

Some general observations can be made and a few can be roughly quantified.

Urban renewal projects do serve as a stimulus for private investment. It has been estimated that there will be over \$5 of private redevelopers' investment for every dollar of Federal capital grants involved in current urban renewal undertakings. This is in addition to the local investment in new public facilities.

For many localities, urban renewal represents an opportunity to improve their municipal revenue base through the upgrading of development and of the assessments thereon. It has been estimated that assessments will run about $4\frac{1}{2}$ times the amount prior to redevelopment. It should be recognized that there are very wide variations in the tax effect among localities and projects. In many cases, projects have involved the expansion of universities, or hospitals, or the development of cultural or other public centers. In such cases the net effect on local taxes may be negative.

Most attempts to measure the economic effects of urban renewal have been limited to the area of the projects themselves. There is considerable evidence of a substantial "spillover" effect on surrounding areas and on the city as a whole. While efforts to measure this spillover effect are crude at their very best, it is our estimate that the economic effects on the surrounding area are at least as great as those in the project itself.

10. *Economic classification of program expenditures.* (See table 3.)

Program: Urban renewal projects.

Department or agency, and office or bureau: Department of Housing and Urban Development; Renewal Projects Administration [formerly Urban Renewal Administration.]

TABLE 3.—*Economic classification of program expenditures for fiscal year 1965*

[In millions of dollars]	
Federal Government:	
Purchases of goods and services.....	¹ 14. 8
Grants to State and local governments.....	282. 5
Loans to State and local governments (net change of outstanding loan balances).....	41. 8
Total, Federal expenditures.....	339. 1

¹ These expenditures are included in the salaries and expenses appropriation of the Office of the Secretary.

CODE ENFORCEMENT AND DEMOLITION PROJECTS

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

In many cases large residential areas can be kept viable through the concentrated enforcement of existing housing codes. In other cases the continued existence of unsound structures constitutes a blighting influence on the surrounding area. To deal with these two special problems, the Congress has authorized special programs which are a part of the basic urban renewal law but which do not have to conform to all of the requirements normally associated with urban renewal projects.