



# **HUD NEWS**

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

NATIONAL URBAN POLICY

CONSERVING AMERICA'S COMMUNITIES AND NEIGHBORHOODS

QUESTIONS AND ANSWERS

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- Q. How is it possible to draw up a single national urban policy when cities are so diverse?
- A. Because cities are very diverse, a complex and growing array of Federal programs has been created to meet their various needs. Many of these programs today are overlapping, uncoordinated, and not adequately focused upon the most distressed people and places. The National Urban Policy will apply specific principles and policies to the full array of Federal activities which affect urban areas. We will increase the coherence of these activities, improve their efficiency in meeting the full range of urban needs, and assure that they respond to the problems of both people and places.
- Q. Why should a National Urban Policy pay attention to any urban places other than distressed cities?
- A. While the problems of large, distressed cities may be the most visible, the National Urban Policy addresses the kinds of problems which presently may exist elsewhere and can be expected to emerge later in apparently healthy communities.

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For instance, while population loss has occurred in cities for several decades, it has now begun to occur in wider metropolitan areas for the first time in our country's history. Such potential problems are capable of being solved now with specific policies. Cities like Honolulu, Los Angeles, Atlanta and Miami all show varying degrees of decline which will lead to distress if not addressed at the present time.

Q. How does the Carter Administration propose to improve the performance of Federal urban programs?

A. One of the major methods will be through the creation of a Federal procedure to analyze the urban impact of all Federal programs and actions. This will include not only Federal grant programs but also other actions that affect urban areas, such as Federal procurement policies, the location of Federal facilities and Federal tax policies.

The Federal agencies and the Office of Management and Budget will establish an Urban Impact Analysis mechanism to assess the results of program actions before they take place, and the urban benefit of new programs before they are started.



- Q. What else can be done to coordinate Federal urban programs?
- A. The Federal government will begin to consolidate its numerous planning requirements for programs aimed at producing positive results in urban areas, such as the community and economic development programs. Joint Federal review of such projects will be conducted at the local level.
- Q. Will a new agency or department be created to coordinate the Federal programs created and revised under the National Urban Policy?
- A. Not necessarily, but the Urban and Regional Policy Group (URPG) has worked closely with the President's Reorganization Group as the Group has identified areas in need of greater coordination and developed strategies to be carried out by Federal agencies.
- Q. What are the most important changes that will be made in existing programs as a result of this effort?
- A. 1. Improved targeting of programs and funds to areas of greatest need.
2. Improved coordination of Federal programs.
3. Simplified and improved flexibility of Federal programs.

Q. What are the most important new urban initiatives?

A. It is difficult to call any one initiative, or group of initiatives, more important than the others.

There are several initiatives whose time has come -- such as incentives to neighborhood groups and to states. In terms of the most fundamental problems, one might look to the job programs aimed at the structural employment of minorities and the private sector investment programs directed at central city development.

Q. Which of the 10 policy responses is seen as being the most critical to successfully implementing the National Urban Policy?

A. The problems of cities and people are complex. We know from the sixties that centerpiece programs will not work, and simple solutions are not available. This means that each of the policy responses is co-equal. There is no policy so overwhelmingly important that it could take precedence over other policies, and none so marginally important that it could be neglected. All the policies must work together in order for the National Urban Policy to attain its goals.

Q. What is the relationship between the Administration's urban policy and its energy policy?

A. Various aspects of the Administration's urban policy complement its emerging energy policy. We will discourage urban sprawl in favor of more efficient development and rehabilitation. The Policy will assist low income households in weatherizing their dwelling units.

Q. What is the relationship between the Administration's urban policy and its welfare policy?

A. Through the Better Jobs and Income program, welfare reform aims to assist eligible families and individuals. The National Urban Policy aims to assist distressed urban places. Welfare reform alone will not solve urban problems. An urban policy focused upon distressed urban places will work only if it improves the situation of the disadvantaged families and individuals who live in them.

Q. What incentives does the Carter Administration plan to offer to the private sector to induce greater investment in distressed urban areas?

A. The URPG recommends that the Administration amend the Federal tax code to eliminate biases favoring

new investment over revitalization of existing plants and decentralization over compact growth.

The URPG also recommends an increase in the supply of long term capital to private sector firms through the creation of a development bank that could provide insurance, guarantees, interest subsidies, or other types of assistance.

