

STATEMENT OF WILLIAM NICOSON

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President Ford's Report on National Growth and Development submitted to the Congress in December 1974 concluded that "people want...more orderly, lower cost, new developments in suburban areas, and adequate, well serviced rural communities." Within a month the Administration then moved to suspend the new communities program, specifically designed to achieve those objectives, without offering an alternative or successor program.

My hope is that the Administration has not abandoned the objective of encouraging balanced development of land at community scale and that the failure to propose an alternative program is a function of the President's desire for careful study rather than disinterest.

The construction of a new program should begin with lessons from the old.

We have learned that assembly of community-scale acreage by a private developer from fragmented holdings is difficult, time-consuming and costly.

We have learned that the location of community-scale acreage available for acquisition by a private developer usually bears little or no relationship to the optimum location for purposes of regional growth policy.

We have learned that the cyclical nature of the real estate and credit markets make 20-year projections of cash flow in land development projects virtually meaningless.

If the people are to be given what President Ford says they want -- "more

orderly, lower cost, new developments" -- then Federal legislation should encourage direct public-sector participation in land assembly, site selection and risk assumption for high-quality land development projects.

Agencies of state or metropolitan government should be encouraged to assemble land at sufficient scale and in optimum location for purposes of regional policy, to undertake master planning for development of the acquired acreage, to install community-scale infrastructure, and then to dispose of the acreage in several village-scale tracts to private developers for development under the master plan in discreet 3 to 5-year subprojects.

This scenario describes a fruitful public-private development process. The public sector would contribute its powers over land. It would assure the exercise of its responsibilities over land use and the provision of public service. The private sector would find the economic hazards of land development reduced to manageable proportions with shortened periods of development.

I do not suggest that the public sector assume any functions in the land development process which the private sector has shown itself able and willing to perform. Private developers are not now undertaking community-scale projects, and those who have done so in the past, with rare exceptions, wish they had not.

I am suggesting, however, that the public sector accept new responsibilities in the land development process. And the suggestion is made at a time when many people, within and without the Administration, are striving to reduce the functions of government.

The challenge is, of course, to adjust the functions of government to current and future public needs. In some areas, the needed adjustment will be an expansion of the role of government at one level or another; while in other areas, hopefully many areas, the role of government may be reduced.

Reacting to the energy crisis, for example, the Administration proposes to expand the role of government in stimulating increased domestic production of energy. Energy is a vital ingredient of our daily lives but no more so, surely, than the settlements in which our lives are spent. Indeed energy conservation is one of the major benefits of bringing increased order to the process by which we create patterns of human settlement. Yet there seems to be little recognition of the vast waste in energy resources occasioned by the haphazard land use patterns born of traditional piecemeal development of land.

Under the new communities program, much stress has been placed on the location of housing in relation to jobs with the objective of reducing the wasteful use of energy in commuting over long distances. Densities at which new communities are planned, unlike most sprawling subdivisions, may make mass transit feasible, thus reducing further the energy consumed in daily travel. The design of pathway systems connecting residential neighborhoods with shops, schools and recreational facilities encourages residents to substitute muscle power for petroleum power in going about their daily activities.

Energy conservation is only one of the critical public objectives served by more orderly land development. Social, environmental and fiscal objectives are also served by increased project scale and land use balance. The objectives

warrant an expanded role for the public sector in the development process, carefully designed not to intrude upon functions which the private sector is able and willing to perform.

Accordingly, the Congress should authorize a program of start-up assistance for agencies at state or metropolitan levels with the necessary powers to participate in the public-private development process just described. The Congress should authorize a Federal agency to participate as the public partner in such a development process where states have failed to act.

Credit assistance for on-going operations of such agencies should also be provided. This subcommittee has considered in the past a number of proposals for Federal guarantee assistance to state or metropolitan development agencies. Section 802 of the Housing and Community Development Act of 1974 was a tiny step in the right direction. Project land assembly must be brought within the scope of Federal guarantee assistance.

With assistance for the creation and operation of state or metropolitan agencies empowered to initiate key land development projects must be joined a streamlined program of guarantee assistance for private developers of village-scale projects. Where such projects form part of a state or metropolitan-sponsored new community, much of the burdensome processing necessary for review of applications under the Title VII program could be eliminated.

Finally, the program of assistance for innovative planning in new communities should be retained from Title VII. Funds for implementation of innovations found to be feasible should be set aside by the HUD Secretary under the program of

block grants for community development.

Pending enactment of new legislation, all existing new community assistance programs should be fully activated. Failure by the executive branch to carry out the mandate of Congress in Title VII has never been adequately explained and must now be ascribed more to habit than reason. Experience has demonstrated that all of the programs of Title VII are needed to achieve the objectives of Title VII.