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Community Development

3.000 COMMUNITY DEVELOPMENT GOALS

The goal of community development is to conserve and improve the physical, economic and social conditions and opportunities an urban area affords its residents. Community development improves conditions and opportunities for all residents by supporting economic and racial integration and by eliminating and preventing physical and social blight. Community development particularly improves conditions and opportunities for low and moderate income neighborhoods.

Community development can bring about improvement through conservation of existing urban resources. Conservation demands a better use of existing physical structures, economic relationships, and human skills as a first priority consideration before pursuing investment in competitive new development outside existing urban areas.

NATIONAL URBAN POLICY

3.100 NATIONAL URBAN POLICY GOALS

In our complex national urban society, success in achieving community development goals of cities, large and small, demands a national urban policy. The Federal Executive and the Congress must act in concert in establishing a national urban policy to promote more liveable cities through coordinated programs conserving resources and building a better quality of life for Americans.

3.101 FEDERAL IMPACT ON CITIES

There is no considered national urban policy. In consequence of this lack, many inadvertent harms, conflicts and adverse biases have surfaced in national programs, producing unwanted, undesirable patterns of, or impact on, urban development. Examples of harmful federal activities or of negative biases therein include:

A. Federal housing policies, particularly FHA's role in determining the nature and location of our housing industry's investment in residential construction;

B. Federal housing policies which overemphasize construction of new housing and fail to provide financing for existing housing;

C. Transportation location and investment, particularly the federal stimulus for the location and design of federal highways and the interrelationship with mass transit, airport locations and national railway policies;

D. Federal tax policies, which through real estate tax shelters discourage the construction of long-lived properties, discourage the maintenance of inner city residential property, promote land speculation leading to excessive suburban development, and produce tax biases against renters;

E. Federal procurement and location policies which promote the development of certain regions of the nation and hamper development of other regions;

F. The lack of a national income maintenance policy which leads to a welfare system that permits one-third of the nation's people to live without adequate income to sustain a decent standard of living, and who increasingly require more social services and economic opportunities than central cities can provide; and

G. Social welfare policy which permits gross differences in social services within metropolitan areas, between states and regions, and between more and less densely populated areas.

H. Federal regulatory policies, particulary EPA policies, which may directly conflict with efforts by cities in redevelopment of core areas and downtown.

3.102 STATE URBAN POLICY

Policies and programs of state governments have produced negative biases in urban patterns. State governments must examine their programs and policies to identify and correct pressures which unintentionally impede efforts at urban conservation.

Local urban development assistance programs must have the flexibility to respond to the dynamic nature of the urban problems they were designed to help solve. Local general purpose government now combines federal assistance programs with planning, zoning and public facilities construction to accommodate, anticipate and influence physical, social and economic change. Where it does not exist, there is a need for state legislation to expand city powers to act as a developer of last resort through a municipal development corporation to provide those private facilities required to meet community development needs when economics makes it impossible for private enterprise to respond to clearly defined community needs in a timely fashion.

3.103 METROPOLITAN PLANNING AND URBAN POLICY

Regional and metropolitan associations of local governments and planning bodies can play an important role in fostering sound urban policies within their regions. Regional development planning must channel anticipated growth into existing urban and suburban areas rather than encourage increased urbanization of surrounding countryside. Review of member governments' development plans and coordination of efforts to address common problems should help channel growth pressures into reuse of city land and resources.

3.104 PRIVATE SECTOR POLICIES

Perhaps even more powerful than the negative biases of public policies and programs are the negative biases of private-sector policies which respond to public policy. Together, public and private policies constitute a tremendous negative bias against the resolution of problems which beset central cities. A sound national urban policy would eliminate such negative biases against urban conservation and instead promote the maintenance of existing urban resources.

One of the most negative lending policies is "red-lining," the practice followed by many lending institutions, both public and private, of refusing to make property loans in certain areas. To counter this anti-conservation practice, lending institutions should be required to disclose to the public where they are making property loans to be provided by census tract. Legislation should be supported which would make it unlawful for a financial institution to discriminate against a person and require that the individual merits of the applicant and the property in question be the basis for financial assistance.

3.105 CITIZEN PARTICIPATION

Involvement of citizens in the local government decision making process strengthens the process of policy forumulation and implementation.

To promote citizen participation in local government, decision making must be simplified, access to decision making must be available to citizens at moments of great impact, and the outlook and practices of local officials must reflect concern for achieving citizen involvement. Citizen participation must:

A. Enable residents to influence long range planning and specific neighborhood goals by early and continuing involvement, including opportunity to make their opinions known on the impact to programs;

B. Increase the capacity of local government to assess and respond to the needs of residents; and

C. Educate citizens in understanding issues of resource allocation and accepting necessary tradeoffs in order that a broad concensus backing urban conservation policies can develop.

