

**The original documents are located in Box 38, folder “Urban Development and Neighborhood Revitalization Committee (2)” of the James M. Cannon Files at the Gerald R. Ford Presidential Library.**

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FROM:

JIM CANNON

[July 1976]

SUBJECT:

President's Committee on Urban Development  
and Neighborhood Revitalization

The President's Committee, chaired by Secretary Hills, is currently developing a schedule of trips by members of the Committee (Cabinet officers and key agency personnel) to take place between August 2 and the commencement of the convention.

The trips would provide opportunities for consultation with locally elected officials and neighborhood groups on the effectiveness of current Federal programs and discussion for ways of improving them. The trips would include meetings with mayors, county officials, as well as neighborhood ethnic and minority group leaders. Some visits to neighborhoods are contemplated if appropriate advance work can be done.

The following is the list of cities currently considered with a brief discription of the pros and cons attending their selection.

- Baltimore, Maryland - has a very effective neighborhood revitalization and rehabilitated housing program.
- Boston, Massachusetts - is the site of a conference of the Urban League starting Monday, August 2, 1976. The busing issue, however, may play a large role in the conference.
- Chicago, Illinois - contains large ethnic population which are concerned with keeping their neighborhoods viable. Mayor Daley, will not likely criticize the visit of Administration members in the press.

- Hartford, Connecticut - is a progressive city with significant developments in public housing.
- Los Angeles, California - is the largest metropolitan city in the west, contains large black and spanish speaking neighborhoods. Mayor Bradley should be cooperative.
- Minneapolis - St. Paul, Minnesota - the twin cities have developed with the aid of the State of Minnesota a sweeping regional coordination plan.
- Newark, New Jersey - city contains large ethnic and black concentrations. Mayor Gibson is currently President of the U.S. Conference of Mayors.
- New Orleans, Louisiana - support of Mayor Landrieu should be exceptional.
- Norfolk, Virginia - city with outstanding community development organization and excellent citizen participation in low income housing projects.
- Oklahoma City, Oklahoma - progressive city whose leaders support Ford Administration policies.
- Portland, Oregon - same as above
- St. Louis, Missouri - large concentration of ethnic and black neighborhoods.

The above list is not final. Therefore, any suggestions you might have for cities to replace or supplement visits to the above would be appreciated. Also any suggestions you might have for groups or individuals to see during the visits to the above cities would also be useful.

*Housing Jim - file*  
THE WHITE HOUSE  
WASHINGTON

August 20, 1976

*This was  
done by  
Lyman May,  
and is for  
the record*

MEMORANDUM FOR:

JIM CONNOR

FROM:

JIM CANNON *Jim*

SUBJECT:

Summary of the Second Meeting  
of the President's Committee  
on Urban Development and  
Neighborhood Revitalization. *Jim*

The meeting was convened by the President at 11:30 a.m. on Wednesday, July 21, 1976. The following individuals were in attendance:

Secretary Carla Hills (Chairman)  
Jerry Thomas, Under Secretary, Department of the  
Treasury (for Secretary Simon)  
Henry McQuade, Deputy Administrator, LEAA, Department  
of Justice (for the Attorney General)  
William Walker, Assistant Secretary, Department of  
Agriculture (for Secretary Butz)  
Secretary Elliot L. Richardson  
Secretary W. J. Usery  
Secretary William T. Coleman  
Mitchell P. Kobelinski, Administrator, Small Business  
Administration  
Michael P. Balzano, Director, ACTION  
Samuel Martinez, Director, Community Services  
Administration  
Jim Cannon, Director, Domestic Council  
Myron Kuropas, Special Assistant for Ethnic Affairs,  
White House Office of Public Liaison (for  
Bill Baroody)  
Governor Philip Jackson, Jr., Federal Reserve  
System (by invitation)

Secretary Hills began the discussion with a summary of a review of 103 Federal programs which have an impact on urban areas and their neighborhoods. Because of the difficulty of





analyzing so many complicated programs she also suggested a set of guiding principles to assess Federal delivery of programs as follows:

1. Preference for use of block grants, with broad guidelines;
2. Preference for funding through locally-elected chief executive officers;
3. Conformance of the grant-making cycle to local budget cycles;
4. Preference for providing funds to cover 100% of costs rather than requiring matching;
5. Preference for multi-year entitlement funding;
6. Preference for enforcing Federal requirements through monitoring rather than front-end review, e.g. Davis-Bacon, environment, and equal opportunity standards; and,
7. Use of a "timeclock", or deadline for Federal action on applications, preferably with automatic approval at the end of the review period.

Secretary Hills also discussed planned trips by Committee members to urban and neighborhood areas within the next three weeks to gain first-hand knowledge regarding Federal programs that are going well and those that are ineffective. She indicated that the details of the trips would be worked out by the liaison group of the President's Committee.

