

CHRONOLOGICAL HISTORY OF
THE NEW COMMUNITIES ACT OF 1968

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January 27, 1964

In his first Message on Housing and Community Development, President Johnson hailed what he called the "pioneering efforts of progressive and imaginative private developers in planning totally new and complete communities." At that time, he urged the federal government to "encourage and facilitate" a partnership between government and private industry in this area, and warned:

"The dramatic increase in our Nation's population... and the increasing concentration of our population around urban centers will create increased housing needs and intensified problems of community development which must be anticipated and acted upon immediately."

March 2, 1965

The President's Message on "Problems and Future of the Central City and Its Suburbs" underlined this national need:

"In the remainder of this century -- in less than 40 years -- urban population will double, city land will double, and we will have to build in our cities as much as all that we have built since the first colonist arrived on these shores. It is as if we had 40 years to rebuild the entire urban United States."

The President recommended a program of federally insured loans to finance the acquisition and development of land for entire new communities and planned subdivisions. He also recommended a program of federal loans to state land development agencies to help them finance the acquisition and development of land for privately constructed new communities.

The Housing and Urban Development Act of 1965 as passed by the Congress and signed by the President contained only the insurance program for subdivisions.

December, 1965

A report of the President's Task Force on Urban Problems which dealt with the organization of the Department, and launched the Model Cities program, also recommended to the President a New Communities program.

January 26, 1966

The President's Message transmitting Recommendations for City Demonstration Programs again recommended a program of loan insurance for private developers of new communities.

As a result of this recommendation, the Demonstration Cities and Metropolitan Development Act of 1966 included an amendment to the National Housing Act to authorize insuring the financing of new communities.

Summer, 1966

A series of contracts to study in depth the governmental, financial and institutional problems of new communities was launched by HUD, pursuant to conversations between Joseph A. Califano, Jr., Special Assistant to the President, and Charles M. Haar, Assistant Secretary for Metropolitan Development.

Spring, 1967

Meetings were held with university people and with research groups, such as RAND Corporation and General Development Corporation, as well as with interest groups of builders, developers and lenders.

August 21, 1967

A memorandum from Joseph A. Califano, Jr., Special Assistant to the President, to Charles M. Haar, Assistant Secretary for Metropolitan Development, established a Task Force on New Towns under Secretary Haar's chairmanship.

The Task Force included representatives from the White House, the Departments of Agriculture, Commerce, Treasury, the Council of Economic Advisers and the Bureau of the Budget.

The memorandum charged the Task Force with the responsibility of developing "a strong and imaginative program for consideration by the second session of the 90th Congress."

September 6, 1967

The Task Force convened its first of a series of meetings.

October 16, 1967

The Report of the Task Force on New Towns was delivered to the White House. Its recommendations included the two basic programs subsequently

adopted as Title IV of the Administration's 1968 bill, the "Housing and Urban Development Act of 1968."

- A federal guarantee of private financing for the developers of new communities.
- A program of supplementary grants to communities using existing federal grant programs for basic facilities serving new communities.

November 4, 1967

The Task Force submitted a supplementary report on five basic questions raised in an October 27 memorandum from Mr. Califano.

December, 1967

The President decided to include a New Communities Title in his overall Housing and Urban Development program for the nation.

February 26, 1968

President's Message on "Housing and Cities" (House Document No. 261, 90th Congress, 2nd Session) proposed the development of "new communities" as part of the solution to the problem of where to put the 40 million more Americans who will be living in cities in the next decade. The New Communities Act of 1968 that he proposed pointed toward government supplementing private enterprise's efforts in this field by making their involvement more advantageous through financing mechanisms.

Senator Sparkman introduced S.3029, the Administration's Housing Bill for 1968. Title IV contained the "New Communities Act of 1968."

Congressman Patman introduced H.R. 15624, the companion bill to S.3029, in the House of Representatives.

May 15, 1968

Senate Banking and Currency reported out S.3497 (Report No. 1123) to the Senate floor. The Committee generally accepted the title, making only a few modifications. Among them were: the requirement that new communities projects have a significant number of low and moderate income housing units; in place of the blanket authorization of \$5 million for FY 1969 and \$25 million for FY 1970 for supplementary grants; a section giving the General Accounting Office power to audit books of developers involved in new communities programs under the title; and a new subsection pledging the full faith and credit of the United States Government to principal and interest due under the debentures issued under the title.

May 24, 27 and 28, 1968

Senate debated and passed S.3497 with two amendments to Title IV. - the New Communities provision. The first added the requirement that new and improved technology and materials be employed where possible to reduce housing construction, maintenance and rehabilitation costs. The second cut the aggregate of outstanding principal obligations authorized for the Title from \$500 to \$250 million.

May 29, 1968

S.3497 as passed by the Senate referred to the House Committee on Banking and Currency.

June 4, 1968

Congressman Patman introduced H.R. 17651, the version of the Housing bill reported to the full committee by the Housing Subcommittee. Almost identical to the original bill with respect to Title IV, except for the addition of the requirement that a proper balance of low and moderate income housing be included for "each major stage of land development that involves residential use" in plans for new communities coming under the Title. NB

June 19, 1968

Banking and Currency Committee reported out H.R. 17989 for floor consideration, but the bill, as reported out, deleted all of Title IV.

July 9, 10 and 11, 1968

House of Representatives approved the Committee's version of the Housing bill with amendments. Like the Committee version, the bill passed by the full House did not include the New Communities Title.

July 15 - 19, 1968

Conference Committee met and agreed to a compromise version of the Housing bill. The bill reported out by the Conference included the Senate passed version of Title IV, except for a modification of the section authorizing GAO to audit transactions of developers involved in new towns.

July 25 - 26, 1968

Senate and House of Representatives agreed to Conference report on the Housing bill.

August 1, 1968

President Lyndon B. Johnson signed the Housing Act of 1968, which includes the New Communities Program provisions as Title IV.

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