3.106 URBAN AND RURAL RELATIONSHIPS

The process and consequences of continually expanding urban areas are inconsistent with the rationale and needs of urban conservation. The injury does not stop at this point; this sprawl impacts adversely - and seriously - on rural fringes, rural settlements, towns and smaller cities. Since there are beneficial relationships and mutual interests shared by urban and rural areas, the National League of Cities has an active concern and interest in the preservation of the environment and quality of life in rural areas and towns.

ECONOMIC DEVELOPMENT

3.200 ECONOMIC DEVELOPMENT GOALS

Major creative federal, state and local initiatives are needed to revitalize the complex economic fabric of the nation's cities. Such revitalization is all the more urgent and rational because of the important role cities occupy in the national economy, the obvious energy efficiency of urban centers where economic infrastructures already exist, and the concentration in cities of huge labor pools--including most of the country's unemployed.

Plagued by chronic unemployment and underemployment, the flight of economic concerns from the inner city, the degeneration of industrial and other economic facilities to less productive uses, and the resultant erosion in the municipal tax base, many cities now are unable to restore their economic health without significant policy and financial support from other governmental levels.

Many cities, having recognized the crucial role of economic development in their ability to survive, have tried to move forward with the establishment of municipal economic development agencies, the development of citywide or neighborhood-based economic development programs, and the allocation of flexible community development resources to economic development activities.

Much more needs to be done, however, before the trend of urban core disinvestment, brought about by decades of inadvertent federal policies, is reversed.

A. Local government officials must recognize the critical role of economic development policy in addressing the problem of their cities. They should assess development needs, draw up proposed development strategies, promote improved urban investor confidence and move forward especially with those programs that can be undertaken without federal or state assistance. The integration of community development, manpower, transportation and economic development planning and programming is a necessary first step.

B. State governments should provide greater flexibility for local development strategies through state enabling legislation or constitutional amendments. More sophisticated data gathering at the state level would also facilitate such strategies. Meaningful state level economic development planning, designed primarily to help communities coordinate economic development activities and provide technical assistance, should become a high priority for state government officials. Finally, the states should establish sound financial assistance programs to support local economic development planning and programs.

C. The nation's cities call on the federal government to work with them in evolving a policy and implementing a broad-based program which recognizes the special priority and persistent problems of economic development in cities, and to provide sufficient financial support to permit appreciable improvement in the status of urban economies, including the use of CD Block Grants. Such a policy and program should provide financial, technical and research support for local economic development planning and programming and should facilitate coordination at the local level of other development related federal initiatives.

HOUSING

3.300 NATIONAL HOUSING POLICIES

Access to decent, safe and sanitary housing is the right of every American citizen. But between the right and the reality lies a serious gap. National housing policy attempts to bridge the gap between the substandard housing conditions of many urban residents and the goal of a decent home and suitable living environment for every American family.

Past federal programs designed to stimulate the production of housing for Americans have clearly met with some success; census data record major improvements in our housing stock over the past twenty years. The housing circumstances of lower-income families, however, have improved significantly less than the average. The rehabilitation of existing housing, a program which offers major potential for improving the housing of lower-income families, has been relatively neglected. Insufficient attention, moreover, has been given to programs which address and arrest the causes of undue housing deterioration.

Because lack of adequate income often prevents families from maintaining their housing, community development must closely tie urban housing policy to urban economic policy. Upgrading the economic status of city residents must accompany upgrading the physical condition of residential environments. Housing policies must also insure a wide variety of housing opportunities for all races and income groups in the neighborhood or community of their choice.

National guidelines and coordination are a necessary broad framework for the housing programs of cities, prepared under provisions of the Housing and Community Development Act of 1974 and each individually shaped to fit local circumstances. However, imposition by the federal government of different housing objectives than those locally determined and justified, is contrary to efficient programming and the intent of the 1974 Act, and such unwarranted interference must not take place. Rather the federal government should make every effort to ensure that the community development and housing programs be properly coordinated to produce maximum results in line with locally established priorities.

3.301 HOUSING CONSERVATION

Conservation and better use of the existing stock of urban housing should be a top priority. Federal programs should emphasize major committment to rehabilitation, which is vigorously promoted, is adequately funded, and provides appropriate assistance to lower-income families who need it. Federal housing programs, moreover, should ensure that financing for the purchase of existing housing is readily available, particularly for eligible moderate and lower-income families. It is in the National interest that Federal programs promoting conservation, maintenance and rehabilitation of existing housing fill such gaps as the free market cannot, bearing in mind that wherever possible federal programs should endeavor to create conditions where the free market can again serve particular circumstances or needs whether in whole or in part. Federal conservation and rehabilitation programs should serve owner-occupied, rental and public housing in accordance with the needs. They should build on the successful experience of the past, have flexibility to meet different needs and circumstances and should avoid repeating mistakes.