Secretary Richardson asked Secretary Hills how she intended to get from her set of principles to actual program changes. She indicated that the basic thrust of the principles, as in the revenue sharing and block grant programs, is to return decision-making to locally elected officials. She argued that the principles would guide discussions with mayors, county officials, and neighborhood leaders to obtain their advice in developing program changes.

Secretary Coleman indicated he had trouble relating the set of principles to DOT programs, i.e., building a highway requires a different consensus than rebuilding a neighborhood. He also stressed the need for some degree of up-front review of programs, particularly for their equal opportunity and environmental content for the Federal Government.

Paul O'Neill indicated that he agreed with the need to develop a more extensive block grant delivery approach, stating that the Federal Government should let locally-elected officials do their jobs without endless supervision from Washington.

Other Cabinet officers and agency heads present expressed approval of the Committee's work and raised some additional concerns like the need to address neighborhood problems and not let the financial problems of cities be the sole concern. Others, like Secretary Ustry, backed Secretary Coleman's argument for continued Federal supervision of grant programs to ensure social justice.

The President expressed his support for the Committee and urged it to carry out the work before it.

THE WHITE HOUSE  
WASHINGTON

August 27, 1976

*decided*  
*Nat'l Commission*  
*on Neighborhoods*  
*Pres. Link Urban*  
*Neighborhoods*

MEMORANDUM FOR THE PRESIDENT

FROM: JIM CANNON *J.C.*

SUBJECT: Administration Position on Legislation  
Establishing a National Commission on  
Neighborhoods

Secretary Hills requests your decision on whether or not to support a proposal by Senators Proxmire and Garn, and Representative Ashley, to establish a National Commission on Neighborhoods (Tab A).

The proposed two-year Commission would, to some extent, duplicate the review of Federal programs assigned to the President's Committee on Urban Development and Neighborhood Revitalization. The proposed Commission would also look into state and local policies, programs and laws, as well as investment patterns, local zoning, tax policies and many other matters affecting neighborhood growth.

BACKGROUND

When Secretary Hills brought the legislation up in the first meeting of the President's Committee on June 21, you indicated your opposition in general to national commissions and said you saw no need for this one in particular. As a result of this stand, Secretary Hills declined testimony before the Senate.

Shortly before the Republican Convention, Lud Ashley, Chairman of the House Subcommittee on Housing and Community Development, introduced legislation identical to the Proxmire-Garn bill. Hearings have been set for September 9, 1976.



Secretary Hills spoke to you on August 13, 1976 in your office and recommended you support the Congressional proposal for these reasons:

1. It is likely to be passed at this session;
2. Opposition would be contrary to the Administration's stated concern for urban neighborhoods; and
3. The Commission would complement many of the activities of the President's Committee.

Since your meeting with Secretary Hills, the Republican National Convention adopted a Platform calling for an expansion of your Committee to include representatives of state and local governments and the private sector -- which the proposed legislation specifically calls for.

#### CONGRESSIONAL SITUATION

Max Friedersdorf says that "neighborhood" is a motherhood issue in this election year, and the Proxmire-Garn-Ashley bill is quite likely to pass at this session of Congress. Passage will require a waiver of the budget act, but both the House and the Senate will probably do so since the amount is only \$2 million.

#### RECOMMENDATION

Secretary Hills recommends approval (Option 1). Max Friedersdorf and I concur.

Jim Lynn (holding his nose) also concurs.

\_\_\_\_\_ Option 1: Secretary Hills to support the legislation to establish a National Commission on Neighborhoods.

\_\_\_\_\_ Option 2: Secretary Hills to oppose legislation to establish a National Commission on Neighborhoods.

\_\_\_\_\_ Option 3: Secretary Hills to avoid testifying before the House Committee on the bill.

*Rile*  
cc: May



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

August 27, 1976

MEMORANDUM FOR: Honorable James M. Cannon  
Executive Director  
Domestic Council  
The White House

I am pleased to report to you on the Committee's progress to date.

Members of this Committee have visited nine cities, walked through many urban neighborhoods, and met with city officials and neighborhood group leaders to learn their perspectives on Federal programs in their communities. Committee members have traveled to Baltimore, Boston, Chicago, Cleveland, Hartford, New Orleans, Newark, Pittsburgh, and San Diego.

I hope that each member of this Committee can visit at least one city in the coming weeks. Please communicate your city preferences to Mr. Leonard A. Zax, at 755-6810. Mr. Zax will help schedule the visit, suggest an agenda for the meetings and receive your report on each visit.

We agreed at our last meeting to prepare an interim report to the President by October 1. With the assistance of our Liaison Committee and several smaller working groups, I plan to circulate a draft interim report on September 15.

I intend to schedule a meeting of the President's Committee to discuss the draft interim report and other Committee work during the week of September 20.

