

The Demonstration Cities and Metropolitan Development Act of 1966 was enacted as a broad urban planning program meant to revitalize cities and improve the welfare of people living in slums and blighted neighborhoods. It provided grants that would pay up to 80 percent of the cost of developing city demonstration programs and technical assistance from the Department of Housing and Urban Development (HUD). President Lyndon Johnson remarked that the legislation “... recognizes that our cities are made of people, not just bricks and mortar.”¹

Support for urban renewal and the continuation of anti-poverty programs with federal assistance was offered by individuals like Richard C. Lee, mayor of New Haven, CT, in correspondence with Congressman Robert N. Giaimo. Critics of the bill feared it would be too costly, and some argued against the “desegregation implicit in the ghetto busting bill.”

In June 1966, the House Committee on Banking and Currency Subcommittee on Housing held four weeks of hearings on housing and urban development legislation, including the Johnson Administration bill (H.R. 12341). Several bills were merged in H.R. 15890, the Housing and Urban Development Act of 1966, and that bill was reported to the full committee on June 28, 1966.

The Senate Committee on Banking and Currency Subcommittee on Housing held hearings in April 1966. The Committee reported two bills to the full committee, S. 3711, The Housing and Urban Development Act, and S. 3708, the Demonstration Cities and Metropolitan Development Act. The Senate approved the former on August 12 and the latter on August 19.

Both Senate bills were referred to the House Committee on Banking and Currency. On September 1, the Committee reported S. 3708 with an amendment drawing on features of H.R. 15890, S. 3708, and S. 3711. The House version was then considered on the floor for two days in October. A motion to recommit, which would have removed \$900 million in grant money from title I and all of title II, was defeated by a vote of 175 to 149. The bill was then approved by a vote of 178 to 141.

The House and Senate held a conference on October 17 and 18, and the conference report was approved by the Senate on October 18 and by the House on October 20.

President Johnson signed the Demonstration Cities and Metropolitan Development Act of 1966 into law on November 3, 1966.

LYNDON B. JOHNSON

36th President of the United States: 1963 - 1969

Special Message to the Congress Recommending a Program for Cities and Metropolitan Areas

January 26, 1966

To the Congress of the United States:

Nineteen-sixty-six can be the year of rebirth for American cities.

This Congress, and this people, can set in motion forces of change in great urban areas that will make them the masterpieces of our civilization.

Fifty years from now our population will reach that of today's India. Our grandchildren will inhabit a world as different from ours, as ours is from the world of Jefferson.

None can predict the shape of their life with any certainty. Yet one thing is sure. It will be lived in cities. By the year 2000, four out of five Americans will live and work in a metropolitan area.

We are not strangers to an urban world.

We began our national life gathered in towns along the Atlantic seaboard. We built new commercial centers around the Great Lakes and in the Midwest, to serve our Westward expansion.

Forty millions came from Europe to fuel our economy and enrich our community life. This century has seen the steady and rapid migration of farm families--seeking jobs and the promise of the city.

From this rich experience we have learned much.

We know that cities can stimulate the best in man and aggravate the worst.

We know the convenience of city life, and its paralysis.

We know its promise, and its dark foreboding.

What we may only dimly perceive is the gravity of the choice before us.

Shall we make our cities livable for ourselves and our posterity? Or shall we by timidity and neglect damn them to fester and decay?

If we permit our cities to grow without rational design--



If we stand passively by, while the center of each city becomes a hive of deprivation, crime, and hopelessness--

If we devour the countryside as though it were limitless, while our ruins--millions of tenement apartments and dilapidated houses--go unredeemed--

If we become two people--the suburban affluent and the urban poor, each filled with mistrust and fear one for the other--

If this is our desire and policy as a people, then we shall effectively cripple each generation to come.

We shall as well condemn our own generation to a bitter paradox: an educated, wealthy, progressive people, who would not give their thoughts, their resources, or their wills to provide for their common well-being.

I do not believe such a fate is either necessary or inevitable. But I believe this will come to pass--unless we commit ourselves now to the planning, the building, the teaching and the caring that alone can forestall it.

