



# HUD NEWS

U.S. DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT  
WASHINGTON D.C. 20410

NATIONAL URBAN POLICY

CONSERVING AMERICA'S COMMUNITIES AND NEIGHBORHOODS

FACT SHEET

## NATIONAL URBAN POLICY

### CONSERVING AMERICA'S COMMUNITIES AND NEIGHBORHOODS

#### FACT SHEET

The Carter Administration has developed the first National Urban Policy to ever address comprehensively the problems and promise of America's cities and neighborhoods. Because it is comprehensive, it does not propose simplistic answers to complex problems, but instead is aimed at the underlying cause of the entire spectrum of problems found in urban areas, from unemployment and racial discrimination to urban sprawl and fiscal distress. The National Urban Policy will require a major overhaul of most Federal programs aimed at cities, a process which has already begun, and the establishment of a partnership among private citizens, volunteer groups, private industry, labor and governments at the local, state and national levels.

#### THE URBAN AND REGIONAL POLICY GROUP PROCESS

The formation of the President's Urban Policy was a public event. From America's neighborhoods and labor halls, from corporate board rooms and city halls, county courthouses and state capitals, from public meetings and college campuses - more than 10,000 Americans contributed to this searching examination of what ails urban America and what can be done about it.

-more-

Since the beginning, March 21, 1977 -- when President Carter issued an executive order establishing the Urban and Regional Policy Group (URPG) -- representatives of the Federal domestic agencies and White House staff, under the leadership of Secretary of Housing and Urban Development Patricia Roberts Harris, produced more than 75 staff years of work, and assembled an urban profile and assessment, based on practical observation as well as on research findings from a number of sources.

The final Urban Policy recommendations Secretary Harris submitted to the President on March 15, 1978, were the carefully thought out product not only of the six Federal agencies originally assigned the task by President Carter -- HUD, Labor, HEW, Treasury, Transportation and Commerce -- and the other departments and agencies which contributed their time and effort like Interior, EPA, CSA, ACTION, and LEAA, but it also encompassed the views of state and local government officials, civil rights and corporate leaders, public interest and volunteer groups, business men and women and private citizens and labor leaders.

Behind this enormous bank of urban data and information were the concerns and views of thousands of Americans from all parts of the nation who took time out from their busy schedules to talk about the state of our cities at URPG-sponsored public forums and meetings.

-more-

No aspect of urban living escaped the attention of URPG. Government itself at every level came under scrutiny as this unique inter-agency group sought to determine how city halls, local and state governments and the Federal government and the private sector could work together to help return the bold promise of urban America.

Secretary Harris grouped the URPG into seven well-coordinated task forces -- public finance, economic development, states and metropolitan regions, neighborhoods, redlining, employment, transportation and social service, each with a mandate to examine the problems plaguing American cities and urban populace.

The URPG's study of existing Federal programs now aimed at urban America - a job which by itself could have taken more than a year - was accomplished in about four months.

On March 15, 1978, Secretary Harris presented President Carter with the URPG's 10 Urban Policy recommendations. These recommendations meet the President's mandate for a comprehensive policy that accurately reflects the state of urban America. Moreover, they represented 160 recommendations to carry out these policies by improving the existing programs of every major Federal agency.

-more-

BACKGROUND

Today, more than 70 percent of all Americans live in urban areas. More than 30 percent of all Americans live within central city limits. The last 50 years has seen our country transformed from a basically agricultural, rural society to a predominantly urban one. The promise of cities, which was for many the promise of America itself, has dimmed for many people at all economic levels. Since the beginning of the 1950's cities have been losing population. Many of the problems now faced in cities throughout the country are a result of this population loss, caused in large part by a lack of jobs, deteriorating housing and physical decay, crime, pollution, inadequate schools and other problems of the cities and their neighborhoods.

Economic and historical factors which led to the present state of our most distressed cities often were compounded by insensitive and inconsistent Federal actions. Federal tax laws actually encouraged flight of jobs and people out of the cities. The 42,000 miles of Federal interstate highways, while they proved to be a boon to industry, transported more than goods from market to market -- they transported people to new homes, encouraged metropolitan sprawl, and took jobs and revenues out of the cities. At times, Federal housing programs also worked to discourage urban living, and when new and rehabilitated housing was most in need, these programs were shut off completely, compounding the problems of those most in need of decent housing.

Many states also were frequently insensitive to the needs of the cities. Cities are creatures of the State, but many states often did not use their powers wisely or well. The average Standard Metropolitan Statistical Area with more than 500,000 population contains more than 200 independent governmental units. The hodge-podge development of local communities in metropolitan areas, tax policies which served as disincentives to urban investment, and inconsistent regulatory actions leading to inconsistent development are graphic examples of inefficient state actions.

Finally, at times, communities themselves caused problems for their residents. Local neighborhood groups were excluded from the planning process, minorities and poor people were subject to officially sanctioned job and housing discrimination, and economic development to keep cities competitive with developing suburban and rural areas was left to the private sector or other levels of government.

President Carter's National Urban Policy recognizes the important role all levels of American government, the private sector and neighborhood and volunteer groups must play in the conservation of our cities and neighborhoods. Only through a partnership that recognizes the separate capabilities of each level of government and the relationship between private decisions and public actions can the nation, the states or communities implement urban policies that will effectively attain their objectives.

GOALS OF A NATIONAL URBAN POLICY

The recommendations made to the President were based on a recognition that the problems faced by America's urban areas are complex, diverse and often interrelated. They can and will be resolved, but only if we adhere to a comprehensive set of policies which reflect clearly our National goals:

1. Preserve the heritage and values of America's older cities;
2. Maintain the investment in older cities and their neighborhoods;
3. Assist newer cities to confront the challenges of growth; and
4. Deliver improved housing, job opportunities and community services.

