

Industrial and Commercial Plant Machinery
and Equipment

Public Utilities Construction

Highway and Rail Construction

Education Facilities Construction

Health Facilities Construction

Water and Sewer Construction

Conservation Projects

Management and Technical Assistance

Economic Development Planning

Underlying these expenditures must be accompanying
outlays of resources by other Federal and other agencies
for such need as:

Open Space and Park Projects

Housing Construction (with special emphasis on
Neighborhood mix)

Education and Vocational Projects

Medical Care

Child Care

Family Training and Counselling

Transportation facilities

Economic development is one aspect of this new town-
growth center development. Thus the expenditure for
these programs will be a multiple factor of the estimated
EDA expenditure for the city. The size of the multiplier
will vary greatly with the conditions in each city.

5. "The new town built on top of a pre-existent rural village--an old town with a new lease on life".

One variation or alternative for the development of new towns is represented by the revitalization of existing small towns or villages which have the capacity, desire and physical attributes to support their revival. Essentially, these would be towns in that they are "old towns with a new lease on life." Each would stem from one or more existing small towns or villages which would serve as a nucleus.

This Nation is dotted with towns. In virtually every spot where there ever was an excuse to build a town--a center of commerce, transportation, recreation, for example--a town was built. Some towns have grown and prospered; others have decayed and virtually disappeared. In almost every case, some outside force or event, either fortuitous or otherwise was the cause of the fate of the town.

From this comes two conclusions: (1) Almost every townsite in this country that makes economic sense now has some kind of town there; and (2) by developing and focusing fortuitous outside forces, towns can be made to grow, and they can follow a design and plan that leads to a better community, a better way of life for both rural and urban residents.

This new type of town or community, which might be looked upon as neither urban nor rural, would be characterized by the best attributes of both and represent a functional community that blends the economic and cultural opportunities of affluent metropolitan life with the space and beauty of the countryside. It would contribute to preservation of the countryside, and accomodate a significant part of the projected population increase of 100 million people expected within the next 35 years. It can provide an attractive alternative environment (assist in reversing the flow of population) to the larger metropolitan centers and in so doing help big cities conquer the urban improvement job.

The character of these new towns would vary from area to area, depending upon geographical location, specific needs of the area, and their relationship to the larger surrounding community. They would represent good places in which those wishing to remain there could live and make a living, and attractive places to which some metropolitan residents may wish to move.

Population-wise, they would range from a few thousand residents up to as many as 50,000 people, perhaps. They need not reach a size, population and industrial density, however, that brings traffic congestion and smog; that prices space, land and privacy beyond the reach of the ordinary inhabitant.

Problems to Which Directed

The quantity and quality of rural education, job training, health, housing, welfare assistance, industrial promotion and governmental services fall far short when compared with such activities in urban complexes.

Underemployment is widespread in rural areas. Three out of 10 rural residents cannot now conveniently commute to a city of 25,000 or more.

For years, some of the brightest minds and most venturesome spirits in rural America have been drawn to the cities. Thousands of small farmers, sharecroppers, and farm workers--the people who have supported town and small city businesses--have been leaving the countryside to seek their fortunes elsewhere. A continuation of this trend will result in a further erosion of the tax base in rural areas and leave fewer people to support the schools, roads, and other public facilities which are so essential to a thriving community.

Basically, these are the problems which command attention. But the large cities and metropolitan areas are confronted with equally acute, though somewhat different, problems resulting from the same pattern of economic growth, shifts in population, and uneven distribution of people and opportunities. A lasting solution will not be found without recognizing that the problems of metropolitan and non-metropolitan areas and the strengths and weaknesses of such are completely interrelated.

Benefits to Be Derived

With careful planning and real commitment we can revitalize the villages, towns and cities of the countryside and alleviate many of the problems of imbalance which have arisen.

This approach can serve to spread out the population provide opportunities for many to break out of the iron ring around ghettos and prevent the continuous expansion of urban sprawl now centered around most standard metropolitan statistical areas.

The less populated places have much to offer in support of new towns--space and beauty of the countryside, outdoor recreation, moderate land and building costs, power for utilities and underemployed people. Such areas can provide desirable sites for the expansion of industries and offer ideal locations for new research centers, colleges and training schools. In addition, the governmental structure of the existing towns can be used to build upon and support the new town concept as well as some existing infrastructure.

In these new or revitalized towns, housing can be developed to accomodate all income levels, community facilities can be provided to support a well-rounded community and jobs can be created that will not only hold

young people in those areas but also provide living space for others who prefer to live, work and play in or close to the great out-of-doors. New options in housing, employment and environment would be available to slum dwellers, thus reducing tensions and riot potentials.

Question No. 3

"An analysis of the capability of the States to respond to this new program and to provide impetus for it by assembling land under eminent domain authority, including any predictable problems or limitations in State authority."

The State's capability to respond to a New Community program by assembling land under the eminent domain authority is limited by the requirement that private property cannot constitutionally be taken by eminent domain except for a public use. There are no precedents defining public use to include the development of New Communities, but the urban renewal statutes allowing taking by eminent domain have been interpreted by the Supreme Court in *Berman v. Parker*¹ to give a broad definition of public use. In most states a use is presumed to be public if the legislature has declared it to be so;² the Federal rule as discussed in *Berman v. Parker* is similar.³

The urban renewal statutes have been found constitutional because their purpose, the eradication of blight and slum conditions, is a public one. In *Berman v. Parker*, the Court upheld the practice of taking private property through eminent domain to be redeveloped privately on the ground that once the public purpose has been established, the means

1. 348 U. S. 26 (1954).