That is why I am recommending today a massive Demonstration Cities Program. I recommend that both the public and private sectors of our economy join to build in our cities and towns an environment for man equal to the dignity of his aspirations.

I recommend an effort larger in scope, more comprehensive, more concentrated--than any that has gone before.

THE WORK OF THE PAST

I know the work of the past three decades. I have shared in the forging of our Federal housing and renewal programs. I know what they have done for millions of urban Americans:

Eight million single family dwellings assisted by the Federal Housing Administration.

An additional 6.7 million assisted by the Veterans Administration. 1.1 million multiple units created. 605,000 families moved out of decayed and unsanitary dwellings into decent public housing.

300,000 dwelling units supported under urban renewal.

Without these programs, the goal I recommend today would be impossible to achieve. Because Federal sponsorship is so effective a part of our system of home-building, we can conceive a far larger purpose than it has yet fulfilled. We must make use of every established housing program--and of social, educational, and economic instruments as well--if the Demonstration Cities Program is to succeed.

THE PROBLEM TODAY

Our housing programs have built a platform, from which we may see how far away is the re-born city we desire. For there still remains:

--some 4 million urban families living in homes of such disrepair as to violate decent housing standards.

--the need to provide over 30% more housing annually than we are currently building.

--our chronic inability to provide sufficient low and moderate income housing, of adequate quality, at a reasonable price.

--the special problem of the poor and the Negro, unable to move freely from their ghettos, exploited in the quest for the necessities of life.

--increasing pressures on municipal budgets, with large city per capita expenditures rising 36% in the three years after 1960.

--the high human costs: crime, delinquency, welfare loads, disease and health hazards. This is man's fate in those broken neighborhoods where he can "feel the enclosure of the flaking walls and see through the window the blackened reflection of the tenement across the street that blocks out the world beyond."

--the tragic waste and, indeed, the chaos that threatens where children are born into the stifling air of overcrowded rooms, destined for a poor diet, inadequate schools, streets of fear and sordid temptation, joblessness, and the gray anxiety of the ill-prepared.

--and the flight to the suburbs of more fortunate men and women, who might have provided the leadership and the means for reversing this human decline.

THE INADEQUATE RESPONSE

Since 1949, the urban renewal program has been our chief instrument in the struggle for a decent urban environment.

Over 800 cities are participating in urban renewal programs. Undertaken and designed by the cities themselves, these efforts have had an increasing influence on the use of urban land. Last year the Congress wisely extended the authorization for urban renewal, at a higher level than before.

Years of experience with urban renewal have taught us much about its strengths and weaknesses.

Since 1961 we have made major alterations in its administration. We have made it more responsive to human needs. We have more vigorously enforced the requirement of a workable program for the entire community. Within the limits of current law, we have achieved considerable progress toward these goals.

Nevertheless the social and psychological effects of relocating the poor have not always been treated as what they are. They are the unavoidable consequences of slum clearance, demanding as much concern as physical redevelopment.

The size and scale of urban assistance has been too small, and too widely dispersed.

Present programs are often prisoners of archaic and wasteful building practices. They have inhibited the use of modern technology. They have inflated the cost of rebuilding.

The benefits and efficiencies that can come from metropolitan planning are still unrealized in most urban regions.

Insufficient resources cause extensive delays in many projects. The result is growing blight and over-crowding that thwart our best efforts to resist them.

The goals of major federal programs have often lacked cohesiveness. Some work for the revitalization of the central city. Some accelerate suburban growth. Some unite urban communities. Some disrupt them.

URBAN DILEMMAS

Virtually every forward step we have taken has had its severe limitations. Each of those steps has involved a public choice, and created a public dilemma:

--major clearance and reconstruction, with its attendant hardships of relocation.

--relieving traffic congestion, thereby widening the gulf between the affluence of suburbia and the poverty of the city.

--involving urban residents in redeveloping their own areas, hence lengthening the time and increasing the cost of the job.

