUTIVE

FG 115

FG 245

May 18, 1965

Dear Mr. Comptroller General:

This is in acknowledgment of your letter of May 17th to the President, enclosing a copy of your report to the Congress on potential savings through use of Government-owned housing to meet military requirements of the Department of Defense in the Jacksonville, Florida, area.

It has been noted that two copies of this report are being sent to the Director of the Bureau of the Budget.

Sincerely,

**Paul M. Popple
Assistant to the President**

**Honorable Joseph Campbell
Comptroller General
of the United States
Washington, D. C.**

rah

EXECUTIVE
PEH
F6245

THE WHITE HOUSE OFFICE

ROUTE SLIP

(To Remain With Correspondence)

TO The Secretary of Labor

PROMPT HANDLING IS ESSENTIAL.
WHEN DRAFT REPLY IS REQUESTED
THE BASIC CORRESPONDENCE MUST
BE RETURNED. IF ANY DELAY IN
SUBMISSION OF DRAFT REPLY IS
ENCOUNTERED, PLEASE TELEPHONE
OFFICE OF THE SPECIAL ASSISTANT.

Date May 17, 1965

FROM THE SPECIAL ASSISTANT

ACTION:

Comment _____

Draft reply _____

For direct reply _____

For your information _____

For necessary action _____

For appropriate handling X

See below _____

Remarks:

Reports to the President re Mission SAFETY-70 in response to President's memo of Feb 16th, fm:

Hon. Robert C. Weaver, Adm, Housing and Home Finance Agency, 5/14;

Walter E. Washington, Exec Dir, Natl Capital Housing Authority,
5/14/65.

rah

GPO 16-71284-2

By direction of the President:

Paul M. Popple
~~Douglas Cater~~
~~Special Assistant~~
to the President

EXECUTIVE ③

LE/KB

FG 11-1

FI 5-4

FG 245

EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON, D.C. 20503

OFFICE OF
THE DIRECTOR

*Approved by the President
& returned to Budget Bureau
on 5/15/65*

MAY 14 1965

MEMORANDUM FOR THE PRESIDENT

Subject: Administration's Housing Bill

By Monday the Administration must take a position on a major problem relating to the housing bill. The bill has cleared the House Subcommittee on an 11-1 bipartisan basis. It comes before the full committee in executive session on Monday. Administrator Weaver will appear as witness, but probably no transcript will be taken.

The most controversial item in the bill is the Administration's rent supplement proposal. A bipartisan coalition, which approved the rent supplement, also included in the bill a feature which carries great risks for the level of future budget outlays.

- At the present time the Administration's moderate income housing program carries a 3-7/8% interest rate (soon to go to 4-1/8%). Similar rates apply to college housing loans and elderly housing loans.
- The coalition bill reduces all these rates to 3%.

Budgetary Risks

There are two major budgetary risks involved:

- One of the major purposes of the rent supplement program was to provide a more flexible alternative to the current moderate income housing program. Reducing the interest rate on this latter program may increase demand for direct loans precisely at the time when we want to phase them out.

RECEIVED
MAY 27 1965
CENTRAL FILES



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

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

EXECUTIVE

FG 634
LG/Dallas
FG 245

HU2/ST43

MAY 11 1965

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

Enclosed is a report submitted to me by Robert A. ^XSauer,
my Special Assistant, who addressed the panel on
Community Development in Dallas on Friday, May 7.

Milton P. Semer

Milton P. Semer
Deputy Administrator

Enclosure

RECEIVED
MAY 13 1965
CENTRAL FILES

Orig. not sent to C Files as of 6/16/65

year

THE WHITE HOUSE
WASHINGTON

③
EXECUTIVE

RA 1

FA

FG 245

FG 11-1

5/10/65

Mr. Rommel called re LCW memo 2/25/65
to K. Gordon:

Budget is working on this. They prepared
a draft bill which circulated around the
Bureau and just received comments. Now
about to send to agencies. Budget will be
in a better position to reply in 2 or 3 weeks.

They thought it would be a good idea to have
a bill applicable to all agencies. It grew
out of a House study and report set up 2
years ago, etc.

leb

Nothing else sent to
Central Files as of 8/19/65

EXECUTIVE

FI 4 FG 245-2

FG 245

THE WHITE HOUSE

WASHINGTON

MAY 7 1965

Dear Mr. Weaver:

In response to your letter of February 26, 1965, I am making an additional \$10,000,000 of the Federal National Mortgage Association special assistance authorization available for commitments by the Association for mortgages on experimental housing which are insured under section 233 of the National Housing Act. This increases the amount of \$5,000,000 made available on August 4, 1961, to \$15,000,000. The foregoing amount is the aggregate amount of purchases and commitments which may be outstanding at any one time.

In addition, the aggregate amount of the Federal National Mortgage Association special assistance authorization heretofore made available for commitments by the Association for mortgages on housing for low and moderate income families which are insured under section 221(d)(3) of the National Housing Act and bear interest rates below the maximum under FHA regulations shall also be available for commitments by the Association for mortgages on experimental housing which are insured under section 233 of such Act pursuant to the terms of the aforesaid section 221(d)(3).

All of the foregoing is based upon my determination, pursuant to section 305 of the Federal National Mortgage Association Charter Act, that such action is in the public interest.

Federal National Mortgage Association purchases of mortgages under its special assistance functions are directly reflected in budget expenditures. Although the need for commitment authority to assure financing of experimental housing is recognized, I hope that actual purchases of mortgages will be kept to the minimum necessary to accomplish program objectives. I strongly urge you to continue and intensify your present efforts to develop private financing sources for market-rate mortgages under the experimental housing program.

Sincerely,

Lyndon B. Johnson

Honorable Robert C. Weaver
Administrator
Housing and Home Finance Agency
Washington, D. C. 20410



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

HOUSING AND HOME FINANCE AGENCY
OFFICE OF THE ADMINISTRATOR

WASHINGTON, D.C. 20410

EXECUTIVE

HU 2/ST 43
HU 2-2
EG 634
EG 245
HU 4

May 3, 1965

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

The U. S. Commission on Civil Rights will hold a public regional meeting in Dallas on May 7 on implementing the Civil Rights Act. It is very probable that the question of segregation in Dallas public housing will arise in the panel discussion on housing and community development.

The West Dallas project has 3500 units in three segregated sections: white, Latin-American, Negro. Negro applicants are excluded from white and Latin-American sections. As a result, there are 560 vacant units, resulting in an annual loss of \$225,000.

All "good offices" attempts under Executive Order 11063 to persuade the Dallas Housing Authority to change its policies have failed. Only two members of the Board, one of whom is Luther Holcombe, would favor such a change. The others, including the Executive Director, James Stephenson, are opposed.

Picketing by the NAACP in connection with a visit by the Public Housing Commissioner, Marie McGuire, on April 23, was averted by the submission of an assurance of compliance required by the Civil Rights Act and an oral commitment to the NAACP that the Dallas Housing Authority would work with a committee of local Negro leaders and the NAACP on implementing an integration policy.

The Dallas Housing Authority has informed the PHA Regional Office that a meeting apprising Housing Authority employees of the proposed integration policy would be held on May 10. We are informed that Mr. Laws, the NAACP Regional Director (who is unhappy about his decision to call off the pickets) is writing to the Dallas Housing Authority

EXECUTIVE

FTS-4

FG-245

April 26, 1965

MEMORANDUM FOR

Mr. Milton Semer
Deputy Administrator
Housing and Home Finance Agency

Upon receipt of your memorandum of February 3 suggesting that the Attorney General issue an opinion on the security of certain temporary loan notes, I sought the Department's informal reaction and enclose for your information and guidance a copy of the reply.

Lee C. White
Special Counsel to the President

Encl. cc: of AG's memo 4/19/65 to LCW, subj: Rqst by HHFA for opinion on security of certain loan notes issued under Public Housing and Urban Renewal programs.

EXECUTIVE

76 739

76 245

April 26, 1965

Dear Mr. Administrator:

The President on April twenty-
fourth ^{# 11218} signed an Executive Order entitled
"Amending Executive Order No. 11017 so as
To Make the Chairman of the Tennessee Valley
Authority a Member of the Recreation Advisory
Council."

Sincerely,

William J. Hopkins
Executive Clerk

Honorable Robert C. Weaver
Administrator
Housing and Home Finance Agency
Washington, D. C.

tmj

GENERAL

LE/NR (8)
NR
NR4
RE
FG145
FG245
~~FG11-1~~
FE6
FI7

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

CONGRESSIONAL

OFFICE OF
THE DIRECTOR

April 13, 1965

MEMORANDUM FOR MR. O'BRIEN

SUBJECT: Land and Water Conservation Fund draft Executive order

*not in file
4/17/65*

I think the President's letter last night to Mike Mansfield takes care of this.

I would suggest a standard reply along the line of the following:

Thank you for your letter relative to a draft of an Executive order designed to establish working procedures between the Department of the Interior and the Housing and Home Finance Agency in connection with the acquisition of land in urban areas under the Land and Water Conservation Fund and the Open Spaces Program. The draft order referred to was developed solely as the basis for discussion between the two agencies and was designed to avoid duplication and confusion in carrying out these two important programs. No transfer of funds or functions is involved in any way. Rather, it was designed to carry out the responsibilities of the President under Section 5(g) of Public Law 88-578, the "Land and Water Conservation Fund Act of 1965."

The subject is receiving further discussion between the two agencies, and we appreciate your interest.

*Lee White ltr 4/12 to
Sen. Mansfield
filed Ex. LE/NR*

[Signature]
Deputy Director

RECEIVED
APR 17 1965
CENTRAL FILES

April 12, 1965

RECEIVED
LEINR
NR
NR4
RE
FG145
FG245
FG11-1
FI 7
FE 6
ALLOTT, Gordon

Dear Senator:

We have checked into the question which you have raised about the draft Executive Order defining the financing responsibility of the Department of the Interior and the Housing Agency for the Land and Water Conservation Fund and open spaces program. I can assure you that there is nothing in the draft order, nor has it ever been contemplated, that any funds or functions would be transferred from Interior to Housing.

What the Budget Bureau has been trying to do is to establish working procedures so that the cities would know how to function under the open spaces program; that is, the procedures for applying to the Housing Agency for funds. The Land and Water Conservation Fund is a new program. The open spaces program proposed in 1961 has been a very successful one.

Thus it has been our intention to establish working procedures so as to avoid confusion and duplication between the two agencies.

The Bureau of the Budget has talked with both Secretary Udall and HIFA Administrator Weaver and has asked them to establish an agreeable procedure. We are sure that such an agreement can be worked out.