PROBLEMS AND PROMISE OF THE CITIES

Since January, 1977, President Carter has taken major steps to make the Federal government more responsive to the needs of cities and urban areas. He has improved governmental efficiency, he has carried out legislative initiatives, and he has targeted aid to areas in greatest distress.

Now, the National Urban Policy will continue those first steps in a thorough and comprehensive manner, to restore the promise and solve the problems in America's cities.

The Carter Administration's National Urban Policy is based on the premise that the vitality of cities, large and small, north and south, old and new is crucial to maintaining our nation's economic strength and quality of life. Cities are an important national resource, representing massive economic, social and physical investments, but more than that, cities are centers of employment, communication and business, centers for learning, culture and entertainment.

Throughout the country today, there are some cities in serious trouble, both economically and socially. Other cities have problems with which they are able to cope adequately at the present time, but which threaten to become more serious. Finally, some cities are healthy and show no immediate distress, but conditions exist that could lead to problems as bad as any experienced today.

Older distressed cities face the worst problems, including:

- Pollution
- Mismatch of jobs and skills
- Poor schools
- Crime
- Loss of jobs
- Poverty
- Fiscally strained budgets
- Flight of people and industry
- Eroding tax bases
- Obsolete physical structures
- Limited housing choice
- Racism and discrimination

Newer and growing cities must deal with:

- Pockets of poverty
- Energy inefficient land use
- Sprawl
- Some physical decay
- Pollution
- Crime

The problems faced in urban areas, new and old, large and small, are complex problems. The National Urban Policy does not propose simplistic solutions, but instead addresses immediate problems with short term solutions and establishes new Federal priorities and a new partnership between business, citizens and government to address the long term problems in a lasting and comprehensive manner.

#### FEDERAL POLICIES AND STRATEGIES

The National Urban Policy is comprised of ten basic Federal policy responses to identified urban problems. Each policy has corresponding strategies, and each strategy involves multiple actions throughout the various levels of government and in the private sector.

-- FEDERAL PROGRAMS WHICH AFFECT URBAN AREAS WILL BE  
COORDINATED TO INCREASE THEIR EFFECTIVENESS

- \* The Administration will develop a coordinated policy focus for all Federal agencies
- \* An Urban Impact Analysis will be required for all major programs
- \* Federal programs will be administered in a fair and efficient manner and will work to strengthen cities

- A NEW PARTNERSHIP WILL BE INITIATED BY THE FEDERAL GOVERNMENT WITH THE STATES TO BETTER MEET THE NEEDS OF URBAN AREAS, CITIES AND NEIGHBORHOODS
  - \* States will be encouraged to develop comprehensive urban development plans
  - \* States will be eligible for flexible supplemental funds for special economic and community development uses
  
- THE CAPACITY OF LOCAL GOVERNMENTS THROUGHOUT THE NATION WILL BE STRENGTHENED TO MAKE THEM MORE CAPABLE TO DEAL WITH LOCAL PROBLEMS
  - \* Federal planning assistance programs will be consolidated and tailored to coordinate better Federal actions at the local level
  - \* Overlapping technical assistance programs will be consolidated to meet local needs better
  - \* Federal program funds will be increasingly channeled to areas with comprehensive development plans
  
- NEIGHBORHOOD AND VOLUNTARY ORGANIZATIONS WILL BE ENCOURAGED TO HELP SOLVE NEIGHBORHOOD PROBLEMS AT THE "GRASS ROOTS" LEVEL
  - \* The Federal government will make technical assistance available to neighborhood and residents' groups
  - \* Pilot projects to revitalize neighborhoods and deliver services will be used to demonstrate the latest technology

- \* The Federal government will begin a strong effort to promote self-help actions in neighborhoods
- RACISM AND DISCRIMINATION WILL BE REDUCED
- \* Equal opportunity and affirmative action laws and guidelines will be strengthened
  - \* Existing laws and guidelines will receive renewed enforcement
  - \* Continuous leadership will be provided at the Federal level by the White House
- JOB OPPORTUNITIES FOR THE URBAN POOR, MINORITIES AND WOMEN WILL BE EXPANDED
- \* Training subsidies will be used to increase private sector willingness to help the long term unemployed
  - \* Training and job creation programs will be targeted
  - \* Jobs will be created through neighborhood upgrading and energy projects
  - \* Expanded transportation opportunities will be provided to decentralized job sites
  - \* Help will be provided to the unemployed who want to follow jobs
  - \* More and better job information will be made available
- THE FEDERAL GOVERNMENT WILL INITIATE ACTIVITIES TO RESTORE AND MAINTAIN THE ECONOMIC HEALTH OF CITIES
- \* Public sector funds will be used to leverage private sector investment

- \* Disincentives to urban investment will be removed
  - \* Federal purchasing will be targeted to increase the share of business given to city firms
  - \* Long term capital to improve or begin urban operations will be made available to the private sector
  - \* Businesses will receive help to meet regulations concerning the environment
- THE FINANCIAL CONDITION OF ALL CITIES WILL BE IMPROVED THROUGH LOCAL STATE AND FEDERAL ACTIONS
- \* The Federal/state/local intergovernmental aid system will be reformed
  - \* Regional and metropolitan-wide cost sharing and administration of services will be strongly encouraged
  - \* Cities in fiscal distress will receive emergency aid and targeted block grants
  - \* Cities in fiscal distress will have case-by-case work-out plans developed
- CITIES WILL BE MADE MORE ATTRACTIVE PLACES TO LIVE AND WORK
- \* The Administration will help cities attract the middle class
  - \* Innovative community arts and cultural programs will be implemented
  - \* Social service assistance will be targeted to urban needs

