


AN EVALUATION OF THE FEDERAL ROLE  
IN NEW TOWN DEVELOPMENT

A THESIS

Presented to

The Faculty of the Division of Graduate  
Studies and Research

by  
John H.  Percy

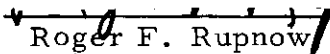
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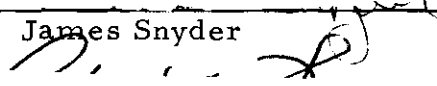
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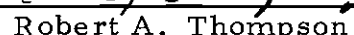
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## ABSTRACT

This thesis is based on numerous assumptions, including the following:

1. Existing cities have many complex problems facing them today.
2. New towns have the potential to help solve these problems.
3. There is a role for the federal government in realizing the potential of new towns.

The purpose of this thesis is to evaluate the role of the federal government in the development of new towns in the United States today.

The methodology used involved a review of applicable literature, and contacts with new town developers and appropriate federal officials. This was done to gather information to supply background information for this thesis in the form of evaluations of the federal role.

Findings indicate that new towns offer great potential for aiding the solution of urban problems, and the federal government has done a great deal to assist new towns. However, greater federal assistance and guidance appear to be needed to help new towns reach their full potential.

Five basic areas of need were discovered, and various steps

were recommended to meet these needs. The five areas are:

1. Administration of Federal Programs
2. Technical Assistance
3. Financial Assistance
4. Federal Guidelines for State Development Corporations
5. National Growth Policy

Recommendations in these areas point to two major roles which the federal government should play in an effective new town program.

First of all, the federal government should improve its technical and financial assistance to new towns. The federal government has already done a great deal in these areas, but improvements appear to be needed. Improved administration of programs, expanded technical assistance, and improved funding of programs are needed.

The second role of the federal government should be to set policy for the design and location of new towns so that new towns will best serve the interests of the country as a whole. To date, this role has been virtually ignored by the federal government.

## CHAPTER I

### INTRODUCTION

"Men come together in cities in order to live, but they remain together in order to live the good life." Aristotle.

"It is harder and harder to live the good life in American cities today." President Lyndon B. Johnson, May 22, 1964.

Most of us would probably agree with former President Johnson's statement quoted above. Urban problems, housing deterioration, traffic congestion, people congestion, rising crime rate, death of the cities, and the flight to the suburbs have all become common expressions in our vocabularies.

The solutions to these problems, however, are not so widely known, if they are known at all. A number of approaches have been tried, but for various reasons, none has proven to be the total answer. Some approaches were ill-conceived and some were ill-managed. Most have received bad reputations and will not likely be given another chance.

One approach to solving the growth problems of cities still seems to have a fighting chance; new towns might yet become a successful method of making the good life possible for more of the people in

our cities today.

### Purpose of New Towns

The purpose of new towns can be and has been stated in many different ways. These statements can generally be condensed to say that new towns should aid urban growth by creating a desirable community environment, including the physical, social, and economic aspects of life.<sup>1</sup>

There is not total agreement as to whether new towns can achieve this purpose without adversely affecting existing cities. Some people are afraid that new towns will serve only to increase the "flight to the suburbs" and as a result will hurt our cities even more, making their death more probable.<sup>2</sup>

This position seems tenable at first glance and may be partially correct. New towns are designed to give people a new alternative to consider in selecting a place to live, and as such they may very well draw people out of existing cities. However, the people who leave the cities will not be fleeing to the suburbs but rather to new towns. The difference between suburbs and new towns is significant. Suburbs have generally been nothing more than extensions of existing cities. As such, they have usually contained the same inadequate amount of planning as the cities from which they grew. Instead of helping the central city to solve its problems, the suburbs have, in most cases, served

only to spread the urban blight outward.

New towns can provide new and better planned centers of growth, thereby reducing the growth rate of the existing cities and suburbs. With slower rates of growth, existing cities and suburbs should be able to improve their planning significantly. This improved planning could result in solutions to urban and suburban problems.

#### Definition of New Towns

As with the purpose of new towns, definitions of new towns have been numerous. The Housing Act of 1964 defines a new town as "a locality so established and planned as to provide, on a balanced and internally cohesive basis, the housing, facilities, services and amenities suitable for appropriate living."<sup>3</sup> Architect Carl Feiss has indicated that a new town is "any completely designed and built new community in which are to be found all the elements of a complete urban settlement regardless of size."<sup>4</sup> Clarence Stein has offered a more simplified definition, stating that "new towns are towns that are planned, built, and operated to serve present day needs and conditions."<sup>5</sup>

The British New Towns Act of 1946 defines a new town as follows: "an independent, relatively self-contained, planned community of a size large enough to support a range of housing types and to provide economical opportunity within its borders for the employment of its residents."<sup>6</sup>

In his book, New Towns and Urban Policy, James Clapp provides a good summary of the many definitions of new towns. He states that there is no generally accepted definition of new towns. He further notes that the terms pre-planned, balanced, and self-sufficient are often included in these definitions. He observes that the concepts of pre-planning and balance are most generally agreed upon today, with more dispute arising over the concept of self-sufficiency.<sup>7</sup>

In his article, "New Towns or New Sprawl," Dennis O'Harrow states that a new town project must contain and support the following factors if it is to be considered self-sufficient:

- (a) a commercial center;
- (b) a reasonable range of cultural activities;
- (c) a reasonable range of recreational activities;
- (d) sufficient medical and health facilities to include a general hospital and a psychiatric clinic-hospital;
- (e) all necessary public facilities, such as schools, water, complete sewage treatment, etc.;
- (f) a range of residential facilities to accommodate all economic classes;
- (g) a range of residential types, from the free-standing house to the apartment building; and
- (h) employment opportunities for at least 90 per cent of the labor force.<sup>8</sup>

This definition however is too inflexible. For example, a small new town would not necessarily need to provide a hospital, nor would a new-town-in-town necessarily be required to supply jobs for 90 per cent of the labor force. The characteristics listed previously are desirable but not mandatory for a new town. A chart is included in Appendix A showing the projected population, the number of jobs, and the amount of acreage allotted to each type of land use for 13 of the 23 new towns studied for this thesis. Information for the remaining 10 was not available.

HUD's definition of new towns includes four types. According to Section 32.7 of Title VII of the Housing and Urban Development Act of 1970, the following types of new communities may be assisted by the federal government:

- (1) Economically balanced new communities within metropolitan areas as alternatives to urban sprawl;
- (2) Additions to existing smaller towns and cities capable of conversion to growth centers;
- (3) Major new-towns-in-town to help renew central cities, including the development of areas adjacent to central cities; and
- (4) Free-standing new towns which are economically feasible and will assist in equalizing population growth.

The Title VII definition of new towns states that "no minimum

or maximum population size, density or physical site area is prescribed for a new community," but the "size must be significant in comparison with existing development or communities in the area in which it is located." The Act also indicates that a new town does not necessarily have to be self-sufficient but must provide "the housing, public and commercial facilities and job opportunities normally associated with a city or town." The amount of diversity needed for a given project depends on the adequacy of existing facilities in the surrounding area.<sup>9</sup>

For the purposes of this thesis, a new town will be defined as a pre-planned development containing a balance of commercial, residential, industrial, and recreational land uses. This means that large residential developments, for example, which are lacking in other land uses will not be considered new towns. All four types of new towns, as defined by HUD, will be considered here. Therefore, no specific size standards will be set, as new-towns-in-town may be only 100 acres, for example, whereas free-standing new towns may exceed 25,000 acres. Also, the terms "new town" and "new community" will be used interchangeably throughout this paper. A list of new towns in the United States is presented in Appendix C.

### History of New Towns

There is evidence that towns were built for special purposes as far back as 3,000 B. C. in Egypt. Archaeologists indicated that the

town of Kahun was deliberately laid out and built to house slaves and artisans who were constructing a pyramid. The town included signs of planning such as drain channels in the center of the narrow streets. Later Egyptian towns had "greenbelts" around them.<sup>10</sup>

European new towns date back 3,000 years to when the Greeks built new towns for the purpose of colonization, commerce, and absorption of population increases in the city-states.<sup>11</sup>

Near the end of the nineteenth century, the new towns movement began to grow as a result of the problems of the English industrial cities.<sup>12</sup> Ebenezer Howard was the leader of the movement with his Garden City concept, which was designed to bring together the best elements of town and country life.<sup>13</sup> Howard actively promoted his idea through the formation of the Garden Cities Association and later in the promotion of the Garden Cities of Letchworth and Welwyn.<sup>14</sup> The impact of Howard's idea upon other nations is witnessed by the fact that by 1913 there were Garden Cities in seven other countries.<sup>15</sup>

New towns in the United States received their first publicity around 1924, when Clarence Stein began to carry out some of Howard's ideas. Although not Garden Cities in the strict sense of the word, Sunnyside Gardens, New York, and Radburn, New Jersey, were considered to represent major steps forward in the planning of cities.<sup>16</sup> Neither Howard's nor Stein's cities, however, met all of the criteria which are used here to define true new towns.

In 1935 the Resettlement Administration of the federal government planned four "greenbelt towns" in an attempt to cope with the modern city and its living environment. The designs for these cities were inspired by the Garden City idea, but they were not planned as self-contained towns. They were more like dormitory villages with their residents working in the nearby cities. Each community was surrounded by a belt of permanent open space, part of which could be farmed or gardened. A full complement of community facilities was included in each town.<sup>17</sup> One of the Greenbelt communities never got off the drawing board, and of the remaining three, only Greenbelt, Maryland, has grown significantly.<sup>18</sup> In 1954 the last Greenbelt Town was sold to private interests. The towns were a financial loss to the federal government, returning just over 50 per cent of their total cost.<sup>19</sup> The sale of the towns signifies the end of the brief direct role of the federal government in the planning and building of new towns not for specific purposes.<sup>20</sup>

New towns built for specific purposes include: Norris, Tennessee; Oak Ridge, Tennessee; Los Alamos, New Mexico; Richland, Washington; and Boulder City, Nevada. These were generally initiated to meet the needs of wartime industry and housing, strategic operations, and regional resource development.<sup>21</sup>

Park Forest, 30 miles from Chicago, was the first American new town that was started and completed during the immediate post-

World War II period. Carried out by a private developer, it showed that American private enterprise can play a role in the development of new towns. Private enterprise proved itself capable of creating novel and advanced patterns of urban living. Most importantly, belief in the economic feasibility of such development received a significant boost.<sup>22</sup> The importance and the adequacy of the role of private enterprise will be discussed in greater detail later in this chapter.

Because the British new towns are generally credited with providing the impetus for new towns in the United States, the new town experience of Great Britain will next be examined. Following this examination will be a look at the prospect for new towns in the United States.

### The British Experience

British new towns have been highly publicized. In discussions on new towns in the United States, the point is often raised: "If the British can do it, why can't we?" Perhaps the British have not been as successful as we commonly believe.

The British new towns themselves have been successful, as they have provided an improved life style for many people. However, as Frank Schaeffer states in The New Town Story, "too few and too late may well be the verdict of history on the first twenty years of work under the New Towns Act." Although new towns have been a major part

of Britain's housing policy since 1946, they presently house only about one million people. This figure represents about 2 per cent of Britain's population. Even with 27 projects designated in Britain, new towns account for only 12,000 houses a year out of an annual total of 400,000. Seven million houses have been built in Britain since World War II, but only 200,000 of these are in new towns. Schaeffer questions the overall success of the British new town program, noting that "people still live in overcrowded conditions, in slums or near slums, or lack adequate bathroom and toilet facilities."<sup>23</sup>

Still the British new towns do deserve a certain amount of attention. The first of their kind in the twentieth century, most of them were built neither for private profit nor primarily to house the urban poor but for the sophisticated social purpose of reducing the pressures of population in Britain's aged and crowded cities. They are a venture in state planning, with the state assuming the responsibility for setting the growth patterns of the country rather than allowing private developers to do so. Private financing has only recently gained in popularity. The contribution of British new towns to environmental planning and the control of sprawl is also noteworthy. They have provided space for hundreds of new industries, 350 new schools, 4-million square feet of office space, 100 new pubs, scores of churches and public buildings, and several thousands of acres of parks, playfields, and open spaces.<sup>24</sup> Optimum results have not been obtained because of designation (loca-

tion) complexities and misunderstandings, local political unwillingness, lack of government support and failure to more adequately handle the financial aspects, and the insufficient amount of existing governmental powers.<sup>25</sup> Hopefully, we can learn from both the successes and failures of the British new towns program.

### The United States Outlook

The task of handling urban growth over the next few decades is a formidable one. The New York Regional Planning Commission recently published a report which showed the possibility and probability of 11-million people being added to the New York region in the course of the next 30 years. Predictions generally show that we will add 60- to 70-million people to United States cities during the next 20 years. If these predictions are true, the equivalent of a new Toledo, Ohio, will be added each month, or a new Denver, Dallas, and Atlanta will be added every year.<sup>26</sup> Are new towns to play a role in meeting these problems?