The problem has nothing to do with S. 1229, which deals with the development of recreation around Federal reservoir projects. We think this is a good bill and hope that Congress will act on it favorably in the near future.

Sincerely,

Lee C. White
Special Counsel to the President

Honorable Mike Mansfield
United States Senate
Washington, D.C.

Copy to Bur. of the Budget

RECEIVED
APR 15 1965
CENTRAL FILES

EXEC. FG728
FG 245

April 10, 1965

Dear Mr. Administrator:

The President on April eighth signed an Executive Order entitled "Establishing the President's Commission on the Patent System," a copy of which is enclosed.

Sincerely,

William J. Hopkins
Executive Clerk

Honorable Robert C. Weaver
Administrator
Housing and Home Finance Agency
Washington, D. C.

Enclosure

taj

April 6, 1965

Dear Clint:

Clinton P. Anderson

I have your letter commenting on a draft Executive Order prepared in the Budget Bureau which seeks to define the financing responsibilities of the Interior Department in connection with the Land and Water Conservation Fund and the Housing and Home Finance Agency open space program.

As you know, this was a rough draft which was sent to the agencies in the usual way to obtain their comments, suggestions, and criticisms. The Bureau advises me that they have not yet received such comments from any of the agencies to which the order was referred.

The programs of the two agencies are financed on a somewhat different basis. Yet both are designed in part to accomplish the same purpose. We are concerned that without some ground rules, there will be confusion, duplication, and probably competition for the most favorable arrangement. I certainly agree with you, however, that there will be many cases where it will be necessary for the two agency heads to get together to work out exceptions to any general rule which is established.

I certainly share your view that we should use the Land and Water Conservation Fund for areas where there is the greatest need, particularly to serve the rapidly growing urban areas.

I think that you will find that the Bureau of the Budget is very open minded as to the specific arrangements. I understand that you and Elmer Staats are planning to discuss the matter as soon as the Bureau has the reactions from the agencies concerned. I am sure that satisfactory arrangements can be worked out.

EXECUTIVE

NR

FE 6

76 145

76 245

76 11-1

RECEIVED
APR 1 1965
OFFICE OF THE
DIRECTOR

Copy sent to Budget Bureau.

EXECUTIVE

FG 245-4

FG 245

April 2, 1965

Dear Mr. Comptroller General:

This is in acknowledgment of your letter of March 31 to the President, enclosing a copy of your report to the Congress on excessive allocation of costs of streets and roads to the Queensgate I urban renewal project, Cincinnati, Ohio, by the Urban Renewal Administration, Housing and Home Finance Agency.

It has been noted that two copies of this report are being sent to the Director of the Bureau of the Budget.

Sincerely yours,

**Douglass Cater
Special Assistant
to the President**

**Honorable Joseph Campbell
Comptroller General
of the United States
Washington, D. C.**

rah

54K
EXECUTIVE

FG 245

FG 405

WS3

March 31, 1965

Dear Mr. Comptroller General:

This is in acknowledgment of your letter of March 30 to the President, enclosing a copy of your report to the Congress on excessive allocation of costs of publicly owned parking facilities to urban renewal projects in the San Francisco Region, Housing and Home Finance Agency.

It has been noted that two copies of this report are being sent to the Director of the Bureau of the Budget.

Sincerely yours,

Douglass Cater
Special Assistant
to the President

Honorable Joseph Campbell
Comptroller General
of the United States
Washington, D. C.

rah

2

RECEIVED
APR 1 1965
CENTRAL FILES



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-118754

March 30, 1965

Dear Mr. President:

Herewith is a copy of our report to the Congress on excessive allocation of costs of publicly owned parking facilities to urban renewal projects in the San Francisco Region, Housing and Home Finance Agency.

Two copies of this report are being sent today to the Director, Bureau of the Budget.

Respectfully yours,

A handwritten signature in dark ink, appearing to read "Joseph P. Kamp", is written over the typed name.

Comptroller General
of the United States

Enclosure

The President
The White House

The White House
Washington

1965 MAR 31 PM 12 26

**REPORT TO
THE CONGRESS OF THE UNITED STATES**

**EXCESSIVE ALLOCATION OF COSTS
OF
PUBLICLY OWNED PARKING FACILITIES
TO URBAN RENEWAL PROJECTS IN THE SAN FRANCISCO REGION**

HOUSING AND HOME FINANCE AGENCY



**BY
THE COMPTROLLER GENERAL
OF THE UNITED STATES**

MARCH 1965



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-118754

MAR 30 1965

To the President of the Senate and the
Speaker of the House of Representatives

The San Francisco regional office of the Housing and Home Finance Agency approved excessive allocations of costs for two publicly owned parking facilities to urban renewal projects in San Francisco and Sacramento, California. On the basis of available data, we estimated that the excessive allocations would increase project costs, of which the Federal Government pays two thirds, by about \$2.6 million.

The costs of the projects included in our review, like the costs of other federally assisted urban renewal projects, are shared by the Federal Government and the local community. Generally, the Federal Government's share is two thirds of these costs. Local communities may contribute noncash grants-in-aid, such as public facilities and improvements, in payment of their share of the costs of urban renewal projects. The portion of the cost of such a facility or improvement which is approved for noncash grant-in-aid credit is included in the cost of the project.

Section 110(d) of the Housing Act of 1949, as amended, requires that the cost of a facility which provides substantial benefit to areas outside the project be allowed for grant-in-aid credit only to the extent that the facility benefits the project. We believe that excessive credits resulted because the Regional Director of Urban Renewal had made inadequate reviews and evaluations of the claims for noncash grant-in-aid tentative credits submitted by local public agencies. Our review disclosed that the credits for the two publicly owned parking facilities were excessive and should not have been approved by the regional office because (1) one local public agency, in determining the benefits of the facility to the project, used data and a method to estimate parking demands from inside the project which were incompatible with the data and method used to estimate parking demands from outside the project and (2) the other local public agency understated parking demand from outside the project and overstated demand from inside the project.

By letter dated September 28, 1964, the Acting Commissioner, Urban Renewal Administration, informed us that he agreed with us that

new studies and determinations of the percentages of credit were needed and that the local agencies had been so informed. Subsequently, one of the local public agencies--Sacramento--advised the regional office of the Housing and Home Finance Agency that a revised claim for noncash grant-in-aid credit would be submitted for about \$256,700 less than the credit previously approved by the regional office.

We believe that the excessive noncash grant-in-aid credits disclosed in this report and in many of our previous reports to the Congress on urban renewal activities show a strong need for the regional offices to make more critical reviews and evaluations of local agencies' claims for noncash grant-in-aid credits. In 9 reports issued to the Congress since January 1, 1960, we pointed out 30 cases in which we believed that the credits approved were excessive by about \$25 million and 10 other cases where the Urban Renewal Administration approved noncash grant-in-aid credits which we believed were excessive but, because sufficient data was not available, we could not determine the amount by which these credits were excessive. These reports are listed in appendix II of this report.

We are reporting this matter to inform the Congress of weaknesses in the review and evaluation of local agencies' claims for noncash grant-in-aid credits and to inform the Housing and Home Finance Agency and the Urban Renewal Administration of our findings for their use in effecting appropriate adjustments in their procedures which permitted the deficiencies to occur.

We are recommending that, to minimize the incidence of approving excessive credits, the Commissioner, Urban Renewal Administration, strengthen the review procedures for noncash grant-in-aid claims by requiring that Regional Directors of Urban Renewal make more critical evaluations of representations by local public agencies in support of claims for noncash grant-in-aid credits.

The views of the Acting Commissioner, Urban Renewal Administration, and those of the executive directors of San Francisco and Sacramento local public agencies have been considered in the preparation of this report.

B-118754

Copies of this report are being sent to the President of the United States; the Administrator, Housing and Home Finance Agency; and the Commissioner, Urban Renewal Administration.

A handwritten signature in dark ink, appearing to read "W. Markham Campbell". The signature is written in a cursive, flowing style with some loops and flourishes.

Comptroller General
of the United States

C o n t e n t s

	<u>Page</u>
INTRODUCTION	1
BACKGROUND	3
FINDING AND RECOMMENDATION	6
Excessive allocation of costs of publicly owned parking facilities to urban renewal projects	6
Embaracadero-Lower Market project, San Francisco	7
Capitol Mall Project, Sacramento	14
Conclusion	18
Recommendation	19
 <u>Appendix</u>	
APPENDIXES	
Housing and Home Finance Agency principal officials responsible for the activities examined in our review	I 23
Reports issued since January 1, 1960, by the General Accounting Office to the Congress concerning excessive noncash grant-in-aid credits	II 24

REPORT ON
EXCESSIVE ALLOCATION OF COSTS
OF
PUBLICLY OWNED PARKING FACILITIES
TO URBAN RENEWAL PROJECTS IN THE SAN FRANCISCO REGION
HOUSING AND HOME FINANCE AGENCY

INTRODUCTION

The General Accounting Office has made a review of noncash local grant-in-aid tentative credits allowed by the San Francisco regional office, Housing and Home Finance Agency (HHFA), for publicly owned parking facilities in the Embarcadero-Lower Market project, San Francisco, California, and the Capitol Mall project, Sacramento, California. The review consisted of an examination into the policies and practices followed by the San Francisco regional office in approving claims for noncash grant-in-aid credits by the San Francisco and Sacramento local public agencies (LPAs). We examined pertinent records and interviewed appropriate officials at the San Francisco regional office, the San Francisco and Sacramento LPAs, and the respective communities. Our review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

The slum clearance and urban renewal program is authorized by title I of the Housing Act of 1949, as amended (42 U.S.C. 1450). This act authorizes Federal financial assistance, through advances, loans, and capital grants, to local communities for the purpose of (1) assisting in the elimination and prevention of the spread of slums and blighted or deteriorating areas and (2) providing maximum

opportunity for the redevelopment, rehabilitation, and conservation of such areas by private enterprise.

Pursuant to section 106 of the Housing Act of 1949, as amended (42 U.S.C. 1456), the Administrator, HHFA, delegated to the Commissioner, Urban Renewal Administration (URA), broad authority for administering the slum clearance and urban renewal program. The URA is headquartered in Washington, D.C.; the field activities of the program are carried out by the seven regional offices of the HHFA. A list of principal officials responsible for the activities examined in our review is presented as appendix I of this report.

The prime responsibility for initiating and administering the slum clearance and urban renewal program at the local level is placed with the communities themselves. Each urban renewal project is carried out by a local public agency--any State, county, municipality, or other governmental entity or public body, or two or more such entities or bodies, authorized to undertake the project for which assistance is sought.

