

THE WHITE HOUSE

WASHINGTON

December 4, 1969

MEMORANDUM FOR THE PRESIDENT

FROM: Martin Anderson

MCA

SUBJECT: Urban Renewal

Your Task Force on Urban Renewal is expected to be ready with a progress report by the first of the year. While they did not have the time or the resources to do a comprehensive research study, I fully expect that they will come up with a number of sound recommendations for reform. You may wish to wait until their report is ready before taking any action.

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The urban renewal program has now been with us for 20 years, and has a distinguished record of failure. Over \$3 billion in Federal money alone has been spent. Over one million people have been forced to move from their homes. About 440,000 dwelling units, most having low monthly rents, have been demolished; less than one-third that number have been built, and most of them have considerably higher rents. And no city -- not even a small one -- can claim to have been "renewed" by urban renewal. After 20 years, \$3 billion, and one million

evicted people, we find that a major consequence of urban renewal is a net reduction in low-income housing.

Of course, urban renewal has many other facets than housing. A certain amount of commercial and industrial development has taken place, some public housing has been built, and almost 20 percent of urban renewal land is being used for public purposes such as schools, hospitals, parks and playgrounds. But these and other accomplishments are pale compared to the damage wreaked on the housing of the poor, particularly the poor who are black. (Over half those forced to move have been black, and the program is often referred to as 'Negro Removal.')

A basic reason for the urban renewal program's failure is that the goals of the program are many, often vague, and, in some cases, directly in conflict with one another. For example, the low-income housing goal directly conflicts with the objectives of reducing densities in overcrowded areas and dispersing ghettos. This process of trying to achieve contradictory goals is known as having a 'balanced program.'

What Can Be Done?

Considering only the merits of the program, urban renewal qualifies as a prime candidate for massive budget cuts, and, although it is apparently impossible to eliminate any government program, the country would be better off without it.

However, a great many citizens, as well as many Congressmen and Senators, have the impression that the program is worthwhile. In addition, there are a number of large, dedicated interest groups that lobby unceasingly for the program. Any attempt to curtail or end urban renewal would almost certainly generate a lot of political heat -- much of it irrational and misinformed, but hot nonetheless.

At this time I would recommend:

- 1) A substantial reduction in funding for fiscal 1971, perhaps on the order of 15 to 20 percent.
- 2) The initiation of program reforms, such as the amendment which recently passed the House, requiring the construction of one low-income home in an urban renewal area for every one torn down. Such a reform would slow the pace of the program and reduce federal spending, but it would certainly cast the Administration in the role of caring about what happens to the poor people who get caught up in the machinery of urban renewal.