In 1968 the federal government set a goal of "building" ten new towns a year. Today according to the Department of Housing and Urban Development, there are 31 new towns either under construction or in advanced planning stages in the United States. These projects are listed in Appendix C. These projects currently house approximately 200,000 people or about one-tenth of 1 per cent of our total national

population. This is a considerably smaller amount than that which is accommodated in Great Britain. By 1990, when the bulk of the U. S. new towns are scheduled for completion, they are projected to provide nearly 450,000 dwelling units for over 1,600,000 people. This means that new towns will then house less than 1 per cent of our current population and even a smaller percentage of the 1990 population. In terms of dwelling units, an average of approximately 18,000 units will be built each year in new towns to reach the figure of 450,000 by 1990. Total housing units constructed during the past five years have averaged 1,500,000 a year.<sup>27</sup> This means that existing new towns will supply less than 1 per cent of new housing during the next few years. These figures indicate that the United States new town effort is not as inferior to the British effort as we commonly believe. The figures also indicate that more impetus must be provided for new towns if they are to become a significant part of our urban strategy.

The effect of new towns upon urban problems will also depend of course upon whether or not they realize their full developmental projections. Their success will depend upon their ability to cope with many problem areas.

Private new towns encounter trouble for a variety of reasons. Failure is sometimes brought about by the staggering cost of paying interest on the money borrowed to buy the land. Depending upon the size and the location of the project, the initial investment could run upward

from \$10 million for land acquisition alone. Preparing a master plan, installing major utilities, and developing a marketing program all entail additional costs prior to any sales income, during which time heavy carrying charges must be met. Because of the size of new town developments, completion must be considered in terms of decades. The long-range risk and burdensome carrying costs tend to create an unfavorable impression on prospective investors.<sup>28</sup>

Optimistic promoters sometimes misjudge the potential market or fail to capture a sufficient portion of the existing market. In most cases, a combination of small problems adds up to misfortune, mostly because customers must be rounded up by the thousands to cover the huge initial costs. Lack of house sales stopped the construction of two new towns outside of Sacramento, California--El Dorado Hills and Sunset Whitney. Reston, Virginia, which is one of the pioneers in the new town field, was best known in its early years as a "debt-laden display of contemporary design." In 1967 Gulf Oil Corporation removed Reston's idealistic founder to protect the company's investment of \$15 million. Some new towns have been started by families with large tracts of land which have been handed down from one generation to the next. As a result, these projects are able to avoid some of the staggering initial costs. Other new towns are being developed directly by big businesses such as Humble Oil, Westinghouse, McCulloch Oil Company, and Kaiser Industries. These projects have the advantage of being able

to absorb losses for long periods of time.<sup>29</sup>

Even the last groups of new towns just mentioned face rather formidable problems despite their financial advantages. Being able to absorb long-term losses does not insure the success of a new town. Each new town must be built where there is a market, and each must be designed in such a way as to be marketable. This involves the coordination of social, physical, and economic aspects as well as the integration of residential, commercial, and industrial factors. Community services, utilities, and adequate transportation routes must be provided. A good working relationship must be established with the local and state governments and with the federal government if any of their programs are to be utilized.

And what if a new town is financially successful? What guarantee exists that the project is really helping to solve our urban problems?

### Purpose and Scope of Thesis

The purpose of this thesis is to evaluate the role of the federal government in the development of new towns in the United States. Certain assumptions are made to provide a basis for this thesis:

1. Existing cities, because of their rapid and rather uncontrolled growth, have complex and numerous urban problems.
2. Finding a solution to these problems is desirable.
3. The construction of new towns offers a potential solution

to these problems.

4. This potential can only be realized if new towns are developed properly and in sufficiently large number.

A 1968 goal of ten new towns a year has not been met.<sup>30</sup>

5. Both the public and private sectors have certain strengths which they can contribute to the development of new towns.
6. The optimum development of new towns can be obtained only if the public and private sectors (government and business) can work together in such a way that the capabilities of each will be appropriately utilized.
7. The federal government, as the guardian of our welfare, should be responsible for providing the framework for this public-private coalition.
8. The private sector, under our system of free enterprise, has the option of using or not using this framework.

This thesis is designed to test the hypothesis that the federal government is playing an adequate role in the development of new towns in the United States today.

### Methodology

To test this hypothesis, various sources of information were tapped. A review of literature was conducted to determine what new

town programs exist and to locate any critiques or commentaries on these programs. Information was also gathered on the theory, purposes, and problems of new towns in order to establish a basis for the assumption that a new town program should be pursued.

The literature search was also conducted to find statements regarding the attitudes of new town developers and federal officials about the role of new towns, the problems associated with the development of new towns, and the role of the federal government in meeting these problems. Developers and federal officials were also contacted by mail and by personal interview to get a firsthand account of their opinions regarding the points mentioned in the previous sentence.

### Organization of Thesis

Chapter I was used to provide the background information for establishing the basis and purpose of this thesis. Chapter II describes the evolution and the current status of federal programs that can enhance the development of new towns. Chapters III and IV discuss, respectively, the opinions of developers and federal officials about the adequacy of the federal role in new town development. Chapter V presents the author's conclusions and recommendations. Characteristics of 13 of the 23 new towns researched for this thesis are listed in Appendix A. Appendix B lists the supplementary grants used by various new towns. All new towns which were considered for study here are sum-

marized in Appendix C. A copy of the initial interview letter is presented in Appendix D.

## CHAPTER II

### FEDERAL LEGISLATION AND PROGRAMS

This chapter discusses federal legislation and programs related to new towns. The purpose of this chapter is to obtain an idea of how the federal government has reacted to the idea of new towns over the years. Both past and present legislation and programs are reviewed. Past legislative efforts are examined briefly to add some historical perspective to the analysis. Laws which are currently in effect are of course looked at to determine where we stand today.

Consideration of the legislation which relates to new towns requires the study of three different phases. First of all, a review must be made of the basic legislation which will indicate the framework which the federal government has given its various departments and agencies to work within. Secondly, a determination must be made about what specific programs have been initiated as a result of the legislation. Finally, programs must be studied to determine whether these programs can really be used or whether they exist in name only.

The bulk of this chapter will concentrate on the Urban Growth and New Community Development Act of 1970, enacted as Title VII of the Housing and Urban Development Act of 1970, Public Law 91-609.

This act, which will commonly be referred to as Title VII throughout this paper, is the most recent successful piece of legislation directed at new towns. Some attention will also be given here to the New Communities Act of 1968, which was enacted as Title IV of the Housing and Urban Development Act of 1968. Title IV was superceded by Title VII but deserves attention because it was the first federal legislation specifically passed to assist financially in the development of new communities. Because Title VII supercedes Title IV, all federally assisted projects will be referred to as Title VII new towns here. Various housing and urban development acts of the 1960's will also be reviewed to determine the federal attitude toward new towns during that era. Other programs which can be used for new towns are also reviewed.

#### Past Legislation

Significant housing legislation was passed by Congress in both 1949 and 1954 in the form of the Housing Act of 1949 and the Omnibus Housing Act of 1954. Neither of these, however, contained any mention of new towns.<sup>31</sup> The earliest pieces of legislation containing provisions for new town assistance were: the Housing Act of 1964, the Housing and Urban Development Act of 1965, the Demonstration Cities and Metropolitan Development Act of 1966, and the Housing and Urban Development Act of 1968. These four bills are discussed in this section.

### Housing Act of 1964

Basically limited to certain bare essentials, this act did little more than extend most existing housing programs into 1965. Unfortunately, Congress chose to eliminate, through lack of action, the new town portion of the bill. The proposal would have made possible FHA mortgage insurance for land development of new subdivisions and new communities. Although the new town portion was defeated, the proposal was a significant first attempt for new towns assistance.<sup>32</sup>

### Housing and Urban Development Act of 1965

This act represented the major part of the government's housing policy in 1965. The most widely publicized and controversial portion of the act had to do with rent supplements to individuals and families who could not obtain standard private housing within their own incomes. Although controversial, this portion of the original proposal weathered the storm and became law. Not as controversial as the rent supplement portion, the new communities section was also not as fortunate. Only slightly more successful than the act of 1964, the final form of the bill assisted new subdivisions but not new communities. For subdivisions, the act authorized FHA insurance of private loans for land acquisition and site development. The maximum FHA insured mortgage could cover up to 75 per cent of the estimated value of the developed land or 50 per cent of the land value before development plus 90 per cent of the site development, whichever was less.

However, the maximum mortgage for a single project was limited to \$10 million.<sup>33</sup> Eligible costs were the acquisition of the land and its improvement with water and sewer facilities, roads, streets, sidewalks, storm drainage facilities, and other similar site work. Permission was given to install either a public sewer system or an adequately regulated private one on land developed under FHA assistance.<sup>34</sup>

Specifically deleted from the 1965 act by the Housing Subcommittee of the Banking and Currency Committee of the House of Representatives was the section related to new towns. This section contained a proposal for federal loans to states for land development and subsequent sale of the developed land to private builders. The subcommittee also limited FHA land development mortgage insurance to neighborhoods and subdivisions, lowered the ceiling on the amount of mortgages that could be insured in any one project from \$25 million to \$12.5 million, and eliminated the proposal for \$500 million for a specified federal agency to purchase land development mortgages secured by new towns.<sup>35</sup>

#### Demonstration Cities and Metropolitan Development Act of 1966

The major purpose of this act was to provide new federal subsidies for a broad and coordinated attack on urban blight. In addition to the new programs, Congress also approved an old administration proposal: federal mortgage insurance to aid developers of new towns.<sup>36</sup>

In 1964 and 1965 the administration had urged support of federal

aid to new towns. In both years, however, opposition from the mayors of big cities and also urban-oriented homebuilders prevented the proposal from getting out of committee. The proposal appeared to be dead again in 1966 when the Senate Banking and Currency Committee dropped it, but a major push by President Johnson and the chairman of the House Banking and Currency Committee enabled the bill to be approved by the House. The program was eventually accepted in a modified form by a House-Senate conference. Opposition to the proposal was appeased slightly by the addition of a provision which made aid contingent upon approval by officials of adjoining localities as well as by the governor of the state in which the proposed new town is to be built. Also added were restrictions which limited the program to a six-year duration and limited to \$250 million the total amount of mortgages that could be outstanding at any one time.<sup>37</sup>

#### Housing and Urban Development Act of 1968

The Housing and Urban Development Act of 1968 was the culmination of President Johnson's efforts in housing policy. In contrast to his earlier programs, the 1968 act went through Congress with virtually no opposition.<sup>38</sup>

Title IV of the 1968 act became known as the New Communities Act of 1968. The act authorized the Secretary of the Department of Housing and Urban Development to pledge the full faith and credit of the United States to guarantee obligations issued by private developers to

finance the development of new towns. The act made such obligations legal investments of national banks and federal savings and loan associations.<sup>39</sup>

Original requests asked for a \$500 million maximum for loan guarantees for all new towns in a given year, but only \$250 million was approved. A ceiling of \$50 million was set on the guarantee of any single new development.<sup>40</sup>

Substantial fees and charges were paid by the developer to obtain these guarantees, but a net savings of about 3 to 4 per cent a year on the financing alone could be realized. Thus the federal government provided developers with the long-term financing at reasonable interest rates which they needed to help make new communities development really economically feasible.<sup>41</sup>

Another major goal of the act was the maintenance and growth of a diversified local homebuilding industry, with particular emphasis on "small builders" willing to use "to the greatest extent feasible" new technology, material, and methods in housing construction, rehabilitation, and maintenance under programs administered by HUD. This section was included in the act to encourage small developers to participate more easily in the construction of new towns.<sup>42</sup>

The act also provided additional forms of assistance to new community developers by authorizing the following:

- (1) Comprehensive planning grants for planning in areas where

rapid urbanization was expected to occur as land developed for new communities.

- (2) Public facilities loans for new communities without regard to minimum population limits otherwise applicable.
- (3) Supplemental grants to state and local public bodies and agencies as additions to federal assistance otherwise available for certain water, sewer, and open-space projects "if these projects are needed or desirable in connection with an approved New Community project which will make available a substantial number of housing units for persons of low and moderate income."<sup>43</sup>

New communities and their developers also became eligible for a wide range of other federal assistance programs similar to those for existing communities. Federal assistance for water, sewers, open space, schools, urban transit, and other facilities and for the actual development of housing for low- and moderate-income families was included.<sup>44</sup>

Although regulations to initiate the program were not formalized until April, 1970, HUD was actively discussing potential projects with developers throughout 1969. The first offer of commitment was actually made in February, 1970.<sup>45</sup>

### Present New Town Legislation

Provisions for federal assistance to new towns are presently set forth in the Urban Growth and New Communities Development Act of 1970. The act, as it relates to new towns, is discussed in this section.