BACKGROUND

The project costs that are shared by the local community and the Federal Government arise principally from (1) planning, (2) acquisition of land and improvements, (3) demolition of existing structures, (4) provision of certain necessary improvements and public facilities, and (5) administrative expenses of the LPA. The net cost of a project (i.e., gross cost, including noncash local grants-in-aid, less proceeds from the disposition of the land) generally is shared two thirds by the Federal Government and one third by the community. Such a cost-sharing formula is used in connection with the projects discussed in this report.

The Federal Government pays its share of the net project cost in the form of a cash grant to the LPA. The community contributes its share of net project cost in the form of either cash or noncash local grants-in-aid. Examples of noncash local grants-in-aid are:

(1) donations of land within the urban renewal area, (2) installation, construction, or reconstruction of streets, utilities, and other improvements within the urban renewal area, and (3) provision of certain public buildings, parks, playgrounds, schools, health centers, streets, parking facilities, and other public facilities.

The community incurs the costs of noncash grants-in-aid, and such costs, together with the slum clearance and urban renewal costs incurred by the LPA, are included in the overall project cost. The Federal Government thus, in effect, generally pays two thirds of eligible costs incurred by the community and the LPA. If the community does not provide noncash grants-in-aid, project costs will consist solely of the costs incurred by the LPA and the community is required to pay its one-third share of such costs in cash.

To qualify as local grants-in-aid, the items such as set out in the examples above, must be necessary for carrying out the urban renewal objectives of the project. For the cost of a public facility to qualify as a noncash local grant-in-aid, the facility must be of direct benefit to the project. If a facility is of direct benefit both to the project area and to other areas, an allocable share of the cost may be eligible as a local grant-in-aid. If the benefit to the project area is more than 80 percent, the full cost will be eligible and if the benefit is less than 10 percent, no part of the cost is eligible as a local grant-in-aid. When the project receives between 10 percent and 80 percent of the direct benefit provided by the facility, the amount of cost eligible as a local grant-in-aid is determined by the Commissioner, URA, on the basis of the estimated or actual percentage of benefit to the project.

Generally, at the time URA approves a loan and grant application, it tentatively determines, or tentatively agrees to, a percent of benefit for the public facilities claimed by the LPA as noncash local grants-in-aid. This percent is applied to the estimated cost of the facility to arrive at an amount which URA tentatively allows as a noncash grant-in-aid. The URA procedures provide that the percent of benefit will be changed if:

- "(1) It is established that one or more of the significant facts presented by the LPA in support of its approval were in error; or
- (2) The basis of the percentage of credit has been affected by a change in any of the following:
 - (a) Urban Renewal Plan
 - (b) Type, size, or capacity of the facility
 - (c) Boundaries of the area to be served by the facility."

To arrive at the amount of noncash grant-in-aid credit to be finally allowed, the percent of benefit is applied to (1) the actual cost of the facility if completed prior to project settlement or (2) the estimated cost of the facility if not completed at the time of project settlement.

FINDING AND RECOMMENDATION

EXCESSIVE ALLOCATION OF COSTS OF PUBLICLY OWNED PARKING FACILITIES TO URBAN RENEWAL PROJECTS

The San Francisco regional office approved noncash grant-in-aid tentative credits for about \$6.2 million for the construction of two publicly owned parking facilities, one located in San Francisco and the other in Sacramento, California. Our review disclosed that the credits for the two parking facilities were excessive and should not have been approved by the regional office because, in determining the benefit of each facility to the respective project, (1) the San Francisco LPA used basic data and a method to estimate parking demands from inside the project which were incompatible with the data and method used to estimate parking demands from outside the project and (2) the Sacramento LPA understated parking demand from outside the project and overstated demand from inside the project. Although the precise amount of the overallowances could not be determined without a detailed study, we estimated on the basis of available data that the amount of the excessive credits was about \$2.6 million. Because excessive allowances increase project costs, two thirds of which are borne by the Federal Government, we proposed that new studies and determinations of the percentages of credit be made. The URA agreed that new studies were needed and stated that the LPAs had been so informed.

We believe that ineffective evaluation by the Regional Director of Urban Renewal of the LPAs' claims for noncash grants-in-aid for the parking facilities resulted in the allowance of excessive noncash grant-in-aid credits. We also believe that the excessive grant-in-aid credits disclosed in this report and in many of our

previous reports on urban renewal activities show a strong need for the regional offices to make more critical reviews and evaluations of the LPAs' claims for noncash grant-in-aid credits.

Specific comments on the excessive noncash grant-in-aid tentative credits approved for parking facilities in San Francisco and Sacramento follow.

Embarcadero-Lower Market project, San Francisco

The San Francisco HHFA regional office approved a noncash grant-in-aid tentative credit of \$5,154,660, which represented 63 percent of the estimated cost of a publicly owned parking garage to be located in the Embarcadero-Lower Market project, San Francisco, California. The 63-percent credit represented the estimated benefit of the parking garage to the project and was based on the ratio of the estimated parking demand from inside the project to the total estimated demand upon the facility. We believe that the credit was excessive and should not have been approved by the HHFA regional office because the basic data and the method used in estimating the parking demands from inside the project area were incompatible with the data and method used in estimating parking demands from outside the project. The precise amount of the proper credit could not be determined without a detailed study; however, on the basis of available data and applying the method set forth in the urban renewal regulations, we estimated that the benefit of the public parking garage to the project should have been about 34 percent. The noncash grant-in-aid credit, therefore, should have been about \$2.8 million or about \$2.4 million less than the credit allowed. The URA agreed with us that the credit should be reevaluated and informed us that the LPA intended to submit complete documentation supporting a revised noncash grant-in-aid credit.

The garage is to provide 1,326 parking spaces and is estimated to cost \$8,182,000. The noncash grant-in-aid tentative credit was approved by the HHFA regional office in September 1961 and was based on estimated demands and percents of benefit as follows:

	<u>Parking demand</u>	<u>Percent of benefit</u>
From inside project	1,725	63
From outside project	<u>1,015</u>	<u>37</u>
Total	<u>2,740</u>	<u>100</u>

The parking demands were estimated by the San Francisco Department of Public Works. The parking demand from inside the project was based on an estimated 14,600 workers that would be employed within the project area upon completion of the project in 1964. It was estimated that these workers would need 3,650 parking spaces--one space for each four workers, a ratio determined by a 1947 traffic survey. From the estimated 3,650 parking spaces needed in the area, the Department of Public Works deducted 1,600 spaces, representing the estimated number of parking spaces to be provided in the office buildings to be constructed in the project, and 325 spaces, representing the estimated number of curb parking spaces available in the project. The remaining 1,725 spaces were considered to represent parking demand on the public garage from inside the project.

The parking demand upon the garage from outside the project, but within the parking garage service area, was estimated on an entirely different basis from that used to estimate the demand from inside the project area. Data from the 1947 traffic survey report was projected to 1957 by applying a growth factor of 35 percent for

the 10-year period to the number of vehicles destined for 20 intersections selected to represent the parking garage service area outside the project boundaries. These intersections were within about four blocks, or 1,450 feet, of the parking garage. A walking-distance factor,¹ which had been developed by the Bureau of Public Roads, United States Department of Commerce, was applied to the estimated number of vehicles destined for each of the 20 intersections to arrive at 1,015 spaces representing the total demand on the parking garage from outside the project.

Because different methods and unrelated basic data were used in estimating inside and outside demand for parking in the garage, the benefit of the garage to the project was overstated. For example, inside demand was estimated as of 1964, the estimated completion date of the project at the time the noncash grant-in-aid claim was made, whereas outside demand was estimated as of 1957. Since the Department of Public Works estimated that the number of vehicles destined for the general area increased substantially (35 percent) in the 10-year period from 1947 to 1957, it appeared reasonable to conclude that the number of vehicles would continue to increase in subsequent years. We believe, therefore, that the outside demand should have been based on the number of vehicles destined to reach the general area projected for an additional 7 years, from 1957 to 1964, to bring the estimated outside demand into proper relationship with the estimated demand from within the project. Moreover, an additional 4-year projection is required

¹A factor based on the number of people expected to walk from a parking facility to their destination as related to the distance between the facility and destination. As the distance between the parking facility and the destinations increases, the number of people willing to walk the distance decreases.

because the estimated completion date for the project was changed from 1964 to 1968 subsequent to the initial approval of the noncash grant-in-aid credit.

Another example of the incompatibility of the data and method used by the LPA in determining the inside and the outside demand upon the parking garage was the use of walking-distance factors only in the determination of the outside demand. The factors were not applied to the estimated number of spaces needed within the project area to determine the inside demand on the parking garage, even though some of the commercial buildings within the project will be located about the same distance from the parking garage as buildings in the garage service area outside the project. The 1957 Department of Public Works report showed that the number of vehicles destined for the 20 selected intersections outside the project area, but inside the garage service area, totaled 7,650. The application of walking-distance factors reduced this total, by 86.7 percent, to 1,015, representing the outside demand upon the garage. If the walking-distance factors were also applied to the parking spaces needed within the project, the estimated demand arising from potential users within the project would also be reduced.

To determine the effect of using the different methods of computing the inside and the outside parking demand upon the garage, we selected three office buildings located outside the project area, but inside the public parking garage service area, and computed the parking demand from the buildings by the two methods. Under the method used by the LPA for determining the inside demand, we computed a demand for 627 spaces generated by the three buildings, whereas, under the method used by the LPA for computing

outside demand, we computed a demand for only 47 spaces generated by the same three buildings.

Because of the significant difference in results obtained by the use of the two different methods in estimating demand, it is apparent that the methods were not compatible, and two different methods should not have been used to determine relative demands upon the garage.

As a further test of the reasonableness of the 63-percent benefit claimed by the LPA for the parking garage, we estimated the relative benefit by using the method set forth in section 17-4-2 of the Urban Renewal Manual, which is as follows:

"Demand from portion of service area within project area divided by the greater of (1) capacity of parking facility, or (2) total demand for parking space within service area. *** demand is computed on the basis of a single factor of building floor area per parking space. Service area is determined by the distance people might be expected to walk between destination and parking facility. ***"

Using this method, we estimated the relative demands from inside and outside the project to be as follows:

		<u>Parking spaces</u>	<u>Percent of benefit</u>
<u>Estimated demand from inside project area</u>			
Net square feet of commercial floor space (maximum development allowed under urban renewal plan)	2,609,450		
Divided by factor of building floor area for each parking space	500 ^a		
Total required parking spaces		5,219	
Less parking spaces to be provided by rede- velopers (as estimated by the LPA)		<u>2,209</u>	
Total inside parking demand		<u>3,010</u>	34
<u>Estimated demand from outside project area but within service area (note b)</u>			
Net square feet of commercial floor space	3,255,000		
Divided by factor of building floor area for each parking space	500 ^a		
Total required parking spaces		6,510	
Less available off-street parking spaces		<u>630^c</u>	
Total outside parking demand		<u>5,880</u>	<u>66</u>
Total demand for service area		<u>8,890</u>	<u>100</u>

^aBased on the San Francisco City Planning Code which requires 1 parking space for each 500 square feet of business office space for property zoned C-1. Although the service area of the parking garage is zoned C-3, for which no parking requirements have been established, a city planning official stated that the use of the 500-to-1 criteria would provide adequate parking.