2. 2 Nichols 7.4(1)

3. "Subject to specific constitutional limitations, when the legislature has spoken, the public interest has been declared in terms well-nigh conclusive. In such cases the legislature, not the judiciary, is the main guardian of the public needs to be served by social legislation... This principle admits of no exception merely because the power of eminent domain is involved. The role of the judiciary in determining whether that power is being exercised for a public purpose is an extremely narrow one."

Berman v. Parker.

of executing the project are for Congress to determine. This includes providing a balanced, integrated plan that can be developed for a region--more than simply removing blighted buildings.

The step from use of the eminent domain power in redevelopment to the use of eminent domain power in new development is not a great one, 'as long as we focus on public benefits to be derived from the project. If a court should interpret public purpose by examining the use of the land before a government taking, urban renewal's justification eliminating slum conditions is considerably different from the takings of rural land for New Community development. Urban renewal, however, does have authority to grant loans for the development of open land; the provision is intended to provide relocation facilities.

By focusing on public benefits, the problems of use of land before and after taking is consolidated into a single question of the public benefit to be derived from the project. The State Urban Renewal Model Enabling Act, Section 2, Findings and Declaration of Necessity lists the public purposes of urban renewal and the benefits to public health, safety, morals and welfare. Similarly, public purposes and benefits can be enumerated for New Communities. They might include the development of

healthy neighborhoods with a broad range of facilities provided by a sound fiscal base, efficient land use which avoids undesirable patterns of urban development and land price inflation, and a method of absorbing population growth which allows for sound design and the introduction of new technologies. Such purposes are consistent with the spirit of the Housing Act of 1949 which set as a goal "a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities..."

At the time the urban renewal program was initiated, very few states had urban renewal legislation; subsequently, all states have adopted such legislation which has been approved by state and federal courts. We expect that the enactment of state legislation to enable the assembling of land for New Communities will proceed in much the same manner. In fact, the willingness of states to respond to a program of New Community development is demonstrated by the initiative taken by several states to provide legislation. Florida's Improvement District legislation put into law the eminent domain and taxing power to establish two New Communities, Leady Creek and Bay Lake, one the new Disneyland city. In recent years, a California Governor's Commission on Metropolitan Area Problems recommended a new town program, and during the summer the New Jersey legislature held hearings on a New Community corporation act for Hackensack. West Virginia and Kentucky have New Communities, Fairdale and Midlands, and the states are

contemplating enabling legislation for New Communities. The state of New York is undertaking a two-year study of New Towns. Problems that states may face are financial limitations and statutory limitations on the length of time land that is taken for the public use can be held. Most of these limitations can be resolved, as they were for urban renewal, by the creation of development agencies and by legislation to remove statutory limitations.

Question No. 4

"A detailed analysis of the additional legislation or amended legislation which would be required to provide Federal public facilities grants directly to the private entrepreneur, and a description of the anticipated incentives for close local and county government cooperation with the private entrepreneur launching a new town in the construction of public facilities."

The program recommended by the Task Force does not propose that Federal public facilities grants be provided to a private new community developer--and we would not recommend this approach. Financing for such facilities constructed by a private developer can be obtained under our proposed system of a Federal guarantee for his cash flow debentures.

The "packaging" of grant programs will be available only to governmental units. A state land development agency would be eligible for these grants--to permit it to install the basic improvements in a state acquired new community site before disposition of parcels for private development. Because of the limitations discussed in question #2 this is unlikely to be operational until 1970 or 1971.

However, the same packaging of grants will be available as an incentive for urban and rural counties, towns, and other municipalities to assist in the development

of new communities being sponsored by non-profit or limited dividend corporations. As an added incentive, our program proposes that supplemental grants of up to 20% of project costs be added to the basic grants.

We should point out that many metropolitan planning agencies realize the benefits of developing according to a pattern featuring new communities; the inducements proposed in our program should be enough to secure cooperation. A number of existing regional plans--for Washington, Baltimore, Minneapolis-St. Paul--have suggested that kind of growth concept.

Department of Housing and Urban Development
PRICING OF PROPOSALS BY TASK FORCE ON NEW TOWNS

Revised Estimates of Fund Commitments under HUD Grant Programs
and for Moderate Income Housing Assistance

The attached tables show anticipated levels of fund commitments under existing urban grant programs administered by HUD for projects in new communities, together with an estimate of the related "supplemental grants" to be available under proposed new communities legislation, and for the proposed program of Moderate Income Housing Assistance. The estimates were developed after review of factors which control the initiation and accomplishment of New Town developments and which therefore will control the rate of participation in the programs; the effects can be seen in such estimates as those for Advance Acquisition of Land which include no commitments for F.Y. 1969 because of the need for State enabling legislation.

The estimates reflect conservative forecasts of the volume of projects able to participate in the programs during the three fiscal years; thereafter, it is anticipated, both initiation and accomplishment of New Town projects will be accelerated.

The estimates reflect certain policy and budgetary restraints, and could be readily and appreciably increased if these were modified. For example, Water and Sewer Grant estimates reflect the policy which limits the grant for any project to \$1.5 million, whereas the program statute authorizes grants of 50 percent of the total project cost. In a typical new community several times the grant of \$1.5 million would be eligible. Conservatively, it is anticipated that even relatively modest

changes, such as modification of the Water and Sewer grant-limit, would double the Federal funds needed--which would be our "liberal" budget estimates.

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