#### Urban Growth and New Communities Development Act of 1970

Provisions. The act created a separate corporation called the Community Development Corporation, a subsidiary of HUD, with the purpose of administering Title VII programs.<sup>46</sup> In addition, a variety of tools were provided to aid both public and private developers with new community development. Provisions are included for guarantees of the principal, interest, and premium payments resulting from the developer's expenditures to finance land acquisition, land development, and the construction of various public and utility facilities. Guarantees for any one project are limited to \$50 million, while \$500 million total may be guaranteed for all new towns proposed in a given year. Loan guarantees to the private developer cannot exceed the sum of 80 per cent of the Secretary's estimate of the value of real property before development plus 90 per cent of the estimate of actual cost of land development. The guarantee could be 100 per cent of the estimate of the total value of real property plus cost of land development for public developers.<sup>47</sup>

The Community Development Corporation (CDC), which is re-

sponsible for all new town programs at HUD, is authorized to make loans to developers to enable them to pay the interest costs on their obligations during early years. The loans must be repaid within 15 years or as soon as financially possible, depending upon which happens first. The Secretary of the Treasury determines the interest rate for the loan by adding  $1/8$  of 1 per cent to the current yields on comparable marketable obligations of the United States. The loan program is to be used as an alternative to the guarantee program except in cases where the maximum loan guarantees are not enough to meet project needs.<sup>48</sup>

Special planning assistance grants are made available to new towns under Title VII. These grants can be used to pay up to two-thirds of the cost of various kinds of new town planning.<sup>49</sup>

Also authorized are extensive additional grants to those authorized under Title IV. Title VII funds, for example, may be used for the construction of schools. Prior to Title VII, local governmental officials often opposed new towns because state and local governments would likely end up bearing the expense of new schools for the new community.<sup>50</sup>

Public service grants are authorized to help pay any initial expenses of essential public services, comprehensive planning grants to public officials, and open-space grants to public bodies.<sup>51</sup>

Guidelines. The Department of Housing and Urban Development has set certain guidelines which proposed new town projects must fol-

low to receive Title VII assistance. Outlined in the guidelines are the financial and economic criteria, the standards for development, and the procedures to follow in submitting applications and negotiating commitments. The developer must go through four basic stages and submit four basic documents before government guaranteed debentures can be issued. These phases are:

- (1) Preapplication,
- (2) Application,
- (3) Offer of commitment, and
- (4) Commitment and agreement.

Each of these steps will now be discussed in greater detail to see what procedures a developer must follow if he hopes to obtain federal help for his new town project.<sup>52</sup>

Preapplication. The procedure formally begins with a conference in Washington between the developer and members of the New Communities staff of HUD. The conference serves to allow the staff to get an idea about the developer's interest in building a new town and whatever ideas he may have about his project. The staff can make at least a preliminary determination about the suitability of the project in relation to the criteria and purposes of Title VII. If the proposed development and its developer are judged to be adequate, a preapplication proposal will be encouraged.<sup>53</sup>

HUD provides instructions for preparing preapplication pro-

posals as well as the applications themselves. These instructions are intended to provide a uniform framework of organization of the material necessary for evaluation of a project. In general, both the preapplication proposal and the application must cover the same kinds of information as outlined in the section entitled Application, which follows. The main difference between the two is the level of detail and amount of supporting data required. Two months or more are generally needed for HUD's review of a proposal. Even if it is approved in its general form, a proposal is likely to be changed by HUD in regard to certain details. Commonly requested changes have to do with the developer's financial projections, land-use plans, housing provisions, and social objectives.<sup>54</sup>

Application. HUD officials estimate that it costs the developer of a typical project at least 1/2-million dollars merely for the independent land appraisals, engineering studies, and economic feasibility studies to satisfy the application requirement. The application requires ten basic categories of information:

- (1) Basic project data;
- (2) Description of area-wide planning and development;
- (3) Plan and phasing of plan for internal development;
- (4) Housing;
- (5) Social elements;
- (6) Equal opportunity, small builders' participation, and

- labor standards;
- (7) Project management;
- (8) Economic feasibility;
- (9) Financial plan; and
- (10) Appraisal.

Basic project data includes the size of the proposed project; location; the extent to which the land for the proposed project is controlled by the developer; the project task force personnel, including consultants; major issues and problems; general information about the location and general area; and an approximation of the size of guarantee that the developer is seeking.

The description of area-wide planning and development includes an itemization of federal, state, and local planning for the area; an analysis of the consistency of such plans with the proposed new community; effect of the new community in the area; and general discussion of community attitudes toward the proposed development.

Plan and phasing of plan for internal development includes a description of planning policies; bases for planning; anticipated land use; transportation provisions; development of public facilities, utilities, and services; design and environmental quality; and methods of planning and implementing the phasing of development.

Housing information should contain a wide range of population and income data, housing market analyses, and the housing proposed to

respond to this data, with special emphasis on the provision of adequate low- and moderate-income housing.

Social elements should cover such items as a description of educational and civic programs which are contemplated to serve the various needs of the community, including citizen participation, distribution of various types and price ranges of housing, and methods planned for general integration of the community social structure.

Equal opportunity, small builders' participation, and labor standards involves a description of measures which will insure compliance with Davis-Bacon and Equal Opportunity requirements in housing, employment, sale and lease of property, use of public and private facilities, etc., an affirmative action program. Civil rights and social justice objectives are given very strong consideration in evaluating new community proposals and applications. The participation of small builders in the development of new communities is encouraged.

Project management discusses the management team, its previous participation in HUD programs and other experiences, as well as financial, technical, legal, and personal information about principals, officers, senior associates, and principal operatives.

Economic feasibility covers general regional characteristics, demographic analyses, housing market analyses, commercial and industrial market analyses, project analyses, etc.

Financial plan requires audited, unaudited, consolidated, certified, and uncertified financial statements. Also needed are descriptions of anticipated changes in the statements, financial projections, anticipated methods of segregating Title VII funds, financial reports, cost estimates by subcategories, amount and use of guarantee commitment requested, anticipated terms of financing, etc.

Appraisal gives attention to outlining the method of appraising the value of the property before development and appraising the improved land value.<sup>55</sup>

As can be seen from this listing of required information, the application for new town development assistance is a lengthy and complex document. The developer's application may, in all likelihood, be so voluminous that it is submitted in stages. He can expect the review procedure for the complete application to take four months or more.

Federal experience has shown that developers' applications are most commonly deficient in one or more of the following areas:

- (1) financial planning and projection of anticipated costs, income, and rate of cash flow;
- (2) development of comprehensive and balanced land-use patterns to include substantial industrial and commercial uses as well as residential and recreational; and
- (3) social considerations of equal opportunity in employment and housing, particularly in the area of the development

of low- and moderate-income housing.<sup>56</sup>

Offer of Commitment. After approval of an application, an offer of commitment is made by HUD to the developer. The offer remains outstanding for 90 days and may be accepted by payment of a commitment charge by the developer to HUD. The charge amounts to 1/2 of 1 per cent of the principal amount of the commitment up to \$30 million plus 1/10 of 1 per cent of the principal amount above \$30 million up to \$50 million.

Commitment and Agreement. HUD and the developer then negotiate and enter into the "project agreement," the "trust indenture," and other related documents. This phase amounts to the writing of the contract between the developer and HUD. As was the case with the application stage of Title VII funding, volumes of documents are necessary to complete this stage. Documents cover the terms of the loan, cash and equity requirements, withdrawal of profits, and specific development, security, and operating requirements. Keeping in mind the details required in the application stage, further discussion of the details of this final stage should not be necessary to convey the point that reaching the final agreement requires a great deal of time and effort on the part of the developer in particular.<sup>57</sup>

#### Supplementary Grants

Supplementary grant programs are not solely for the use of new

towns, meaning that new towns must compete with all other existing cities and towns for these funds. Total allocations for these programs for fiscal year 1972 amounted to over \$7.2 billion. To date new towns have received 24 grants totaling nearly \$9 million, or just over 1/10 of 1 per cent of total allocations.<sup>58</sup> To become eligible for use of these grants, new towns must be certified by HUD. Certification is obtained by completing the requirements of Title VII as previously discussed. This means that a new town may use Title VII merely to receive certification for supplemental grants, foregoing the use of any Title VII loan guarantee. This has been done by two new towns to date, as indicated in Table 1 in Chapter III. A summary of the supplemental grants anticipated and received by Title VII new towns is shown in Appendix B.

#### Department of Housing and Urban Development

Community Development administers three supplementary grant programs which can provide assistance for new towns. Open Space Land Program supplies grants for the acquisition and development of open-space land or other land in urban areas for open-space uses, and for the acquisition, improvement, and restoration of districts, sites, buildings, structures, and objects having historic or architectural value.

Basic Water and Sewer Facilities makes available money for the construction of basic public water and sewer facilities, excluding

sewage treatment facilities. The project must be consistent with the comprehensive plan of the area.

Neighborhood Facilities Grants are issued for new construction or other development of structures to be used as multi-service neighborhood centers offering a wide range of community services. The project must be accessible to the area's low- or moderate-income residents.

#### Department of Agriculture

Water and Waste Disposal Systems for Rural Communities is administered by the Farmers Home Administration of the Department of Agriculture. The program makes available grants for the installation, repair, improvement, or expansion of rural water systems and rural waste-disposal systems, where "rural" indicates a current population of up to 5,500. The maximum federal share is 50 per cent of the development cost. New town projects could use this grant directly in early stages or could encourage nearby rural communities to use the grant to improve their services so as to facilitate the provision of services to the new town.

#### Department of Commerce

The Economic Development Administration administers a program known as Economic Development, Grants for Public Works and Development Facilities. The program allows for grants for public facilities such as water and sewer systems, access roads to industrial

parks or areas, port facilities, railroad sidings and spurs, public tourism facilities, vocational schools, flood control projects, and site improvements for industrial parks constructed to initiate and encourage long-term economic growth in redevelopment areas or designated economic development centers. Further supplementary grants will be provided by EDA for severely depressed areas that cannot match federal funds.

Department of Health, Education and Welfare

The Health Facilities Construction program provides formula grants for various types of health facilities for the construction of new buildings, expansion or remodeling of existing buildings, modernization of obsolete facilities, replacement of obsolete equipment, and the purchase of initial equipment for new, expanded, or modernized facilities.

The Construction of Public Libraries program makes available grants for construction of new buildings as well as additions, renovations, alterations or acquisitions of existing buildings for use as public libraries. The local matching share of the cost is proportionate to the per capita income.

The Office of Education administers the Higher Education Academic Facilities Construction program which provides formula grants for the construction or improvement of facilities of colleges, universities, and technical schools.

### Department of the Interior

The Outdoor Recreation program provides funds for the acquisition and development of virtually any type of outdoor recreation area for use by the general public. Suitable projects include bicycle paths, hiking trails, mini-parks, and snow ski areas.

### Environmental Protection Agency

Section 8 of the Federal Water Pollution Control Act provides for the Construction Grants for Wastewater Treatment Works program. Funds are used for the construction of waste treatment works, including intercepting and outfall sewers, but excluding collector sewer systems.

### Department of Transportation

Urban Mass Transportation Capital Improvement grants provide money for the acquisition, construction, reconstruction, or improvement of facilities and equipment for use in public transportation by bus, rail, or other conveyance providing service for the public as general or special service.

Highway Planning and Construction grants are used for building or improving primary and secondary roads and streets. Eligible projects include planning, engineering, right-of-way, acquisition, new construction, improvement, roadside beautification, recreation, and rest areas.

The Airport Development Aid program offers grants for airport land acquisition, site preparation, construction, alteration and repair

of runways, taxiways, aprons and roads within airport boundaries, construction and installation of lighting utilities and certain off-site work, development of master plans, and development of airport systems plans.<sup>59</sup>

The 13 supplementary grant programs summarized here offer potentially great assistance to new communities which are certified under Title VII. This potential will not be realized, however, in the near future, as the President's budget for fiscal year 1974 has eliminated eight of these grant programs and reduced the funds in a ninth program. Budget figures are presented in Chapter IV of this thesis.

#### Other Federal Programs

A number of other federal programs which did not necessarily result from major new town legislation can provide additional help to new towns.

Loans for financing the development of homes that incorporate new or untried construction concepts which are designed to reduce housing costs, raise living standards, and improve neighborhood design are available to builders through HUD. Authorization comes from the National Housing Act as amended in 1961.

The Housing Act of 1949, as amended, authorizes the Surplus Land Program. The objective is to provide a national demonstration designed to create complete new communities and neighborhoods on

surplus federal land in urban areas.<sup>60</sup>

Also available for new towns which are considered to be connected with or part of an existing city are the wealth of federal programs which apply to existing cities. By relating themselves to existing cities, new-towns-in-town and fringe new towns are able to satisfy minimum population and public incorporation requirements of federal urban programs not specifically designed for new towns. However, these programs have also been greatly reduced as a result of the start of Urban Community Development Revenue Sharing. HUD appropriations for fiscal year 1974 are set at approximately \$2.7 billion, whereas nearly \$4.3 billion was appropriated in fiscal year 1973.<sup>61</sup>

### Summary

Congress was slow to accept the idea of new towns during the 1960's. Legislation specifically designed to assist new towns was finally passed in 1968 and 1971.

Title VII has been somewhat effective, and it has been utilized. Today, 15 new town projects have been certified under Title VII. Loan guarantees totaling \$293.5 million have been committed to these projects by HUD.

Procedures for using Title VII are complex, costly, and time consuming, but they are designed to insure the long-range success of the projects.

Chapter III takes a closer look at some new town projects to see where federal assistance is being used and where it has been avoided. Also discussed in Chapter III are the developers' attitudes regarding the problems of new town development and the adequacy of federal programs in helping to solve these problems.