--preserving the autonomy of local agencies, thus crippling our efforts to attack

regional problems on a regional basis. These dilemmas cannot be completely resolved by any single program, no matter how well designed. The prize--cities of spacious beauty and lively promise, where men are truly free to determine how they will live--is too rich to be lost because the problems are complex.

Let there be debate over means and priorities.

Let there be experiment with a dozen approaches, or a hundred.

But let there be commitment to that goal.

WHAT IS REQUIRED

From the experience of three decades, it is clear to me that American cities require a program that will:

--concentrate our available resources--in planning tools, in housing construction, in job training, in health facilities, in recreation, in welfare programs, in education--to improve the conditions of life in urban areas.

--join together all available talent and skills in a coordinated effort.

--mobilize local leadership and private initiative, so that local citizens will determine the shape of their new city--freed from the constraints that have handicapped their past efforts and inflated their costs.

A DEMONSTRATION CITIES PROGRAM

I propose a Demonstration Cities Program that will offer qualifying cities of all sizes the promise of a new life for their people.

I propose that we make massive additions to the supply of low and moderate-cost housing.

I propose that we combine physical reconstruction and rehabilitation with effective social programs throughout the rebuilding process.

I propose that we achieve new flexibility in administrative procedures.

I propose that we focus all the techniques and talents within our society on the crisis of the American City.

It will not be simple to qualify for such a program. We have neither the means nor the desire to invest public funds in an expensive program whose net effects will be marginal, wasteful, or visible only after protracted delay.

We intend to help only those cities who help themselves.

I propose these guidelines for determining a city's qualifications for the benefits--and achievements--of this program.

1. The demonstration should be of sufficient magnitude both in its physical and social dimensions to arrest blight and decay in entire neighborhoods. It must make a substantial impact within the coming few years on the development of the entire city.
2. The demonstration should bring about a change in the total environment of the area affected. It must provide schools, parks, playgrounds, community centers, and access to all necessary community facilities.
3. The demonstration--from its beginning--should make use of every available social program. The human cost of reconstruction and relocation must be reduced. New opportunities for work and training must be offered.
4. The demonstration should contribute to narrowing the housing gap between the deprived and the rest of the community. Major additions must be made to the supply of sound dwellings. Equal opportunity in the choice of housing must be assured to every race.
5. The demonstration should offer maximum occasions for employing residents of the demonstration area in all phases of the program.
6. The demonstration should foster the development of local and private initiative and widespread citizen participation--especially from the demonstration area--in the planning and execution of the program.

7. The demonstration should take advantage of modern cost-reducing technologies without reducing the quality of the work. Neither the structure of real estate taxation, cumbersome building codes, nor inefficient building practices should deter rehabilitation or inflate project costs.
8. The demonstration should make major improvements in the quality of the environment. There must be a high quality of design in new buildings, and attention to man's need for open spaces and attractive landscaping.
9. The demonstration should make relocation housing available at costs commensurate with the incomes of those displaced by the project. Counseling services, moving expenses, and small business loans should be provided, together with assistance in job placement and retraining.
10. The demonstration should be managed in each demonstration city by a single authority with adequate powers to carry out and coordinate all phases of the program. There must be a serious commitment to the project on the part of local, and where appropriate, state authorities. Where required to carry out the plan, agreements should be reached with neighboring communities.
11. The demonstration proposal should offer proof that adequate municipal appropriations and services are available and will be sustained throughout the demonstration period.
12. The demonstration should maintain or establish a residential character in the area.
13. The demonstration should be consistent with existing development plans for the metropolitan areas involved. Transportation plans should coordinate every appropriate mode of city and regional transportation.
14. The demonstration should extend for an initial six-year period. It should maintain a schedule for the expeditious completion of the project.

These guidelines will demand the full cooperation of Government at every level and of private citizens in each area. I believe our Federal system is creative enough to inspire that cooperative effort. I know it must be so creative if it is to prosper and flourish.