^bService area measured in a radius of four blocks from parking garage--same as area used by LPA in determining outside demand.

^cBased on our survey of the service area.

The application of the 34-percent benefit to the estimated cost of the garage (\$8,182,000) would result in a noncash grant-in-aid tentative credit allowable for the parking garage of about \$2,781,880, which is \$2,372,780 less than the \$5,154,660 credit approved by the San Francisco HHFA regional office.

The Urban Renewal Manual (section 17-4-2) states:

"If the documentation submitted with the Application for Loan and Grant is not firm and adequate, the facility will

be disallowed or the percentage of benefit set at the most conservative figure indicated by the information available ***."

Since the method used by the LPA in computing the parking garage benefit to the project was unrealistic and resulted in the approval of an excessive noncash grant-in-aid, we proposed that the HHFA regional office require the LPA to restudy the parking demands for the garage to determine its proper percentage of benefit to the project.

In a letter dated September 28, 1964, the Acting Commissioner, URA, informed us that he concurred in our proposal and stated that the LPA intended to submit complete documentation supporting a revised claim for noncash grant-in-aid credit for the parking garage together with an amendatory application for Loan and Grant. He informed us also that the information furnished by the LPA would be reviewed by the regional office and would be utilized as the basis for adjusting the amount of credit approved for the parking facility.

Capitol Mall project, Sacramento

The San Francisco HHFA regional office approved a noncash local grant-in-aid tentative credit of \$1,007,160 which represented 65.4 percent of the cost of a parking facility adjacent to the Capitol Mall project in Sacramento, California. The 65.4-percent credit was the estimated benefit of the parking garage to the project and was based on the ratio of the estimated parking demand from inside the project to the total estimated demand upon the facility. On the basis of available data, we estimated that the credit was excessive by at least \$182,000 because, in determining the benefit of the facility to the project, the LPA understated parking demands from outside the project and overstated parking demands from inside the project. After we proposed that the credit be reevaluated, the LPA advised the HHFA regional office that a revised claim would be submitted for 48.73 percent (about \$750,400) of the estimated cost of the parking facility--about \$256,700 less than the credit approved by the regional office.

The noncash grant-in-aid tentative credit for the parking facility, estimated to cost \$1,540,000, was approved by the HHFA regional office on September 23, 1960. The credit was based on estimated demands and percents of benefit as follows:

	<u>Parking demand</u>	<u>Percent of benefit</u>
From inside project	1,501	65.4
From outside project	<u>794</u>	<u>34.6</u>
Total	<u>2,295</u>	<u>100.0</u>

Our review disclosed that the demand from outside the project was understated because the parking requirements from State office

buildings located outside the project area, but within the parking facility service area, were not adequately considered.

In the documentation supporting the claim for noncash grant-in-aid credit for the facility, the Sacramento LPA stated that parking requirements from the State office buildings would be provided by the State, but the LPA did not furnish adequate data showing the extent of the parking to be provided, the location, or when the State planned to provide parking for its employees. However, our review of the data available disclosed that, although the State did provide some parking facilities for its employees, there was a residual or unsatisfied demand upon the project parking facility. Because there was no reasonable evidence that the State would provide adequate parking facilities for its employees, we believed that the unsatisfied demand should have been considered. On the basis of available data, we estimated that the credit for the parking facility should have been 53.6 percent or about \$825,000--about \$182,000 less than the amount of credit approved.

We also noted in our review that the LPA had included, in its determination of inside demand upon the parking facility, demand from a department store located inside the project area although its parking requirements would be satisfied at a location other than the facility for which the noncash grant-in-aid credit was claimed. On August 2, 1961, subsequent to the regional office's initial approval of the 65.4-percent noncash grant-in-aid credit, the LPA entered into a disposition agreement with the department store which contemplated, among other things, that the city of Sacramento would, in the near future, develop one or more off-street municipal parking facilities in the immediate vicinity of the department store which would be in addition to the facility for

which the noncash grant-in-aid credit was claimed. The agreement provided also that, in order to satisfy the requirements of the redevelopment plan for off-street parking, the LPA would make certain sites available for transient public parking in the vicinity of the department store until the completion of the additional permanent municipal parking facilities by the city. We expressed the belief that the effect of the provision for additional parking facilities for the department store should be carefully considered in the recalculation of the percentage of credit.

Because the available information showed that the estimated demands upon the parking facility were unrealistic, we proposed that the regional office require the LPA to restudy the parking demands upon the facility to determine its proper percentage of benefit to the project.

In his letter dated September 28, 1964, the Acting Commissioner, URA, informed us that the regional office had advised the Commissioner that:

"In the officially adopted California State Capitol Plan..., the State of California undertakes to provide off-street parking for employees by means of lots and structures. While several structures for this purpose are planned, at the moment the State is operating a number of surface lots on the proposed sites. While these lots may not fully satisfy demand, several structures are planned in the near future by the State and there is no reason to conclude that they will not, in fact, be provided. ***"

The Acting Commissioner stated that, in view of the above information which may not have been available to us, URA believed that the original credit of 65.4 percent was justifiable at the time it was allowed. He informed us, however, that on August 10, 1964, the LPA furnished the Regional Director of Urban Renewal with a

recalculation of the benefits of the parking facility which showed that the credit should be about 54.88 percent of the estimated cost of the facility rather than the 65.4 percent allowed--about \$162,000 less than the original amount allowed.

In the recalculation, the LPA determined that the department store would not create a parking demand on the parking facility and reduced the percent of project benefit accordingly. The LPA determined also that the demand from the State office buildings would be satisfied by the construction of State parking facilities and should not be included in the outside demand upon the public parking facility. The LPA had determined that a net of 159 off-street parking spaces located on the block bounded by 7th, 8th, and L Streets and the Capitol Mall (outside of the project) would be available for outside demand. Our review, however, of the California State Capitol plan disclosed that a proposed State parking facility will be located on this block which, therefore, would not be available for public parking and that the outside demand upon the public parking garage would be increased proportionately. We believe that an adequate review by the HHFA regional office of the original claim for noncash grant-in-aid would have disclosed that the provision of the parking facilities by the State for its employees would have affected the demand upon the public parking facility.

After we brought this matter to the attention of the LPA, it notified the HHFA regional office on October 14, 1964, that the noncash grant-in-aid claim was being further reduced to 48.73 percent (an additional reduction of \$94,600) and that the LPA intended to submit a financial plan which would include the adjusted percentage of eligibility. Thus, the new claim for noncash grant-in-aid credit of 48.73 percent (about \$750,400) of the estimated cost

of the parking garage will be about \$256,700 less than the credit approved by the San Francisco HHFA regional office.

CONCLUSION

Although the San Francisco HHFA regional office has required new studies to determine the proper amount of noncash grant-in-aid credits allowable for the parking facilities, we believe that the excessive credits discussed in this report and the excessive non-cash grant-in-aid credits discussed in many of our previous reports to the Congress on urban renewal activities show a strong need for more critical reviews and evaluations of claims by local public agencies for noncash grant-in-aid credits. In 9 reports issued to the Congress since January 1, 1960, we pointed out 30 cases in which we believed that the credits approved were excessive by about \$25 million and 10 other cases where the URA approved noncash grant-in-aid credits which we believed were excessive but, because sufficient data was not available, we could not determine the amount by which these credits were excessive.

We believe that the failure of a Regional Director of Urban Renewal to make effective reviews at the time a noncash grant-in-aid credit is tentatively approved imposes an unnecessary risk that errors may not be detected in later reviews prior to final approval of the credit. Also, the LPA and the community may be placed in a position of not being able to make realistic financial plans for providing the locality's share of the project costs. We further believe that URA has an obligation to give a municipality during the early stages of a project a reasonably firm commitment as to the extent to which a noncash grant-in-aid credit will be eligible for credit.

RECOMMENDATION

Accordingly, we recommend that, to minimize the incidence of approving excessive credits, the Commissioner, URA, strengthen the review procedures for noncash grant-in-aid claims by requiring that Regional Directors of Urban Renewal make more critical evaluations of representations by local public agencies in support of claims for noncash grant-in-aid credits.

APPENDIXES

HOUSING AND HOME FINANCE AGENCY

PRINCIPAL OFFICIALS

RESPONSIBLE FOR THE ACTIVITIES EXAMINED IN OUR REVIEW

	<u>Tenure of office</u>	
	<u>From</u>	<u>To</u>
ADMINISTRATOR, HHFA:		
Norman P. Mason	Jan. 1959	Jan. 1961
Lewis E. Williams (acting)	Jan. 1961	Feb. 1961
Robert C. Weaver	Feb. 1961	Present
COMMISSIONER, URA:		
David M. Walker	July 1959	Jan. 1961
Charles L. Oswald (acting)	Jan. 1961	Mar. 1961
William L. Slayton	Mar. 1961	Present
REGIONAL ADMINISTRATOR, SAN FRANCISCO		
HHFA REGIONAL OFFICE:		
Annabelle Heath	Feb. 1959	June 1961
John G. Melville	June 1961	Sept. 1964
Robert B. Pitts (acting)	Sept. 1964	Oct. 1964
Robert B. Pitts	Oct. 1964	Present
REGIONAL DIRECTOR OF URBAN RENEWAL, SAN		
FRANCISCO HHFA REGIONAL OFFICE:		
Richard Ives	Jan. 1955	June 1961
Robert E. McCabe	June 1961	Aug. 1964
Richard G. Mitchell (acting)	Sept. 1964	Jan. 1965
Richard G. Mitchell	Jan. 1965	Present

REPORTS ISSUED SINCE JANUARY 1, 1960

BY THE GENERAL ACCOUNTING OFFICE TO THE CONGRESS

CONCERNING EXCESSIVE NONCASH GRANT-IN-AID CREDITS

Review of Slum Clearance and Urban Renewal Activities of the San Francisco Regional Office, Housing and Home Finance Agency, dated July 15, 1960 (B-118754).

Review of Slum Clearance and Urban Renewal Activities of the Atlanta Regional Office, Housing and Home Finance Agency, dated June 30, 1961 (B-118754).