## CHAPTER III

### NEW TOWN DEVELOPERS AND THE FEDERAL ROLE

The purpose of this chapter is to review the opinions of new town developers in regard to the role of the federal government in new town development today. This is done by examining some projects which have used federal assistance and some which have avoided the use of federal assistance. A look will be taken at new town projects which are utilizing various federal programs. Developers' evaluations of the adequacy of federal programs in solving new town development problems will be included. Their suggestions regarding modification of the federal role will be described.

New town projects which have not used federal programs will also be analyzed. Their reasons for not making use of federal programs will be noted along with their suggestions.

#### Background

According to New Towns and Urban Policy by James A. Clapp, there are currently 133 existing or proposed "new town" developments of over 1,000 acres in the United States. All of these are not genuine new towns, however, as some are designed to satisfy the second-home market and others will serve as retirement communities.<sup>62</sup> Of the

133 listed, 31 are considered by HUD to meet its criteria for new towns.<sup>63</sup> These projects are listed in Appendix C.

A total of 15 new towns are currently classified by the Department of Housing and Urban Development as Title VII Communities, meaning that they have received loan guarantee commitments and/or have been certified to use supplemental grant programs. These projects are summarized in Table 1. A summary of the supplemental grants used by Title VII new towns is included in Appendix B.

Additional new town proposals are in the various stages of processing, while still other new towns such as Columbia and Reston have received federal assistance through various programs such as the transit demonstration program of the Department of Transportation, subsidized housing, water and sewer assistance, and others.<sup>64</sup>

#### New Town Projects

Various techniques were used in this thesis in attempting to determine private new town developers' evaluations of the role of the federal government in new town development. Primarily, a series of letters was sent to new town developers who had used federal assistance and also to those developers who had foregone federal assistance. Telephone and personal interviews were also conducted whenever practical and/or appropriate. In order to get firsthand accounts of their experiences, 23 developers were contacted. Because 8 other projects

Table 1  
HUD's Title VII New Communities<sup>65</sup>

New Town Project	Location	Guarantee Commitment
Cedar-Riverside*	Carver County, Minneapolis	\$21,000,000
Flower Mound	Denton County, Texas	\$18,000,000
Gananda	Wayne County, New York	\$22,000,000
Harbison	Richland County, N. C.	\$13,000,000
Jonathan	Carver County, Minnesota	\$21,000,000
Lysander	Onondago County, New York	**
Maumelle	Pulaski County, Arkansas	\$ 7,500,000
Park Forest South	Will County, Illinois	\$30,000,000
Riverton	Monroe County, New York	\$12,000,000
San Antonio Ranch	Bexar County, Texas	\$18,000,000
Shenandoah	Coweta County, Georgia	\$40,000,000
Soul City	Warren County, North Carolina	\$14,000,000
St. Charles	Charles County, Maryland	\$24,000,000
Welfare Island*	New York City, New York	**
Woodlands	Montgomery County, Texas	\$50,000,000

\*New-town-in-town projects.

\*\*These projects have not received loan guarantees but have been certified to be eligible for supplemental grants.

were only in the early planning stages, they were not contacted. A list of new town projects in the United States is included in Appendix C along with an indication of which projects were studied for this thesis.

The developers were asked a series of questions regarding their usage of federal programs, the advantages and disadvantages they had encountered, and their suggestions for improving the federal role in new town development. This series of questions was open-ended so as not to limit the developers' responses to fit any preconceived ideas of the author. A copy of the initial interview letter is included in Appendix D. From responses to the first series of questions, a second set of questions was designed for each specific developer where appropriate.

In cases where a developer did not respond to the first letter, a follow-up letter was sent out. Two developers chose not to respond at all, and three others indicated that they either did not have the time or were not sufficiently experienced with federal programs to answer the questions.

The projects discussed in this chapter were selected for inclusion primarily on the basis of the amount of information obtained in the interviews. An attempt was also made to discuss projects which are located throughout the United States and have different locational relationships with existing cities. Each of the new towns discussed here is in a different stage of development and has received varying amounts of federal assistance. Of the 23 new towns which were studied for this

thesis, 10 are selected for discussion here. Characteristics of these 10 projects are summarized in Table 2 on the following page. The primary source of information for this chapter was the series of interviews conducted with new town developers. Various books and pamphlets were also used as noted.

### Flower Mound

Flower Mound is currently a small incorporated town located about 20 miles northwest of Dallas. The project will be known as Flower Mound New Town in 20 years when it reaches its planned population of approximately 60,000 people.

Utilizing "cluster" or "core" planning, residential areas will be defined by a combination of locally oriented parks and recreational facilities. Two community centers will offer a variety of commercial, educational, religious, and cultural facilities. The urban core will contain a community college, civic and commercial facilities, and an enclosed regional shopping center. There will also be a regional medical center and a large district park. More than 5,000 jobs will eventually be available in three planned industrial parks. Of the 6,156 total acres on the site, 2,989 will be occupied by 18,300 dwelling units for rent and sale in all categories and price levels. More than 20 per cent of the site will be for open space and recreation.

Flower Mound has received a Title VII loan guarantee of \$18 million and is applying for a HUD Water and Sewer Grant for \$810,000 and

Table 2  
Characteristics of New Towns Selected for Discussion<sup>66</sup>

1. <u>Project Name</u>	<u>Flower Mound</u>	<u>Lysander</u>	<u>Park Forest South</u>	<u>Riverton</u>	<u>San Antonio Ranch</u>
2. <u>State</u>	Texas	New York	Illinois	New York	Texas
3. <u>Relation to Existing Cities</u>	20 miles from Dallas	12 miles from Syracuse	20 miles from Chicago	Rochester metro area	16 miles from San Antonio
4. <u>Eventual Population</u>	60,000	18,000	110,000	27,000	88,000
5. <u>Size (acres)</u>	6,156	2,700	8,163	2,535	9,318
6. <u>Title VII Community</u>	Yes	Yes	Yes	Yes	Yes
7. <u>Date of Title VII Commitment</u>	12/70	6/72	6/70	12/71	2/72
8. <u>Amount (millions)</u>	\$18	Certified	\$30	\$12	\$18
9. <u>Development Period (years)</u>	20	20	15	16	30
10. <u>Scheduled Date of Completion</u>	1992	1992	1988	1990	2000

1. <u>Project Name</u>	<u>Shenandoah</u>	<u>St. Charles</u>	<u>Columbia</u>	<u>Peachtree City</u>	<u>Reston</u>
2. <u>State</u>	Georgia	Maryland	Maryland	Georgia	Virginia
3. <u>Relation to Existing Cities</u>	25 miles from Atlanta	20 miles from Wash., D. C.	Between Balt. & Wash., D.C.	25 miles from Atlanta	30 miles from Wash., D.C.
4. <u>Eventual Population</u>	70,000	80,000	110,000	84,000	70,000
5. <u>Size (acres)</u>	7,220	8,000	17,000	15,000	8,400
6. <u>Title VII Community</u>	Yes	Yes	No	No	No
7. <u>Date of Title VII Commitment</u>	3/73	6/70	-	-	-
8. <u>Amount (millions)</u>	\$40	\$24	-	-	-
9. <u>Development Period (years)</u>	20	20	20	30	22
10. <u>Scheduled Date of Completion</u>	1994	1991	1982	1990	1984

and an EPA-PL660 Grant for nearly \$750,000.

The process of reaching agreement with HUD took the developers over two years. The developers estimate that the process cost them between 1/2- to 3/4-million dollars in direct fees to HUD. These fees were originally intended to come back at least in part to the new towns in the form of additional aid. The Office of Management and Budget however has chosen to void this policy, prohibiting HUD from releasing these funds.

The developers also complained about the indirect costs which resulted from the lengthy delays involved in the Title VII process. The major indirect cost was a result of the drastic rise in land prices over the two-year period.

Finally, the developers indicate that because of the "overcontrol" by the federal government, the lengthy delays involved in the application process, and the numerous direct and indirect costs, they would not seek Title VII assistance if they had it all to do over again.<sup>67</sup>

### Lysander

Lysander was the first state-sponsored new town in the nation to qualify for federal new community assistance. It was the twelfth new community overall to receive Title VII aid, and it was the first to receive a determination of eligibility for grant assistance rather than a federal guarantee of its debt for land acquisition and development.

Located on a 2,700-acre site 12 miles northwest of Syracuse,

New York, the new town will hopefully provide housing, jobs, shopping, recreational, and educational facilities for 18,000 residents over a 20-year development period.<sup>68</sup>

Two unique characteristics of Lysander have already been noted. The first of these characteristics is the state-sponsorship of the project. Operated by New York State, the Urban Development Corporation is assured of a large reservoir of relatively low-cost mortgage capital through the New York Housing and Finance Agency. UDC is a multi-purpose public authority empowered to act on all aspects of development from acquisition to management, if necessary.<sup>69</sup>

The second interesting characteristic of Lysander in regard to federal assistance is the fact that it did not apply for Title VII certification to receive a loan guarantee, but rather to become certified for priority in other federal programs. The loan guarantee was not needed because the UDC was able to assemble land at a reasonably low cost which it was capable of financing itself. The subsequent grants appear to be an important part of Lysander's future. To date, applications for nine separate federal grant programs have been filed. These grants total more than \$11.3 million for such projects as water and sewer, parks, neighborhood facilities, mass transit, and libraries. The future of such grants is in serious doubt as a result of President Nixon's recent policy announcements. Lysander will apparently be forced to look for other sources of aid. One option would be to alter the original Title

VII application so as to ask for the same money directly from Title VII rather than through the supplementary programs.

### Park Forest South

Incorporated in 1967, Park Forest South is the only Title VII new town governed by an elected mayor and board of trustees. Donations of land for schools and recreation and advance financing for construction help the village to furnish necessary services. Such actions also help to strengthen the developers' involvement.

A population of 110,000 is expected by 1990, and a mass transit system is included in the comprehensive plan. The State of Illinois has selected Park Forest South as the home for Governors Gateway University, and a temporary campus has already been set up.<sup>70</sup>

In addition to the \$30 million loan guarantee, Park Forest South has received federal aid in other forms. Grants totaling \$743,550 from the HUD Legacy of Parks Program have been approved, while an additional parks grant of \$50,900 has been applied for. An application has been submitted for a basic grant of \$4,279,608 for health facilities under the HEW Hill-Burton Program. An application is being prepared for a supplementary grant of \$2,567,764 under the same HEW program. Soon an application will be filed for \$620,000 of HEW money to help construct a public library.

Park Forest South's experience with federal assistance is similar to that of Riverton. The "red tape" involved in supplying documen-

tation and constant follow-up have been found to be very burdensome. Although approval of some of the program funds mentioned on the preceding page was received some time ago, no money has actually been released or received to date. An administrative assistant of the village president stated the following: "There is definite and imperative need for new federal legislation for new towns to receive funding to establish programs compatible to those of the developers in order that we may provide the necessary services to cope with their rapid growth creations."<sup>71</sup>

#### Riverton

Riverton is being developed in Monroe County, New York, within the Rochester metropolitan area. It was the first new town in the Northeast to receive federal backing for a developmental loan.

Riverton's president and chief executive is Robert E. Simon, Jr., who is well known as the initial developer of Reston, Virginia. The town's 15-year plan calls for the development of 2,535 acres into a community of 27,000 persons in 8,000 residential units, with supporting industrial, commercial, and community facilities.<sup>72</sup>

The developers of Riverton decided to seek federal assistance for a number of reasons. The most obvious one was to obtain the federal insurance that makes possible the financing of the cost of land purchase and site development at a lower interest rate. The developers have found, however, that the costs of governmental processing

have offset the amount of money saved. Of greater significance is the priority for grant funds. Title VII communities receive a higher priority than do other projects for the use of grant funds for sewer, water, and other basic developmental expenses. Priority is also given for federally insured subsidized housing programs and grants for such diverse uses as hospitals and highways. In addition to these basic grants, the New Communities Office of HUD is authorized to supplement these funds by 20 per cent of the total project cost. Riverton is in the process of applying for grants from the Water and Sewer Program and the Legacy of Parks administered by HUD and also for an Outdoor Recreation grant from the Department of the Interior.

Another reason for seeking federal assistance had to do with the intangible concept of increasing investor and perhaps resident confidence in the long-range financial stability and soundness of the development. Such confidence could, of course, boost the rate of development and increase the project's chances for success.

Finally, Riverton sought federal aid because of the relatively limited equity requirements of the Title VII program. The principals of Riverton will be able to undertake an extensive developmental program with financing that does not cause them to lose control of the project.

Processing of Riverton's application involved extensive reviews. Application material was gone over by the New Communities

Office and various regional, state, and federal agencies through both the "A-95" review established by the Federal Office of Management and Budget and through the Environmental Impact Statement. The direct costs to Riverton for the preparation and processing of the application have been conservatively estimated at \$200,000.

The developers of Riverton have noted that the chances of delay and the need for frequent adjustments in the planning work to satisfy local, state, and federal agencies are more than just annoying. Proper sequencing of both privately constructed development and needed community facilities is extremely difficult. Spokesmen for Riverton indicate that the federal New Communities Program is counterproductive and appears to have increased the costs and risks associated with new town development.<sup>73</sup>

### San Antonio Ranch

HUD approved San Antonio Ranch in February, 1972. The 9,318-acre site is located 16 miles northwest of downtown San Antonio and is scheduled to have 28,676 dwelling units and approximately 88,000 people by the year 2000.

