

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

Mr Price

ph see no

12 Jan

1-10-70
1/12

JANUARY 9, 1970

TO: PAT MOYNIHAN
CC: KEN COLE

FROM: JOHN EHRLICHMAN

The President is now convinced that we made a mistake to abandon the name "Family Security Plan".

In view of the upcoming hearings, etc., he suggests that we revert to that nomenclature.

January 12, 1970

DPM
v. + 1/17/70

ACTION

MEMORANDUM FOR JOHN EHRLICHMAN

FROM: John R. Price

SUBJECT: The attached Memorandum for the President on New Communities

The attached memorandum for your signature on new communities briefly sets out current authority and lends the President to expect a presentation on his options for legislation within three months at the outside.

RECOMMENDATION

That you sign the MEMORANDUM FOR THE PRESIDENT.

JRP:slj

Copy to Central Files
✓ Dr. Moynihan

**Attachment: Memorandum for the President prepared
January 12, 1970**

INFORMATION

New Communities Program

MEMORANDUM FOR THE PRESIDENT

The current authority for new communities, in the Housing Act of 1968, contains only two forms of assistance for their construction, one with a budgetary impact, the other with none. The latter is the principal incentive and is a guaranty of the indebtedness of private new community developers. It permits guaranties of up to \$50 million per project for development and has a cumulative ceiling of \$250 million in guaranties. The other feature is a supplementary grant program for water and sewer facilities and open space acquisition, and is limited to around \$2 million in this fiscal year, raised to about \$10 million in FY71.

According to the Budget Bureau, the authorization and appropriation could mean beginning as many as six new communities still in FY70 and ten in FY71. HUD now has about thirty applications with only five or so regarded as viable prospects.

John Price, in consultation with Pat Moynihan, Henry Cachen, and Martin Anderson, is now heading a working group of top staff from relevant departments. He is seeking to find ways first in which existing government programs can be brought to bear to help new community development and secondly, to develop for you a range of possibilities for new legislation with differing features and price tags.

Secretary Romney and John Price are in agreement that what is important is having carefully worked out alternatives, though they recognize that time is important so that the Administration is not preempted by developments on the Hill.

The expected time frame for new legislative proposals will be between one and three months. The identification and integration of other existing programs into the administration of the new communities program by HUD will be done as rapidly as possible, and a report will be made to you.

John D. Ehrlichman

JDE/JRP:slj
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 ↳ Dr. Moynihan

Prepared 1/12/70