- \* Housing programs will be expanded and made more flexible
  - \* Community development funds will be targeted to cities in distress
  - \* Aid will be channeled to cities that develop comprehensive community development and housing plans
  - \* Metropolitan-wide urban policies will be strongly encouraged
- ENERGY INEFFICIENT, RESOURCE WASTEFUL SPRAWL WILL BE REDUCED
- \* Federal programs will be amended to discourage sprawl
  - \* Federal and state actions which affect development in both urban and rural areas will be coordinated

NEW INITIATIVES

The President's National Urban Policy puts a major emphasis on new initiatives to address the problems in America's cities and neighborhoods. These initiatives are grouped around four major policy clusters:

- Coordinating, Streamlining, and Reorienting Federal, State and Local Government Activities
- Fiscal Assistance
- Employment and Economic Development
- Community and Human Development

Following is a summary of the new initiatives:

-- COORDINATING, STREAMLINING AND REORIENTING FEDERAL, STATE, AND LOCAL GOVERNMENT ACTIVITIES CLUSTER

\* Policy Coordination and Urban and Regional Impact Analysis

President Carter has made the Office of Management and Budget, through a newly established Inter-agency Coordinating Council, responsible for inter-agency cooperation on projects too large or complex to be handled by a single agency. The Council will eliminate obstacles to cooperation, such as one agency's regulations preventing cooperation with another agency.

To facilitate this coordination, an Urban and Regional Impact Analysis will be required before any new policy is implemented. The analysis will assess the urban and regional consequences of Federal policies and programs and incorporate the concerns into the decision process.

All Federal agencies will prepare, as a part of their legislative submissions, an impact analysis of their major policies and programs on urban and regional areas to avoid inadvertent adverse effects. The impact statement will be submitted to the White House Domestic Policy staff for further review and refinement.

\* Consolidation of Community and Economic Development Planning requirements

The Office of Management and Budget has also been charged by the President to proceed with efforts to simplify and consolidate requirements for advance planning which States and cities must do before receiving Federal assistance.

Within six months, provisions will be made to permit State and local governments to integrate community and economic development plans which meet the requirements of several Federal agencies. This will

eliminate duplication, inconsistency and contradictory requirements while permitting State and local governments to integrate projects and programs within a single development plan.

\* Improved Data, Research and Analytical Capability

A Statistical Policy Committee, chaired by the Secretary of Commerce, will explore the development of a better statistical data base for cities.

The data base, for researchers and decision-makers, will provide information about the current economic, fiscal and social condition of individual cities.

The data will improve planning and coordination of Federal government assistance, and aid State and local officials with their own development strategies.

\* Location of Federal Facilities

President Carter will issue a new Executive Order, codifying a new General Services Administration policy, to direct that central cities should have priority over outlying areas on location of Federal facilities.

GSA's policy establishes cities as the sites of all new Federal facilities, and all consolidations and relocations of existing facilities, unless inconsistent with agency mission.

Consolidation of Federal facilities increases employment opportunities in the cities, makes them more accessible to the public, and enhances the interaction of agencies with each other.

\* Reorientation of Federal Procurement

Recognizing that Federal procurement, like direct Federal employment, would have a strong impact on central city economies, the Carter Administration proposes to use Federal procurement contract set-asides as an effective, low-cost way to stimulate economic growth in communities and cities with real economic needs.

The Defense Department, for example, now has \$2.5 billion in procurement contracts that could be channeled to firms in labor surplus areas if Congress would grant a limited waiver of the Maybank Amendment, which now prevents Defense from establishing full set-asides for areas of excessively high unemployment.

Such a waiver will be sought, and if granted, the Administration will test the impact of this Defense set-aside on central city economies. If successful, this approach would be applied to other Federal agencies.

Each agency would set procurement contract goals for labor surplus areas, and its progress would be monitored by the General Services Administration (GSA). GSA would negotiate target set-asides with individual agencies and monitor compliance, reporting twice a year to the President.

\* Role of States

President Carter will propose that States receive \$200 million in Incentive Grants to encourage them to plan more fiscal and economic development assistance to their most needy communities.

To be eligible for these grants, States must develop state-wide fiscal and development plans which identify distressed communities and commit State resources to them. The plans must have full participation of local elected officials and must receive their concurrence before adoption. Before Federal funds are committed, the fiscal plan submitted by the State must shift substantial state resources and investments to the target communities. The incentive grants are seed monies since they are only a portion of the funds to be made available through the state government. The program will be administered by the Department of Housing and Urban Development, with funding on a discretionary basis. It is a two-year program requiring new funding.

-- THE FISCAL ASSISTANCE, EMPLOYMENT AND ECONOMIC DEVELOPMENT CLUSTERS

\* Supplemental Fiscal Assistance

President Carter proposes that the Anti-Recession Fiscal Assistance program (ARFA) be extended and revised to provide supplemental fiscal assistance to local governments in order to help cities suffering from high unemployment rates and severe fiscal strain.

The program will be proposed by the President for a two-year extension with local governments funded on a full year basis, and will be targeted to the most fiscally strained communities by removing the national unemployment rate as the local triggering mechanism.

The national unemployment rate trigger will be removed in favor of a local "above-the-national-average" unemployment rate trigger. This will make the program more permanent. In addition program eligibility will be sharply targeted to distressed fiscally strained communities and States will not be eligible as in the past.

Without the proposals made by President Carter, the current Department of Treasury program would expire at the end of this fiscal year, or when the unemployment rate drops below six percent, which is expected in fiscal year 1979.

In addition, the Carter Administration will give additional welfare fiscal relief to cities and States prior to enactment of its Welfare Reform Bill.