Review of Selected Slum Clearance and Urban Renewal Activities Under the Administration of the Philadelphia Regional Office, Housing and Home Finance Agency, dated April 13, 1962 (B-118754).

Review of Selected Slum Clearance and Urban Renewal Activities Under the Administration of the New York Regional Office, Housing and Home Finance Agency, dated October 31, 1962 (B-118754).

Improper Inclusion of Melan Bridge Costs in the Cost of Keyway Slum Clearance and Urban Renewal Project, Topeka, Kansas, Urban Renewal Administration, Housing and Home Finance Agency, dated October 18, 1963 (B-118754).

Excessive Allocation of Costs of Certain Facilities to the Keyway Slum Clearance and Urban Renewal Project, Topeka, Kansas, Urban Renewal Administration, Housing and Home Finance Agency, dated July 31, 1964 (B-118754).

Excessive Allocation of Costs of Certain Streets and Related Facilities to the Northside Urban Renewal Project, Kansas City, Missouri, Urban Renewal Administration, Housing and Home Finance Agency, dated October 2, 1964 (B-118754).

Excessive Allocation of Costs of Certain Facilities to the Mill Creek Valley Urban Renewal Project, St. Louis, Missouri, Urban Renewal Administration, Housing and Home Finance Agency, dated November 20, 1964 (B-118754).

REPORTS ISSUED SINCE JANUARY 1, 1960
BY THE GENERAL ACCOUNTING OFFICE TO THE CONGRESS
CONCERNING EXCESSIVE NONCASH GRANT-IN-AID CREDITS
(continued)

Status of Findings and Recommendations Included in Prior Report
on Audit of District of Columbia Redevelopment Land Agency, dated
November 24, 1964 (B-118638).

F6670

FG245

March 26, 1965

Dear Mr. Administrator:

The President on March twenty-
#11209
fourth signed an Executive Order entitled
"Establishing the Federal Development
Committee for Appalachia and Prescribing
Other Arrangements for Coordination with
the Appalachian Regional Commission," a
copy of which is enclosed.

Sincerely,

William J. Hopkins
Executive Clerk

Honorable Robert C. Weaver
Administrator
Housing and Home Finance Agency
Washington, D. C.

Enclosure

arf

EXECUTIVE

D

RA

FGH-1

FGV45

March 25, 1965

To: Honorable Kermit Gordon
Director, Bureau of the Budget

From: Bill Moyers
Special Assistant to the President

I need to have a meeting on this
soon. Could I have the Bureau's comments?

Thanks.

Attached: cc of memo to bdm from Robt. Weaver
dated Feb. 24, 1965 re urban land policy
and federally owned land.

2/3/79/65

RECEIVED
MAR 25 1965
GFD

March 25, 1965

Dear Mr. Administrator:

The President on March twenty-
11210
fifth signed an Executive Order entitled
"Establishing a Temporary Commission
on Pennsylvania Avenue," a copy of
which is enclosed.

Sincerely,

William J. Hopkins
Executive Clerk

Honorable Robert C. Weaver
Administrator
Housing and Home Finance Agency
Washington, D. C.

Enclosure

EXECUTIVE
FG 760
FG 245
FG 212
FG 284
FG 262
FG 216
FG 135
FG 155
FG 140
FG 145
FG 110
FG 160
FG 240
FG 284/N*
FE6

*National Gallery of Art

RECEIVED
MAR 27 1965
CENTRAL FILES

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON 25, D.C.

EX-107-8

LE/NR

NR

NR 4

FG 145

FG 245

FG 11-1

FE 6

FI 7

MAR 16 1965

Honorable Philip A. Hart
United States Senate
Washington, D. C.

Dear Senator Hart:

This is in response to your letter of March 8, 1965 in which you inquire as to a proposed Executive order which would affect the utilization of the Land and Water Conservation Fund.

The Bureau has been developing an order pursuant to Section 5(g) of the Land and Water Conservation Fund Act of 1965 which recognizes that programs and activities under the Act will have to be closely coordinated with related Federal programs and activities, including specifically the open space program administered under the Housing and Home Finance Agency. The section authorizes the President to issue regulations to that end.

The HHFA open space program, as you know, provides assistance to States and localities for the acquisition of open space land in urban areas for, among other purposes, recreation. Thus, there exists a clear potential for costly and inefficient program overlap, conflict, and confusion as between that program and the outdoor recreation program administered by Interior. It is this that we hope to avoid.

However, we fully recognize that it is in or near urban areas where open land is disappearing most rapidly and where outdoor recreation needs are most critical. What we should like to accomplish is a reasonably clear set of guidelines which would provide for the optimum utilization of funds under both programs to meet outdoor recreation needs where they are most pressing. Generally, we have been thinking along the lines of employing HHFA program resources within metropolitan areas and Land and Water Conservation Fund grant resources for land acquisition proximate to metropolitan areas and accessible to urban populations. Situations, of course, will arise where exceptions to this general approach are necessary and desirable, and the order would provide the means whereby the Secretary of the Interior and the Housing and Home Finance Administrator can deal with such situations on a joint basis.

March 11, 1965

EXECUTIVE

PR6-3

76245

Dear Mr. Weaver:

As you know, several months ago the President established a White House photography program, "The President's Choice."

In order to improve this program and answer a number of questions that have arisen, a meeting has been called which will take place at 4:00 p.m. on Monday, March 22, in the Indian Treaty Room of the Executive Office Building (Room 474). Presiding will be Mr. John Szarkowski, of the Museum of Modern Art, the Executive Director of the President's Committee of Consultants on the program. He and Mr. Malcolm Kilduff, of the White House Press Office, will make remarks and then the meeting will be open to questions and comments.

It would be enormously helpful if the appropriate person from your division of the Government could be present. Would you please let me know whether this is possible and, if it is, would you send the name and title of the person. Please address this communication to my assistant, Dr. BarbaraLee Diamonstein, Room 281 Executive Office Building, The White House.

I appreciate very much your cooperation in this matter.

Sincerely,

Eric F. Goldman
Special Consultant
to the President

Honorable Robert C. Weaver
Administrator
Housing and Home Finance Agency
Washington, D. C.

March 4, 1965

EXHIBITIVE (5)

LE/TN2

TN2

FG 155

FG 440

FG 412

FG 1-1

FI 4

FG 245

Dear Mr. President:

I am pleased to transmit to Congress proposed legislation for high-speed ground transportation research and development. This legislation will help us to bring scientific and technical talent to bear on an increasingly important area of transportation not previously subject to intensive, continuing inquiry.

The life of every citizen is influenced by transportation service. This vast economic activity not only absorbs one out of every five GNP dollars; it shapes the environment in which we live and work. Advances in our transportation system must constantly be made if we are to continue to enjoy growth and prosperity -- and if America is to be a livable Nation.

The last three decades have produced great technological achievements in air and highway transportation. Commercial planes today fly three times as fast as they did in the 1930s. Automobiles speed along modern highways at greatly reduced travel time. The progress of our rail transportation system, unfortunately, has not matched these strides.

I believe the power of science and technology, demonstrated so well in the evolution of air and highway travel, can be utilized in the solution of other transportation problems, especially rail transportation.

Striking advances in intercity ground transportation -- advances in speed, reliability, comfort, and convenience -- are needed and possible. In the last 50 years, intercity freight tonnage has risen four times, and passenger travel has increased 25-fold. In 1960, Americans travelled over 600 billion passenger miles, exclusive of local movement. That figure will more than double by 1980.

We face an imminent need for improved intercity transportation in the densely-populated area along the East Coast -- between

*Identical ltr to President of Senate & Speaker of House
delivered by hand: 3/4/65*

*RECEIVED
MAR 11 1965*

EXECUTIVE

February 8, 1965

NR
FG245

FOR: Honorable Robert C. Weaver
Administrator
Housing and Home Finance Agency

FROM: Bill Moyers
Special Assistant to the President

I have read your memorandum of February 3 concerning the Natural Beauty Programs in Urban Areas and discussed it with a number of people. I am asking Dick Goodwin to set up a meeting with your staff and the Bureau of the Budget to formulate specific proposals toward implementing the proposals in your memorandum.

cc: Dick Goodwin
Kermit Gordon
w/cc of Weaver's memo

EXECUTIVE

FGI-1

FG 245

FEB

②+

February 3, 1965

Dear Mr. Administrator:

The President on February second
11196
signed an Executive Order entitled "Providing
for the Performance by the Housing and Home
Finance Administrator of Certain Functions
Vested in or Subject to the Approval of the
President."

Sincerely,

WILLIAM J. HOPKINS
Executive Clerk

Honorable Robert C. Weaver
Administrator
Housing and Home Finance Agency
Washington, D. C.

RECEIVED
FEB 5 1965
CENTRAL FILES

THE WHITE HOUSE
WASHINGTON

Allocation No. 13

JAN 29 1965

EXECUTIVE (3)

FZ 4-1/#13

FG 245

FG 155

FG 11-1

FA

Dear Mr. Secretary:

Pursuant to the authority contained in the Public Works Acceleration Act for 1965, I hereby allocate from the appropriation for Public Works Acceleration:

<u>To</u>	<u>Amount</u>
Housing and Home Finance Agency	\$100,000

to be expended as required to complete public works projects as authorized by Public Law 87-658 approved September 14, 1962, and as approved under previous allocations as set forth in your letter to me of December 24, 1964. Of this amount, not to exceed \$25,000 is available for administrative expenses resulting under the Public Works Acceleration Act. Will you please arrange for the necessary transfer of funds and advise the Housing and Home Finance Agency when this has been accomplished.

Sincerely,

lly

Honorable John T. Connor
Secretary of Commerce
Washington, D. C.

RECEIVED
SEP 8 1965
GENERAL INVEST

*1/29/65 - Signed & initialed - 1 Copy to Kenneth R. Gordon
1/29/65 Sent by messenger to
Comm. on Budget*

Noted
RECORDS

January 27, 1965

EXECUTIVE

PR 15-4

F6245

MEMORANDUM FOR:

ROBERT C. WEAVER
Administrator, Housing and Home
Finance Agency

The White House has no objection to your
using the quote by President Johnson which
you submitted in your memorandum of
January 26, to be used in the FNMA Fact Sheet.

George E. Reedy
Press Secretary
to the President

GER:CG

gh
TO THE CONGRESS OF THE UNITED STATES:

EXECUTIVE

FG 245

Pursuant to the provisions of Section 802(a) of
the Housing Act of 1954, I transmit herewith for the
information of the Congress the Seventeenth Annual
Report of the Housing and Home Finance Agency covering
housing activities for the calendar year 1963.