*Carla Hills*  
Carla A. Hills

*Carla -  
Pls Thank  
Carter - and  
my I look  
fwd to  
reading*



U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		ITEM TO BE PICKED UP	
REQUEST FOR SPECIAL SERVICE			
INSTRUCTIONS: Indicate sequence of action by inserting a "1" in appropriate box below to show which action is first and "2" for that which follows.			
DELIVER TO <input type="checkbox"/>		PICK UP FROM <input type="checkbox"/>	
NAME Hon. James.M. Cannon		NAME	
LOCATION Exec. Director		LOCATION	
Domestic Council - The		White House	
REC'D REQ'D BY	NAME Wm. C. Kelly, Jr.	DATE 8/30/76	
	NAME	DATE-TIME 12 30	
TRIP NO 30.		COURIER WOOD	
YELLOW To be signed and returned to Courier		WHITE For receiving unit	PINK Pending copy for Office Services
HUD-33 (12-67) Previous editions may be used			

THE WHITE HOUSE  
WASHINGTON

August 27, 1976

*indexed  
extra file copy (one is  
in chron.)*

*Housing*

MEMORANDUM FOR THE PRESIDENT

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Administration Position on Legislation  
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94TH CONGRESS  
2D SESSION

**S. 3554**

[Report No. 94-1052]

IN THE SENATE OF THE UNITED STATES

JUNE 11 (legislative day, JUNE 3), 1976

Mr. PROXMIRE (for himself and Mr. GARN) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing and Urban Affairs

JULY 28, 1976

Reported by Mr. PROXMIRE, without amendment

# A BILL

To establish a National Commission on Neighborhoods.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 SHORT TITLE

4       SECTION 1. This Act may be cited as the “National  
5   Neighborhood Policy Act”.

## 6 FINDINGS AND PURPOSE

7 SEC. 2. (a) The Congress finds and declares that exist-  
8 ing city neighborhoods are a national resource to be con-  
9 served and revitalized wherever possible, and that public  
10 policy should promote that objective.

11 (b) The Congress further finds that the tendency of

THE WHITE HOUSE  
WASHINGTON

August 31, 1976

ADMINISTRATIVELY ~~CONFIDENTIAL~~

MEMORANDUM FOR: JIM CANNON

FROM: JIM CONNOR *JEC*

SUBJECT: Administration Position on Legislation  
Establishing a National Commission on  
Neighborhoods

Confirming telephone call to your office earlier today, the President reviewed your memorandum of August 27 and approved the following option:

Option 1 - Secretary Hills to support the legislation  
to establish a National Commission on  
Neighborhoods.

Please follow-up with appropriate action.

cc: Dick Cheney

Drafts

THE WHITE HOUSE  
WASHINGTON

August 27, 1976

MEMORANDUM FOR THE PRESIDENT

FROM: JIM CANNON

SUBJECT: Administration Position on Legislation  
Establishing a National Commission on  
Neighborhoods

*state and local policies, programs and laws, as well as*  
Secretary Hills requests your decision on whether or not to support a proposal by Senators Proxmire and Garn, and Representative Ashley, to establish a National Commission on Neighborhoods (Tab A). The proposed two-year Commission would to some extent duplicate the review of Federal programs assigned to the President's Committee on Urban Development and Neighborhood Revitalization. The proposed Commission would also look into investment patterns, local zoning, tax policies and many other matters affecting neighborhood growth.

Background

When Secretary Hills brought the legislation up in the first meeting of the President's Committee on June 21, you indicated your opposition in general to national commissions and said you saw no need for this one in particular. As a result of this stand, Secretary Hills declined testimony before the Senate.

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Secretary Hills spoke to you on August 13, 1976 in your office and recommended you support the Congressional proposal for these reasons:

1. It is likely to be passed *without opposition* at this session;
2. Opposition would be contrary to the Administration's stated concern for urban neighborhoods; and



3. The Commission would comple<sup>e</sup>ment many of the activities of the President's Committee.

Since your meeting with Secretary Hills, the Republican Platform calls for an expansion of your Committee to include representatives of state and local governments and the private sector -- which the proposed legislation specifically calls for.

RECOMMENDATION

Secretary Hills recommends approval.

- /\_\_\_/ Option 1: Support the legislation to establish a National Commission on Neighborhoods.
- /\_\_\_/ Option 2: Oppose legislation to establish a National Commission on Neighborhoods.



Calendar No. 988

94TH CONGRESS  
2D SESSION

**S. 3554**

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5       Neighborhood Policy Act".

6                               FINDINGS AND PURPOSE

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8       ing city neighborhoods are a national resource to be con-  
9       served and revitalized wherever possible, and that public  
10      policy should promote that objective.

11      (b) The Congress further finds that the tendency of



1 public policy incentives to ignore the need to preserve the  
2 built environment can no longer be defended, either eco-  
3 nomically or socially, and must be replaced with explicit  
4 policy incentives encouraging conservation of existing neigh-  
5 borhoods. That objective will require a comprehensive review  
6 of existing laws, policies, and programs which affect neigh-  
7 borhoods, to assess their impact on neighborhoods, and to  
8 recommend modifications where necessary.

