

MEMORANDUM

June 10, 1968

RE: HUD Low-Cost Housing Program

HUD requested bidding to carry out its In-City proposal for the selection of approximately 20-25 cities out of 75 cities for In-City, low-cost housing construction. This is the first step related to President Johnson's request to Congress for support to produce 6,000,000 new or rehabilitated federally assisted housing units for lower income housing over the next ten years.

Out of 19 firms bidding, three were selected: A joint venture composed of ABT Associates, Inc. of Cambridge, Massachusetts, and Daniel, Mann, Johnson & Mendenhall of Los Angeles (ABT-DMJM), Kaiser Industries and Westinghouse. (A copy of the HUD announcement of May 8, 1968, is attached hereto.) Newspapermen and others have indicated that in actual fact the original intention of HUD was to select only ABT-DMJM, but that because of political pressures the award was postponed and the other two were then included in the award.

This possibility is reflected in the issue of May 16 of McGraw-Hill's Construction Weekly which stated:

"According to HUD, three contractors were chosen instead of one, as originally planned, to carry out the In-City proposal because each is approaching the problem in a different way. However, sources close to the project say that the ABT-DMJM group was selected first in a competition among 19 firms. Two weeks later, the sources say, Westinghouse and Buildings Systems Development received contracts and the three are in competition now for the second stage of the program. Building Systems Development has as one of its prime consultants Kaiser Industries. Edgar Kaiser, chairman of the board, also heads President Johnson's Committee on Urban Housing."

A copy of the entire McGraw-Hill article is attached hereto.

ABT-DMJM is submitting its proposal for the second stage on June 15. Indications received from HUD which has been following the progress of the three groups indicates full and complete satisfaction with the manner in which ABT-DMJM has gone about developing its proposal for Stage II of the program, i.e. the actual construction and rehabilitation of low-cost housing in certain selected cities.

Up to this point ABT-DMJM has applied no political pressure either in Stage I or for the award of the contract in Stage II. All it seeks is that Stage II of the project be undertaken on a non-political basis, and one which will assure that the taxpayers will receive the maximum benefit of the preliminary work which the ABT-DMJM group has already done in the list of cities attached hereto. It should be noted that for each of these cities ABT-DMJM sent a team consisting of an economist, sociologist, architect, engineer and lawyer. Its work has been supervised by former Mayor Collins of Boston, who is responsible for that city's reconstruction program and who is presently professor of Urban Studies at M.I.T.

CITY AND STATE

Albuquerque N.M.
Atlanta, Ga.
Baltimore, Md..
Cleveland, Ohio
Dayton, Ohio
Detroit, Mich.
East St. Louis, Ill.
Gainesville, Ga.
Hartford, Conn.
Highland Park, Mich.
Honolulu, Hawaii
Houston, Texas
Huntsville, Ala.
Kansas City, Mo.
Los Angeles, Calif.
Manchester, N.H.
Minneapolis, Minn.
New Bedford, Mass.
Norfolk, Va.
Rochester, N.Y.
Saginaw, Mich.
Texarkana, Ark.
Texarkana, Texas
Tulsa, Okla.
Waco, Texas
Wilkes-Barre, Pa.
Winooski, Vt.
Worcester, Mass.