



HOUSING AND HOME FINANCE AGENCY

OFFICE OF THE ADMINISTRATOR

WASHINGTON 25, D. C.

Federal Housing Administration
Public Housing Administration
Federal National Mortgage Association
Community Facilities Administration
Urban Renewal Administration

June 15, 1961

MEMORANDUM TO THE PRESIDENT OF THE UNITED STATES:

In accord with your recent request, I have prepared and submit herewith a draft of a bill to provide immediately increased Federal assistance for planning new or improved urban transportation systems and to require a report to the Congress early in the next session recommending the appropriate amount and method of Federal financial assistance for mass transportation facilities and equipment.

In many urban areas additional planning is a prerequisite to Federal mass transportation assistance if that assistance is to be utilized effectively. Unless cities prepare and adopt comprehensive community plans, including mass transportation plans as an integral part thereof, they may waste both their own and Federal funds and may aggravate rather than correct problems of urban congestion, haphazard development, and deterioration. Ill-conceived mass transportation facilities, like inappropriately-planned highways, can accelerate blight and encourage undesirable development. It is only through inclusion of transportation planning as a key element in the comprehensive planning process that full benefit can be obtained from the great investment that an effective transportation system in a metropolitan center entails. Transportation studies and plans must indicate in detail the need for facilities and their type, location, size, and cost if inconsistencies and conflicts with other community development programs are to be avoided.

Transportation plans, moreover, must give consideration to all transportation media, both public and private, existing and proposed, if the most effective and economic over-all system is to be obtained. Transportation systems will make provision for substantial automobile commuting and will also utilize railroad and other transit facilities if total transportation needs in most large cities are to be met successfully.

Our existing urban planning and demonstration grant programs, as strengthened by this bill, are well designed to assist such comprehensive planning. Provisions of the proposed Housing Act of 1961 will strengthen the urban planning grant program still further by increasing the Federal share of planning costs from one-half to two-thirds, and by facilitating the formation of interstate compacts and agreements for comprehensive planning in interstate areas. The increase of \$80 million in the authorization for the program proposed in the Administration's version of that bill should be sufficient for transportation planning as well as for other planning eligible for assistance under the program.

Details of the draft bill are set forth in the accompanying section-by-section analysis.

/s/ Robert C. Weaver
Administrator

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6/8/61

SECTION-BY-SECTION ANALYSIS OF
URBAN TRANSPORTATION BILL OF 1961

Sec. 1. Short title.

Findings and Purpose

Sec. 2. This section would set forth Congressional findings that the greater part of the Nation's population and economic wealth is located in our metropolitan and other urban areas, many of which are interstate in character, and that such areas--and housing, highway, urban renewal, and other Federally-aided programs in such areas--are increasingly suffering from the deterioration of urban transportation facilities and services, the intensification of traffic congestion, and the lack of integrated land-use and transportation planning on a comprehensive and continuing basis.

The section would next state it to be the belief of the Congress that Federal financial assistance for effective mass transportation systems is essential to the solution of these urban transportation problems, and that such systems can be developed only in communities with sound and comprehensive area-wide transportation plans and with financing, developmental, operating, and regulatory authority adequate to carry out such plans.

In accord with these findings, this section would state the purpose of the bill to be (1) to stimulate area-wide transportation planning and studies in metropolitan and other urban areas as an integral part of comprehensive land-use and community development and renewal planning, in order to assure that urban transportation systems, including Federally-aided highways, make a maximum contribution to sound community development and meet urban transportation needs most economically and effectively; and (2) to provide for a prompt report and recommendations to the Congress as to the proper role of Federal financial assistance in the provision of effective urban mass transportation systems.

Planning Grants

Sec. 3. This section would amend section 701 of the Housing Act of 1954 to make it clear that the urban planning grant program carried on by the Housing Administrator under that section may provide grants for transportation planning. Grants would be specifically authorized for mass transportation surveys, studies, and planning, to be in addition to funds available for planning surveys and investigations under the

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Federal-aid highway program or other Federal programs, and specifically authorized to be used jointly with such funds. The Administrator would also be authorized to provide technical assistance to localities undertaking comprehensive urban transportation planning and could himself make studies and publish information on related problems.

Technical assistance could be provided in planning, as a part of comprehensive urban planning, and in carrying out all phases of a mass transportation program. Studies could, for example, be undertaken on:

- (1) the relative costs and benefits of various land-use patterns and the transportation requirements resulting therefrom;
- (2) the coordination of mass transportation plans and programs with housing, urban renewal, highway, and other land-use and development plans and programs;
- (3) commuting patterns and travel habits;
- (4) costs of traffic congestion and its effect on economic productivity and urban growth;
- (5) the economics of mass transportation operations, both internally and in terms of over-all urban transportation costs;
- (6) organizational, fiscal, and other problems in providing regional transportation services; and
- (7) technological developments in mass transportation.