Lyndon B. Johnson

THE WHITE HOUSE,

RECEIVED
JAN 30 1965
CENTRAL FILES

JAN 27 1965

Sent to Congress 1/27/65

(1 copy retained in Records Office)

NOTE
1/27/65
TMJ

70 2281
1123

January 23, 1965

MRS. ROBERTS:

Mr. Busby has had this Report. His notation is self-explanatory.


William S. Hopkins

TWO SIGNATURES

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

January 22, 1965

MR. BUSBY:

I talked with Mr. Hopkins on the attached.

1. The delay in date of receipt here is due to the fact that the report must be sent when Congress is in session - it was not completed when the last Congress ~~convened~~. *adjourned*
2. Letter of transmittal is essential, and while the language of transmittal letter can be changed anyway you wish, it should still contain the information as to precisely what it is.
3. I am sure you know this, but Mr. Hopkins pointed out that this is NOT the President's report, but the HHFA's report, which the President should transmit to the Congress.
4. The report is not to be released until the President transmit it. However, to make sure, Mr. Hopkins is now checking with HHFA to be sure that no copies have been released - he will let me know as soon as he finds out.

P.S. No copies out.

Gwen

*Gwen, Mr. Hopkins
tell him to go ahead with
a routine letter.
This is too old to merit
special interest.*

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

January 21, 1965

MR. BUSBY:

The law provides that the Housing and Home Finance Administrator shall, as soon as practicable during each calendar year, make a report to the President for submission to the Congress on all operations under the jurisdiction of the Housing and Home Finance Agency during the previous calendar year.

The attached report has just come in from the Administrator.

A copy of the previous transmittal message is attached.


William J. Hopkins



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

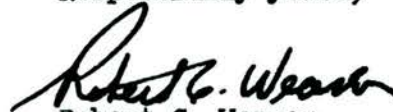
JAN 21 1965

My dear Mr. President:

I have the honor to transmit herewith for submission to the Congress the Seventeenth Annual Report of the Housing and Home Finance Agency covering information on housing and urban development for the calendar year 1963.

In this Seventeenth Annual Report, the Housing and Home Finance Agency records the activities and accomplishments of the Office of Administrator, the three constituent agencies -- the Federal Housing Administration, the Public Housing Administration, and the Federal National Mortgage Association, and the two constituent units -- the Community Facilities Administration and the Urban Renewal Administration.

Respectfully yours,


Robert C. Weaver
Administrator

Enclosures

The President
The White House
Washington, D. C. 20501

The White House
Washington

1965 JAN 21 PM 4 49

TO THE CONGRESS OF THE UNITED STATES:

**Pursuant to the provisions of Section 802(a) of
the Housing Act of 1954, I transmit herewith for the
information of the Congress the Sixteenth Annual Report
of the Housing and Home Finance Agency covering
housing activities for the calendar year 1962.**

JOHN F. KENNEDY

THE WHITE HOUSE,

SEP 24 1963

To Congress 9/24/63

gsh
THE WHITE HOUSE
WASHINGTON

January 23, 1965

TO: DOUGLASS CATER

FROM: Bill Moyers

Please stay on top of this.



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

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

EXECUTIVE

7G 245
7G 165-4
7A2
7A4
7G 11-1

January 19, 1965

MEMORANDUM FOR: Kernit Gordon
Director
Bureau of the Budget

I have a feeling that an incipient jurisdictional conflict may be developed between the Office of Education in HEW and HHFA. This, I hasten to add, involves the White House staff as much as, if not more than, the two departments mentioned above.

The most recent evidence of this related to a piece of legislation concerning which the attached letter to you sets forth the position of this Agency. I am unofficially advised that the legislation will probably be modified to exempt Section VIII of the Housing Act of 1964, along with other existing programs, as we suggested in our letter. However, the basic issue still remains and I would like, therefore, to call to your attention a memorandum in which I have attempted to make some recommendations as to the basis on which decisions could be made in this matter.


Robert C. Weaver
Administrator

cc: Hon. Bill Moyers
Hon. Richard Goodwin
Hon. Lee White ✓

Urban Extension

The first problem relative to urban extension, (or as it is currently expressed, community extension) is to define the term, indicating what is encompassed and suggesting approaches and methods for meeting the needs. The second question is what Federal programs now exist and which ones are needed to deal with the problems. The third relates to state or local contacts and forms of administration required to secure the most efficient execution of the activity.

At the outset, it must be recognized that, because there is no accepted definition of the function, there is a tendency to include a multiplicity of activities, the common denominator being their concern with problems of urban communities. Two examples will suffice. Federal assistance to education is inevitable. Because of current population mix, this will be concentrated in urban areas. Yet the states have the ultimate authority in matters of public education. Thus the principal impact of Federal action upon the educational system must come through the states, and, preferably, through the state office of education.

In addition to general assistance to education (at the primary and secondary levels), there is also need for Federal assistance for special problems - rural schools, education of the urban disadvantaged, and the like. Since the two specified are interrelated, they should be considered together and that, too, suggests working through the state offices of education.

On the other hand, there are human problems which harass our cities. Some of these are affected by the welfare programs supported in part by HEW, some are related to public housing and urban renewal, administered by HUD; a still undefined, but major, segment will be the concern of the Office of Economic Opportunity. There is little rationale for approaching all these programs through the state offices of education. Indeed, in many localities there is a sharp jurisdictional conflict between the welfare agencies, private social service organizations, and boards of education. Any programs which embrace any one of these is thwarted from the start.

Clearly, there can be no monolithic approach to urban problems. Yet they must be coordinated and many are coming to the view that the Mayor's office is the best instrument for this locally. Some activities will be assisted through Federal grants and loans to states and others to cities.

The first thing which I believe needs to be done is to recognize that urban extension is not exclusively an educational, a housing and community development, a welfare, or an anti-poverty matter. Ideally, it should be conceived of primarily as addressed to those needs which have not fallen in these categories. It is composed of training, research, and action at the local level.

With this in mind, we still do not automatically solve the jurisdictional problem, but we limit its scope. In education, for example, assistance to elementary and secondary schools is eliminated as a part

of urban extension, but there remains the need for research in the methods of accomplishing the goals of such a program. The anti-poverty program will establish a nucleus of urban extension agents. I question, therefore, if a competing and overlapping corps of similar workers should be created or tolerated. There remains, however, the need for research on the how and evaluation of what is being done. These two remaining functions, once they are defined, suggest the administrative approach which should be utilized. These are primarily research functions and they can well be carried out by colleges and universities. They require the same type of personnel; thus a single machinery - somewhat different from the action people needed in the anti-poverty program - can be utilized. This suggests a Federal program operating through the state office of higher education or its equivalent.

The activities under Title VIII of the Housing Act of 1964 are quite different. Training and research in the urban area are involved. Although this program operates through the states, the office of higher education may not - and often is not the most effective instrument. Thus HEWA has requested the Governor to name the state agency to administer the program. Results to date are interesting. Seventeen states are currently developing plans for carrying out Title VIII programs. In nine states Governors have designated state agencies to direct the program. In not a single instance has the state office of higher education been named.

In California the University of California has been designated and in North Carolina it is ^{the} Dept. of Conservation and Development; in Illinois the Board of Economic Development has the responsibility. The other state agencies designated to date are the Board of Economic Expansion in Michigan; the Iowa Development Commission in Iowa; the Commissioner of Finance and Administration in Tennessee; the University of Minnesota in that state; the University of Washington in Washington; and the Director of General Administration in the District of Columbia.

It would seem that the HHFA program affords the basis upon which city planning and urban renewal, improvement of local government (through studies, training, and institutes for civic leadership and voluntary associations), research on the whole range of urban problems (exclusive of education) could be undertaken.

The principle involved is that those activities which can best be executed through state offices of education or offices of higher education should be administered through the Office of Education (which has long maintained working arrangements with such offices). Those activities which can best be carried out by a less structured approach (via special assignments by Governors) should reside in HHFA. The anti-poverty program would continue, as it now does, to purchase services from individual institutions, including colleges and universities. I can see no benefits, but great problems, if such efforts are required to go through a state agency.

That leaves unsolved a major problem: the role of the agricultural

extension agents. Although they are slowly entering the urban field (largely in areas of low need priority), they are not by training, tradition, or identification capable of serving the urban requirements. It would be fatal to attempt their utilization (except in the instance of exceptional individuals under a different organization) in the core cities, where the need is greatest.

Since we are far from knowing what to do and how to do it in these areas of greatest need, I propose:

1. Utilization of the anti-poverty program for experimentation in, and development of, extension work in the central cities.
2. Phasing out the agricultural extension service and restricting it primarily to rural areas, rather than attempting to reorient it to the new demands of an urban age.
3. Reappraise the situation after a few years of experience with the Community Action Program of the Economic Opportunity Act.
4. Identify those urban oriented functions which can best be performed by working through the state offices of education and the offices of higher education and assign them to the Office of Education.
5. Gradually expand the Title VIII program of HHFA to embrace the functions mentioned in relation to it above.

The consequences of this proposal would be a rational clustering of functions around three existing agencies and the gradual shrinking of a service which no longer meets the requirements of our society.

Since each of the programs envisioned either requires (or should, I believe require) a plan, where several go through states, the plans should be reconciled or coordinated at that level. The Community Action plan should be coordinated at the local level with the proposed Social Renewal plan. At the Federal level, all the plans should be reviewed and coordinated. This would minimize duplication at all levels and assure more efficient utilization of Federal as well as state and local resources.

In the instance of the proposed block grants for social services and for physical facilities, in the Report of Urban and Metropolitan Problems Task Force, we contemplate that the first would be administered by HEW and the second by HUD. The coordination would be effected through a required Social Renewal plan. In this instance we have recognized that, because of existing Federal government organization and traditional relationships with Congressional Committees, it is impossible to concentrate in one Agency all the functions related to a given problem. This is the method I propose in this instance.

Robert C. Weaver
January 18, 1965

From the desk of *Robert C. Weaver*
ADMINISTRATOR

November 30, 1964

Pursuant to our recent conference on Community Extension, I have prepared the following statement which, in my opinion, provides an approach which may be workable in this area.

Honorable S. Douglass Cater, Jr.
Special Assistant to the President
The White House

HOUSING AND HOME FINANCE AGENCY

From the desk of *Robert C. Weaver*
ADMINISTRATOR

Through error, this was not attached to the copy of my memorandum addressed to Kermit Gordon, dated 1-19-65, relative to an incipient jurisdictional conflict between the Office of Education in HEW and HHFA.

Honorable Bill Moyers
The White House
Washington, D. C.

From the desk of *Robert C. Weaver*
ADMINISTRATOR

Through error, this was not attached to the copy of my memorandum addressed to Kermit Gordon, dated 1-19-65, relative to an incipient jurisdictional conflict between the Office of Education in HEW and HHFA.