SIZE OF THE PROGRAM

The program I recommend is intended to eliminate blight in the entire demonstration area. Through efficient rebuilding it must replace that blight with attractive and economic housing, social services, and community facilities.

There are many ways by which this can be done, once the commitment has been made to do it. Total clearance and reconstruction; partial clearance and rehabilitation; rehabilitation alone--any of these methods may be chosen by local citizens.

Whatever approach is selected, however, must be comprehensive enough to be effective and economic.

There are few cities or towns in America which could not participate in the Demonstration Cities Program. We shall take special care to see that urban communities of all sizes are included. For

each such community, the impact of the program will be significant, involving as much as 15 to 20 percent of the existing substandard structures.

For the largest qualifying cities a relatively modest program could provide decent housing for approximately 5,000 families now living in substandard dwelling units. It could rehabilitate other marginal housing sufficient to affect 50,000 people. A typical program could well involve a total of 35,000 units or 100,000 people.

For cities of approximately 100,000 people, 1,000 families could be rehoused, and 3,000 units rehabilitated, affecting a total of 10,000 people.

BENEFITS OF THE PROGRAM

I recommend that participating cities receive two types of Federal assistance:

First, the complete array of all available grants and urban aids in the fields of housing, renewal, transportation, education, welfare, economic opportunity and related programs.

Second, special grants amounting to 80% of the non-Federal cost of our grant-in-aid programs included in the demonstration. These grants are to supplement the efforts of local communities. They are not to be substituted for those efforts.

In every qualifying city, a Federal coordinator would be assigned to assist local officials in bringing together all the relevant Federal resources.

Once authorized, the supplemental funds would be made available in a common account. They would be drawn at the discretion of the community to support the program. They would be certified by the Federal coordinator.

It is vital that incentives be granted for cost reductions achieved during the performance of the program.

At least as vital as the dollar commitment for rebuilding and rehabilitation is the social program commitment. We must link our concern for the total welfare of the person, with our desire to improve the physical city in which he lives. For the first time, social and construction agencies would be joined in a massive common effort, responsive to a common local authority.

There is another benefit--not measurable in dollars, or even in the extended range of social services--that qualifying cities would secure by participating in this program.

It is a sense of hope:

--that the city is not beyond reach of redemption by men of good will

--that through wise planning, cooperation, hard work, and the sacrifice of those outmoded codes and practices that make widespread renewal impossibly expensive today, it is possible to reverse the city's decline.

That knowledge, that confidence, that hope can make all the difference in the decade ahead.

FEDERAL COST

Funds are required in the first year to assist our cities in the preparation of demonstration plans. We should not underestimate the problems involved in achieving such a plan. The very scale of the demonstration, its widespread and profound effects on the social and physical structure of the city, calls for marshaling the city's planning and administrative resources on an unprecedented scale.

I estimate the appropriate Federal contribution to this planning effort at \$12 million.

For the supplemental demonstration grants I will recommend appropriations, over a six-year period, totalling over \$2.3 billion, or an average of some \$400 million per year.

It is impossible to estimate exactly--but it is necessary to consider--the rising cost of welfare services, crime prevention, unemployment and declining property values that will plague all governments, local, state, and Federal, if we do not move quickly to heal and revitalize our cities.

METROPOLITAN PLANNING

The success of each demonstration will depend on the quality of its planning, and the degree of cooperation it elicits from the various governmental bodies concerned, as well as from private interests.

Most metropolitan areas conduct some degree of metropolitan planning now. The Federal Government has made funds available throughout the country so that state and local planning agencies might devise--many for the first time--comprehensive plans for metropolitan areas.

I recommend improvements and extensions of this program. The Congress enacted them recognizing that the problems of growth, transportation, housing, and public services cannot be considered by one entity of government alone.

The absence of cooperation between contiguous areas is wasteful. It is also blind to the reality of urban life. What happens in the central city, or the suburb, is certain to affect the quality of life in the other.

The widespread demand for these funds has resulted in their being spread thinly across the fifty states. Thus, the benefits of a truly coordinated attack on metropolitan problems have not generally been realized.