The masterplan of the Ranch takes into account the economic and ethnic components of San Antonio's population and is structured accordingly. The development plan calls for 29.2 per cent of all housing to be available to those with incomes under \$7,500, and a total of 76.6 per cent to those with incomes under \$10,500.

San Antonio Ranch is the first new town to propose the establishment of a Minority Enterprise Small Business Investment Corporation (MESBIC), a Department of Commerce program. It will provide about \$2.5 million in loan funding capability to minority enterprise businessmen participating in the Ranch project. As construction begins on the Ranch, MESBIC participants would themselves receive technical assistance and would employ people being trained in the technical education center, thus providing jobs to the graduates as well as jobs for the Ranch.

In June, 1972, announcement was made by the partners in the Ranch venture and a group of local San Antonio businessmen of a 75-to 125-acre "in town" project paired to the Ranch development through common and coordinated social, cultural, transit, and housing goals. Although components of the two masterplans will differ, the paired new towns have the same goal: an intelligent plan for San Antonio's future growth--one, by creating a desirable living environment downtown; the other, by upgrading suburban development patterns.<sup>74</sup>

In addition to its \$18 million loan guarantee, San Antonio Ranch has applied for over \$5 million worth of supplemental HUD grants.

For the new-town-in-town project, developers are utilizing a combination of Title VII and Title I Urban Renewal programs. The local urban renewal agency will take responsibility for land acquisition under its condemnation powers and will also be responsible for ex-

penses incurred by residential and business relocation. The developers have indicated that they plan to use HUD housing subsidy programs such as FHA235 and FHA236 to implement their objective of a balanced housing mix.

The developers also anticipate using a Department of Labor Manpower Research Grant to determine what type of employment patterns and retraining programs will be needed to meet the manpower needs of the new town's industry. The developers feel that the problem of assuring that new towns will have balanced populations can more easily be resolved if the developer, through federal grant assistance, can provide a vehicle for upward mobility of its lower-income residents via manpower planning and training programs.

Suggestions from San Antonio Ranch personnel indicated a need for improved administration of federal programs. The idea of "program packaging" was mentioned so that private developers can avoid the burden of "shopping" for programs administered by the various departments.

Reference was also made to the necessity of adopting a national land-use bill. The developers noted that the overriding purpose of the Title VII New Communities Act is to provide a strategy for dealing with urban sprawl and the consequent mal-distribution of resources within a metropolitan area. They contend that if this objective is to be realized, reinforcing legislation must be passed to control land use around new

towns so that a new form of urban sprawl cannot occur.<sup>75</sup>

### Shenandoah

Shenandoah, to be located 25 miles southwest of Atlanta, is a project of Scott Hudgens Realty and Mortgage Company. The proposed new town has qualified for a \$40 million loan guarantee from HUD. Federal assistance was originally sought to reduce the high initial expenditures and carrying costs. The developers have found, however, that the intricate procedures of qualifying have resulted in many delays, and the financial benefits of federal assistance have just about been negated.

The entire qualification procedure took approximately four years, meaning that land already owned by the developer was being taxed, and prices on yet-to-be purchased land were rising. These represent the indirect costs of seeking federal assistance. Direct costs include the \$10,000 application fee, the 1/2 per cent commitment fee (\$200,000 for Shenandoah), and the interest on the loan. The application and commitment fees were originally to be earmarked for use as grants to new communities, but the Office of Management and Budget has thus far prohibited HUD from using this money.

The developers of Shenandoah indicate that the detailed requirements of qualifying have been helpful in adding technical stability to their project. They were, in effect, forced to consider certain aspects of new town development that they had previously ignored.<sup>76</sup>

### St. Charles

St. Charles is being developed in Charles County, Maryland, under the planned unit development zoning concept adopted by the county at Interstate General Corporation and HUD's urging. St. Charles is an equal opportunity community and was the second new community to be approved for Title VII assistance.

When completed in 20 years, the town is expected to have a population of about 80,000 people on its 8,000 acres. Approximately 1,000 acres have been set aside as permanent open space. Another 1,000 acres will be devoted to campus-type industrial parks, office buildings, and commercial facilities.<sup>77</sup>

St. Charles has qualified for, or is in the process of applying for federal grants under seven programs. These are listed in Table 3 on the following page.

The developers of St. Charles have attempted to establish a co-operative relationship between the Department of Housing and Urban Development and the Charles County government. This relationship is felt to be necessary to help meet the goals of the developers and the needs for public services generated by a new community.

The developers have found, however, that a significant frustration in utilizing federal programs is the amount of change and delay that federal agencies impose on the new town project and local government. They have found that federal guidelines often become mandates

Table 3  
Approved and Anticipated Federal Grants  
for St. Charles, Maryland<sup>78</sup>

Federal Program	Basic Grant	Supplementary Grant
HUD Water & Sewer	\$1, 000, 000	\$ 400, 000
HUD Legacy of Parks	\$ 255, 000	\$ 102, 000
HUD Neighborhood Facilities	\$1, 000, 000	\$ 195, 000
EPA Waste Treatment	\$4, 221, 000	\$ 900, 000
HEW Public Health	\$ 407, 400	\$ 425, 000
HEW Library Construction	<u>\$ 67, 500</u>	<u>\$ 30, 000</u>
Total	\$6, 980, 900	\$2, 052, 000

lacking flexibility, and federal agency personnel are too often lacking in practical empathy. They suggest that there should be less social planning and more economic assistance that would accomplish the social goals of the nation. St. Charles developers also feel that there should be better federal guidelines for local new community relationships in providing service facilities.<sup>79</sup>

#### Non-Title VII New Towns

The new town projects which have been reviewed thus far are considered to be Title VII communities in that they have qualified for

federal assistance under the New Communities Development Act of 1970. Other new town projects need to be looked at too so that a more representative cross-section of developers' attitudes, opinions, and suggestions can be obtained. Three new towns which did not seek Title VII assistance are discussed here.

Columbia, Maryland, is one of the best known new communities in the world. Started in 1962, Columbia is closer to completion than any of the projects previously discussed. Columbia is scheduled to have a population of 110,000 on its 17,000 acres by 1982. Ultimately industry will provide employment for more than 13,500 people in light manufacturing and research and development. An additional 10,000 people will eventually be employed by General Electric in Columbia.

Reston, Virginia, began in 1962 just prior to Columbia. Final plans call for a population of 70,000 by 1984. The town will provide jobs for about 30,000 people in non-polluting enterprises on 1,300 acres of industrial land.

Both Reston and Columbia are considered to be new town pioneers in the United States. Both are financed with private capital; neither is assisted under provisions of federal new communities legislation. Reston and Columbia, in fact, preceded most of our modern new town legislation. Their successes and difficulties helped chart the way for the new community acts of 1968 and 1970. The problems encountered by these two pioneers show how federal assistance can

greatly help a new town development.<sup>80</sup>

In its early stages, Reston encountered financial difficulties. Five years after beginning Reston, developer Robert E. Simon, Jr., found himself being squeezed by a tight money market and was obliged to surrender his control to Gulf Oil. Since that time, Gulf Oil has invested over \$15 million in Reston.

Columbia reinforced the need demonstrated by Reston for federal involvement. Developer James Rouse realized the need for great amounts of funds and enlisted the support of the Connecticut General Life Insurance Company in exchange for one-half interest in the property.

Today, privately financed developments such as Reston and Columbia are receiving federal assistance through various programs such as the transit demonstration program of the Department of Transportation, subsidized housing, and water and sewer assistance. The two projects have been able to progress without using federal new communities money from Title VII simply because both projects are being backed by extremely wealthy investors. These backers, Gulf Oil and Connecticut General Life, are able to tie up large sums of money for long periods of time without feeling any major adverse effects. They realize that building a new town takes time, and growth of the town will most naturally occur as the region around the town grows. Developers who do not have such substantial backers as do Columbia and Reston

face almost certain failure unless they can obtain sufficient federal assistance.<sup>81</sup> In agreement with this analysis is James Rouse, who frankly admits that he feels Columbia was extremely lucky to find an adequate backer. He contends that federal assistance must be provided and utilized if new towns are to succeed. He indicates that today's urban problems could be solved using existing federal programs if we could only use these programs to their full potential.

Rouse has also commented on the importance of modernized land-use controls to facilitate new town development. Traditional zoning can work, but not as efficiently as a broad brush approach which would simply zone the area as a "new town." The appropriate governmental bodies would then merely be concerned with the developer's master plan. Traditional zoning is not needed.<sup>82</sup>

An official of Litchfield Park Properties in Arizona feels that the initiative for new town development today is almost exclusively in the hands of private enterprise. He points to the numerous problems of new town development such as the high cost of land acquisition, the large investment prior to any sales income, the long-range risk, etc., and observes that it is not surprising that there are not a large number of new towns. He suggests that greater technical assistance should be provided by HUD so that developers can better locate and develop their projects in conjunction with the needs of the area.<sup>83</sup>

Peachtree City, which is currently in the early stages of devel-

opment, is located to the southwest of Atlanta. The project is similar to Reston in that it experienced early financial difficulties and was later taken over by a company with great financial capabilities. Phipps Land Company has been able to bring Peachtree City along slowly, because it can afford to carry the large financial burden through the difficult early years. Federal assistance, however, has been utilized in the form of such things as sewer and water grants. Major new town programs were not utilized because the developers felt that HUD's procedures and requirements would be extremely difficult to work under. A potential problem of Peachtree City has to do with its internal government. The developer has chosen to give residents complete control, meaning that the residents could theoretically halt development at any time.<sup>84</sup> Columbia, on the other hand, is phasing in its government, with the developer transferring more and more power to the residents as the population increases.

### Summary

Various types of new town projects were discussed in this chapter. The opinions and suggestions of new town developers in regard to the role of the federal government were presented. Numerous deficiencies were pointed out by developers. In summary, the following observations can be made:

1. Developers apply for Title VII loan guarantees because

the financing of the cost of land acquisition and site development can be accomplished at a lower interest rate as indicated by the developers of Shenandoah, for example.

2. The cost of processing Title VII applications and the numerous delays associated with the application procedures can actually offset the amount that was to be saved by not using private financing. The developers of Flower Mound have indicated that the costs in time and money were so great that Title VII assistance would be avoided if they were starting all over again.
3. The early years of development of a new town project can involve extreme financial burdens. Substantial financial backing is needed for a new town to successfully meet these burdens. Peachtree City and Reston had early financial trouble but then managed to obtain sufficient private financial support. If private aid is not adequate, governmental aid is necessary.
4. Going through the detailed procedure of qualifying for Title VII assistance can be helpful to the developers by improving their planning techniques. The developers of Shenandoah, for example, found the Title VII procedures to be time-consuming but helpful.
5. Classification as a Title VII new town gives the project

higher priority in qualifying for supplemental grants.

Lysander and Welfare Island went through the Title VII process not for a loan guarantee, but for supplemental grants priority.

6. The use of federal aid may increase the confidence of investors and residents in the project, thereby increasing the development rate and the chances of success. The developers of Riverton indicated this in their interview response.
7. HUD should promote the planned unit development zoning concept to states and subsequently to localities. Such zoning should greatly ease the undertaking of a new town project, as suggested by the St. Charles developers.
8. Add-on new towns and new-towns-in-town can qualify for a wider range of urban programs not specifically designed for new communities. For example, the in-town portion of the San Antonio project is utilizing urban renewal funds.
9. Improved guidelines are needed to spell out local new community relationships in providing services, forming governmental bodies and providing jobs, as suggested by the developers of San Antonio Ranch.
10. Technical assistance is needed to provide for upward mobility for low-income people through manpower plan-

ning and training. This was suggested by the developers of San Antonio Ranch.

11. Technical assistance should be provided so that the project can more accurately reflect the characteristics of the region, thereby having a greater chance of growing and succeeding. This is evidenced by the suggestions of the developers of Litchfield Park, for example.
12. The state-operated Urban Development Corporation of New York, as evidenced by its experience with Lysander, offers some potential advantages for new town development. The advantages of having a new town office within state government deserve more study. Eminent domain, for example, greatly facilitates land assembly.
13. Land use surrounding new towns must be carefully controlled or new town sprawl will occur in the same manner that suburban sprawl has already occurred. As suggested by the developers of San Antonio Ranch, new controls are needed to prevent new town sprawl.

## CHAPTER IV

### THE FEDERAL ATTITUDE TOWARD NEW TOWNS

The attitude of the federal government toward any issue is not something that is easily pinned down. Determining such an attitude is difficult for two reasons:

1. The federal government is made up of many parts. These parts are often in conflict with each other.
2. The political nature of the federal government causes attitudes to change often.

As a result of these problems, emphasis in this chapter will be placed not so much on what the various parts of the federal government say their attitudes toward new towns are, but rather emphasis will be placed on the manner in which they express these attitudes in the form of official action.

This chapter will first look at the federal evaluation of the potential of new towns and the associated problems of new town development. It also shows how the federal government purports to feel about new towns. Then a look will be taken at the federal proposals and actions related to various solutions to these problems.

