

ABSTRACT OF SECRETARIAL CORRESPONDENCE

NTIT

TO: The Secretary The Under Secretary

From: William J. White, General Manager, New Community Development Corporation

Subject: New-Town-In-Town Initiative--Executive Summary

The New-Town-In-Town (NTIT) initiative is designed to assist long-term (5-20 years), multi-purpose developments, on cleared or underdeveloped urban sites, which are at a scale large enough to deal effectively with a broad range of interrelated urban area problems. The initiative is designed to assist developments, conceived primarily by state and local governments, that embrace many or all of the components normally associated with a city.

Specific elements of the initiative are designed to provide a more flexible mechanism keyed to the realities of large-scale development in urban areas. The initiative consists of two major phases.

Phase I - Administrative action, which can be taken immediately pending enactment of legislation proposed in Phase II and which would allow selected NTIT projects to move forward.

- Lift the moratorium, imposed by the Ford Administration, on accepting new applications for Title VII assistance.
- Actions by OMB to approve: (a) the apportionment of previously appropriated funds for special planning activities, and (b) statutorily authorized Treasury borrowings.

Phase II - Congressional action to amend Title VII to provide the following:

- Advances to assist state and/or local government in organizing development corporations and to assist such entities as well as private non-profit corporations to prepare project plans meeting Title VII eligibility requirements.
- Advances to public, non-profit and limited-dividend development corporations for land acquisition and development. Land acquisition advances would be interest free; land development advances would be subject to an interest rate

CONTROL NO. _____

PREPARED BY	CLEARED BY	CLEARED BY	CLEARED BY	CLEARED BY	CLEARED BY
L. Goldner NCDC	W. White NCDC				
INITIALS AND DATE					
2-27-78	2-28-78				

appropriate to the type of project involved. Both advances would be repayable from the proceeds of the sale or lease of finished land, but the land development advances would be subject to conversion to grants to the extent necessary to achieve essential public purposes, such as the provision of low and moderate income housing on high-cost center city land.

- Grants in behalf of approved projects for the provision of basic community facilities and services (community centers, police, fire, etc.) which are necessary to carry out approved project development plans.
- Standby "last resort" authority to make loans for permanent financing of residential, commercial and industrial buildings critical to the successful development of the project. Such authority would be used only in the early stages of a project or in periods of severe downturns in the money market when financing is unavailable from the private money market at reasonable terms and conditions.

KP:L.Goldner:jr 2/27/78
Retyped: K:mm:2/28/78

cc:	KPM Project Files	7135
	White	7110
	Clinton	7110
	KP <u>Goldner</u> /Chron	7128
	KPP McLaughlin	7128