INCENTIVES TO ORDERLY METROPOLITAN

DEVELOPMENT

Over the past five years, the Congress has authorized Federal grants for urban mass transportation, open space, and sewer and water facilities. The Congress has required that such projects be consistent with comprehensive planning for an entire urban or metropolitan area. The Federal Government has thus not only helped our localities to provide the facilities they need. It has also stimulated cooperation and joint planning among neighboring jurisdictions.

But more remains to be done. The powerful forces of urban growth threaten to overwhelm efforts to achieve orderly development. A metropolitan plan should be an instrument for shaping sound urban growth--not a neglected document.

I now propose a new incentive to help assure that metropolitan plans achieve their potential.

The Federal Government should bear a larger share of the total cost of related Federal aid programs. This share would be borne where local jurisdictions show that they are ready to be guided by their own plans in working out the patterns of their own development and where they establish the joint institutional arrangements necessary to carry out those plans.

DEMONSTRATIONS OF EFFECTIVE PLANNING

I propose that a series of demonstrations in effective metropolitan planning be undertaken promptly.

Metropolitan areas would be selected to return the broadest possible data and experience to Federal, state and local governments. They should therefore be of varying size and environment, in widely separated locations. They would be selected to assure that their benefits reach small communities surrounding the large cities.

Advanced techniques and approaches should be employed. There must be --balanced consideration of physical and human development programs.

--coordinated treatment of the regional transportation network.

--technical innovations, such as metropolitan data banks and systems analysis.

--new educational and training programs.

--new arrangements for coordinating decisions of the various local governments involved.

I estimate the cost of the demonstrations at \$6,500,000.

I shall impose on the new Department of Housing and Urban Development the continuing responsibility to stimulate effective planning. If local governments do not plan cooperatively and sufficiently in advance of inevitable urban growth, even adequate funds and an aggressive determination to improve our cities cannot succeed.

HOUSING FOR ALL

The programs I have proposed--in rebuilding large areas of our cities, and in metropolitan planning--are essential for the rebirth of urban America.

Yet at the center of the cities' housing problem lies racial discrimination. Crowded miles of inadequate dwellings--poorly maintained and frequently over-priced--is the lot of most Negro Americans in many of our cities. Their avenue of escape to a more attractive neighborhood is often closed, because of their color.

The Negro suffers from this, as do his children. So does the community at large. Where housing is poor, schools are generally poor. Unemployment is widespread. Family life is threatened. The

community's welfare burden is steadily magnified. These are the links in the chain of racial discrimination.

This Administration is working to break that chain--through aid to education, medical care, community action programs, job retraining, and the maintenance of a vigorous economy.

The time has come when we should break one of its strongest links--the often subtle, but always effective force of housing discrimination. The impacted racial ghetto will become a thing of the past only when the Negro American can move his family wherever he can afford to do so.

I shall, therefore, present to the Congress at an early date legislation to bar racial discrimination in the sale or rental of housing.

NEW COMMUNITIES

Our existing urban centers, however revitalized, cannot accommodate all the urban Americans of the next generation.

Three million new residents are added each year to our present urban population. The growth of new communities is inevitable. Unless they are to be casual parts of a general urban sprawl, a new approach to their design is required. We must:

- enlarge the entire scale of the building process;
- make possible new efficiencies in construction, land development, and municipal services;
- relieve population densities;
- offer a variety of homes to a wide range of incomes.

These communities must also provide an environment harmonious to man's needs.

They must offer adequate transportation systems, attractive community buildings, and open spaces free from pollution. They must retain much of the natural beauty of the landscape.

The private sector must continue its prominent role in new community development. As I recommended to the Congress last year, mortgage insurance should be made available for sites and community facilities for entire new communities.

It is apparent that new communities will spring into being near an increasing number of major metropolitan areas. Some, already in existence, promise dramatic efficiencies through size and new construction techniques, without sacrificing beauty. Obviously such a development should be encouraged. I recommend that the Congress provide the means of doing so.