Q. What can be done about present growth patterns?

A. Creating opportunities for increasing numbers of people to live in cities will do much to reduce sprawl. In addition, Federal and state government funding of major water and sewer and highway programs must be reassessed. How does such funding affect cities? An emphasis on conservation and on reuse of existing resources is proposed by the URPG. This will help reduce sprawl.

Q. How does this policy reduce conflicts among regions of the country?

A. The URPG decided to focus on the problems of distressed people and urban places which are found in all regions of the country. By improving the ability of the

Federal government to meet the needs of distressed people no matter where they live and to meet the needs of distressed urban places regardless of their size or location, regional disparities should become less pronounced.

Q. Does the National Urban Policy propose to stop the movement of people and jobs out of older central cities and into the suburbs or the South and West?

A. Many Americans have benefited from the moves they have made in recent years. They have improved their housing, jobs and living environments. However, there have been economic and social costs as a result of this trend, especially related to the people who have been left behind -- the poor and many minorities.

The URPG policies are directed at expanding, not restricting, the choices of all people, especially the poor and minorities. We will help older distressed cities restructure their economies and adapt to the changes they have experienced. URPG policies also will help newer cities respond to the needs of growth.

- Q. To improve the targeting of existing Federal programs, will it be necessary to take money away from communities that now are receiving it?
- A. In the last two years, the Administration has taken significant steps to increase the amount of funds which go to urban areas. The increased targeting of funds could cause a short term shift from affluent areas to distressed areas. But not all the policies require direct expenditures, and the changes in existing programs will unquestionably benefit all cities. The improved efficiency of the programs alone could negate any minor shift of funds.
- Q. Most Mayors have opposed direct neighborhood involvement in economic or community development, but the plan calls for more and greater involvement. Will there be a strategy to overcome official resistance?
- A. It is no longer true that most Mayors oppose direct neighborhood involvement in neighborhood residential and commercial revitalization. In fact they are increasingly aware that the success of revitalization activities depends on widespread neighborhood involvement.



Mayors have favored a policy of decentralized Federal control. The involvement of neighborhood organizations is consistent with decentralization.

The Urban and Regional Policy Group recommends that collaborative applications be made by Mayors and the neighborhood groups, that programs be conceived jointly, and that the Office of the Mayor be informed whenever neighborhood groups apply for direct Federal funding. Thus, the cooperative relationship between city halls and neighborhoods is strengthened rather than aggravated.

Q. What is the inflationary impact of the President's Urban Policy?

A. There is no major inflationary impact expected to result from the National Urban Policy. Actually, successful implementation of the President's policy will have a significant impact on reducing inflation. Many of the policies are aimed at increasing the productivity of people and places, especially in older distressed areas.

Many of the policies put people back to work at real jobs, an objective which, if achieved, will reduce the cycle of continued dependence on public funds.

Other policies are intended to reduce urban sprawl, and resource and energy waste. They support local efforts to spend funds more efficiently through better coordination and cost sharing.

- Q. Historically, states have shown little interest in solving urban problems. Why include them in an urban policy?
- A. The role of the state is critical in city revenue raising, boundary setting, division of responsibility, and provision of the entire range of state-local services. These are areas over which the Federal government has no responsibility or authority.
- Q. How does the President intend to encourage states to do more about urban problems? Does he plan to withdraw General Revenue Sharing funds from states that do not cooperate with his urban policy?
- A. The National Urban Policy reflects the strong input and comment of state governors, their staffs, and state legislators. The comments from states have shown us that they are willing to do their part to help solve the problems of urban areas.

The funds which will be used to encourage special state assistance will be supplemental funds in the form of incentives and will not be withdrawn from General Revenue Sharing.

Q. What will the incentives be for states to participate in this new partnership?

A. We will request several hundred million dollars of new money for the next two years, but a number of other incentives may have even greater appeal to many states. First, when a state urban strategy has been accepted as meeting national policy objectives, Federal funding decisions will be made consistent with those strategies. Second, these states will receive priority consideration for various Federal programs. Third, Federal planning and paperwork requirements will be greatly simplified for those states participating in the program.

Q. What does "partnership" really mean in this new urban policy context?

A. It means that the Federal government is prepared to take major steps to coordinate with state governments on public programs in which states have major responsibilities. This will happen if states demonstrate clear intent and performance to assist in the solution of urban problems.

Q. Will all states be involved in this Federal-state partnership?

A. Not initially. There are a few states which already are making major efforts to help their urban places. We want to give them maximum recognition and encouragement. There are a number of other states which are becoming aware of the importance of their assistance to urban places, but which have not yet moved to target their efforts more effectively. The incentives in the National Urban Policy should make it attractive for these states to move quickly.

