PROPOSED UP-DATE ON NEW-TOWN-IN-TOWN STUDY

Background

It is clear that the major thrust of new towns policy, at least during the next several years, will be in the area of new-towns-in-town. The policy development office has been involved in this area since it was created. Jack Underhill was Government Technical Representative on the Harvey Perloff study of New-Towns-in-Town, which was submitted in final form to the Department in 1974 and published in 1975 under the title, Center City Modernization... New Towns in Town and Beyond. In addition, in 1973, he wrote his own paper for General Manager Alberto Trevino entitled, "New Towns in Town: Their Potential and Problems." More recently, Joe Bill and John Dickie have gathered material for the prototype new communities (including two prototype new-towns-in-town) for the new legislative initiative. The staff has prepared numerous statements concerning NTITs for the budget and urban growth policy activity.

It is proposed to up-date Underhill's paper, revise it as needed and incorporate the new material so that there is a consistent and cohesive paper of publishable quality on the theory and practice of NTITs that will be useful to developers. Among the sources of data would be previous studies already done by the staff, Annual Housing Survey and Mobility studies of the Census, CPD data, the literature, and inquiries received on NTITs.

Purposes

Among the purposes of the up-dated study would be to:

a. Describe the several types of NTITs illustrated with actual projects or proposals, and assess the advantages and disadvantages of different types in different circumstances.
b. List costs and benefits of NTITs compared to other approaches to center city development and to other types of new towns.

c. Assess problems and obstacles to NTIT development, and describe various techniques which may be helpful in overcoming these obstacles. Included in the list of problems would be Federal interagency coordination and financing.

Essentially, the paper is intended to help us and our developers learn from mistakes and successes of our own and that of others. There is too little continuity in experience and we are able to offer little written technical assistance other than the Perloff book, which is now somewhat dated. We have a lot of good material but we need to put it in one place.

Methods and Sources

The following sources will be used for the study:

1. In-house data developed by John Dickie and Joe Bill for the legislative package, and modified for the US-USSR Report on Planning New Towns;

2. Review of the literature, including: the Perloff study, Center City Modernization: New Towns in Town and Beyond, the Witherspoon ULI study, Mixed Use Development; articles on developments, such as Crown Center in Kansas City; various analyses by Hugh Mields; the Real Estate Research Corporation study of Urban Renewal Land Disposition; the various analyses of Community Development Block Grants; the Urban Policy report; studies of the surplus property program; Congressional hearings and reports, Joe Bill's analysis of Fort Lincoln, the Curzan Report, etc.
3. Analysis of census data on population and job movement which have already been prepared, plus any new unanalyzed data.

4. Analysis of case studies on Title VII NTITs, Roosevelt Island and Cedar-Riverside; plus Fort Lincoln and selected other projects which may throw light on the above questions.

5. Obtaining new data from CPD, as necessary and as available, such as the still pending survey of urban renewal land.

6. Obtaining selected data from NTIT applications.

7. Making a few selected field trips, as needed or desirable.

8. Making use of selected staff support, as needed, from Joe Bill, John Dickie, or George Anderson.

9. Making an inventory of existing and proposed NTITs.

Outline

In general, the outline would follow that of the original study, along the following lines, to be adjusted as needed:

1. Background and Introduction.

2. Summary and Conclusions.


5. Title VII Experience and legislative analysis.

6. Advantages and Disadvantages of NTITs compared to:
   a. Renewal activity concentrating primarily on blighted areas.
      (including slum clearance, rehabilitation, NDP)
b. Incremental in-town development and assistance not concentrating in one location. (Much of Title I activity and the random development of the private sector.)

c. Other types of new towns.

7. Problems with NTITs and Ways to Overcome them.
   a. Finance.
   b. Coordination of Federal programs.
   c. Relation with existing population.
   d. Environment.
   e. Management.
   f. Land.
   g. Marketing.
   h. Social factors.

Hypotheses to be Tested

To ensure that there is a consistent focus to the study and that data collected serves a purpose, we have several hypotheses, some of which may be obvious but need solid documentation to ensure that the program has a firm foundation. Among these hypotheses to be proved, disapproved, or modified are the following: (sections refer to outline)

Section 3. Variations in Concept of NTITs

1. The concept of NTITs could legally include the following: modest rehabilitation as well as new construction on vacant land; sites which are not contiguous, but are functionally related in an overall plan; suburban in-fill on by-passed land in built up areas, particularly in older suburban cities, such as Arlington and Alexandria; sites as small as 20 or 30 acres (Rosslyn, Crystal City).
2. The concept of NTITs is related to the form of development (i.e., balanced large-scale development) not to the means of financing. That is, a NTIT could be funded either under urban renewal, Title VII or private auspices. The only limitation is that funding should be long-term and adequate to get the job done.

