

Title II. Land development and new communities.—This title would (1) increase the maximum mortgage amount of FHA title X land development mortgages from \$10 million to \$25 million; (2) establish a special category of land development called new communities, generally larger in size and scope; (3) exempt new community developments from the existing 7-year maximum maturity applicable under title X; (4) require that participation by small builders in land development projects be particularly encouraged; and (5) make FNMA special assistance funds available, where necessary, for new community developments.

Title II would also authorize a new program of loans (at 4 percent interest rate) to State or local land development agencies to acquire land to be used for well-planned residential neighborhoods, subdivisions, and communities. Land development agencies would include cities and other public corporations created for that purpose under State law. Land acquired would be sold to private builders at fair market value for uses in accord with approved development plans. Land could be developed by private builders under FHA title X land development provisions. Participation of small builders would be particularly encouraged. For these loans, \$25 million would be authorized.

Title III. Urban mass transportation.—This title would increase by \$95 million the authorization for grants under the Urban Mass Transportation Act of 1964 in order to maintain a \$150 million program level for fiscal year 1968. It would also provide \$10 million for mass transit demonstration grants for fiscal year 1968.

Title IV. Grants for urban information centers.—This title would establish a new program of HUD grants to States and metropolitan area agencies to help finance (up to 50 percent of the costs of) programs for the collection and dissemination of information and data needed for effectively utilizing governmental programs for the solution of local urban problems. For fiscal year 1966 \$5 million would be authorized and \$10 million for fiscal year 1967.

NAHB strongly opposes extension of title X land development provisions. Ample authority exists for FHA to insure large developments under the existing provisions. The administration has failed to demonstrate a need for an expansion of the program at this time. Furthermore, we understand that as of this date (March 9, 1966), although more than 66 land development projects are being processed, no mortgage has yet been approved by FHA. We recommend that Congress postpone expansion of this program until the nature and extent of land development projects under existing title X provisions can be evaluated.

NAHB strongly opposes these provisions which were rejected by Congress in 1965. We believe that the administration has failed to demonstrate any need for this proposed governmental activity in land development operations. These provisions would eliminate private enterprise from land acquisition and development activities by (1) enabling governmental bodies to acquire (at low-interest rates) raw land which would ordinarily be available to private developers, and (2) restricting the use of acquired land to uses in accord with publicly approved development plans. The increasing amount of private land development in accordance with modern land use concepts makes this administration proposal unnecessary and undesirable.

NAHB supports the proposed increases in mass transit grant and demonstration funds. The mass transit program provides assistance to localities to develop a more rational system of metropolitan area transportation, an essential element of proper urban development.

NAHB supports the objectives of this proposed grant program. The need for better information and easier access to such information (especially in smaller localities) is widespread.

The type of information contemplated under title IV would appear to be most useful to localities taking part in the demonstration cities program, which would be authorized under H.R. 12341. Accordingly, we recommend that the Federal coordinator established under H.R. 12341 be required to supply cities with this type of information. This would prevent a proliferation of information centers and make urban information and data available in those localities which will need it most.