

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
ADMINISTRATION

**ROUTING SLIP**

TO:	CO	R1	R2	R3	R4	R5	R6	R7	R8	R9	R10
Name and/or Symbol								Room		Building	
Vicke Longosz								10248			

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|---------------------------------------|--|--|
| <input type="checkbox"/> Action       | <input type="checkbox"/> Filing          | <input checked="" type="checkbox"/> Per Conversation |
| <input type="checkbox"/> Approval     | <input type="checkbox"/> Full Report     | <input type="checkbox"/> Recommendations             |
| <input type="checkbox"/> As Requested | <input type="checkbox"/> Handle Direct   | <input type="checkbox"/> See Me                      |
| <input type="checkbox"/> Concurrence  | <input type="checkbox"/> Initials        | <input type="checkbox"/> Signature                   |
| <input type="checkbox"/> Correction   | <input type="checkbox"/> Note and Return | <input type="checkbox"/> Your Comment                |
|                                       |  | <input type="checkbox"/> Your Information            |
- ☐ Answer or Acknowledge On or Before
- ☐ Prepare Reply for Signature of

Remarks

Re: Your request to review for context. If you have problems, let me know so correspondence can be located in clearance chain.

FROM:	CO	R1	R2	R3	R4	R5	R6	R7	R8	R9	R10
Name and/or Symbol							Room		Building		
Dick Alexander							Telephone		Date		
							56090		10/18/83		



THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, D.C. 20410

HL  
~~GM~~  
~~DA~~  
PC

Honorable John Tower  
United States Senate  
Washington, D.C. 20510

Dear Senator Tower:

Thank you for your letter of September 21, 1983 regarding those issues you wish to have the Department consider prior to termination of the Project Agreement and the Trust Agreement related to the Park Central New Community.

We have reviewed your request for assistance. The Department has given preliminary approval to the UDAG Application submitted by the City for funds to pay a portion of the costs for constructing the nursing home congregate care facility and multifamily housing complex, which are to be located in the New Community. At least 20 percent of the units in the multifamily housing complex, and 80 percent of the units in the nursing home-congregate care facility are to be made available to low and moderate income persons.

HUD has the following constraints regarding the Section 8 housing and public improvement requests:

1. Allocation of 200 Units of Section 8. A small amount of Section 8 new construction/substantial rehabilitation set-aside funds for litigation were part of the Department's Fiscal Year 1983 Appropriation. These funds were allocated by the end of the Fiscal Year, and we do not expect any funds in FY'84. The only new projects permitted under the terms of the FY'84 Appropriations Act will be a limited number available through the Section 202 Direct Loan Program for the development by nonprofit sponsors of housing for the elderly and handicapped. The Act specifically requires that the first \$1.9 billion in recaptured budget authority must be used to fund Section 202 projects, and reuse of recaptured funds from other projects, such as Park Manor, for new units other than Section 202 units, is not possible under current legislation.
2. Title I Application for \$2.5 Million. At the present time there are insufficient funds in the Secretary's Discretionary Fund to respond to the City's request for \$2.5 million to construct public improvements at the Park Central New Community. The City has been advised that their application would stand a better chance for consideration if it were resubmitted as a UDAG Application.

2.

Regarding the pending lawsuit, I wish to make clear the conditions applicable to the Department and Park Central. The case of Palomar-Montrose Coalition v. Irving Statman, et al. was filed in the United States District Court in Dallas on September 15, 1982. A voluntary association of black residents of Port Arthur, Texas seeks to enjoin the Department from continuing their support and assistance for the alleged intentionally racially segregated New Community of Park Central. For relief, the plaintiffs request funding of low income family housing projects within Park Central and elimination of what is claimed to be a 10 percent minority quota for planned expansions of Park Central. The Department has submitted a Motion for Summary Judgment in this case.

It is certainly the policy of the Department to assist in housing for low and moderate income persons in Title VII New Communities, within legal and budgetary constraints, and this policy is stated in the Project Agreement between the United States of America and New Town In Town, Inc., dated July 31, 1979. However, the Project Agreement also states that the policy shall not be construed to modify existing or future requirements applicable to housing programs administered by the Department. Also, "Any failure or inability of the Department to carry out the policies stated in this Section (3.04) shall not result in any claim or cause of action against the Department and relieve the Developer or any other party of its obligations contained in this Project Agreement or any other agreement." Thus, the Department's undertaking with respect to housing assistance in Park Central has always been qualified.

The regulations for the New Communities program set forth extensive requirements at 24 CFR Section 720.22 for the guarantee of equal opportunity in New Community projects. Pursuant to this requirement, the Project Agreement includes an Affirmative Action Program which contains detailed requirements pertaining to affirmative marketing of all Park Central properties, affirmative hiring of construction employees and the utilization of minority business enterprises. The Affirmative Marketing Plan was used by the Developer to reach minority buyers and aims at achieving minority goals, not quotas.

You can be assured of our continued cooperation in trying to assist the Park Central New Community to fulfill its obligations and goals, which relate to housing for low and moderate income persons.

Very sincerely yours,

Samuel R. Pierce, Jr.



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ROUTING AND TRANSMITTAL SLIP		Date																		
		10/3/83																		
<b>TO:</b> (Name, office symbol, room number, building, Agency/Post)	Initials	Date																		
1. Richard Alexander																				
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Coordination	Justify																			
REMARKS																				

Attached is our response to the highlighted sections of Senator Tower's letter of September 21, 1983. We request the opportunity to review the consolidated response before it goes to the Secretary.

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

<b>FROM:</b> (Name, org. symbol, Agency/Post) Vickie Longosz <i>Vickie Longosz</i>	Room No.—Bldg. 10248 Phone No. 56550
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OPTIONAL FORM 41 (Rev. 7-76)  
 Prescribed by GSA  
 FPMR (41 CFR) 101-11.206

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Your letter mentions that a lawsuit is pending against HUD regarding Park Central. The case of Palomar-Montrose Coalition v. Irving Statman, et al. was filed in the United States District Court in Dallas on September 15, 1982. A voluntary association of black residents of Port Arthur, Texas seeks to enjoin the Federal defendants (HUD, NCDC and Irving Statman, Manager of the Dallas Office) from continuing their support and assistance for the alleged intentionally racially segregated new town of Park Central. For relief, the plaintiffs request funding of low income family housing projects within Park Central and elimination of what is claimed to be a 10% minority quota for planned expansions of Park Central. The Federal defendants have submitted a Motion for Summary Judgment in the Palomar-Montrose Coalition case.

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