3. The essential features of a NTIT are that it has a balance of urban functions (jobs as well as housing), is planned and developed as a whole, and is in an existing built up area. Housing or commercial development alone would not qualify as a NTIT.

Section 4a. Comparisons with Blighted Area Activity

4. NTITs involving a minimum of relocation should be far less expensive and have less political opposition than projects involving major clearance and relocation.

5. Marketing for commercial, industrial and residential properties is likely to be more successful in NTITs than in projects such as NDPs which have spot clearance and rehabilitation because these areas still have a slum image. (see REIRC findings)

6. NTITs are more likely to lead to projects integrated by both race and class than neighborhood projects which retain the existing population. (It is more difficult to integrate existing neighborhoods than new neighborhoods.)

7. NTITs and urban renewal activities have different "centers of gravity": the former is aimed at urban revitalization by creating jobs and housing, the latter is aimed primarily at removal or prevention of slums.
and blight. They are complementary, not competing. (Note that some genuine NTITs have been funded under the urban renewal program as "open land projects"). (Cold Spring and Fort Lincoln).

Section 6b. Comparisons with Random or Incremental Scattered Development

8. Large-scale renewal projects and NTITs are more likely than scattered incremental development to achieve the following goals: (a) achieve race and class integration, (b) leverage private capital, (c) attract business and job creation activity, (d) provide for residential security through "defensible space," (e) provide "visibility" to development activity and create a climate of confidence in the city, (f) provide an opportunity to apply innovation.

9. Large-scale renewal projects and NTITs are more difficult to do, more risky and more likely to incur citizen opposition than smaller-scale incremental projects or neighborhood renovation.

10. Concentrated development along transportation corridors in NTITs or renewal activity is likely to be more efficient than trying to save the whole city. Many areas should be abandoned to save others (triage).

10a. On the other hand, large-scale renewal projects and NTITs are likely to be perceived as draining population, Federal assistance, and office space from the rest of the city; therefore, some scattered site incremental assistance is needed to complement long-term NTITs as part of a city-wide strategy and to gain political support.

Section 6c. Comparisons with Other Types of New Towns

11. Although NTITs and suburban new towns serve some different objectives (and many in common), the latter is likely to achieve housing and employment goals at substantially cheaper per unit costs than the former and they are easier to do.
12. NTITs and other center city development activity is likely to enjoy only incremental success in attracting substantial male blue collar employment; most employment is likely to be offices with a larger number of female blue collar jobs and male and female white collar jobs. By contrast, suburban new towns have the highest potential for male blue collar employment.

13. There is likely to be less citizen resistance to race and class integration in in-town projects than in close-in suburban new town projects.

14. The above two points would argue for a balanced strategy, continuing to experiment with both center city and smaller suburban projects.

15. Projects with suburban new town characteristics, but within the city limits (such as Ponchartrain) can help revitalize center cities and, at the same time, enjoy the marketing advantages of suburban new towns. It is the best of two possible worlds. Cities ought to consider an active policy of annexation of potential new town cities. (Note the unique Illinois law.)

Section 7. Problems with NTITs and Possible Ways to Overcome Them

7a. Finance

16. Only a limited number of NTITs will work with only guarantee financing and a modest amount of grants. Substantial financial subsidies should be needed for most projects.

17. Long-term loan guarantees or advances can play an important part in ensuring long-term continuity in a given area, therefore they are a useful supplement to year-by-year block grant activities.

18. Housing finance must be assured along with land development and acquisition financing from the beginning.
19. Larger balanced NTITs will not normally work if interest must be paid on money borrowed for substantial land acquisition.

Section 7b. Coordination of Federal Programs

20. Inability to focus Federal aids in a given area is likely to be a problem confronting a program without substantial financial aid itself.

21. Coordination of assisted housing, unassisted (but Federally guaranteed) housing, transit aid, Title I, and economic development aid are probably the key ingredients to a successful project.

22. "Jawboning" or "grant hustling," in the absence of White House direction, is unlikely to be effective in gaining such long-term and assured cooperation.

23. Consideration should be given to the French system of co-opting powerful Federal and local agencies by having them participate in a local development corporation and having a five-year budget committed in advance to the project if development goals are achieved. This may require legislation.