9 ESTABLISHMENT OF COMMISSION

10 SEC. 3. (a) There is hereby established a commission  
11 to be known as the National Commission on Neighborhoods  
12 (hereinafter referred to as the "Commission").

13 (b) The Commission shall be composed of twenty mem-  
14 bers, to be appointed as follows:

15 (1) two Members of the Senate appointed by the  
16 President of the Senate;

17 (2) two Members of the House of Representatives  
18 appointed by the Speaker of the House of Representa-  
19 tives; and

20 (3) sixteen public members appointed by the  
21 President of the United States from among persons spe-  
22 cially qualified by experience and training to perform the  
23 duties of the Commission, at least five of whom shall be  
24 elected officers of recognized neighborhood organiza-  
25 tions engaged in development and revitalization pro-





1       grams, and at least five of whom shall be elected or ap-  
2       pointed officials of local governments involved in preser-  
3       vation programs. The remaining members shall be drawn  
4       from outstanding individuals with demonstrated experi-  
5       ence in neighborhood revitalization activities, from such  
6       fields as finance, business, philanthropic, civic, and edu-  
7       cational organizations.

8       The individuals appointed by the President of the United  
9       States shall be selected so as to provide representation to a  
10      broad cross section of racial, ethnic, and geographic groups.  
11      The two members appointed pursuant to clause (1) may not  
12      be members of the same political party, nor may the two  
13      members appointed pursuant to clause (2) be members of  
14      the same political party. Not more than eight of the members  
15      appointed pursuant to clause (3) may be members of the  
16      same political party.

17       (c) The Chairman shall be appointed by the President,  
18      by and with the advice and consent of the Senate, from  
19      among the public members.

20       (d) The executive director shall be appointed by the  
21      President, by and with the advice and consent of the Senate,  
22      from among individuals recommended by the Commission.

23

#### DUTIES

24       SEC. 4. (a) The Commission shall undertake a compre-  
25      hensive study and investigation of the factors contributing



1 to the decline of city neighborhoods and of the factors neces-  
2 sary to neighborhood survival and revitalization. Such study  
3 and investigation shall include, but not be limited to—

4 (1) an analysis of the impact of existing Federal,  
5 State, and local policies, programs, and laws on neigh-  
6 borhood survival and revitalization;

7 (2) an identification of the administrative, legal,  
8 and fiscal obstacles to the well-being of neighborhoods;

9 (3) an analysis of the patterns and trends of public  
10 and private investment in urban areas and the impact  
11 of such patterns and trends on the decline or revitaliza-  
12 tion of neighborhoods;

13 (4) an assessment of the existing mechanisms of  
14 neighborhood governance and of the influence exercised  
15 by neighborhoods on local government;

16 (5) an analysis of the impact of poverty and racial  
17 conflict on neighborhoods;

18 (6) an assessment of local and regional develop-  
19 ment plans and their impact on neighborhoods; and

20 (7) an evaluation of existing citizen-initiated neigh-  
21 borhood revitalization efforts and a determination of how  
22 public policy can best support such efforts.

23 (b) The Commission shall make recommendations for  
24 modifications in Federal, State, and local laws, policies, and  
25 programs necessary to facilitate neighborhood preservation





1 and revitalization. Such recommendations shall include, but  
2 not be limited to—

3 (1) new mechanisms to promote reinvestment in  
4 existing city neighborhoods;

5 (2) more effective means of community participa-  
6 tion in local governance;

7 (3) policies to encourage the survival of eco-  
8 nomically and socially diverse neighborhoods;

9 (4) policies to prevent such destructive practices  
10 as blockbusting, redlining, resegregation, speculation  
11 in reviving neighborhoods, and to promote homeowner-  
12 ship in urban communities;

13 (5) policies to encourage better maintenance and  
14 management of existing rental housing;

15 (6) policies to make maintenance and rehabilita-  
16 tion of existing structures at least as attractive from a  
17 tax viewpoint as demolition and development of new  
18 structures;

19 (7) modification in local zoning and tax policies  
20 to facilitate preservation and revitalization of existing  
21 neighborhoods; and

22 (8) reorientation of existing housing and commu-  
23 nity development programs and other tax and subsidy  
24 policies that affect neighborhoods, to better support  
25 neighborhood preservation efforts.



1       (c) Within two years after the date on which funds  
2 first become available to carry out this Act, the Commission  
3 shall submit to the Congress and the President a compre-  
4 hensive report on its study and investigation under this sub-  
5 section which shall include its findings, conclusions, and  
6 recommendations and such proposals for legislation and  
7 administrative action as may be necessary to carry out its  
8 recommendations.

9                               COMPENSATION OF MEMBERS

10       SEC. 5. (a) Members of the Commission who are Mem-  
11 bers of Congress or full-time officers or employees of the  
12 United States shall serve without additional compensation,  
13 but shall be reimbursed for travel, subsistence, and other  
14 necessary expenses incurred in the performance of the duties  
15 vested in the Commission.

