

as 5 to 10 homes per year on a contract basis for lot buyers. We have had as many as 20 to 30 of these builders working within our development at one time.

On the merits of the issue as a matter of national policy, this bill also seems useful and important simply as an additional tool in the workshop of national aids. Possibly I have overestimated its potential contribution to the solution of some of our housing and development problems; nevertheless, it is hard to see why this program should not be added to fill out the inventory of aids which the Secretary has at his disposal. If it is an objective of the Congress to provide the industry with selective access to a diverse and balanced range of development and housing assistance programs, then certainly the new communities legislation would seem to be an appropriate addition to the inventory.

Finally, nothing has been said in the prior testimony before the committee to suggest that long term insured financing and the availability of FNMA special assistance can play a role in expanding the supply of housing which is (a) rationally priced in relation to the market, and (b) part of an adequately planned development in terms of educational and recreational opportunities, as well as basic community facilities. I believe strongly that the legislation can help with respect to these problems and that it can, thereby, serve a useful and important purpose in new community development throughout the Nation.

URBAN RENEWAL AGENCY,
OF THE CITY OF CRYSTAL CITY,
Crystal City, Tex., March 28, 1966.

HON. WRIGHT PATMAN,
*Chairman, Committee on Banking and Currency,
House of Representatives,
Washington, D.C.*

DEAR CONGRESSMAN: Crystal City, Tex., is enthusiastic about the proposed new demonstration city program. The city of Crystal City has always felt that only through a program of total urban renewal could we eliminate the slum and sub-standard conditions found in all our cities, particularly the small city. The small city is always plagued, in terms of urban renewal, with the problems of credits, priority use of bond funds, inherent problems in smallness and constant individual contact and persuasion of administration officials and self-interests. By nature of the growth patterns of our cities both past and present, the small city cannot compete with the large urban areas in terms of rate of growth, bonding potential, etc., yet their existing facilities are becoming obsolete, new and modern maintenance saving devices cannot be purchased and the city cannot provide new facilities to attract new industry or make it financially attractive to developers.

In regards to the proposed demonstration city program, the neighborhood unit is essentially the same relative size in all cities, it does not reduce in size as the population decreases but the problems magnify and it is more difficult to carry out the program. The neighborhood unit in a large city is only a small portion of the total population, while this same neighborhood in a small city constitutes one-fourth to one-half of the total city or in many cases an entire city. It does not matter whether a project is located in a large or small city, there is a point where a project is not feasible in terms of administration, acquisition and engineering costs in ratio to credits received from the area.

The typical smaller city, by virtue of its economic base has a very limited tax structure and cannot afford to waste credits, yet without total urban renewal it is forced to lose credits in areas not under urban renewal where improvements must be made due to the need, voter demand, and overall political implications. Any delay of improvements in the small town in one area and construction in another for whatever purpose, may jeopardize its political stability and the urban renewal program in the community and in most cases is not good engineering practice, yet a city is forced into this position under current programs.

From the very onset of the urban renewal activities in Crystal City in 1960, the city has been trying to carry out urban renewal on a citywide basis and has been hampered by regional and central office directives which prohibit or discourage total urban renewal because of the lack of proper Federal legislation.

In an attempt to circumvent these administration decisions the city undertook the first small city community renewal plan in the Nation and intentionally