### Federal Evaluation of the Potential and Problems of New Towns

As mentioned previously, the term "federal government" refers to many parts of government. The parts of the federal government which play the most significant role in the shaping of federal new town policy are the legislative and executive branches.

The major indicator of the legislative branch's evaluation of the potential and problems of new towns is the new town legislation which Congress passes, modifies, or rejects. The legislative actions of Congress which relate to new towns were discussed in Chapter II. Another indicator of the legislative branch's evaluation of new towns exists in the work of the Advisory Committee on Intergovernmental Relations. This committee is made up of a wide variety of non-governmental and governmental officials, including numerous members of Congress. The findings and recommendations of the ACIR are presented later in this chapter.

The executive branch's evaluation of new towns is indicated primarily by the statements of the President and the Department of Housing and Urban Development.

Determining the President's evaluation of the problems and potential of new towns is rather difficult. President Nixon has been somewhat silent regarding his evaluation of the new town concept and cannot be quoted here. His actions, however, give some indication of his attitude; these actions are described in the next section of this chapter.

To obtain a Presidential evaluation of the new town concept, one must go back to the speeches of President Lyndon B. Johnson. President Johnson strongly favored the new town concept. Discussing his housing proposals in 1964, he stated:

The pioneering efforts of progressive and imaginative developers in planning totally new and complete communities indicate some of the exciting possibilities for orderly growth. In the tradition of the long-established partnership between private industry and government in housing and community development, the federal government should encourage and facilitate these new and desirable approaches.<sup>85</sup>

Four years later President Johnson again voiced his support for new towns. In his message to Congress in February, 1968, he said:

Revitalizing our city cores . . . will go far toward sheltering (a new) generation, but there is another way as well which we should encourage and support. It is the new community, freshly planned and built. The job is one for the private developer, but he will need the help of his government at every level. These new communities are worth the help the government can give.<sup>86</sup>

In 1965 Robert Weaver, the first Secretary of the Department of Housing and Urban Development, provided a more detailed expression of the administration's evaluation of new towns. He indicated that there is a role for government in the encouragement and development of new communities. He stated that this role should take the form of financial assistance to local public agencies which elect to sponsor and assist in the assembly and improvement of land for new towns. Due to the lack of such agencies, primary reliance, he contended, would have to be placed on private investors. He emphasized the need for providing for

low-income residents in new towns although he was not optimistic about new towns actually helping the poor.<sup>87</sup> Weaver's views are mentioned here because they are in effect a starting point for the evolution of HUD's current policies on new towns.

In general, the Department of Housing and Urban Development seems to be cautious about new towns, but at the same time, it seems to understand the possible need for new towns. Samuel C. Jackson, an Assistant Secretary of the Department and Chief Administrator of the New Communities Program, has cited four reasons for this new level of acceptance of new towns. These reasons are as follow:

- (1) A noticeable change has come about in American thinking about new towns. "The dominant intellectual tradition in the United States had long been anti-urban; such writers as Jefferson, Emerson, Thoreau, Melville, Henry James, and architects like Frank Lloyd Wright had continually praised nature and warned against the dangers of urban life." In the 1930's, the new town movement in the United States gained confidence from efforts in England and began to oppose the anti-urban view. The nation's interests were diverted, however, in the 1940's by World War II. The post-war period was marked by unparalleled suburban growth. Suburban sprawl had become so unmanageable by the 1960's that an alternative was needed. The new town concept again gained

strength.

Several issues were apparent by the late 1960's: the population and developmental trends of the post-war era were continuing, and the associated problems were more obvious; large portions of rural America were losing people and promise; and central cities were decaying while suburbs expanded rapidly.

(2) A critical imbalance between the nation's needs and resources has been created by our past growth patterns. This is evidenced by the following:

- (a) inefficient and wasteful use of land resources;
- (b) destruction of irreplaceable natural and recreational resources;
- (c) increasing pollution of air and water;
- (d) wasteful use of present and potential resources of many smaller cities and towns, including those in rural and economically depressed areas;
- (e) reduced employment and business opportunities for central city residents, and increasing need for public services in central cities, while failing to maintain an adequate tax base;
- (f) limited choice for many people of where they can live and the types of housing and environment in which they

can live; and

(g) increased distances between the places people live,  
where they work, and where they find recreation.

- (3) The housing industry, which traditionally had been a small-scale, highly fragmented industry, became a new industry of land developers. This was a result of developers' moving further out from urban centers to find large parcels of inexpensive, undeveloped land. This was made possible by the increased use of the automobile.
- (4) Prospects of high profits grew in the real estate industry, and large corporations from other fields became interested and involved in real estate.<sup>88</sup>

Next, a look will be taken at what a federal committee considers to be the potential of new towns. According to a study of the Federal Advisory Committee on Intergovernmental Relations, this potential includes:

- (1) Providing alternatives to the continued channeling of urban development into existing highly concentrated major metropolitan complexes, through establishment of satellite new communities on the edge of a metropolitan area or an independent new community outside of the orbit of existing metropolitan concentrations;
- (2) Supplying an imaginative "new-town-in-town" approach to re-

building blighted areas and to building up vacant areas in large central cities;

- (3) Planning for orderly growth from the ground up, with the most desirable location, timing, and sequence of development and close relationship to area-wide, regional, and national urban developmental plans and objectives;
- (4) Accomplishing a less wasteful and more efficient use of land for urban purposes, avoiding many of the problems associated with sprawl, and facilitating a better use of land for public services;
- (5) Providing a chance to break away from conventional thinking, and trying new arrangements in such fields as building codes, land-use controls, zoning regulations, public programs, and governmental structures and intergovernmental relations;
- (6) Making available a wide range of housing types at varying costs, including low-income housing;
- (7) Offering investment opportunities on a large scale;
- (8) Presenting a means of demonstrating varying kinds of urban environments which in turn can serve as models or "yardsticks"; and
- (9) Providing a more dramatic means of focusing the attention of public officials and the public-at-large on the problems

of urban development.<sup>89</sup>

Although the Advisory Committee on Intergovernmental Relations appears to feel that the potential of new towns for the country as a whole is great, it is also aware that such projects face some major practical hurdles. These are as follow:

- (1) First of all, there is the matter of "exceedingly large initial investments in land, land development, and amenities, such as neighborhood recreational centers, which must be made, entailing exceptionally heavy annual carrying costs in anticipation of future sales and of the accompanying growth in tax base which will produce ultimate profits and public revenues."
- (2) "Another hurdle is the need for early local governmental decisions regarding planning, land-use control, and development of public facilities and services to protect both the public and the developers' interest in the project in anticipation of a local new town constituency and political and community leadership not yet present." This requires the establishment of good relations between the new town developers and the existing governmental officials of the area.
- (3) "To complicate matters, new community development frequently takes place within a rural county which does not have governmental institutions necessary for an area destined to become urban in nature. Such institutions are necessary to

protect the developers' plan and concept, to realize public objectives such as provision of housing within reach of the pocketbooks of low-income families, and to encourage a diversified economic base." In these cases the new town itself must form the necessary governmental offices and agencies or encourage the existing county government to expand its capabilities to perform these functions.

- (4) "As a practical matter, little, if any, success has been registered in new communities thus far in providing housing for people with a wide range of income levels and diverse racial backgrounds."
- (5) "Sustained governmental involvement and commitment to the objectives of planned new community development are conducive to success, but are difficult to achieve. They require active, informed, and continuing participation by residents in community institutions and effective spokesmen at the state and federal levels."<sup>90</sup>

In view of the preceding statements made by various segments of the federal government regarding the potential and problems of new towns, this thesis now presents the proposals and recent actions of the federal government.

## Federal Proposals and Actions

### Related to Solutions to New Town Problems

The most recent effort of the federal government aimed at expanding the federal role in new towns was the Housing and Urban Development Act of 1972. This act was killed by the House Rules Committee in September, 1972.

This action did not necessarily indicate an anti-new town attitude in Congress. Members of the committee explained that the bill was too lengthy, too complex, and had sections which were objectionable. No reference was made to the section regarding new communities. Failure of the bill was a small blow to new towns in comparison to the damage it did to general housing policy. Containing major revisions regarding housing mortgage credit assistance, rural housing, building standards, etc., the act only briefly mentioned new towns.<sup>91</sup>

Specifically, Title VIII of the act would have revised Title VII of the Housing and Urban Development Act of 1970. The major impact would have been from Section 801, which was to have raised the total authorization for new community development guarantees from \$500 million to \$1 billion, effective in July of 1972. The act also would have broadened the list of land improvements eligible for federal assistance.<sup>92</sup>

As far back as 1968, the Federal Advisory Commission on Intergovernmental Relations concluded that certain policies should be de-

veloped to encourage new towns. Such policies would establish incentives for migration into alternative centers for urbanization. The necessary policies would also establish the organizational and financial framework to encourage the most desirable patterns of urbanization in growth centers, large-scale urban development, and new communities; and they would provide other intergovernmental measures for more orderly urban development, including, particularly, new planning and land-use regulations. To achieve these objectives, the commission recommended the following:

- (1) development of a national policy to deal with urban growth;
- (2) a re-examination of multi-state regional planning areas and agencies; and
- (3) a new and expanding role for state governments through the development of state urban development plans.<sup>93</sup>

To date, no official federal action has been taken on any of these three recommendations except that a number of versions of a bill related to a national growth policy are soon to be submitted to Congress.

In general, the federal government seems unsure of what its role should be in the development of new towns, but it is striving to find and assume that role. An official of the Department of Housing and Urban Development indicates that there will probably be an increased tendency to provide assistance to state land development agencies, rather than to process each application through Washington. In addition, con-

sideration is being given to a federally chartered private bank partially supported by the federal government, which would relieve some of the burden of providing guarantees directly from the government.<sup>94</sup>

The most recent federal action related to new towns is President Nixon's revenue sharing program. Revenue sharing shifts a great part of the burden of supplying assistance from the federal government to the states. As a result, HUD's total requested appropriations for fiscal year 1974 are set at approximately \$2.7 billion, a marked decrease from the nearly \$4.3 billion appropriated in fiscal year 1973. The decrease in appropriations is due primarily to the elimination of several categorical grant programs including the three related to new towns discussed in Chapter II. These programs expire on June 30, 1973, and are not scheduled to be renewed during the coming fiscal year. This is also true of the three supplemental grant programs of the Department of Health, Education and Welfare: Health Facilities Construction, Construction of Public Libraries, and Higher Education Academic Facilities Construction. A representative of HEW indicates that general revenue sharing funds can, of course, be used by the states to provide these facilities for new towns, but "it's up to the states to organize themselves and spend the money as they choose."<sup>95</sup>

Water and Waste Disposal Systems for Rural Communities, the supplementary grant program of the Department of Agriculture, was terminated on January 1, 1972, and is not scheduled for renewal.

Grants for Public Works and Development Facilities, administered by the Department of Commerce, will be discontinued after June 30, 1973.

High priority has been given to the grant programs of the Department of Transportation and the Environmental Protection Agency. Their programs will be extended at least through fiscal year 1974. Similarly, Financial Assistance for Outdoor Recreation, administered by the Department of the Interior, is scheduled to continue. Funds for this program, however, have been reduced from \$200 million in fiscal year 1973 to \$50 million in fiscal year 1974.

The new budget proposes Title VII guarantee commitments for ten new towns, but authorizing legislation will be needed for a portion of such guarantees. Supplementary grants for public facilities in the new communities will be terminated June 30, 1973, because "new communities may finance such facilities under the guarantee program," as well as using other federal programs. Use of loan guarantee funds for grant programs will of course reduce the total amount which can actually be used for loan guarantees.<sup>96</sup>

### Summary

A number of conclusions can be drawn regarding the federal government's attitude toward new towns:

1. What the federal government says and what it does may be two different things. Even concrete programs can be mis-

leading. A program might be available which offers great potential for assisting new town development, but if Congress does not fund the program, it is of little help to new towns.

2. Federal officials will almost unanimously go on record as saying that something must be done about today's urban problems. Most will say that they feel new towns offer a great potential for solving these urban problems. To date, few federal officials have gone out on a limb to push for the necessary action to make new towns a viable part of improving our way of life.
3. The three recommendations for the advancement of new communities set forth by the Advisory Commission on Intergovernmental Relations in its 1968 report entitled Urban and Rural America: Policies for Future Growth have not yet received adequate attention.<sup>97</sup>
4. The failure of the proposed Housing and Urban Development Act of 1972 was not a major blow to new towns. However, it did serve to indicate the general federal cautiousness toward the development of a substantive program to encourage new towns.
5. Recent budget revisions at first glance do not seem to hurt the new town effort, as the same amount (\$500 million) as last year has been budgeted for Title VII new town loan

guarantees. However, there are indications that the money will be even more difficult to obtain than it has been in the past. In addition, eight supplementary programs have been eliminated meaning that the \$500 million loan guarantee money must also be used for these grants, decreasing the actual total dollars that can be used for loan guarantees.

In summary, the federal government seems to recognize a possible need for new towns, but unfortunately, it does not seem to be completely convinced about the actual potential of new towns. As a result, the federal government has been hesitant to assume a major role. It has provided a framework for federal involvement but has utilized that framework only slightly.