Section 7c. Relationship to Existing Population

24. A key threat to the NTITs is likely to be citizen opposition (Fort Lincoln, Cedar-Riverside, South Richmond, Watertown East, Yerba Buena, etc.). Effective ways must be found to co-opt and satisfy local citizens in the areas.

Section 7d. Environment

25. One of the most serious bureaucratic obstacles to development is likely to be the EIS process and, in particular, arguments over density, air pollution and noise are likely to be strong (Cedar-Riverside).

Section 7e. Management

26. Both public powers and private marketing skills are needed in NTITs; consideration should be given to public-private consortia, or a two-stage
process with a public body acquiring and developing the major land and infrastructure, then contracting with sub-developer (private) for completing and marketing by stages. (This is the French system.)

27. HUD should do a better job in recording in-town management experience to improve its technical assistance capability.

Section 7f. Land

27. A key ingredient of success in an in-town project will be to find public or private land at low cost and for which interest does not have to be paid as is the case of surplus public property (Fort Lincoln, Roosevelt Island), or cleared renewal land (Eastwick) or a private land bank where land is the developer's equity.

28. There are some indications that there are large reserves of undeveloped land in the center cities which are (a) in Federal, state or local ownership, (b) in large-scale private ownership and available for equity participation, (c) in obsolete uses such as rail yards and phased out rail rights-of-way (East St. Louis, Chicago), (d) in land reclaimed from floodplain (metro-center, Nashville). In many cases, this land is not contiguous, but could be judiciously traded to create an adequate size.

29. Landfill (Battery Park City) and airrights (Sunnyside Yards) is likely to be very expensive and workable only in cases where land prices in the city are very high and space is limited.

30. Although there have been great problems with the surplus property program in the past, we should not give up on it. It still has great potential, given Presidential determination to make it work.
Section 7g. Marketing

31. NTITs, in themselves, are not likely to reverse trends of unemployment and city decline. They are likely to affect growth only at the margin. In order to establish a "track record" for NTITs, sound economic areas should be selected first, or at least a balance of sound and depressed area projects.

32. Marketing of residential properties to middle and upper income persons is likely to be seriously impaired in many areas with heavy minority concentrations in the absence of (a) careful balance of housing by income, (b) racial quotas or "guidelines" in some areas (note UDC projects), (c) an element of screening of low income families, (d) avoidance of concentration of large very low income housing projects either within or adjacent to the NTIT (note negative example of S. W. Washington and positive example of Cedar-Riverside and Roosevelt Island).

33. The NTIT housing should be designed with "defensible space" concepts in mind (see Newman), and in sufficient size to permit self-sufficient elementary schools since the biggest marketing obstacles in the center city is likely to be: (a) high crime or perception of likely crime, (b) segregated predominantly minority schools. (Note: Roosevelt Island has avoided both of these problems.)

34. NTITs should be an "institutional anchor" (such as a University, hospital or major employment center) to provide marketing stability to the project (i.e., Cedar-Riverside, University Circle in Cleveland).

35. A great help to office marketing is to involve a co-developer or developer who controls job location (i.e., Ford Motor Company in Renaissance Center, Port Authority in World Trade Center, etc.).
36. A major push should be made to pre-commit Federal office facilities (example: GPO) and build a NTIT around that anchor.

37. The strongest market for NTITs should be "singles," divorced couples, elderly, minority families, lower and middle income persons, and small families employed downtown with pre-school children.

Section 7h. Social

38. We should undertake a research program proposed to Donna Shalala to develop techniques to reduce race and class tensions. Better guidelines are needed. We need to do a better job in recording past success and failures.

39. A strong program of tenant counseling and day-care centers should be part of the NTIT package.

40. Techniques suggested for improved marketing should also apply to improved social function in NTITs.

41. "People oriented" programs, such as compensatory education, crime control, manpower training, Headstart, treatment for drugs and alcoholism, etc., will continue to be the heart of the attack on center city problems, since these problems are primarily "people problems." However, if lower income persons and minorities continue to reside in segregated slums, these human resource programs are likely to be less effective than if residents were relocated to new environments (such as NTITs or suburban new towns) which are less socially segregated, better serviced with public facilities, nearer to available employment, and "higher status" locations. Thus, there is something to be said for Perloff's recommended strategy of "pairing" slum areas in which human resource programs are concentrated, with NTITs in sound areas to which those wishing to move, can move.
42. Where space and economics permit, lower density garden apartments, townhouses with some mid-rise should be given preference over uniform density high-rise (such as Co-op City). A diversity of housing styles should be designed for a diversity of human needs and desires.