RENT SUPPLEMENT PROGRAM

Rarely has a new housing program evoked such a dramatic and positive response as the rent supplement program.

The Department of Housing and Urban Development has already received preliminary proposals from sponsors to construct nearly 70,000 low-income units under this program as soon as funds become available.

The proposals involve 424 projects in 265 localities in 43 States, the District of Columbia, and Puerto Rico. The sponsors have already selected sites for some 40,000 of these units. The interested groups are about equally divided between non-profit organizations and private limited dividend developers.

The need for this program is obvious. It is the need of the poor and the disadvantaged. The demand for the means to meet this need by private enterprise is demonstrated by the figures I have just cited.

I strongly urge the Congress to pass a supplementary appropriation to fund the rent supplement program at the \$30 million level it has authorized in the Housing and Urban Development Act of 1965.

MASS TRANSPORTATION PROGRAM

We must continue to help our communities meet their increasing needs for mass transportation facilities. For this purpose, I propose an additional one-year authorization for the urban mass transportation program.

THE NEW DEPARTMENT

No Federal program can be effective unless the agency that administers it is efficient. This is even more crucial for programs that call for comprehensive approaches at both the Federal and local level.

Progress was made after 1961 toward unifying the Housing and Home Finance Agency. But the very nature of that agency limited the extent to which its several parts could be welded into a truly unified whole. Its Administrator lacked the statutory basis for gaining full control over partially independent agencies.

With this in mind, I requested--and you enacted--legislation to create a Department of Housing and Urban Development.

As a result, the Secretary of the new Department now has the authority and the machinery for implementing the new programs I have asked for.

I see five ways by which he can do this:

1. He can organize the Department so that its emphasis will be upon meeting modern urban needs--rather than fitting new programs into old and outworn patterns.
2. He can strengthen the regional structure so that more decisions can be made in the field.
3. He can assert effective leadership throughout the Department.
4. He can mesh together all our social and physical efforts to improve urban living.

5. He can assume leadership among intergovernmental agencies dealing with urban problems. Such a Department, and such leadership, will be worthy of the program I recommend you adopt.

A YEAR OF REBIRTH

The evidence is all about us that to be complacent about the American city is to invite, at best, inconvenience; at worst, a divided nation.

The programs I have proposed in this message will require a determined commitment of our energy and a substantial commitment of our funds.

Yet these programs are well within our resources. Nor do they compare in cost with the ugliness, hostility, and hopelessness of unlivable cities.

What would it mean to begin now, and to bring about the rebirth of our cities?

It would mean:

--a more tolerable and a more hopeful life for millions of Americans.

--the possibility of retaining middle-income families in the city, and even attracting some to return.

--improving the cities' tax base, at a time of heavy strain on city budgets.

--ultimately reducing welfare costs.

--avoiding the unnecessary waste of human resources.

--giving to both urban and suburban families the freedom to choose where they will live.

--a clean room and a patch of sky for every person, a chance to live near an open space, and to reach it on a safe street.

As Thomas Wolfe wrote, "to every man his chance--to every man, regardless of his birth, his shining, golden opportunity--to every man the right to live, to work, to be himself, and to become whatever thing his manhood and his vision can combine to make him--this--is the promise of America."

I believe these are among the most profound aspirations of our people. I want to make them part of our destiny.

I urge the Congress promptly to adopt the Demonstration Cities Act of 1966. If we began now the planning from which action will flow, the hopes of the twentieth century will become the realities of the twenty-first.

LYNDON B. JOHNSON

The White House

January 26, 1966

Note: The Demonstration Cities and Metropolitan Development Act of 1966 was approved by the President on November 3, 1966 (see Item 574).

Supplementary appropriations to fund the rent supplement program were approved by the President on May 13, 1966 (see Item 223).

See also Item 31.

Lyndon B. Johnson, Special Message to the Congress Recommending a Program for Cities and Metropolitan Areas Online by Gerhard Peters and John T. Woolley, The American Presidency Project <https://www.presidency.ucsb.edu/node/238619>