The present authority of the Administrator to make grants to official State, metropolitan and regional planning agencies for metropolitan or regional planning would be broadened to authorize grants for such planning to be made to other agencies and instrumentalities designated by the Governors of all States for which the planning was to be carried out and also acceptable to the Housing Administrator. This would make clear that grants may be made to public planning bodies other than the "official" State or local agency for metropolitan or regional planning, where the Governor and the Administrator agreed that such grants were desirable.

Public planning bodies have, for example, been sponsored by joint action of State highway departments and local governments, for regional transportation planning and other coordinated land-use planning. The Administrator should have the authority to provide grants-in-aid for such bodies where he is satisfied (a) that their operations would not supplant

those of "official" planning agencies, (b) that the resulting planning will, to the maximum extent feasible, include the entire metropolitan or other urban area, and (c) that their programs are designed to obtain the State and local support needed to carry out their plans.

The Administrator would be required to encourage cooperation among the affected localities, public agencies, and other interested parties in preparing and carrying out plans, in order to achieve coordinated development throughout the affected area. Also, recipients of planning assistance would specifically be required to make maximum use of previous pertinent plans and studies in order to avoid unnecessary repetition of effort and expense. These requirements would apply to any planning assisted under the section 701 program.

Finally, references to transportation facilities would be included in that portion of section 701 which refers to the scheduling of public facilities as a part of comprehensive planning.

Demonstration Grants

Sec. 4. This section would amend the demonstration grant program carried on by the Housing Administrator under section 314 of the Housing Act of 1954 to authorize him to contract to make grants, limited to 2/3 of cost, for demonstration projects which he determines will assist in carrying out urban transportation planning and research, including but not limited to the development of generally applicable information on the reduction of urban transportation needs, the improvement of mass transportation service, and the contribution of such service toward meeting total urban transportation needs at minimum cost. It is intended that these grants be used primarily for operational studies and experiments to assist in mass transportation planning. For example, grants could be made to help determine the effect upon the cost and utilization of mass transportation if service frequency or speed were increased or transfer privileges made available. Experiments to test the effect upon mass transportation patronage of various types of regulation of highway traffic would also be eligible.

Grants to assist in financing major long-term capital improvements would specifically be forbidden. It is not intended, for example, that the grants be used to test the effect of extensive additional parking facilities or to make other changes in service which would involve more than "pilot" use of new facilities or equipment. Such projects would more properly be considered under the program of Federal assistance for mass transportation facilities which is expected to result from the Housing Administrator's recommendations next year.

The present \$5 million contract authorization for grants under section 314 would be increased to \$15 million, of which \$10 million would be available only for the new transportation grant program.

Report and Recommendations

Sec. 5. This section would require the Housing Administrator to submit to the Congress, at the beginning of the next session, a report and recommendations as to the appropriate form and magnitude of Federal financial assistance for urban mass transportation, the proper extent of local cost sharing, and the other conditions and requirements to be met locally to assure the most effective use of such assistance. The joint study of urban transportation problems being undertaken by the Department of Commerce and the Housing and Home Finance Agency would be completed by then and would provide a firm basis for such recommendations.

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A B I L L

To provide increased Federal assistance to State and local governments in planning new or improved transportation facilities and services as a part of comprehensive planning for metropolitan and other urban areas, and for other purposes.

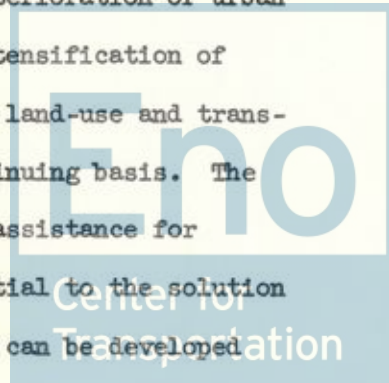
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Urban Transportation Act of 1961".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress hereby finds that -

(1) the greater part of the Nation's population and economic wealth is located in the rapidly expanding metropolitan and other urban areas of the country, many of which are interstate in character; and

(2) the welfare and vitality of such areas, the satisfactory circulation of people and goods in and among such areas, and the effectiveness of housing, highway, urban renewal, and other Federally-aided programs are being jeopardized by the deterioration of urban transportation facilities and services, the intensification of traffic congestion, and the lack of integrated land-use and transportation planning on a comprehensive and continuing basis. The Congress further finds that Federal financial assistance for effective mass transportation systems is essential to the solution of these urban problems, and that such systems can be developed



only in communities with sound and comprehensive area-wide transportation plans and with adequate provision for the financing, development, operation, and regulation of an area-wide transportation system.