Honorable Lee White
The White House
Washington, D. C.



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

118

Honorable Kermit Gordon
Director
Bureau of the Budget
Washington, D. C.

Dear Mr. Gordon:

Subject: HEW draft bill "To strengthen extension education so that colleges and universities may aid effectively in the solution of community problems."

This is in reply to your request for our views on the above draft bill.

The draft bill would establish a five-year program of grants to States to assist in the solution of community problems such as housing, poverty, government, recreation, employment, youth opportunities, transportation, health, and land use, by strengthening the extension research, training, and public resources of colleges and universities. Grants would be available to provide extension educational activities and services, such as (1) professional re-training and refresher programs for persons in professions such as architecture, engineering, law, medicine, pharmacy, and teaching; (2) training and consultative services to local, State and Federal governments; (3) training in leadership and in program planning for nonprofit voluntary associations and civic groups; (4) continuing educational opportunities for persons who have interrupted their education or who wish to pursue post-graduate, vocational, cultural, or artistic studies; (5) special educational programs for under-educated adults in order to increase their opportunities for more productive employment and making them better able to meet their adult responsibilities; (6) research and training services related to labor, education, management education, and employment opportunities; (7) special educational programs for culturally disadvantaged adults; and (8) other research, training, demonstration, and public service programs. The proposal would authorize the appropriation of \$50 million for the fiscal year ending June 30, 1966, and for each of the succeeding four fiscal years.

The Housing Agency does not favor establishment of this new program of grants to assist in the solution of community problems in its present form. We believe it would result in substantial duplication of activities authorized to be carried on by this Agency under title VIII of the Housing Act of 1964.

Title VIII of that Act established a new system of Federal-State training programs designed to develop the skills needed for economic and efficient community development and to provide new and improved methods of dealing with community development problems. The Housing Administrator is authorized to make matching grants to assist States, in cooperation with colleges, universities, and urban centers, in developing special training programs for technical and professional people who are, or are likely to be, employed by a governmental or other public body which has responsibilities for community development. These matching grants may also be used to support State and local research on housing, public improvement programs, efficient land use, urban transportation, and similar community development problems. Under this program, grants are presently authorized to be made for many of the same types of assistance which the draft bill would bring within the scope of the proposed extension education program.

The Housing Agency strongly indorses the recommendation of the President in his recent Message on Education relating to extension education activities and services. However, we believe that a program of matching grants to States to assist them in developing special training programs for technical and professional people who are, or are likely to be, employed by a governmental or public body which has responsibilities for community development should be carried on within the framework of the authority provided by title VIII of the Housing Act of 1964.

Sincerely yours,

Robert C. Weaver
Administrator

NR/ME

FG 165

FG 145

FG 150

FG 245

SP 2-4

January 7, 1965

MEMORANDUM FOR

The Honorable Anthony J. Celebrezze
The Secretary of Health, Education and Welfare

In his State of the Union Message, the President said, "More ideas for a beautiful America will emerge from a White House Conference on Natural Beauty which I will soon call."

May I have your suggestions for persons outside government to be involved in the initial planning of such a Conference, and perhaps to be designated as members of a planning committee. I am also asking for suggestions from the Secretary of the Interior, the Secretary of Agriculture, and the Administrator of the Housing and Home Finance Agency.

John W. Macy, Jr.
1/7/65
John W. Macy, Jr.

Identical letters to:

Hon. Stewart L. Udall
Secretary of the Interior

Hon. Orville L. Freeman
Secretary of Agriculture

Hon. Robert C. Weaver
Administrator, Housing & Home Finance Agency

AY/mcf/1-6-65

RECEIVED
JAN 11 1965
CENTRAL FILES

THE WHITE HOUSE OFFICE

ROUTE SLIP

(To remain with correspondence)

EXECUTIVE

FI4-1/#13
FG 155
FA
FG 245

Date: December 30, 1964

Director of the
Bureau of the Budget

TO: ~~Att: Mr. William Carey~~

Prompt handling is essential. Correspondence should be answered or other necessary action taken within 48 hours after arrival at the department or agency. If any delay is encountered, please telephone office of the undersigned.

Please handle the attached correspondence as indicated below:

- A. Reply on behalf of the President.
- B. Draft for presidential signature.
- C. Draft for undersigned's signature.
- D. Other: **For recommendation to the President** **X**
 - (1) For background briefing on which to base reply from this office
 - (2) For suitable acknowledgement or other appropriate handling
 - (3) For your information
 - (4) For comment

Furnish this office with a copy of your reply. Yes No

Return the original correspondence to this office. Yes **X** No

REMARKS:

Nothing else sent to
Central Files as of 2/8/65

GPO 16-70420-1

By direction of the President:

Ltr to the P, 12/24/64, fm Actg Secy of Commerce
Franklin D. Roosevelt, Jr., transmitting for cons
of the P recommendation for 13th alloc of funds for
the Public Works Acceleration program in amt of
\$100,000 - for project contingencies: Hsg & Home Finance Agency. **Y**

Lee C. White
Associate Counsel
to the President

RECEIVED
DEC 31 1964
CENTRAL FILES

rah

cm/
lc

Ret to JV
Phoned message to
have Gordon talk
HB
12/31

EXECUTIVE²
FG 245
PR 8-2/W*
FG 11-1

Mr. President:

*
"Robert Weaver called me and said the following:

That the Bureau of the Budget is proposing to do certain things that he doesn't agree with such as selling certain assets at lower costs than Weaver is willing to go along with. Also, there is the problem of new legislation. He was hopeful -- before this was fastened down -- that he would have a chance to discuss this with the President and Mr. Gordon."

Jack Valenti

12-29-64
4:30p
by telephone mf

RECORDED
JAN 2 1965
GENERAL FILES

December 14, 1964

EXECUTIVE (5)
HU 2-2/5T35
LG/Cleveland
FG 245
FAIR Housing, Inc.
LG/Shaker Heights
WH 6

MEMORANDUM FOR MR. PRESTON BRUCE
White House Usher's Office

Attached is a memorandum I have received from Robert D. Weaver, Administrator, Housing and Home Finance Agency, concerning the letter dated November 10, 1964 and enclosures from Mr. William C. Pryor concerning the housing problems of Negroes in Cleveland.

We very much appreciate your bringing this matter to our attention and hope for an early elimination of patterns and practices such as those described by Mr. Pryor.

Jack Valenti
Special Assistant to the President

ny

RECEIVED
DEC 15 1964
CENTRAL FILES

Nothing else sent to
Central Files as of

12/21/64

December 11, 1964

EXECUTIVE
PA 6-1/5 *
7G-245
AUTOGRAPH FILE/5 *

Dear Milt:

Attached is another picture appropriately autographed.

Sincerely,

Myer Feldman
Counsel to the President

x 4
Honorable Milton P. Semer
Deputy Administrator
Housing and Home Finance Agency
Washington 25, D. C.

Enclosure

RECEIVED
DEC 17 1964
CENTRAL FILES

Picture is 8x10 - The President handing a pen to Milton Semer and autographed "To Milton Semer, with best wishes."



HOUSING AND HOME FINANCE AGENCY

WASHINGTON 25, D. C.

EXECUTIVE

FG 999

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.

h.
Robert C. Weaver
Administrator

RECEIVED
DEC 11 1964
CENTRAL FILES

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

13/13
EXECUTIVE

PR 6-1/S

FG 245

AUTOGRAPH FILE/S

December 7, 1964

Dear Milt:

Enclosed is a photograph which the President has inscribed to you.

All members of the 5 o'clock Club have received such a photograph in appreciation for their work during the campaign.

I am grateful to you for your help. However, we do not intend to allow such an efficient and talented group to fade away. We intend to continue to take advantage of your talents.

Best personal regards.

Sincerely,

Myer Feldman
Counsel to the President

Honorable Milton P. ~~Semer~~
Deputy Administrator
Housing and Home Finance Agency
Washington 25, D. C.

To: Milton P. Semer, "With Best Wishes"

EXECUTIVE (2)

PR6-1/M*

FG 245

AUTOGRAPH FILE/M*

December 7, 1964

Dear Ted:

Enclosed is a photograph which the President has inscribed to you.

All members of the 5 O'clock Club have received such a photograph in appreciation for their work during the campaign.

I am grateful to you for your help. However, we do not intend to allow such an efficient and talented group to fade away. We intend to continue to take advantage of your talents.

Best personal regards.

Sincerely,

Myer Feldman
Counsel to the President

Mr. Ted McLaughlin
Office of the Administrator
Housing and Home Finance Agency
Washington, D. C.

To: Ted McLaughlin: "With Best Wishes"

EXECUTIVE

HU 2-2/ST

HS 3/ST

LG/San Francisco

FG 245

FA

December 4, 1964

Honorable John F. Shelley
Mayor of San Francisco
San Francisco, California

Upon learning of your telephoned inquiry regarding the pending applications for urban renewal projects submitted by California cities, and particularly two in the city of San Francisco, I got in touch with the Deputy Administrator of the Housing and Home Finance Agency. He has provided a report of the problems posed by the adoption of Proposition 14 by the voters of California in the election of last month. It is my understanding that all of the legal counsel received by the Administrator makes it clear that the impact of Proposition 14, whatever that may ultimately be determined to be, became effective upon November 4 when the results of the election were known to the public. Accordingly, the agency has concluded that execution of urban renewal contracts between that date and the time that the results of the election are formally certified by the California Secretary of State would be in exactly the same state as those executed after certification.

As you know, the Agency has concluded that contracts executed prior to the date of the election are not affected by the constitutional amendment adopted on that day.

THE WHITE HOUSE
WASHINGTON

December 3, 1964

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Title VI Regulations.

EXECUTIVE (14) +

LEI

FA

HU2

PHI-3

FG145

FG150

FG160

FG165

FG245

FG240

FG265

FG11-1

FG634

FG135

I assume from your initialing of my earlier memorandum on the regulations to implement Title VI of the Civil Rights Act that you approve of them. Attached are the first seven regulations proposed to be issued by the department and agency heads following your formal approval. The place where your signature should appear to provide formal approval are noted by the yellow tabs on each of the regulations.

The Federal Register is set up to move as expeditiously as possible and advise us that if the signed copies are received by 2 p.m. today, they will be able to publish the regulations in Friday's (December 4) issue of the Register.*

Because of the shortness of time and the fullness of your schedule, I assume that there will be no signing ceremony.

(7 copies Regulations filed -)

X OVERSIZE ATTACHMENTS

Lee E. White

*If published on December 4, the regulations would become effective on January 3, prior to the convening of Congress.