\* "Soft" Public Works

This is a three-year program of labor-intensive public works, which the President will seek to have funded at \$1 billion a year, primarily to rehabilitate and renovate public facilities. It would directly create some 54,000 private jobs.

Half of the jobs would be reserved for the long-term unemployed and disadvantaged workers referred by the Comprehensive Employment and Training Act (CETA) system.

The funds would be used to train a high proportion of these disadvantaged workers, with localities required to put up 10 percent of the costs. Ten percent of the contracts would be set aside for minority firms.

The CETA referrals will be paid trainee wages (50 percent of journeyman) under the Davis-Bacon Act. The AFL-CIO has approved a lower wage scale for the disadvantaged, thus providing employment opportunities for a greater number of people.

\* Youth Employment Initiatives

The Department of Labor will work with the Community Services Administration to develop viable projects for the creation of employment opportunities for youth in poverty areas. These projects would then be funded through the Department of Labor's Youth Employment and Demonstration Projects Act.

\* National Development Bank

President Carter is proposing that an interagency National Development Bank be established on an interim basis to help credit-worthy firms seeking to locate or expand in distressed urban and rural areas.

The bank would reduce the financing costs of a business by up to 59 percent. It would offer long-term, low-cost financing in conjunction with up-front grants administered by existing Federal agencies. Loan guarantees would cover three-fourths of the capital costs, up to \$15 million, not covered by the up-front grant. The limit would be raised for tax-exempt or taxable industrial bonds that can be issued in an economically distressed area. A secondary market would be created for private loans made in eligible areas to finance capital expenditures not covered by the bank's loan guarantee or grant.

The bank would be authorized to guarantee loans totaling \$2.2 billion through 1979, \$6 billion through 1980 and \$11 billion through 1981. Direct subsidy outlays for grants by existing agencies, loan losses, and interest rate subsidies would be \$308 million in FY 1979, \$552 million in 1980 and \$873 million in 1981.

\* Economic Development Grants

Two proposals to expand the economic development grant activities of the Federal Government and to leverage private investments call for increased funding of existing programs.

HUD's Urban Development Action Grant program and the Title IX program of the Economic Development Administration will seek increased funding of \$275 million. Joint application requirements and simplified program planning requirements for Title IX and Action Grants will be developed so that cities are simultaneously eligible for both and need file only one application.

The additional funds for local economic development along with improvements in existing programs are expected to attract public investment that would make community development successful.

Targeted to distressed areas, the Action Grants focus primarily on short-term projects, with high leverage of the private sector for community or economic development. EDA's Title IX program is aimed at long-term economic development, and includes grants for public investments, loans to businesses and other economic development activities.

\* Differential Investment Tax Credit

President Carter will propose a limited differential investment tax credit which would help firms which choose to locate in economically distressed areas.

Firms would seek a Certificate of Necessity from the Department of Commerce in order to be eligible for the five percent differential investment tax credit. The program would be targeted to distressed areas and labor-intensive firms.

The program would be undertaken on an experimental basis for two years, at a cost of \$200 million each year.

\* Reconciling Economic Development and Air Pollution Control

Under the Clean Air Act many of our largest urbanized areas would have difficulty meeting health-based air

quality standards without additional help. Failure to meet these standards would inhibit economic growth and in some cases make it difficult to retain existing businesses.

Localities are now required to submit plans to EPA by January 1, 1979 for dealing with existing air quality problems. The Federal Government has not yet budgeted for direct grants to help local governments prepare these plans.

The Environmental Protection Agency proposes to provide planning grants to consortia of local governments to develop air quality implementation strategies to meet minimum Federal clear air standards. The grants would fund two-thirds of the cost of local programs. They would be provided only to localities that coordinate their transportation and environmental planning programs. This program would help reconcile potential conflicts between environmental and economic goals.

The Administration is requesting \$25 million to fund the Air Quality Planning Grant Program in FY 1979. At this level, 15 to 20 of the worst urban areas not meeting or attaining minimum clean air standards which require transportation air pollution control strategies would be funded.

\* Small and Minority Business

Several agencies have proposed minority set-asides for their construction grant programs. The Administration will make this a Government-wide policy. Goals and timetables will be developed by each Federal agency.

Program coordination by the Interagency Council for Minority Business Enterprise would build on current experiences of the Local Public Works program and the Department of Transportation's flexible goal program approved by the Department of Justice.

-- THE COMMUNITY AND HUMAN DEVELOPMENT CLUSTER

\* "Livable Cities" -- A National Endowment for the Arts

Cities historically have provided a distinctive setting for cultural programs and activities, but as a result of difficult fiscal problems, cultural facilities and arts programs have not received adequate local support. The Administration proposes a "Livable Cities" program of grants to communities and states to support: neighborhood and community based arts programs; urban design and planning activities (such as Urban Walls in Atlanta), and the creation and display of art in public places.

The program would be administered by HUD, and The National Endowment for the Arts would jointly set the criteria for accepting and selecting projects. NEA would monitor selected projects.

The Administration proposes \$20 million to establish the Livable Cities program.

\* Urban Park and Recreation Recovery Program

In many communities, parks and recreation facilities are severely limited or are in disrepair, and little is being done to improve and restore these important urban amenities. In addition to improving the quality of life, expenditures to improve these amenities are very labor intensive, providing needed jobs.

The Carter Administration is proposing a \$150 million grant program for urban parks and recreation recovery efforts.

\* Section 312 Rehabilitation Program

President Carter is proposing to increase funding for the successful Department of Housing and Urban Development Section 312 rehabilitation program.

This would make \$150 million available in fiscal year 1979, and would allow HUD to finance rehabilitation of multi-family properties.

This proposal addresses urban rehabilitation without legislative or procedural changes in the present program, and it would be targeted to distressed neighborhoods and cities.