(b) The purposes of this Act are -

(1) to stimulate area-wide transportation planning and studies in metropolitan and other urban areas, as an integral part of comprehensive land-use and community development and renewal planning, in order to assure that urban transportation systems, including Federally-aided highways, make a maximum contribution to sound community development and meet urban transportation needs most economically and effectively; and

(2) to provide for a prompt report and recommendations to the Congress as to the proper role of Federal financial assistance in the provision of effective urban mass transportation systems.

PLANNING GRANTS

SEC. 3. Section 701 of the Housing Act of 1954 is amended by -

(1) striking out the matter preceding paragraph (1) in subsection (a) and inserting in lieu thereof the following:

"SEC. 701. (a) In order to assist State and local governments in solving planning problems resulting from the increasing concentration of population in metropolitan and other urban areas, including smaller communities; to facilitate comprehensive planning for urban development, including co-ordinated transportation systems, on a continuing basis by such governments; and to encourage such

governments to establish and improve planning staffs, the Administrator is authorized to make planning grants ~~to~~ -";

(2) inserting the following after "agencies" in paragraph (2) of subsection (a): " - or other agencies and instrumentalities designated by the Governor (or Governors in the case of interstate planning) and acceptable to the Administrator - ";

(3) adding the following at the end of subsection (a): "The Administrator shall encourage cooperation in preparing and carrying out plans among all interested municipalities, political subdivisions, public agencies, or other parties in order to achieve coordinated development ^{of} by entire areas. To the maximum extent feasible, previous pertinent plans and studies for areas shall be utilized so as to avoid unnecessary repetition of effort and expense.

"Planning which may be assisted under this section includes the preparation of comprehensive urban transportation surveys, studies, and plans to aid in solving problems of traffic congestion, facilitating the circulation of people and goods in metropolitan and other urban areas, and reducing transportation needs. Funds available under this section shall be in addition to and may be used jointly with funds available for planning surveys and investigations under other Federally-aided programs, and nothing contained in this section shall be construed as affecting the authority of the Secretary of Commerce under section 307 of title 23, United States Code.";

(4) striking out the first sentence of subsection (d) and inserting in lieu thereof the following: "It is the further intent of this section to encourage comprehensive planning, including

transportation planning, for States, cities, counties, metropolitan areas, and urban regions and the establishment and development of the organizational units needed therefor. The Administrator is authorized to provide technical assistance to State and local governments and their agencies and instrumentalities undertaking such planning and, by contract or otherwise, to make studies and publish information on related problems."; and

(5) inserting after "public facilities" in clause (1) of subsection (d) " , including transportation facilities".

DEMONSTRATION GRANTS

SEC. 4. Section 314 of the Housing Act of 1954 is amended to read as follows:

"SEC. 314. (a) The Housing and Home Finance Administrator is authorized to make grants to public bodies, including cities and other political subdivisions, to assist them in developing, testing, and reporting methods and techniques, and carrying out demonstrations and other activities for the prevention and elimination of slums and urban blight and for sound urban growth. In administering this subsection, the Administrator shall give preference to those undertakings which in his judgment can reasonably be expected to (1) contribute more significantly to the improvement of methods and techniques for the elimination and prevention of slums and blight and for sound urban growth, and (2) best serve to guide renewal and development programs in other communities.

"(b) The Administrator is also authorized to make grants for demonstration projects which he determines will assist in carrying out urban transportation plans, and research, including but not limited to the development of data and information of general applicability on the reduction of urban transportation needs, the improvement of mass transportation service, and the contribution of such service toward meeting total urban transportation needs at minimum cost. No such grant shall be made to assist in financing major long-term capital improvements.

"(c) Any grant under this section shall not exceed two-thirds of the cost, as determined or estimated by the Administrator, of the project for which the grant is made, and shall be subject to such other terms and conditions as may be prescribed by the Administrator. The Administrator may make advance or progress payments on account of any grant contracted to be made pursuant to this section, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended. The aggregate amount of grants made under this section shall not exceed \$15,000,000 and, notwithstanding any other provisions of law, shall be payable from the capital grant funds provided under and authorized by section 103(b) of the Housing Act of 1949: Provided, That \$10,000,000 of the amount authorized for grants under this section shall be available only for grants under subsection (b) of this section."

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DEVELOPMENT ASSISTANCE
REPORT AND RECOMMENDATIONS

SEC. 5. The Housing and Home Finance Administrator is directed to submit to the Congress, no later than January 31, 1962, a report and recommendations as to the appropriate form and magnitude of Federal financial assistance for urban mass transportation, the proper extent of local cost sharing, and the conditions and requirements to be met by local communities to assure the most effective use of such assistance.