Regulations approved are applicable to programs administered by the Dept's. of Interior, Agriculture, Labor & HEW, the H+HFA, GSA & the Nat'l. Science Foundation
Encls.

2 copies each of the 7 regulations delivered to Archives: 12/3/64 (8:30 A.M.)
7 Original Regulations signed & dated: 12/3/64/
Hand carried to Archives by TMD: 12/3/64 (3:58 P.M.)

TMD

FG-604/A

FG245

FG 110

FG 165

FG 150

THE WHITE HOUSE

WASHINGTON

November 13, 1964

MEMORANDUM FOR:

THE PRESIDENT

In the attached letter, Frank Bane recommends the reappointment of Robert Weaver and Secretary Dillon to the Advisory Commission on Intergovernmental Relations. For the post now held by Secretary Celebrezze, he recommends the appointment of Secretary Orville Freeman. I feel that the strongest consideration should be given to Frank's recommendations. I concur with his views.

It would be fine from the standpoint of the Commission's morale if you could receive them a few minutes at their next meeting -- December 17th and 18th. It is a hard working group and they are dealing with some vital subjects now.

Brown Hays

EXECUTIVE

FG 667

FG 245

October 26, 1964

Dear Mr. Administrator:

The President on October twenty-third signed an Executive Order entitled "Establishing the Federal Development Planning Committee for Appalachia," a copy of which is enclosed.

Sincerely,

WILLIAM J. HOPKINS
Executive Clerk

Honorable Robert C. Weaver
Administrator
Housing and Home Finance Agency
Washington, D. C.

Enclosure

File

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON 25, D.C.

EXECUTIVE
FI 5-4
FG 11-1
FG 243-2
FG 245

OCT 23 1964

MEMORANDUM FOR THE PRESIDENT

Subject: Sale of certificates in the mortgage pool;
expenditure savings of \$300 million

In view of your earlier personal interest, you will be gratified that on October 19 FNMA announced the sale of \$300 million of mortgage pool certificates.

The offering was quite successful; we got a good price. This initial success augurs well for the possibility of increasing our sales of mortgages in the future.

I am attaching a draft letter from you to Bob Weaver expressing your appreciation for his efforts. The letter singles out for congratulations Stanley Baughman, President of FNMA, who did an outstanding job in successfully accomplishing this very complicated piece of business in a short period of time. Baughman is one of our truly outstanding civil servants.

(signed) Kermit Gordon
KERMIT GORDON
Director

Attachment

*was not sent to
file as of 11/30/64*

RECEIVED
OCT 24 1964
CENTRAL FILES

THE WHITE HOUSE
WASHINGTON

EXECUTIVE

AI 3

FG 245

5553 10/14

OCT 13 1964

*filed at President's the
Oct 14/13 to Dr. Hornig OST*

Dear Mr. Weaver:

The Federal Reconstruction and Development Planning Commission for Alaska, in its final report to me dated September 1964, makes a number of recommendations growing out of experience with the Alaska earthquake. These recommendations merit careful study and evaluation.

In accordance with the Commission's recommendations, I request that you (1) initiate a study and consideration of the possibility of adequate, private, disaster insurance coverage at reasonable costs, and (2) develop any new criteria which might result in more effective or advanced building codes and zoning plans for seismic areas. In conducting the disaster insurance study, you should work closely with the Bureau of the Budget, the Council of Economic Advisers, the Office of Emergency Planning, and such other Federal agencies as may be concerned.

Sincerely,

LYNDON B. JOHNSON

Honorable Robert C. Weaver
Administrator
Housing and Home Finance Agency

RECEIVED
NOV 3 1964
GENERAL INVESTIGATIVE
DIVISION

Copy to Budget 10/14/64

5556

WHITE HOUSE FILE COPY

(COPY)

THE WHITE HOUSE
WASHINGTON

5555
10/11
OCT 13 1964

+++ EXEMPTED (U)
DI 3
-FG 11-9
FG 11-1
FG 245
SC
SC 2-3
IS 3
FG 663
FG 11-6
FG 155-8
FG 265
FG 120-5
FG 130
FG 145/6x

Dear Dr. Hornig:

In my letter of May 3, 1964, I requested that your office undertake to assemble a comprehensive scientific and technical account of the Alaska earthquake and its effects. To insure an integrated approach to the collection and evaluation of the information, it was suggested that the scientific work of the United States Geological Survey, the National Science Foundation, the United States Coast and Geodetic Survey, the United States Air Force, the Army Corps of Engineers, and such other agencies as might be involved should be coordinated by your office.

The Federal Reconstruction and Development Planning Commission for Alaska, in its final report to me dated September 1964, makes a number of recommendations, based on experience with the Alaska earthquake, which involve scientific and technical considerations. These include recommendations with respect to earthquake prediction techniques, seismic sea wave warning system, earthquake hazard study, protective measures in coastal areas, improvements in seismic equipment and more responsive automatic instrumentation, and sharing of international scientific information. I request that your office undertake to review the Commission's recommendations and to develop for my consideration proposals for such actions as may be deemed appropriate. In conducting the review, your office should arrange to obtain the advice of the principal Federal agencies concerned.

Your preliminary findings and recommendations should be submitted not later than November 15, 1964, so that they may be considered in connection with the preparation of the 1966 Budget.

Sincerely,

LYNDON B. JOHNSON

Dr. Donald F. Hornig
Director
Office of Science and Technology

Copy to Budget 10/14/64

5555

WHITE HOUSE FILE COPY



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

HOUSING AND HOME FINANCE AGENCY
OFFICE OF THE ADMINISTRATOR

WASHINGTON 25, D.C.

October 12, 1964

EXECUTIVE
PR9/ST7
FG 245
FG 245-5
FI 5

MEMORANDUM FOR: Walter Jenkins
Special Assistant to the President
The White House

SUBJECT: X Inter-American Center Authority (Interama)
Miami, Florida X

The Housing and Home Finance Agency is prepared to give favorable consideration to the Interama loan request for \$19 million, provided:

1. That the Federal loan of \$19 million and the private loan of \$13 million have a parity lien on the pledged revenues and mortgaged property, subject only to the prior lien of the initial \$8 million bonds now outstanding;
2. That the bond underwriters furnish a firm commitment that they will buy the parity bonds in the amount of at least \$13 million, when they are offered for sale by Interama; and
3. That (a) the estimate of revenues to be pledged and (b) the loan terms to be developed, will be of such a nature that a determination could be made, as required by the Federal statute, that there is a reasonable assurance that the combined loan, involving private and Federal funds, will be repaid.

This loan would finance the construction of various buildings that would be located in the international area, to house a number of the exhibitions of the Latin American countries. In effect, about \$32 million of funds are needed at this time to enable Interama to proceed with development of the exposition, \$19 million that is requested of HHFA and \$13 million that is to be furnished by private investors.

In addition to the \$19 million HHFA loan, Interama proposes that the Federal Government provide \$15 million by direct appropriation for construction and operation of the United States exhibit.

Milton P. Semer

Milton P. Semer
Deputy Administrator and
General Counsel

EXECUTIVE

FG665

FG245

October 5, 1964

Dear Mr. Administrator:

The President on October second
signed an Executive Order entitled "Estab-
lishing Federal Development Planning Com-
mittees for Alaska," a copy of which is
enclosed.

Sincerely,

WILLIAM J. HOPKINS
Executive Clerk

Honorable Robert C. Weaver
Administrator
Housing and Home Finance Agency
Washington, D. C.

Enclosure

MEMORANDUM

EXECUTIVE

(3)

THE WHITE HOUSE
WASHINGTON

PPS/Mrs Johnson

FG 245

October 5, 1964

DL2

MR. VALENTI:

Robert Weaver called regarding Mrs. Johnson's train trip.

He contacted Roy Wilkins. He is cooperative.

Wilkins says his organization is cooperative. He has contacted people in the field in North and South Carolina and they are working. He is still trying to make the correct contact in Virginia. He pointed out that in some cases the time of day for the stop will make it difficult to do an excellent job.

Mary White

RECEIVED
OCT 10 1964
CENTRAL FILES

EF

THE WHITE HOUSE
WASHINGTON

Allocation No. 12

EXECUTIVE

FI 4-1/12

FG 165

FG 245

OCT 2-1964

FG 155

BE 5-5

③

5545

Dear Mr. Secretary:

Pursuant to the authority contained in the Public Works Appropriation Act, 1965, I hereby allocate from the appropriation for Public Works Acceleration:

<u>To</u>	<u>Amount</u>
Department of Health, Education, and Welfare	\$450,000
Housing and Home Finance Agency	<u>300,000</u>
Total	750,000

to be expended by said agencies only as required to complete public works projects as authorized by Public Law 87-658 approved September 14, 1962, and as approved under previous allocations as set forth in your letter to me of September 22, 1964.

In addition the following amounts are allocated for the necessary costs of administering the initiation or acceleration of the public works projects financed from previous appropriations:

<u>To</u>	<u>Amount</u>
Department of Commerce	\$160,000
Department of Health, Education, and Welfare	425,000
Housing and Home Finance Agency	<u>2,375,000</u>
Total	2,960,000

Will you please arrange for the necessary transfer of funds and advise the various agencies when this has been accomplished.

Sincerely,

Lyndon B. Johnson

Honorable Luther H. Hodges
Secretary of Commerce
Washington, D. C.

RECEIVED
NOV 3 1964
CENTRAL FILES

Oing to Budget 10/5/64

noted
W.H.

MEB/UA*
FG245
HEI

NIGHT LETTER

October 2, 1964

X
Mr. Whitney R. Kerchner
President
*X United Cerebral Palsy Associations, Inc.
Statler-Hilton Hotel
Washington, D. C.

I am pleased to extend greetings to the National Officers and
Delegates of the United Cerebral Palsy Association on the occasion
of your Fall conference.

Yours is a great humanitarian cause. I congratulate you for
your achievements and wish you every success in your further endeavors.

LYNDON B. JOHNSON

cc: PR Unit and Mr. Reedy
Mr. Holborn
Central Files

LEJ:FLH:lbm

108
MEMORANDUM

THE WHITE HOUSE
WASHINGTON

EXECUTIVE

FI 4/FG 245

FG 245

FG 11-1

(2)

September 28, 1964

TO: Paul Popple
FROM: Henry Wilson

If I read your attached note literally I suppose it says that there is a change of signal to Budget on the request it makes to the Senate.

As to the first item, however, before I put this to Kermit Gordon I'd like to make sure that this is the intention.

We'll have to know about this by mid-afternoon to move effectively in the Senate.

Telcon 9/28

Told H. Wilson first
item excluded, i.e., not
push - no change of
Signal. My memo 9/28
in error this point.
Mud