\* Neighborhood Commercial Reinvestment Centers

President Carter has directed the Comptroller of the Currency to establish a Task Force which includes HUD, SBA, EDA and the relevant regulatory agencies to begin a Neighborhood Commercial Reinvestment Center pilot program.

The centers would expand upon the successful and popular Urban Reinvestment Task Force concept, and would be local organizations comprised of merchants, neighborhood residents, local government officials and commercial bankers who are willing to provide business credit in urban neighborhoods.

This initiative will help small businesses and commercial enterprises which have suffered from a lack of capital and poor management practices, and will transfer the lessons learned in the HUD/FHLBB Neighborhood Housing Services program and the SBA Neighborhood Revitalization program to the area of commercial credit.

\* Institute for Better Communities

This new Institute would bring together and educate all the participants in the mortgage lending/housing sales process -- appraisers, realtors, lenders, builders, insurance companies. The goal of the Institute will be to develop a series of reinvestment prototypes in the first year by coordinating the mortgage lending practices of the participants, and to train urban lending specialists.

President Carter has given the Federal Home Loan Bank Board lead responsibility, but the Institute's board will include representatives from the other financial regulatory agencies and non-voting members from SBA and EDA.

\* Urban Social Services Initiative

The Federal Government currently operates a wide range of programs designed to improve the income and self-support of millions of people.

Since 1974, however, the support given to State social service programs by the Federal Government has declined.

This Carter Administration proposal seeks to improve the delivery of social services to urban areas with a high concentration of poor people by providing an

additional \$150 million to the States through the Title XX Social Service program.

States would be required to work in cooperation with cities and urban counties in the planning, implementation, and evaluation of programs established with these funds.

The programs would be aimed at those persons with family incomes below 115 percent of the median income of their State who live in areas with concentrations of poor people.

This urban social services initiative responds to a need expressed by Mayors and community groups and it encourages cooperative efforts between the States and local public and private agencies to meet the service needs of the urban poor.

\* Assistance to Troubled Schools Program

The Cities in Schools program, which helps families and students achieve more productive lives and helps schools to better serve their students and act as a catalyst for the integration of human services in local communities, will be expanded by the Department of Health, Education and Welfare to reach ten cities.

This program, currently operating in three cities, is a pilot program and can be a model for the integration of human services in the local community.

\* Community Health Service

President Carter will propose \$50 million to expand health care for the urban poor by selectively expanding Federally-supported Community Health Centers (CHC) and by funding city sponsored programs to provide comprehensive primary health care.

This will aid the many cities whose financial burdens are compounded by the dependency of poor persons on overly-expensive hospital emergency rooms and out-patient departments for primary medical care. Funding will go to those cities which have demonstrated a capacity to improve services to the poor.

In addition to providing better and more personal health services to the urban poor, this initiative will also bring new employment to the city and give fiscal relief to hard-pressed urban public hospitals.

\* Mass Transportation Capital Grants

An additional \$200 million per year for mass transit capital grants will be used to stimulate urban economic development and to revitalize selected cities. Funds

will be used to build new transit facilities and pedestrian transit malls and support joint public-private development around transit stations through site and utility preparation. Most of the funds will be used to expand or accelerate rail transit project grants, including some modernization of existing systems. Cities will be encouraged to develop coordinated packages involving Departments of Transportation and Housing and Urban Development and Environmental Protection agency funds.

\* Limitations on Funding of Collector Sewers

The Administration plans a limitation of 5 percent on each State's construction grant allocation for use on collector sewers. Collection sewers have been criticized as contributing to suburban development.

\* Resources Recovery Planning

The Carter Administration is proposing \$15 million in grants to be provided by the Environmental Protection Agency grants for 15-30 cities for planning of solid waste resource recovery systems. Grants of \$300-400 thousand "seed money" will fund feasibility and design studies. The funds can ultimately stimulate up to \$750 million of private investment and provide useful models for other cities. The funds

will not be used for the design or construction of systems to recover energy and materials from waste.

\* Self Help Development Program

This program will provide assistance to neighborhood and voluntary organizations for specific housing and neighborhood revitalization projects. The program, administered by the Department of Housing and Urban Development, will provide \$15 million for technical assistance and project implementation. The program will partially fund projects carried out by development organizations and voluntary associations.

Projects will be developed and administered by local residents, businesses and institutions and can be implemented only after letters of concurrence are obtained from the Mayors of affected cities. All of the assisted organizations should serve primarily low and moderate income persons, be controlled by local residents, businesses, and institutions; and be non-profit entities.

\* Community Development Credit Unions

The Community Services Administration and the National Credit Union will jointly provide funds to a limited

number of Community Development Credit Unions for investment in community improvement projects. The program will provide seed capital loans of approximately \$200,000 for the 225 credit unions eligible to participate and funds for subsidizing staff, training and technical assistance. New budget authority of \$12 million for a revolving fund to be used as seed capital loans and \$400,000 in nonappropriated funds will be required.

\* Urban Volunteer Corps

The Administration proposes to establish within ACTION, the Federal Volunteer Agency, an Urban Volunteer Corps to encourage the involvement of neighborhood groups, local businesses, voluntary associations and individual citizens in neighborhood revitalization efforts such as clean-up campaigns and neighborhood beautification.

Volunteers with specialized skills will be placed with neighborhood organizations to participate in voluntary community improvement efforts and small sums of money -- "mini-grants" -- up to \$15,000 will be made available to cover costs of administrative support, training, equipment and supplies.

A total of \$40 million has been allocated for this program.

\* Additional Assistance for Community Development Corporations

Additional venture capital support will be provided by the Community Services Administration to the five most effective Community Development Corporations. Located in poverty communities, each of the five CDCs will receive up to \$4 million to help them establish economic stability and to provide them with sufficient capital to have substantial impact on their service area.