Q. Doesn't the Federal government's proposed partnership with the states threaten the relationship that cities have with Washington?

A. No. The Administration is totally committed to maintaining and improving its assistance directly to cities. The revitalized relationship with states is to encourage them to do the things for cities which only they can do constitutionally. This will leverage additional resources to cities.

- Q. What does the urban policy recommend to overcome the fragmentation of local governments?
- A. The Urban Policy acknowledges the need to develop coordinated metropolitan strategies to address an area's urban problems. We propose policies and strategies to support metropolitan area-wide planning.

The problems of fragmentation also can be addressed in metropolitan strategies developed by the states, and by the sharing of mutual costs and administrative services.

The role of state governments is extremely important in assisting local government collaboration and encouraging unique methods to extend the capability of cities to solve their fiscal problems.

- Q. Is the Federal government going to try to control growth in suburban areas?
- A. The Federal government does not plan to control or manage growth in suburban areas. It does plan to discourage urban sprawl through energy-conservation and environmentally-sound planning. It also plans to discourage urban sprawl by increasing the attractiveness of urban residential environments.

- Q. What will the Administration's primary response be to the problem of unemployment?
- A. Several of the urban policies deal directly or indirectly with the problem of deteriorating or unstable urban economies. Strategies recommended by the URPB will provide incentives for the expansion or retention of industrial and commercial enterprises. Other initiatives address job training and mobility. The Administration already has announced a continuation of the CETA program -- with the intention of linking it directly to the private sector. Also being considered are tax incentives, a development bank, and a "soft public works" program.
- Q. Wouldn't it be more humane and efficient to focus upon helping poor people rather than distressed urban areas?
- A. The Federal government has a responsibility to help the poor. The Carter Administration has made numerous new proposals to increase Federal assistance to poor people -- most notably, its Better Jobs and Income program. But, even if every family and individual is guaranteed a minimum standard of living, distressed urban areas will continue to require assistance.

Urban areas need assistance to:

- . Maintain and refurbish aging infrastructures -- streets, highways, bridges, sewers, and storm drains;
- . Undertake community development activities that increase the attractiveness of neighborhoods and encourage housing maintenance and rehabilitation;
- . Help maintain an adequate level of services during cyclical downturns; and
- . Enter into neighborhood, city-wide, regional, and state planning efforts that anticipate future needs.

Many more needs have been identified and could be listed. Meeting these needs will improve the condition of urban places in ways that will also upgrade the lives of their disadvantaged citizens. An urban policy is necessary because people require more than welfare. They need healthful, safe, stable and attractive residential, commercial and industrial environments. They need useful jobs and ample cultural and recreational opportunities.

- Q. How does the urban policy address the question of racism and discrimination?

- A. By facing it head on. The policy recognizes racism as a major problem in the cities. By taking a strong moral stand on equal opportunity and anti-discrimination, the President will put new life in already enacted legislation. All Federal programs will be looked at in terms of how they will assist minorities and women to achieve equal opportunity.
- Q. Does the urban policy address the needs of small towns and cities?
- A. The Carter policy is responsive to communities in need no matter what their size. In addition, the Department of Housing and Urban Development has efforts underway to address specific rural development problems. This will culminate with a Small Cities Report in the Fall.
- Q. Are crime and drug abuse mentioned as problems to be addressed in the policy statement?
- Q. These are critical urban problems. Most polls show that crime is the number one concern of urban dwellers. It is essential for crime prevention to be integrally linked with urban revitalization. The Administration's proposals will be forthcoming in a major message on crime later this year.

- Q. How long will it take to fully implement the new policy?
- A. There is no single answer to this question. Some of the changes advocated by the new urban policy already are being put into effect by the Departments and agencies participating in its formulation. For example, HUD has improved the targeting of the Community Development Block Grant Program, EDA is targeting Titles I and II to cities, Treasury is advocating continuation of the countercyclical revenue sharing program, Labor is increasing targeting and reducing substitutability of key CETA Titles, DOT has announced a comprehensive new transportation policy, and HEW is proposing additional assistance for schools serving disadvantaged students.

Many more changes consistent with the national urban policy that do not require Congressional authorization can be taken immediately. Others will require thorough Congressional review and debate and will take longer.

The policy is, however, a fluid document. More and better approaches to solving urban problems can and should develop while those now proposed are being carried out. Policy implementation will be an ongoing process.