16       (b) Members of the Commission, other than those re-  
17 ferred to in subsection (a), shall receive compensation at  
18 the rate of \$100 per day for each day they are engaged in  
19 the actual performance of the duties vested in the Commis-  
20 sion and shall be entitled to reimbursement for travel, sub-  
21 sistence, and other necessary expenses incurred in the per-  
22 formance of such duties.

23                               ADMINISTRATIVE PROVISIONS

24       SEC. 6. (a) The Commission shall have the power to  
25 appoint and fix the compensation of such personnel as it



1 deems advisable, without regard to the provisions of title 5,  
2 United States Code; governing appointments in the competi-  
3 tive service, and the provisions of chapter 51 and subchapter  
4 III of chapter 53 of such title, relating to classification and  
5 General Schedule pay rates, but at rates not in excess of a  
6 maximum rate for GS-18 of the General Schedule under  
7 section 5332 of such title.

8 (b) The Commission may procure, in accordance with  
9 the provisions of section 3109 of title 5, United States Code,  
10 the temporary or intermittent services of experts or con-  
11 sultants. Persons so employed shall receive compensation  
12 at a rate to be fixed by the Commission but not in excess of  
13 \$100 per day, including traveltime. While away from his  
14 or her home or regular place of business in the performance  
15 of services for the Commission, any such person may be al-  
16 lowed travel expenses, including per diem in lieu of sub-  
17 sistence, as authorized by section 5703 (b) of title 5, United  
18 States Code, for persons in the Government service employed  
19 intermittently.

20 (c) Each department, agency, and instrumentality of  
21 the United States is authorized and directed to furnish to the  
22 Commission, upon request made by the Chairman or Vice  
23 Chairman, on a reimbursable basis or otherwise, such sta-  
24 tistical data, reports, and other information as the Commis-  
25 sion deems necessary to carry out its functions under this



1 Act. The Chairman is further authorized to call upon the  
2 departments, agencies, and other offices of the several States  
3 to furnish, on a reimbursable basis or otherwise, such statis-  
4 tical data, reports, and other information as the Commis-  
5 sion deems necessary to carry out its functions under this  
6 title.

7 (d) The Commission may award contracts and grants  
8 for the purposes of evaluating existing neighborhood revitali-  
9 zation programs and the impact of existing laws on neighbor-  
10 hoods. Awards under this section may be made to—

11 (1) representatives of legally chartered neighbor-  
12 hood organizations;

13 (2) public interest organizations which have a  
14 demonstrated capability in the area of concern;

15 (3) universities and other not-for-profit educational  
16 organizations.

17 (e) The Commission or, on the authorization of the  
18 Commission, any subcommittee or member thereof, may,  
19 for the purpose of carrying out the provisions of this Act;  
20 hold hearings, take testimony, and administer oaths or af-  
21 firmations to witnesses appearing before the Commission or  
22 any subcommittee or member thereof. Hearings by the Com-  
23 mission will be held in neighborhoods with testimony re-  
24 ceived from citizen leaders and public officials who are en-  
25 gaged in neighborhood revitalization programs.



## 1            AUTHORIZATION OF APPROPRIATIONS

2        SEC. 7. There are authorized to be appropriated not to  
3 exceed \$2,000,000 to carry out this title.

## 4            EXPIRATION OF THE COMMISSION

5        SEC. 8. The Commission shall cease to exist thirty days  
6 after the submission of its report under section 4.





THE WHITE HOUSE

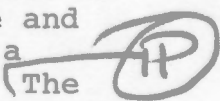
WASHINGTON

August 27, 1976

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Secretary Hills spoke to you on August 13, 1976 in your office and recommended you support the Congressional proposal for these reasons:

1. It is likely to be passed at this session;
2. Opposition would be contrary to the Administration's stated concern for urban neighborhoods; and

neighborhood  
Motherhood issue

not fundraising

some heavy  
Sept 9

quite likely it will  
pass - with equal chance  
of Budget Act -  
But probably -  
only  
BL up

State and  
local policy  
programs and  
laws as well  
as

(IP)

GERALD R. FORD  
LIBRARY

*focus is too narrow*

3. The Commission would complement many of the activities of the President's Committee.

Since your meeting with Secretary Hills, the Republican Platform calls for an expansion of your Committee to include representatives of state and local governments and the private sector -- which the proposed legislation specifically calls for.

RECOMMENDATION

Secretary Hills recommends approval.

- Secretary Hills to*  
/ / Option 1: Support the legislation to establish a National Commission on Neighborhoods.  
*Secretary Hills to*  
/ / Option 2: Oppose legislation to establish a National Commission on Neighborhoods.

*Secretary Hills to*  
option 3: *Arrive at a fix on the bill.*

*option 4: Secretary*

*gnub*

*Max*

*Donor Council.*

*support of Bill Straker  
Democrat  
for structure.*

*app level of responsibility,  
examine of region -*

*Max - will it pass / Broder  
Chatter*





3. The Commission would complement<sup>re</sup> many of the activities of the President's Committee.

*national  
convention*

*adopted*

Since your meeting with Secretary Hills, the Republican Platform calling for an expansion of your Committee to include representatives of state and local governments and the private sector -- which the proposed legislation specifically calls for.