Venture capital totalling approximately \$20 million in FY 1979 will be used for projects that coordinate with city development plans, link funding from EDA, and HUD programs, and leverage private sector support.

\* Neighborhood Projects to Reduce Street Crime and Help Crime Victims

ACTION, in cooperation with the Law Enforcement Assistance Administration, will administer \$25 million in grants to approximately 50 cities to create projects which will reduce crime against the elderly, and shopkeepers, and cut vandalism against schools and public housing. This would be accomplished through such programs as crime-watch groups, escort services

and arson control demonstrations. Aid to crime victims will include rape and spouse abuse centers, hot line witness programs and youth counseling. Cooperation and coordination with law enforcement and justice personnel will be emphasized and programs will be developed and administered either by the Mayor's office or by a designated not-for-profit organization.

REVISION OF EXISTING PROGRAMS

Making the Federal government as efficient and responsive as possible to the needs of the American people is an important element of the National Urban Policy. It is also a process which began shortly after President Carter took office. Many of the revisions of existing Federal programs have already been accomplished, some have been initiated, and others are now ready to begin.

Following is a summary of the key changes underway or planned for programs in nine primary departments or agencies:

<u>Agency</u>	<u>Program and Revisions</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	URBAN DEVELOPMENT ACTION GRANT <ul style="list-style-type: none"><li>◦ EDA Review of Application Profiles by Joint Funding</li><li>◦ Streamline for Standard Program Requirements</li><li>◦ Joint Planning Requirements with EDA</li><li>◦ Joint SBA, HUD, EDA Technical &amp; Packaging Assistance</li></ul>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	COMMUNITY DEVELOPMENT BLOCK GRANT <ul style="list-style-type: none"><li>◦ Consolidate Housing Assistance Plan &amp; Community Development Plan</li><li>◦ CD &amp; HAP's Effective for 3 Year Period</li><li>◦ Stronger Citizen Participation Requirements</li><li>◦ Foster Spatial Deconcentration of Lower Income and Minorities</li></ul>

- Adopt New Rules Expanding Economic Development Activities of Profit and Neighborhood Organizations
- Involve Business Sector in Planning

DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT

REHABILITATION LOAN PROGRAM

- Clarify and Amend Program Policies to Encourage Expanded Use of Multi Family
- Permit Deviation from Codes
- Improve Targeting
- Earmark to Increase City Capacity
- Issue New Guidelines Increasing Local Discretion

DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT

COMPREHENSIVE PLANNING ASSISTANCE  
PROGRAM

- Clarify Objectives
- Provide Multi Year Funding
- Use 701 to Provide State Incentives
- Secure Executive Order for Single Regional Planning Agency
- Add Impact Indicators to A-95 Review and Comment
- Require A-95 Agencies to Inform HUD of Negative Recommendations Because of Anti-Urban Impact

DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT

NEW TOWNS

- Reorient From Satellite Program to New Town -- Intown Program
- Simplify Procedures Concerning Applications

DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT

- Simplify Guidelines
- Clarify Coverage

HOUSING ASSISTANCE OF LOW &  
MODERATE INCOME HOUSEHOLDS

- Provide Special Housing Allocation Assistance to Local Governments to Encourage Creative Approaches to Revitalizing Neighborhoods
- Combine Housing Resources with Community Development Resources
- Strongly Encourage Areawide Housing Opportunity Plans Through Special Award of Section 8 & CDBG Funds
- Set Aside 5% of Section 8 Funds for Housing for Handicapped
- Require Owners of Buildings, Eligible for Section 8 Assistance to Undertake Some Building Modernization

DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT

SECTION 235 & TARGETED TANDEMS

- Specific Targeting & Reduction in Interest Rates
- Initiate Targeted Tandem
- GNMA Market Support

DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT

DIRECT LOANS FOR ELDERLY

- Simplified Development Process: Simplified Handbook
- Technical Assistance to Minority Developers
- Target to Handicapped; Small Group Home Owners

DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT

PUBLIC HOUSING

- Revise Modernization formula to Encourage Modernization of Older Central City Projects
- Target Special Allocation of Public Housing
- Create Immediately a Demonstration Program Using Tenants & Neighborhood Resident in Repairs & Management of HUD Owned Projects
- Use CETA Funds for Training for Housing Repair & Management
- Institute Tight Management Review & Standards Similar to HUD/FHA Insured

DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT

SINGLE FAMILY MORTGAGE INSURANCE

- Graduated Mortgage Payment
- Elimination of HUD/FHA Inspectors
- Institution of Local Codes for Minimum Property Standards
- Homeowners Warranty
- Single Track Process (e.g. Section 8 with Multifamily Insurance)
- Insurance of Existing Multifamily Buildings
- Initiate Methods to Improve Management Procedures (e.g., Computerized Monitoring Performance Standards)
- Initiate Standards to Improve Accessibility of Handicapped in HUD/FHA Insured Projects
- Increase Tenant Participation in Management

- Relate Closely with DOL to Employ Residents in Repair and Management of HUD Secured Projects

ECONOMIC DEVELOPMENT  
ADMINISTRATION

TITLES I & II -- PUBLIC WORKS

- Target Programs -- Cities in Distress
- Tie Program to Specific City Plans
- Develop Strong Monitoring System & Early Feedback
- Provide Specific Links to Other Agencies Economic & Community Development Programs

ECONOMIC DEVELOPMENT  
ADMINISTRATION

TITLE IX -- SPECIAL ADJUSTMENT  
ASSISTANCE

- Target Programs -- Cities in Distress (Full use of new amendment)
- Revise Guidelines to Designate Communities of 25,000 to 250,000 for Assistance
- Tie Program to Community Plans & Strategies
- Joint Use of Various Programs in EDA; Rely Increasingly on Local Plans