One obstacle to neighborhood conservation and improvement is abandoned housing, which has become a significant disruptive factor in recent years. Abandoned housing in blighted and in changing neighborhoods prevents effective neighborhood preservation programs from succeeding. In many of our communities, hundreds of federally owned houses, originally financed by FHA and VA, sit vacant for periods of up to two years, discouraging investment, rehabilitation and community improvement. The federal government should work with local government to reduce drastically the period currently required to repair housing and place new tenants therein. In no case should houses be permitted to be vacant for more than 6 months. Federal policy and programs must provide local government with the means and the opportunity to prevent abandoned housing from accelerating urban blight.

3.302 HOUSING BLOCK GRANTS TO LOCAL GOVERNMENTS

Community development objectives necessitate the consolidation of the present array of federally-assisted housing programs for low and moderate income persons into a single, flexible housing block grant to units of general purpose local government. Housing block grants should support new construction on underutilized land in urban areas capable of supporting more residents without unduly increasing local concentration of low-income families. Housing block grants should also support rehabilitation of existing neighborhoods to eliminate blight. In addition, housing block grants should support such related housing activities as code enforcement, mortgage guarnatees, and neighborhood beautification that contribute to prevention of housing blight. Such federal block grants should further national urban policy objectives by being closely tied to community efforts to conserve existing resources.

3.303 SUPPORTIVE SERVICES

Bricks and mortar, by themselves, are not sufficient to upgrade the quality of urban life for city residents. Housing programs must include provisions for long-term supportive services for low and moderate income occupants and associated supportive services to create and maintain a healthy physical and social environment for occupants. Supportive services include family and home maintenance counseling, job training and placement, day care, and education.

3.304 HOUSING ALLOWANCES

Direct cash payments to low-income families coupled with rehabilitation and code enforcement programs can assist them in affording better housing. Allowances to low-income families should not be considered a final solution to the problem of low-quality housing but may offer temporary relief to families in poverty circumstances and aid to moving people to places offering better housing opportunities.

3.305 CONVENTIONAL PUBLIC HOUSING

The picture with respect to conventional public housing is mixed. Legislative amendments and new regulations of the past several years have created serious operating problems for many local housing authorities. The character of their charge has been altered somewhat and their current ability to meet the new situation is not clear. The National League of Cities calls on the Federal government, therefore, (and state governments where applicable), to re-establish flexible operating possibilities for public housing authorities through appropriate revisions of legal or regulatory provisions, with particular attention to changes which will enable housing authorities to cope better with intractable or problem families through alternative social service programs.

Because payments in lieu of property taxes seldom offset the high service costs associated with public housing for low-income families, cities tend to utilize new public housing only for elderly occupants. Should this pattern continue, an important source of housing for low-income families would dry up.

The National League of Cities is convinced that the complex housing problems of the Nation require a variety of programs and the use of available resources. The

use of scattered site public housing is preferable in many cases for non-elderly families and should typically be encouraged over traditional hi-density public housing Projects. The record of public housing authorities in the U. S. is by-and-large good. These are institutions with good experience that should be utilized and not discarded. To conserve existing public housing for families and to enable cities to build more when necessary, federal policy must change to guarantee adequate financial support for continual rehabilitation and maintenance of such housing throughout its lifetime.

3.306 ENCOURAGING BETTER HOUSING THROUGH LOCAL CODES AND ZONING

Adoption of adequate municipal housing and building codes and realistic administration of such codes will complement community development activities. State and local governments should cooperate to encourage better housing by authorizing uniform housing and building codes to help reduce housing costs and by revising zoning ordinances to permit construction of housing for a wide range of income groups.

3.307 FEDERAL TAX POLICIES AFFECTING HOUSING REHABILITATION AND MAINTENANCE

Elimination of local and federal tax barriers to private investment in urban housing as well as policies which discourage improvement of property, will encourage urban conservation. Tax abatements, tax credits, and accelerated depreciation allowances, as currently applied, often favor investments in new construction and thereby lead to disinvestment and abandonment in cities. Tax laws should be reexamined and rewritten to create incentives to invest in the maintenance and preservation of existing urban areas.

RECREATION

3.400 URBAN RECREATION AID

The deplorable lack of recreational opportunities in the nation's cities is a well-documented fact. Most city residents suffer as a result, but the primary victims are impoverished dwellers of inner city neighborhoods where high densities, a paucity of private open space, and a lack of mobility create special public responsibilities.

However, although the federal government, through the Interior Department, has distributed over a billion dollars in grants to the states for recreational land acquisition and development over the past decade, cities large and small have been almost uniformly squeezed out of full participation. The reasons for this are clear: neither the federal government nor the states have allocated or administered these limited resources in a manner that would facilitate their use in areas where most people live--the cities. Instead, most funds have been used to develop rural and suburban recreational facilities which are accessible only to middle and upper income groups and affordable only in a national economy with unlimited resources.

The Congress and the Executive branch should recognize the clear case for an increase and redistribution of federal recreation aid; restructure federal law and administrative practices to enable effective use of these funds by cities; and ensure an open, consultative and rational process in the states for recreation planning, resource allocation, program implementation and evaluation.