#### RECOMMENDATION

Secretary Hills recommends approval.

*max Friedlander also I  
concur.*

/    / Option 1: *Secretary Hills to* Support the legislation to establish a National Commission on Neighborhoods.

/    / Option 2: *Secretary Hills to* Oppose legislation to establish a National Commission on Neighborhoods.

*Option 3.*

*Congressional Situation*



*Anti draft*

THE WHITE HOUSE  
WASHINGTON

August 26, 1976

MEMORANDUM FOR: THE PRESIDENT

FROM: JIM CANNON

SUBJECT: Administration Position on Legislation  
Establishing a National Commission on  
Neighborhoods

Secretary Hills requests your decision on whether or not to support a proposal by Senators Proxmire and Garn establishing a National Commission on Neighborhoods (Tab A). The two-year Commission would in effect duplicate the review of Federal programs affecting neighborhoods assigned to the President's Commission on Urban Development and Neighborhood Revitalization as well as delve into investment patterns, local zoning, tax policies and many other matters affecting neighborhood growth.

Background

When Secretary Hills brought the legislation up in the first meeting of the President's Commission on June 21, you indicated your opposition in general to national commissions and said you saw no need for this one in particular. As a result of this stand, Secretary Hills declined testimony before the Senate.

Shortly before the Republican Convention, Lud Ashley, Chairman of the House Subcommittee on Housing and Community Development, introduced legislation identical to the Proxmire-Garn bill. Hearings have been set for September 9, 1976.

Secretary Hills spoke to you at the Convention about the advisability of supporting the establishment of the Commission because it would likely be passed this session, opposition would be incongruous with the Administration's stated concern for urban neighborhoods, and the Commission would complement many of the activities of the President's Committee.



Recommendation

It appears that there is better than a 50-50 chance that the Ashley hearings will spark passage in this session of the legislation in both Houses to establish a National Commission on Neighborhoods. Given the Administration's and Republican Party's advocacy of neighborhood revitalization, it would seem contradictory for your Administration to overtly oppose the Commission. I recommend, therefore, that Administration testimony should concur with the legislation's purpose, to carry out a complete review of neighborhood issues, but indicate that the President's Committee is working on many of these problems. We should also question the need for establishing a temporary bureaucracy at a cost of \$2 million to accomplish this task at a time when Federal deficit spending is at an all-time high.

Decision

\_\_\_\_\_ Support establishment of a National  
Commission.

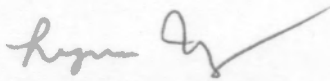
\_\_\_\_\_ Oppose establishment of a National  
Commission.

THE WHITE HOUSE

WASHINGTON

September 7, 1976

MEMORANDUM FOR: JIM CANNON

FROM: LYNN MAY 

SUBJECT: President's Committee on Urban Development  
and Neighborhood Revitalization

Steve McConahey and I met recently with Assistant Secretary Charles Orlebeke and other members of Secretary Hill's staff, who are working with the President's Committee. The purpose of the meeting was to assess the progress of the Committee's work, particularly the results of the recent visits by Cabinet officers to selected cities, and to gain some background on Secretary Hill's request for a meeting of the Committee with the President and the New Coalition.

Orlebeke indicated that while the visits did not produce any new revelations concerning urban policy, they did provide an anecdotal background for the Committee's deliberations and underlined the Administration's concerns for the difficulties many cities are in. He pointed out that Secretary Hill had requested Committee members to visit at least one additional city in the near future (Tab A).

In regard to the analytical work of the Committee, Orlebeke revealed that he planned to send Secretary Hill a preliminary report, with recommendations by September 10, 1976. We all agreed that this document should be closely held and some additional discussion would be necessary before the manner of delivery to the President was resolved.

Steve indicated that the usefulness of a meeting among the Committee, the New Coalition, and the President was dependent on the specificity of the Committee's findings and recommendations. He explained that he would be reluctant to recommend a meeting involving the President unless something substantive would be discussed. Orlebeke agreed and indicated he would discuss the meeting further with the Secretary.



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COMMENTS

It is becoming apparent that the Committee's work will likely result in recommendations for changes in Federal delivery programs, most likely in the form of more block grant programs. While this will not be immediately translatable to solutions of the rent, mortgage and services problems facing many urban dwellers, it will, coupled with support for a more comprehensive National Commission on Neighborhoods and possible signature of legislation containing counter-cyclical assistance, furnish the Administration with a modest, but positive set of actions toward resolving urban problems.

RECOMMENDATION

Steve and I recommend that you accept Secretary Hills request for a visit to a target city to meet with city officials and neighborhood leaders in the next few weeks. Secretaries Hills, Richardson, Usery, Mathews and Coleman have already gone on at least one visit. Steve recommends St. Louis.