ECONOMIC DEVELOPMENT  
ADMINISTRATION

TITLE II -- BUSINESS DEVELOPMENT  
LOANS

- Toughen OEDP Guidelines
- Target Program on Cities in Distress
- Streamline/Decentralize Administration
- Tighten & Enforce Project Selection Criteria (Benefits to Long Term Unemployed)

ECONOMIC DEVELOPMENT  
ADMINISTRATION

- Arrangements with Other Agencies Concerning Joint Use of Funds; Joint Strategies
- Coordinate Business & Infrastructure Programs Around Locally Prepared Plans

304 - TITLE III -- SUPPLEMENTAL  
ASSISTANCE

- Permit States Flexible Use of Funds Rather Than Project by Project
- Shift Resources to Better Support Local Capacity Building
- Coordinate 304 Assistance with Local Economic Development Aid Through State & Local Plans
- Evaluate Use of EDA Incentive to Increase State Plan & Economic Development Incentives
- Require Work Programs for Expenditure of Investment Dollars
- Develop Formal and Informal Links with Other Agencies (Planning & Development)

ECONOMIC DEVELOPMENT  
ADMINISTRATION

TITLE III -- SECTION 301 & 302

- Target Funds To Improve City Development Capacity
- Toughen Prerequisites in OEDP Linking Local Capacity, Plans & Economic Development Tools
- Coordinate with Other Agencies-- With Respect to Planning & Technical Assistance Efforts
- Tighten Regulations Concerning Use of Public Investment to Leverage Private Investment
- Strengthen Policy Making and Budgeting at Local Level

ECONOMIC DEVELOPMENT  
ADMINISTRATION

ACCELERATED PUBLIC WORKS

- Enforcement of Set-Asides for Minority Contractors
- Allocation of Jobs to Long Term Unemployed & Minority Workers
- Require Training Programs with Funded Projects
- Manage "Lowest Bidder Requirements" So that Firms Could Pay Extra Cost of Hiring, Training & Employing Disadvantaged Workers

ENVIRONMENTAL PROTECTION  
AGENCY

WASTE WATER FACILITY GRANTS

- Tightly Tie the Facility Construction Functions with 208 Resources Planning
- Strengthen Role of Regional Agencies in Dealing with City & Suburban Waste Water Needs
- Reduce Program's Urban Sprawl Potential By: Deemphasizing Funding for New & Excess Waste Water Facilities (& Capacity); Limiting State Collector Sewer & Drinking Water Prospects to 5% of Funds; Revise Design Period; Revise Method of Cost Effectiveness
- Revise the Match so that Federal & State Assistance would be 95% for Waste Water Facilities

ENVIRONMENTAL PROTECTION  
AGENCY

208 AREAWIDE WASTE WATER TREATMENT  
PLANNING GRANTS

- Develop Closer Links to Other Federally Assisted Planning Programs; Coordinate Planning Thru Single Regional Agency
- Tie Section 201 Facilities to 208 Plans

- Change Guidelines so as Not to Promote Sprawl

- Focus on Problems of Existing Urban Areas

ENVIRONMENTAL PROTECTION  
AGENCY

AIR QUALITY

- Provide Planning Assistance to Local Air Quality Agencies

- Tie EPA Efforts to Economic Assistance

- Establish Performance Criteria Concerning Air Pollution Criteria

- Link Air Quality Standards to Other Agency's Development Programs

DEPARTMENT OF TRANSPORTATION

URBAN HIGHWAY SYSTEM

- Consolidate FHWA & UMTA Planning Funds (Requires Legislation)

- Make Planning Grants Directly to Designated MPO's in Urbanized Areas Over 1 Million Population (Requires Legislation)

- Make Funds Eligible for All Transportation Activities (Requires Legislation)

- Require All Areas to Consider Long-range Range Land Use Plans, Development Objectives & Overall Social, Economic, Environmental System Performance & Energy Conservation Goals and Objectives (Requires Legislation)

- Place Emphasis on Better Use of Existing Systems

- Allow Greater Fund Flexibility and Transferability Among Programs (Requires Legislation)

- Make the Federal Share the Same for Highway & Public Transportation (Requires Legislation)

- Require Governors & Local Officials To Designate Recipients for Urban Highway Funds in Urbanized Areas With a Population Over One Million (Requires Legislation)
- Allow Urbanized Areas to Use Highway Funds for any Road or Street Not on the Primary or Interstate System (Requires Legislation)

DEPARTMENT OF TRANSPORTATION

INTERSTATE HIGHWAY TRANSFERS

- Increase Federal Share for Interstate Transfer Projects (Both Highway & Transit) to 90%

DEPARTMENT OF TRANSPORTATION

SECTION 3 MASS TRANSIT CAPITAL GRANT PROGRAM

- Direct Program Primarily to Major Bus Fleet Expansion & New Fixed Guideway Projects, Including Extension of Existing Systems
- Require the Governor, Local Officials to Jointly Designate a Single Recipient for Each Project (Requires Legislation)
- Encourage Cities to Develop Coordinated Proposal Packages Involving the Use of HUD & EDA Funds that Address a Wide Range of Activities Such as Housing, Access to Employment, Improved Transportation, Urban Revitalization & Economic Development
- Require a Careful Analysis of Alternatives Prior to any Investment Commitment

DEPARTMENT OF TRANSPORTATION

SECTION 5 TRANSIT ASSISTANCE

- Adjust the Transit Apportionment Formula to Account for Proposed Changes in Use & Make It More Sensitive to Large Urban Area Public Transportation Needs (Requires Legislation)