## CHAPTER V

### CONCLUSIONS AND RECOMMENDATIONS

This final chapter is divided into two major sections. First, a summary of the findings of the first four chapters is presented. In conjunction with the findings of the first four chapters, conclusions are drawn regarding the adequacy of the current federal role in new town development. Then recommendations are made about what steps should be taken to give new towns the proper amount of federal support. The reader should keep in mind that all recommendations are based on the premise that new towns offer a great potential for aiding in the solution of today's urban problems, and that full support and encouragement should be given to the obtainment of that potential.

#### Summary of Findings and Conclusions

As discussed in Chapter II, federal assistance for new towns initially met with Congressional resistance. Sections related to new town aid were deleted from both the 1964 and 1965 housing acts. Major new town legislation was finally passed in 1968 and upgraded in 1971. This increasing acceptance of new towns is due largely to the general public's greater awareness of the many urban problems which exist today. New towns have also become more popular as other smaller-

scale approaches such as model cities and urban renewal have faltered. The conclusion is reached here that new towns will not necessarily replace these other programs, but instead they will provide sufficient relief for existing cities so that the old programs will have a chance to become workable and effective. In other words, new towns are not being promoted in this thesis as a cure-all but rather as a component of an urban improvement strategy.

In general, problems of new town development can be grouped into two categories: financial and technical. The federal government should be playing an effective role in helping new towns to meet both types of problems more successfully.

The business of building new towns is complex and economically treacherous, and there exist a number of pitfalls which could result in failure. Land assembly is generally difficult for a new town developer, as a great amount of financial backing is needed. Robert S. Devoy, Senior Vice President of the Real Estate Research Corporation, estimates that a new town for about 50,000 people would involve a capital investment of approximately \$75 million. Approximately one-tenth of this cost would be for land assembly. Financing of such an investment is costly, as new towns must generally be developed comparatively slowly, and finance charges must be carried over long periods of time. Land costs may have to be carried for 15 to 20 years before a return is realized on the investment.<sup>98</sup>

Other costs such as planning expenses and utility installation costs necessarily occur long before any income can be realized, meaning that additional finance charges must be carried for lengthy periods. Planning expenses have averaged approximately \$500,000 for most new towns while utility installation costs have averaged approximately \$10 million, with the exact cost depending upon the size of the project.<sup>99</sup>

Also, conducting a new town market analysis and capturing that market present a number of possible problem areas. Some new towns have failed because projections of the annual market demand for housing which might be allocated to the project have tended to be over optimistic. Subsequent market capture was disappointing and adversely affected cash flow and profitability.<sup>100</sup> There have also been cases where feasibility studies have recommended housing and lot prices that were too high to capture the optimum share of the market. Other projects have failed because consumer demand for type and function was poorly interpreted; the styles reflected the tastes of the developers and architects rather than those of the public. Developers often do not give proper attention to the real needs and characteristics of the region in which their new town is to be located.<sup>101</sup>

New towns by their very nature present some unique developmental problems. Provisions must be made for the proper balance of industrial, commercial, residential, and other land uses. Timing is important in not letting the development of any one use get too far ahead

of, or behind, the other uses. Industry will locate only where a sufficient labor force is available to insure it of having an adequate number of employees. The industries would prefer to have an abundance of potential employees as an insurance measure. On the other hand, people prefer to live only where jobs are available. These potential employees would also like some insurance in the form of an abundance of job opportunities. Great skill is needed to bring industrial and residential development along in the proper manner, and similar skill is needed to provide the optimum relationships between other combinations of land uses.

Establishing good working relations with the local government is also vital to the success of a new town. Adoption of the appropriate modern land-use control measures by the local government can greatly facilitate the development of a new town. Developers also run into problems in forming a suitable government for the new town. The residents of the new town must have a voice in the government, but too much control by them at a premature stage in the development of the project could conceivably lead to disaster for the new town.<sup>102</sup>

As previously mentioned, the federal government has only recently enacted major legislation designed specifically for the encouragement of new towns. Such legislation required many years of development and many struggles in Congress before its eventual adoption, indicating an extremely cautious attitude on the part of the federal government. Despite greater governmental acceptance of new towns today,

a general feeling of cautiousness is still prevalent, and the federal government has been reluctant to give new towns the amount of guidance and support necessary to make new towns a viable part of an attack on urban, suburban, and even rural ills.

Title VII support has been granted to 15 new town projects to date, while other federal programs are providing additional assistance for these and numerous other new towns. The programs provided by existing federal laws offer an excellent framework and great potential for the encouragement of new towns. Unfortunately, these programs have not been adequately funded, and recent revisions in the federal budget serve only to make these programs even more impotent. Also, as evidenced by the complaints of new town developers, the administration of these programs has not been handled in a way which is conducive to realizing the full potential of new towns.

Private developers of new towns in the United States do not in general feel that the federal government is playing an adequate role. Developers most commonly seek federal assistance to make use of loan guarantees, grants, and low interest rates. Theoretically, this financial assistance could greatly reduce the total costs of a new town. In reality, developers have found that administrative and procedural red tape often result in delays which negate the benefits of federal financial aid. It is the conclusion here that such intricate qualification procedures and requirements may be tedious for the developer, but they

are for the best interests of the country and new towns overall. Developers are forced to give greater consideration to more facets of properly planning a new community than they might otherwise. As detailed in Chapter 2, such things as financial planning, balanced land use, and equal opportunity are often not given proper consideration by new town developers applying for federal assistance.

Some developers feel that government backing is important because it gives confidence to investors and residents so as to increase the rate of development and the chances of success of the project. This is probably accurate, especially as it applies to investors.

In general, developers seem to want more federal money and less federal involvement. Only a few developers favor a greater amount of technical assistance from the federal government. Most are content to design their projects in the way that they feel will be most profitable, which may or may not be for the good of the region. For example, a project might be designed to accommodate mostly high-income residents. Success of such a project may be possible in a financial sense for the developer, but other cities in the region would suffer in that their economic bases would be reduced. As a result, the problems of the region as a whole would become more severe.

Great Britain views new towns as a means of promoting and guiding the growth of the country.<sup>103</sup> The United States Government, at least in practice, does not currently share this view. Initiative in

the United States, for all practical purposes, is left with private developers in regard to the design and location of new towns. This is inconsistent, as there is little likelihood that private developers have a better understanding or compassion for what is best for the country than does the federal government.

In summary, the federal government has done a great deal to encourage the development of new towns, but more needs to be done. Greater guidance and more effective assistance are needed.

### Recommendations

Based on the preceding findings and conclusions, recommendations can be put forth regarding five basic areas. These five areas are as follow:

1. Administration of Federal Programs
2. Types of Technical Assistance
3. Financial Assistance
4. Federal Guidelines for State Development Corporations
5. National Growth Policy.

These recommendations are somewhat interrelated, with the feasibility and effectiveness of some depending upon the success of others. For example, improved administration of federal programs will not greatly help new towns if these programs do not provide adequate technical and financial assistance. Each of the five areas of recommendations will

now be presented in greater detail.

### Administration of Federal Programs

The complex procedures involved in qualifying for federal new town programs are widely disliked by developers. The developers claim that such procedures cause delays which can be very costly to their projects. Such procedures, however, have been shown to be beneficial in that they force developers to more carefully plan their projects. Action is needed though to reduce the delays and costs involved in the qualification procedure. An example of this is the Shenandoah experience, where qualification for a loan guarantee took approximately four years, resulting in some unanticipated costs.

The preapplication stage of Title VII funding is an important one. It is designed to insure that the developer get started on the right foot. However, this stage often requires two months or more just for HUD's review of the proposal, and even more time is required for the developer to make the changes required by HUD, and then HUD must review it again. The amount of time required for this stage could probably be cut in half by improving communications between the developer and the department during this phase. HUD should perform a brief preliminary analysis of the proposal. After this preliminary review by HUD, the developer would be contacted. Questionable portions of the proposal would be outlined by HUD, and possible solutions would be discussed. By working together in much the same manner that an inter-departmental

committee operates, the chances for misunderstanding would be reduced. This would allow both HUD and the developer to work "full time" on the project without sitting idle for long periods while waiting for the other side to make changes or finish a review. By improving communications in this manner, the amount of time required for the entire process of review could be substantially shortened. By reducing the amount of time required, the developer's carrying cost could be greatly reduced.

Another cost which should be reduced, if not eliminated, is the Title VII commitment charge. This charge is equal to  $1/2$  of 1 per cent of the principal amount of the commitment up to \$30 million plus  $1/10$  of 1 per cent of the principal amount above \$30 million up to \$50 million. This means that a developer seeking a \$30-million loan guarantee must pay HUD \$150,000 before the developer can accept HUD's assistance. This charge is assessed to cover HUD's costs. These costs should be covered in other ways which are not so counterproductive. The commitment charge and other application fees tend to negate the financial benefits of HUD aid. If HUD is serious about encouraging new towns which are for the good of the nation, the department should change its procedures to be consistent with this policy. The commitment charge is required at a time when HUD has decided that a specific project is worthy of aid. This means that they have familiarized themselves with the project and supposedly have determined

that the proposed new town does indeed display potential for helping to solve urban problems. Such towns should be given full encouragement and should not be assessed a commitment charge. If HUD does not feel that a certain project will provide such potential, then federal assistance should not be given to that project.

The need for improved administration is evidenced by the unreasonably long delay between the time when funding is approved and funds are actually received by the new town. Park Forest South's experience offers a good example of this.

The administration of federal programs also needs to be improved on a broader scale. Federal programs are numerous and cover a wide range of concepts. Greater coordination of these programs should be provided to enhance the efficiency of federal assistance to new towns.

The powers of the federal Community Development Corporation (CDC) should be expanded to allow the corporation to coordinate all federal programs related to new towns. Individual departments would still review funding requests related to their programs, but such requests would come through the CDC. New town developers would be required to package their requests and would receive assistance from the CDC in doing so. The package would then be analyzed by the CDC in view of how the plan for the project fits in with the CDC's overall plan for new town development. Acceptable requests would then be forwarded to the appropriate departments who would compare the proposals with their re-

quirements. Should a department reject a request, a discrepancy between the department's guidelines and those of the CDC is indicated. Action must then be taken to bring the policies of the two into agreement.

Allowing the CDC to coordinate the numerous federal programs in this manner should accomplish the following:

1. Give the developer a better understanding of what programs he might hope to use.
2. Simplify the actual filing of requests by the developer.
3. Reduce the number of misdirected requests because the developer would be better informed.
4. Reduce the work loads of the various departments because the CDC would be screening requests.
5. Encourage the development of only those new towns which are in line with federal new town policy which is currently lacking.
6. Force the various departments to better coordinate their policies and objectives with each other.

Coordination of programs by the CDC would complicate things only if the various departments refuse to bring their policies in line with the policies of each other and the CDC. Otherwise, the process of filing for federal assistance should be greatly simplified by such a move.

### Types of Technical Assistance

In general, the federal government has played an active role in providing technical assistance to new communities. Application procedures alone have helped developers to consider many sociological, political, and economic problems of which they might otherwise have been unaware. Greater federal assistance with various problem areas, however, would be helpful in enabling new towns to realize their full potential. Six problem areas in particular require greater attention. Improved technical assistance should be provided regarding the techniques needed to carry out the necessary programs. These six areas are:

1. Establishment of good working relations with existing local authorities.
2. Formation of a government for the new town.
3. Control of land use around the new town.
4. Provision of housing and jobs for all classes of people so as to reflect the characteristics of the region.
5. Provision of a mechanism for the upward mobility of low-income people.
6. Guidance to the developer regarding the unique problems of new town design and location.

Each of these recommendations will be detailed in the next six sections of this chapter. First of all, however, note should be made regarding the current political atmosphere affecting the possible fed-

eral role in each of these areas. With the advent of revenue sharing, states must prepare to assume a greater share of the battle against urban problems.

The federal government should provide broad guidelines and incentives to the states in the six areas listed on the preceding page. The states should then be responsible for setting specific standards and procedures for the developers and the localities to follow.

Establishment of Local Relations. If a developer does not establish good working relations with the city or county officials affecting his project, the chances are his new town will never get started. On the other hand, local officials who are receptive to the new town can greatly facilitate development and increase the chances of success of the project. Most developers eventually manage to establish good local relations but often make a number of mistakes in the process. As a result, they find themselves spending valuable time patching up these mistakes. The federal government possesses the experience and expertise to provide technical assistance to developers so that they will be less likely to make such mistakes. Based on past experiences of new town developers, the federal government should set guidelines for the "do's and don't's" in this area.

These guidelines would instruct the developer to meet with local officials early in the planning stages of the project but following land acquisition. Such meetings would enable the developer to explain specific

details of the project and would reduce the chance of misunderstanding on the part of the locality. The developer would be able to spell out the benefits of the project to the locality and the region. Federal guidelines would also instruct the state, and subsequently the localities, about what steps they could take to encourage proper new town development. This encouragement would predominantly be in the form of advanced land-use controls, getting away from traditional zoning and other powers so as to facilitate proper development.

Federal technical assistance in this area should also take the form of instructions to the states and localities on how they can benefit from the new town by working with the new town to qualify for federal programs. By combining efforts, on transportation facilities for example, a more effective system might be produced, and relatively greater federal assistance will be obtained.