APPROVE \_\_\_\_\_

DISAPPROVE \_\_\_\_\_

Lynn  
I just don't  
think I will have  
the time.  
Lynn







cc: May

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

August 27, 1976

MEMORANDUM FOR: Honorable James M. Cannon  
Executive Director  
Domestic Council  
The White House

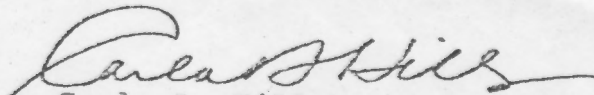
I am pleased to report to you on the Committee's progress to date.

Members of this Committee have visited nine cities, walked through many urban neighborhoods, and met with city officials and neighborhood group leaders to learn their perspectives on Federal programs in their communities. Committee members have traveled to Baltimore, Boston, Chicago, Cleveland, Hartford, New Orleans, Newark, Pittsburgh, and San Diego.

I hope that each member of this Committee can visit at least one city in the coming weeks. Please communicate your city preferences to Mr. Leonard A. Zax, at 755-6810. Mr. Zax will help schedule the visit, suggest an agenda for the meetings and receive your report on each visit.

We agreed at our last meeting to prepare an interim report to the President by October 1. With the assistance of our Liaison Committee and several smaller working groups, I plan to circulate a draft interim report on September 15.

I intend to schedule a meeting of the President's Committee to discuss the draft interim report and other Committee work during the week of September 20.

  
Carla A. Hills



THE WHITE HOUSE  
WASHINGTON

DATE: September 27, 1976

TO: JIM CANNON

FROM: JIM CAVANAUGH *JHC* *cu*

SUBJ: Bob Goldwin Memo of  
September 21, 1976

FYI x

ACTION \_\_\_\_\_



*CC: Queen*

*092809*



THE WHITE HOUSE

WASHINGTON

September 21, 1976

MEMORANDUM TO JIM CAVANAUGH

1976 SEP 28 AM 6 59

FROM: BOB GOLDWIN

*Bob*

I received a letter from Michael Novak, the Professor-Columnist-Ethnic Group Leader, offering to give us advice on proposals to strengthen the family and renew neighborhoods. A copy of the letter is attached. This memorandum is an account of the phone conversation we had today.

Novak made a number of "small, concrete proposals" which he said would be well received by those ethnic groups for whom family and neighborhood are major concerns.

1. Under the present tax law, Novak says, a working mother can deduct the cost of child care if she leaves the child with a stranger, but not if she leaves the child with a relative. But many of the white ethnics who live in ethnic neighborhoods in proximity to their relatives, entrust their children to relatives, and not to strangers. It would appeal to them if they could pay a relative, for instance a grandmother, for child care and deduct the cost just as they would if they left the child with strangers. He said that this proposal is known in some circles as a "grandmother clause."

2. Economic concerns get confused with race issues when a neighborhood is changing. Much of the tendency for home owners to move out of a changing neighborhood, selling at a loss, is interpreted as unwillingness to live near blacks, but more often it is the result of blockbusting, response to the fear that if they don't sell now the price of their property will go down and they will lose more money than they can afford. Novak proposes a mortgage insurance scheme for homes in neighborhoods that are integrating, to guarantee the investment in the home. This proposal has the support of the Polish American Congress, whose headquarters is in Chicago but they also have an office in Washington. Novak claims that it would be possible to preserve neighborhoods and that many people would stay even though blacks and other new groups moved in, but that without this kind of investment guarantee, people sell quickly because they are afraid that holding on will leave them with a greatly devalued property. This anti-blockbusting measure would be effective in preserving urban neighborhoods.

3. Redlining is a practice employed by many lending institutions of just drawing a line through certain changing neighborhoods, which means that loans are no longer available for buying or improving property. Novak proposes an anti-redlining approach which would require that lending institutions invest a certain percentage of the money in savings accounts in the neighborhoods that are the source of the funds. In most



ethnic neighborhoods, saving accounts are the principal investment, and yet in many cases the savings and loan associations that get their money from a neighborhood will refuse to make loans in that neighborhood. This new provision should be limited to urban neighborhoods as a way of preserving the neighborhood and yet promoting integration. The instability that results from blockbusting and redlining has the result that some lower income ethnic families have moved five or six times, buying and selling, and losing money each time.

4. I asked Novak how important to ethnics is the income tax deduction on home mortgage interest payments. He said that not all ethnic groups tend to be home owners—for instance, Irish Catholics and Jews tend to be renters rather than home owners. But many groups are determined home owners and the income tax deduction provisions are vital to them. For many of them, who are always wage employees and never make a business investment, buying a home is their only investment and their only chance to get ahead on the basis of a capital investment. It is the most important economic decision they make in their lives, and the interest deduction is a vital element of it. I told Novak that Carter had said of such deductions that they "would be among those that I would like to do away with." He said he had not heard that but thought it would have a devastating effect on ethnic groups and, in fact, on all present and prospective home buyers. He agreed that this provision is the most effective way that the government encourages home ownership and that home ownership is the backbone of efforts to improve family life and sustain stable neighborhoods. (I enclose a memorandum on this subject that I sent to Dick on August 5 and the attachment of an editorial on the subject from the Milwaukee Journal.) Novak also said that the income tax provision is important to neighborhoods because without it people would be discouraged from buying up deteriorating property and restoring it which revives neighborhoods and improves the national stock of housing.