- Replace Existing Requirements for a Local Matching Share & Maintenance of Efforts Requirements for Operating Assistance with a Requirement that Not More than One-Third of the Total Be Paid From Federal Funds (Requires Legislation)
- Make the Transit Formula Funds the Source of Assistance for All Routine Capital Activities Such as Rolling Stock Replacement & System Modernization, As Well as Transit Operating Assistance (Requires Legislation)

DEPARTMENT OF LABOR

PUBLIC SERVICE EMPLOYMENT --  
CETA II & VI

- Improve Targeting by Taking Into Account Undercounting of Unemployed
- Base PSE On Automatic Formula
- Tighten Eligibility Criteria
- Improve Placement by Establishing Placement Goals; Improve Monitoring & Limiting Duration of PSE Employment
- Discourage Substitution by Tightening Eligibility
- Shift Emphasis to Structural Targeting & Manpower Development
- Improve Links with Other Agencies Development Programs

DEPARTMENT OF LABOR

SPECIAL GROUPS & YOUTH -- CETA  
III & IV

- Improve Targeting, While Continuing Special Programs Under III & IV
- Improved Monitoring & Evaluation

DEPARTMENT OF LABOR

EMPLOYMENT & TGN. -- CETA  
TITLE I

- Reevaluation of Formula to Improve Targeting
- Improve Monitoring & Evaluation
- Improve Links to Other Agency Programs Through Technical Assistance and Incentives to Private Sponsors

SMALL BUSINESS ADMINISTRATION

SMALL BUSINESS LOAN PROGRAM

- Streamline Loan Processing Procedures; Establishment of Response Deadlines
- Establish Uniform Risk Definitions & Assessments Policies for SBA Field Offices
- Evaluate Possibility of Allowing Approved Private Lenders to Approve Loan Guarantee Requests Up to Pre-Set Amount, Size, Term
- Negotiate with Banks in Order to Give Greater Discretion in Handling Loan Problems Before Requiring Foreclosure
- Increased Training of SBA Regional & Field Staff Concerning Urban Priorities

SMALL BUSINESS ADMINISTRATION

SBIC's & MESBIC's

- Restructure SBIC's & MESBIC's to Encourage Private Risk in High Risk Areas
- Review Direct Contributions for Professional & Administrative Costs of SBIC's & MESBIC's
- Evaluate Ways to Encourage Cities to Charter, Assist, & Support SBIC's & MESBIC's

SMALL BUSINESS ADMINISTRATION

LDC

- Provide SBA Technical Assistance to LDC's
- Increase SBA Staff Understanding of Role of LDC's (Technical Assistance)
- Streamline Application Procedures to Eliminate Unnecessary Delays
- Examine Ways to Give Greater Loan Approval & Default Prevention to LDC's & Local Financial Institutions
- Help Equip and Train Non-SBA People to Assist in Financial Packaging
- Seek A Longer Term Alternative Source of Financing for LDC's

COMMUNITY SERVICES  
ADMINISTRATION

COMMUNITY ECONOMIC DEVELOPMENT  
(CED)

- Provide Adequate Management/ Technical Services
- Expand Technical Assistance to CDC's
- Use Well Managed CDC's as Focus for Neighborhood Pilots
- Formal Arrangements linking CDC's to Range of Federal Aid
- Toughen Monitoring & Evaluation

COMMUNITY SERVICES  
ADMINISTRATION

COMMUNITY ACTION PROGRAM

- Free Up Support Funds
- Make Administrative Limitations More Flexible
- Shift Emphasis from "GAP" Filling Services
- Develop Formal Links to Other Agency Programs

DEPARTMENT OF HEALTH,  
EDUCATION AND WELFARE

DEPARTMENT OF HEALTH  
EDUCATION AND WELFARE

DEPARTMENT OF HEALTH  
EDUCATION AND WELFARE

DEPARTMENT OF TREASURY

DEPARTMENT OF TREASURY

◦ Toughen Monitoring & Evaluation

SOCIAL SERVICES TITLE XX

◦ Pass Through to City Halls

" Maintenance of Effort -- States

HEALTH

◦ Expand Family Health Services

◦ Simplify Guidelines

◦ Shift Balance of National Health  
Service to Urban Areas

◦ Improve Coordinate in Adolescent  
Pregnancy Program

ESEA

◦ Target Supplement Funds

◦ Secure Greater State Match

◦ School Based Employment Programs

◦ Alternative High Schools

◦ Toughen Evaluation

◦ Toughen Enforcement of Private  
School Benefits

GENERAL REVENUE SHARING

◦ Develop Comprehensive Evaluation  
of Impact & Alternative Options

ARFA

◦ Increasing of Target Programs

◦ Eliminate Current Restrictions  
on Operating/Capital Expenditures

◦ Eliminate Requirement that Funds  
are Spent Within Six Months

MAJOR URBAN INITIATIVES, JAN. 1977 TO DATE

In addition to the revision of existing programs, other steps which precede the National Urban Policy's announcement are the President's urban initiatives beginning in January, 1977.

These include:

- \* Proposals and actions to achieve welfare reform
- \* Expansion of programs to provide jobs to the unemployed
- \* Initiation of a youth employment program
- \* Expansion of counter-cyclical public works programs
- \* Expansion and targeting of the Community Development Block Grant Program
- \* Initiation of the Urban Development Action Grant Program
- \* Strengthening and reorganization of equal opportunity and affirmative action agencies
- \* The proposed targeting of the Comprehensive Employment and Training Act
- \* The proposed expansion of the Elementary and Secondary Education Act
- \* Expansion of programs to house the poor
- \* Continuation and targeting of counter-cyclical Revenue sharing (ARFA)