Formation of a New Town Government. This is another area where developers usually manage to "just barely get through," making a number of mistakes in the process. Here again, the federal government, based on past new town project experiences, should set guidelines to help developers avoid the various pitfalls.

The basic problem in this area is that two divergent needs must be satisfied simultaneously. The citizens of the new town want to have a voice in what is going on, while the developer wants to maintain control of the project to protect his investment. If the citizens are ex-

cluded, trouble will likely arise. If the citizens get too much power too early, the master plan of the project and its benefits to the region may be jeopardized.

A practical method of developing a workable government for the new town is to form a village council such as was formed in Columbia. Assuming that the population of the new town will grow in the manner expected with staged development, resident control of the council would gradually increase. Initially, the developer would have complete control of the council in that all members would represent the developer. As the population of the town increases, representatives to the council would be selected to replace the developer's representatives on a proportionate basis. Eventually, when the town reaches full population, all council members would be selected by the residents. This system could be slightly modified, if appropriate, to give existing localities a voice in the government. The localities would initially have representatives on the council, and these representatives would gradually be phased out in the same manner as the developer's representatives.

Control of Adjacent Land Uses. New towns are designed to provide alternatives to urban sprawl. Unless they are properly controlled, however, new towns face the same problem of urban sprawl. Land use surrounding free-standing new towns must be controlled, or "new town sprawl" will become a common expression in our urban vocabularies. New town developers can help themselves to a certain extent with this

problem by providing buffer strips along the perimeter of the site they own. This means that the developer would have to acquire sufficient land to allow for full development and the perimeter buffer strip. This may be possible in some cases, but in other cases, the cost of the extra land may prove to be prohibitive.

Other methods of providing non-development rings around free-standing new communities need to be considered. The federal government should set guidelines and incentives to encourage states to pass legislation promoting anti-sprawl measures. The state legislation would in turn encourage counties and municipalities to adopt such measures. Scenic easements, flood plain zoning, agricultural zoning, and parks programs are some of the many measures that could be utilized.

Reflecting the Characteristics of the Region. As stated previously, a new town may be financially successful if it is designed just for high-income residents. Such a town would encounter serious problems in supplying a suitable work force for a stable economy. Such a new town would also only serve to further the problems of the region.

The federal government should supply new town developers with instructions for the best use of census data in determining the region's demographic characteristics. These instructions for new town design should be backed up by programs and incentives to encourage the design of new towns which are best for the region as a whole. Such programs already exist but are not funded sufficiently, as will be discussed later

in this chapter.

Upward Mobility of Low-Income Residents. This problem is not unique to new towns and is, in fact, more prevalent in existing cities. Still, the problem of providing a mechanism for the upward mobility of low-income residents does exist in new towns.

New towns provide an ideal workshop for testing various methods, but developers are not accustomed to worrying about such sociological problems. As a result of their lack of experience in such matters, developers will often allow this golden opportunity for social experimentation to pass them by.

The federal government should inform new town developers about the various manpower training programs which can be utilized. Manpower Development and Training grants, for example, from the Department of Labor should be considered part of the package of federal programs which a new town developer would naturally use. Improved HUD coordination programs which are applicable to new towns, as previously recommended, should include the provision of complete information regarding such useful programs.

Guiding Developers in regard to New Town Development Problems. Developing a new town is somewhat different than developing a subdivision. As a result, a number of unique problems are encountered to which most developers have not been exposed previously.

Guidelines should be set by the federal government to inform de-

velopers of these problems and to offer advice about the best methods of solving them. Market analysis and balance of land uses are two of the more obvious areas where a first-time new town developer could benefit greatly from such guidelines.

In summary, greater technical assistance to new town developers should be provided by the federal government through the states. The federal government should be responsible for taking the initiative in this area because it is the only body that can objectively view all new towns as they relate to national goals, objectives, and policies.

#### Financial Assistance

Federal programs provide an excellent framework for encouraging the proper development of new towns. However, with the advent of Urban Community Development Revenue Sharing, many federal programs have been eliminated or have had their funds substantially reduced, as discussed in Chapter IV. Title VII funds remain under federal control, but money previously used for funding numerous other federal programs is now being channeled directly to the states and localities for use at their own discretion.

Political feasibility must be considered in making all recommendations. In this case the politics of the situation seem to be too strong to provide any reasonable expectation that revenue sharing will be terminated soon. Therefore, efforts must be directed toward making the most of current policies.

Full funding of remaining programs as originally approved by Congress should be actively sought, as these programs will be required to bear a greater amount of the load.

Also, steps must be taken to encourage state and local revenue sharing dollars to be budgeted for new town assistance. As state governments are currently organized, the new town concept does not generally have official representation within state departments. Federal encouragement and assistance should be provided to the states to organize New Community Development Departments, as further discussed in the next recommendation. Among other things, the new town agency would be responsible for soliciting revenue sharing money for new towns.

#### Federal Guidelines for State Development Corporations

In view of current federal policies that allow the states to directly administer federal revenue funds, the logical location of the body providing support for new towns is within the state government. Most state governments are not currently organized to offer proper assistance and guidance to new towns.

Guided and controlled by the policies of the federal government, New Community Development Departments should be set up in each state. These departments would be responsible for developing a state plan and policy on new towns. The plan would indicate desired locations and characteristics of new towns as would best serve to benefit the

state as a whole. The state policy would then encourage, through financial incentives, those new town proposals most in line with the state plan. The department would also be responsible for soliciting, obtaining, and administering state money for new towns.

If a state chooses, it could extend its involvement in new town development even further. New York, for example, has its Urban Development Corporation, a state-operated organization which is virtually in the new town business. Such corporations can be set up to have the power to condemn land, clear sites, and help relocate occupants. These corporations can also be empowered to waive local laws, ordinances, zoning codes, charters, and construction regulations, substituting compliance with the states' own new town development codes. The New York Urban Development Corporation is set up so that its properties are granted local property tax exemptions. The corporation can sue or be sued, create limited profit subsidiary corporations, lend or give money to its subordinates, enter into contracts for the purchase, lease, sale, or mortgage of property, promulgate regulations, and issue general bonds and notes secured by project revenues. The corporation is assured of a large reservoir of relatively low-cost mortgage capital through the New York State Housing and Finance Agency and its revenue bonding powers.<sup>104</sup>

State corporations offer great potential, especially in view of the current political atmosphere. Proper federal guidance and support,

as outlined in this and the other recommendations of this chapter, could make state corporations a very effective means of promoting the optimum development of new towns.

### National Growth Policy

The majority of recommendations made in this thesis allude to the fact that the federal government's role in new towns should be one of overall policy guidance to promote the realization of national goals. A national growth policy should be adopted which would provide a basis for and guide a national new towns policy. Under this policy the federal government would control new town development through federal programs and guidelines. The states would then be responsible for setting and carrying out policies in line with the national objectives. The states would also take care of the bulk of administrative duties.

Such a program would be similar to British policy in that the federal government would be guiding new town development to best serve the interests of the nation. The proposed program would stop short of British methods in that the federal government would not actually be in the business of building new towns. The detailed design and actual construction of new towns would be left up to the states and the private developers, as dictated by the nature of the market system in the United States.

This recommendation is vital if the federal government is to

ever assume its proper role in new town development. This role must be twofold. The government should provide greater technical and financial assistance in an efficient manner to encourage new towns, and more importantly, the federal government should guide the development of new towns in order to best serve the interests of the nation as a whole, in line with needed national policies.

## APPENDICES

APPENDIX A  
PROJECTED CHARACTERISTICS OF VARIOUS U. S. NEW TOWNS

"HUD Challenge," January, 1973

(Comparable information not available for the other 10 new  
town projects which were researched for this thesis)

New Town	Numbers		Acres						Total
	Pop.	Jobs	Res.	Ind.	Comm.	Sch.	Open Space/ Recreation	Roads	
Cedar-Riverside	31,250	4,609	83	-	17	-	-	-	100
Flower Mound	64,141	16,454	2,989	427	262	260	1,456	345	6,156
Gananda	85,000	14,500	3,930	791	301	172	2,632	645	8,600
Harbison	21,343	6,100	732	196	85	64	224	201	1,739
Jonathan	49,996	18,152	2,436	1,489	230	292	1,705	465	8,194
Lysander	18,355	5,500	910	795	168	45	597	200	2,670
Maumelle	45,000	18,200	2,044	1,071	86	238	1,700	184	5,319
Park Forest South	110,000	30,000	4,871	1,012	348	269	892	440	8,163
Riverton	25,632	11,180	1,046	400	170	75	234	210	2,125
San Antonio Ranch	87,972	15,000	4,229	1,234	180	330	2,203	642	9,318
Soul City	44,000	18,000	1,705	928	200	100	1,280	185	5,180
St. Charles	79,145	14,890	4,320	402	214	108	1,516	330	6,980
Woodlands	150,000	40,000	6,339	2,000	466	350	4,000	1,649	16,939

## APPENDIX B

## SUPPLEMENTARY GRANT APPLICATIONS

## RECEIVED AND ANTICIPATED

(HUD - January 31, 1973)

Key

- |                                   |                                  |
|-----------------------------------|----------------------------------|
| 1. HUD - Open Space               | 8. HEW - Higher Education        |
| 2. HUD - Water and Sewer          | 9. Interior - Outdoor Recreation |
| 3. HUD - Neighborhood Facilities  | 10. EPA - Wastewater Treatment   |
| 4. Agriculture - Disposal Systems | 11. DOT - Mass Transportation    |
| 5. Commerce - Public Works        | 12. DOT - Highway                |
| 6. HEW - Health Facilities        | 13. DOT - Airport                |
| 7. HEW - Public Libraries         | X Anticipated                    |
|                                   | O Received                       |

New Town	Supplemental Grants												
Project	1	2	3	4	5	6	7	8	9	10	11	12	13
Cedar-Riverside	O	X	X			X			X		X		
Flower Mound	O	O							O	O			
Gananda	X	X											
Jonathan	O	O											
Lysander	X	O	X			X	X		X	X	X	X	
Maumelle		O								O		O	
Park Forest South	O	O				X	X			O			
Riverton	X	O	O						O				
San Antonio Ranch	X	X											
Soul City	X	X	X		X					X			
St. Charles	O	O	X			X	X		X	O			
Welfare Island	X	X	X										
Woodlands		X								X			

(Two HUD water and sewer grants have been received by each of the following: Flower Mound, Jonathan, Lysander, and St. Charles.)

## APPENDIX C

## SUMMARY OF U. S. NEW TOWN PROJECTS

(HUD - May, 1972)

Name	State	Title VII Com.	Re - searched	Projected Pop.	Acres
Cedar-Riverside	Minnesota	Yes	Yes	30,000	100
Columbia	Maryland	No	Yes	110,000	17,000
Elk Grove	Illinois	No	No	35,000	3,000
Flower Mound	Texas	Yes	Yes	60,000	6,156
Gananda	New York	Yes	Yes	82,500	8,600
Harbison	South Carolina	Yes	Yes	23,000	1,739
Irvine Ranch	California	No	Yes	500,000	93,000
Janss	California	No	No	8 ,000	11,000
Jonathan	Minnesota	Yes	Yes	50,000	8,194
Laguna Niguel	California	No	No	90,000	7,100
Lake Havasu City	Arizona	No	Yes	60,000	16,600
Litchfield Park	Arizona	No	Yes	75,000	13,000
Lysander	New York	Yes	Yes	18,000	2,700
Maumelle	Arkansas	Yes	Yes	45,000	5,319
Mission Viejo	California	No	No	80,000	11,300
Montbello	Colorado	No	No	35,000	3,000
Palm Beach Gardens	Florida	No	No	70,000	6,100
Park Forest South	Illinois	Yes	Yes	110,000	8,163
Peachtree City	Georgia	No	Yes	84,000	15,000
Rancho Bernado	California	No	No	33,000	5,400
Reston	Virginia	No	Yes	70,000	8,400

## APPENDIX C (continued)

Riverton	New York	Yes	Yes	27,000	2,535
San Antonio Ranch	Texas	Yes	Yes	88,000	9,318
San Ramon Village	California	No	Yes	72,000	4,500
Shenandoah	Georgia	Yes	Yes	70,000	7,220
Soul City	North Carolina	Yes	Yes	44,000	5,180
St. Charles	Maryland	Yes	Yes	80,000	8,000
Valencia	California	No	No	200,000	44,000
Welfare Island	New York	Yes	Yes	18,000	120
Westlake Village	California	No	Yes	70,000	12,000
Woodlands	Texas	Yes	Yes	150,000	16,939

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## APPENDIX D

## INITIAL INTERVIEW LETTER

Dear Sirs:

I am a graduate student in City Planning at Georgia Tech currently conducting research for my thesis. In the thesis I am attempting to evaluate the role of the federal government in the development of new towns, to determine whether new governmental programs are needed to assist developers of new towns.

I would appreciate any information you can give me pertaining to the following questions:

1. What federal programs have you used?
2. What specific problems have been solved by federal programs?
3. What problems did you encounter in using federal programs?
4. What suggestions do you have for improving existing federal programs?
5. What types of new federal programs are needed?

If for some reason you cannot be of any help in this matter, please let me know as soon as possible. Any assistance will be greatly appreciated.

Yours truly,

John H. Percy

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