

What is contemplated here is development of large tracts of good land on a scale that will provide a wide range of urban facilities and services, while requiring maximum accessibility to any nearby major cities in the area. This would facilitate such benefits as cheaper initial land costs, a better balance of varied housing and other land uses, and reduced traffic. Above all, we would be affording a greater range of desirable choices for the home-buying, and I might add, the home-renting public.

To encourage well-planned developments on this scale, special financial aid in the form of FNMA special assistance would be available, if needed, and longer mortgage maturities would be authorized for this category of land development. These special aids would not be available for land developments, no matter how extensive, which are not approved as meeting the special requirements in the bill for new communities.

The title would also increase from \$10 million to \$25 million the maximum outstanding mortgage amount permitted for a single large land development.

Title II would also authorize Federal loans to land development agencies to finance the acquisition of land to be used in connection with the later development of well-planned residential neighborhoods, subdivisions, or new communities. These land development agencies would include municipalities and other public corporations which are designated or created under State law for this purpose.

The Federal loan could equal the cost of the acquisition of the land, including capitalization of interest, and would be repayable within 15 years. The interest rate would be the same as under our public facility loans program. The loan proceeds would not be available for site improvements, although other provisions of Federal law would authorize assistance to State and local public bodies for financing such improvements.

The land acquired by the land development agency would be sold for private residential and related development in accordance with a development plan made by the agency and approved by the Secretary. The land could be developed by the private owners with or without FHA mortgage insurance assistance. These projects could be residential neighborhoods, housing subdivisions, or more extensive developments, including new communities.

Title III of the bill will authorize appropriations necessary to continue the urban mass transportation program through fiscal year 1968. It will increase the present authorization by \$95 million for grants to assist localities to finance needed mass transportation facilities and equipment. It will also increase, by \$10 million, the authorization for appropriations to develop, test, and demonstrate new or improved mass transportation facilities, equipment, or techniques.

Advance funding is essential in the urban mass transportation program. It allows communities time to plan their projects with assurance that funds will not be exhausted during the "leadtime" between starting to plan for a project and applying for grant assistance. This time amounts to several years in the case of larger projects.

The proposed program level is well supported by the volume of applications in hand and known to be in preparation.