5. He said there is a side matter and is not sure how the link can be made, but in neighborhoods of home owners, there is a lot of youth employment for work around the homes. Blacks are not in the habit of home owning, being primarily renters, and they do not hire their own young in the same way that the young are hired to help out around the house in ethnic neighborhoods where there is a much higher level of home ownership.

Novak then turned to discussion of unemployment and said that he thought the President is not sufficiently exploiting the tremendous increase in new jobs since he became President. He referred to the Wall Street Journal figures of yesterday and also the column by Jerry ter Horst which show that in the first year of the Ford Administration new jobs went up one and a half million and in the second year almost three million. He also said that the most significant figure is that the rate of unemployment for heads of households is 4.5 percent, which is low and which explains why people are not upset over the job situation. I told him that all of this was familiar to us and I think the only advice out of it is that we have not yet made enough of a point of these figures and their significance.



His last point is one that I report without fully agreeing that we ought to say anything about it. Novak says that the President should call for a study of the implications of the way government figures are kept and reported, especially the way we report the category "white." By reporting on the basis of race or color, we tend to polarize the nation; ~~and that~~ the category "white" is too broad because it fails to make ethnic and regional distinctions. For instance, when we report college attendance by white and black, we report white college attendance as 43% and black college attendance as 35%. But within those figures we see that Jews have more than 80% college attendance and East European Catholics about 20%--that is, less than blacks. West Indian blacks have a college attendance figure that is higher than most white groups except, perhaps, Jews. What would happen, Novak asks, if unemployment figures and income figures were broken down in the same way? He said that in Thomas Sowell's book, Race and Economics, there is a chart of per capita income by ethnic groups. Out of 138 groups, the top ten include Chinese, Japanese, Korean, West Indian blacks, Lebanese, Jews, and Greeks. This analysis makes it possible to deny that America discriminates economically on the basis of color or national origin.



September 17, 1976

Karen

Dr. Robert Goldwin  
Special Consultant to the President  
The White House  
170 Old Executive Office  
Washington D.C. 20005

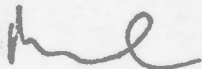
Dear Bob:

I finally found the source for the statistics on busing that I cited last year. They were reported by Gallup on September 8, 1973: only 4% of whites and 9% of blacks supported busing. I found the reference in a new book published by Cornell University Press, Disaster by Decree, by Professor Graglia of the University of Texas Law School. It is a book the White House ought to know about.

The WH  
has a copy.

If there is any help I can give you on speeches or ideas, please let me know. Although I am a life-long democrat, I am not fond of our present candidate, and I have decided to concentrate on drawing attention in both campaigns to the issues that most concern me: family and neighborhood renewal. There are a number of small, concrete proposals which the President could make, and which would add vigor and practicality to his message.

Warmest wishes,



Michael Novak

MN/RG

MICHAEL NOVAK FIVE SNUG COVE LANE BAYVILLE, N.Y. 11709 (516) 628-8325





August 5, 1976

MEMORANDUM FOR: RICHARD CHENEY

FROM: ROBERT GOLDWIN

Jimmy Carter has presented us with a beautiful issue, family life and home ownership, which I think we should exploit without delay. The affected constituency ranges from blue collar workers all the way up the income scale, everyone who owns a home or aspires to improve his family's situation.

Carter called for strengthening family life just the other day, and at the same time called for elimination of the tax deduction on mortgage interest as part of that reform. This proposal is not clear in detail, but whether it is to be a subsidy or restricted deduction, it will inevitably make it harder for middle-class (which starts pretty low) families to own their own home.

Millions and millions of parents have planned their family's lives and futures in reliance on the mortgage-interest tax deduction. The tax deduction has long been the most basic foundation of home ownership and accounts for the fact that over 60% of American families own their own homes. They count on it. They depend on it. There could be no more effective way to destroy the faith of the people in their government than to take back this basis of home ownership. It would be an outrageous betrayal.

If some evil genius were challenged to think up the single most effective blow to family life in America, he could not do worse than this scheme to cripple home ownership.

Add to this the effect on jobs in the home construction industry, and we can see that Mr. Carter's next step would have to be a massive public-jobs program for the people thrown out of work by this proposal.



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C-10

## Carter and Home Ownership

Democratic presidential nominee Jimmy Carter sometimes may look as if he is rocking the ship, Carter scrambles back on board with an alternative suggestion. Instead of mortgage

