

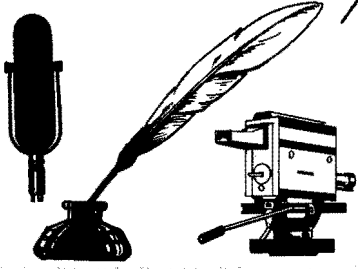
The original documents are located in Box D32, folder “Land Executives Association, Burlingame, CA, November 19, 1971” of the Ford Congressional Papers: Press Secretary and Speech File at the Gerald R. Ford Presidential Library.

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CONGRESSMAN
GERALD R. FORD
HOUSE REPUBLICAN LEADER

**NEWS
RELEASE**

--FOR RELEASE AT 12 NOON FRIDAY, P.S.T.--
November 19, 1971

Excerpts from a Speech by Rep. Gerald R. Ford before the Land Executives Association at Burlingame, Calif.

First let's take a reading on the outlook for housing legislation in the 92nd Congress.

For a variety of reasons, there will be no major housing bill this year. Of that I am quite sure.

However, major housing legislation will head the agenda of the House Banking and Currency Committee next year and the shape of it is beginning to take form.

It is too early to spell out any specifics but it now appears that the bill will include some form of urban community development special revenue sharing, consolidation and simplification of existing housing programs and law, creation of a bureau which would set standards for building construction and related activities, a counseling service to provide the home owner or renter of subsidized housing with guidance in home and household maintenance, and possibly a system of housing allowances made available directly to the home buyer in place of the present system of subsidies to builders and banks.

Since the theme of this seminar is "New Directions for City Survival," I would like to focus particularly on urban community development special revenue sharing. Now, that's a mouthful, and I'd like to tell you exactly what it is and why I and many others in the Congress believe it will be a tremendous help in solving city problems.

We now have a system of categorical grants in aid which has grown like Topsy over the years.

As Federal urban development programs have grown, local counterpart bureaucracies have popped up, many of them operating outside the control of elected local officials. This has led to a fragmentation of local effort. It has made it difficult for local governments to focus in proper priority sequence on the problems needing the most attention and money. At the same time, local efforts have become entangled in the delays and distortions that result from submitting applications for Federal aid.

What would be different about Urban Community Development Special Revenue Sharing?

(more)

In place of separate streams of Federal money for urban renewal, Model Cities, water and sewer facilities, and rehabilitation, cities would get a single grant to be used for general purpose community development.

This doesn't mean an end to urban renewal. Local officials could keep right on funding urban renewal projects with some or all of the Federal Urban Community Development money they receive. But they would do their own planning, and they would not have to run to a Federal bureaucrat for an o.k. Neither would they have to dig up so-called local matching money in order to launch a particular project. How they mix and match projects and money would be their own business except for reporting in advance how they plan to use their Federal funds and reporting at the end of the year how they spent the money.

It is expected that this new method of urban development funding would provide cities with \$2 billion in its first full year of operation.

Eighty per cent of the appropriated urban community development special revenue sharing funds would be divided among the 247 Standard Metropolitan Statistical Areas (SMSAs). The remaining 20 per cent would be distributed by a new Secretary of Community Development.

At this point I should mention that I expect the House Government Operations Committee to approve a Federal reorganization bill which will create a new Department of Community Development administering three major programs--urban and rural development, community transportation and housing --plus the Federal insurance programs.

To get back to the distribution of funds under urban community development special revenue sharing, let me assure you that no community will get any less Federal aid than they receive now under the categorical aid programs and many will get more. The formula for distributing the funds to the SMSAs and the major communities within each SMSA would take into account population, overcrowding, the condition of housing units, and the number of families with incomes under the poverty line.

Cities could use community development special revenue sharing funds to acquire, clear and renew blighted areas, to construct public works such as water and sewer facilities, to build streets and malls, to enforce building codes in deteriorating areas, to rehabilitate residential properties, to carry out Model Cities supplemental projects, to fund demolition projects, and to assist those displaced by city programs.

Local officials would decide how much to spend and on what. The bureaucrats' hold on City Hall would be broken. There would, of course, be a firm Federal ban on racial discrimination in the use of special revenue sharing funds.

I see Community Development Special Revenue Sharing as a precise and direct solution for the problems now plaguing our system of urban aid. It will give local officials badly needed flexibility in the use of Federal funds and put the responsibility for solving local problems right where it belongs, on the local office holder.



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