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MEETING ON URBAN DEVELOPMENT  
AND NEIGHBORHOOD REVITALIZATION  
WITH PRESIDENT

Wednesday, July 21, 1976

11:30 a.m.

Cabinet Room

45 minutes

THE WHITE HOUSE  
WASHINGTON

July 6, 1976

Kris;

Please put this on JMC schedule  
thank you.

cameron

Wed  
July 21



cc: Lynn May



THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, D. C. 20410

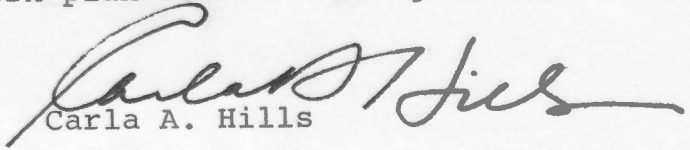
MEMORANDUM FOR: James M. Cannon  
Assistant to the President  
for Domestic Affairs

SUBJECT : The President's Committee on Urban Development  
and Neighborhood Revitalization

The President has charged us to make our many programs work more effectively in cities and their neighborhoods.

To begin our work, I ask that each Department prepare concise summaries of its major program activities that affect the quality of life in urban communities. I presented a suggested form at the White House meeting on Tuesday. I believe it is important that our representatives meet soon to ensure that the form and substance of the summaries will be useful to the Committee. Please name a representative at a high level in your Department or Agency to attend the meeting and work on this program review and future assignments. Charles J. Orlebeke, HUD's Assistant Secretary for Policy Development and Research, will serve as my representative. The first meeting of our designees will be July 7 at 10:00 a.m. in room 8202, Department of HUD. Please notify Mr. Orlebeke's office, 755-5600, of the name of your representative as soon as possible.

The success of the Committee depends on the strong, serious and continuing personal participation of each Committee member. I intend to devote a major portion of my time and energy to the challenge that it entails. I ask that you reserve the time of the next Committee meeting, July 19, at 2:00, so that we can review the program analyses and agree to a concrete work plan for the coming months.

  
Carla A. Hills

Attachment



THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

The cities of this nation and the neighborhoods which are their backbone today face increasingly difficult problems of decay and decline.

Our society is one of constant change and movement. This fact has both its positive and negative effects. The areas most likely to suffer from technological, demographic, and social change are our older cities.

In recent years, rapid changes in communications, manufacturing, technology, transportation, and social expectation have combined to cause migration from older cities to the suburbs and to expanding areas in the South and West.

These developments have produced severe strains on older cities, forcing city governments to cope with the potentially devastating pressures of a stagnant or declining economic base coupled with a growing need for services which are becoming more and more expensive. For some time my Administration has been examining these problems, and I have proposed major program consolidations in health, education, and social services.

Some eight weeks ago, I had the pleasure of meeting with representatives of many ethnic organizations that have been holding periodic gatherings here at the White House.

In my remarks that day, I asked those leaders if they would tell us what they think needs to be done to bring new life and vitality to our urban neighborhood.

Their number one recommendation was that we should set up a task force within the Government to review all major Federal programs that have an impact upon urban and neighborhood life.

Today I am pleased to announce that I am appointing a Cabinet-level task force to carry out that mission. This new Presidential Committee on Urban Development and Neighborhood Revitalization will be chaired by the Secretary of Housing and Urban Development, Carla Hills.

Yesterday afternoon I met with Secretary Hills and other members of the committee and asked them to begin an immediate review of current Federal programs which have an impact upon cities and their neighborhoods.

They are to seek the perspectives of local officials and neighborhood groups on Federal programs which affect them and to develop recommendations for improvements in Federal policies and programs.

In setting up this committee, my premise is that many Federal programs now on the books are worthwhile and should be continued, especially those which encourage local initiative

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and local leadership. It is particularly urgent that the Congress act soon to re-enact the General Revenue Sharing Program.

At the same time, it is clear that the Federal Government must find better ways to coordinate its many programs, that some programs should be consolidated and that still other programs should be phased out altogether. The commitment to serving our cities and urban neighborhoods need not require massive new funding programs; a great deal of Federal money is currently being spent. What is clearly required is that we make better use of resources that are already available.

In my discussions with ethnic leaders, I have also been impressed that the Federal Government can do more to encourage a greater sense of community, a sense of belonging within our urban centers. In this Bicentennial year, it is especially important that we seek to enhance the values of family, of community and of cultural diversity that have been the strength and richness of America for many years.

The Presidential Committee I have appointed will perform a great service for the country by helping to revitalize urban and neighborhood life in America.

# # # #



JUNE 30, 1976

## Office of the White House Press Secretary

THE WHITE HOUSE

## FACT SHEET

PRESIDENT'S COMMITTEE ON URBAN DEVELOPMENT  
AND NEIGHBORHOOD REVITALIZATION

The President today announced the creation of his Committee on Urban Development and Neighborhood Revitalization to examine urban problems and to make recommendations to improve current Federal programs in order to revitalize urban and neighborhood areas. The Committee will be chaired by Carla A. Hills, Secretary of Housing and Urban Development, and include 8 Cabinet members, 3 agency heads, 2 independent regulatory agencies (by invitation), and members of the White House staff.

BACKGROUND

The President has long been concerned about the difficulties besetting many of our cities and the neighborhoods from which the cities draw their vitality and stability. He is particularly concerned that Federal efforts are not adequately dealing with the problems of the cities despite the many Federal programs which are intended to meet urban needs and despite the substantial amount of Federal funds channeled to the nation's cities. He is convinced that by better using the resources currently available the Federal Government can be a more effective partner with State and local governments in resolving urban problems.

The President is creating this Committee to analyze these problems and to develop proposals for greater cooperation and coordination among the Federal agencies administering programs which have an impact on cities and their neighborhoods.

This Committee will also be a response to the recommendations of a recent Conference on Ethnicity and Neighborhood Revitalization held at the White House. That group recommended that the President establish a committee to study urban problems as they are perceived on the neighborhood level.

RESPONSIBILITIES OF THE PRESIDENT'S COMMITTEE

The Committee is comprised of the heads of the Federal agencies which have primary responsibility for programs affecting the cities, including their neighborhoods and surrounding communities. The Committee will study the problems both from a broad Federal policy perspective and from the perspective of those who live in urban neighborhoods. Specifically, the Committee will be responsible for:

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1. Conducting a comprehensive review of all major Federal programs which have an impact on the cities and their neighborhoods and reporting results to the President;
2. Seeking the perspectives of local officials and neighborhood groups on Federal programs which affect them;
3. Developing recommendations to the President and the Congress for changes in Federal policies and programs affecting cities and their neighborhoods in order to place maximum decision-making responsibility at the local level, to remove legal and administrative obstacles to exercise this authority, and to provide for better coordination and delivery of Federal programs.

MEMBERS OF THE PRESIDENT'S COMMITTEE

The Secretary of Housing and Urban Development (Chairman)  
 The Secretary of the Treasury  
 The Attorney General  
 The Secretary of Agriculture  
 The Secretary of Commerce  
 The Secretary of Labor  
 The Secretary of Health, Education, and Welfare  
 The Secretary of Transportation  
 Director, Office of Management and Budget  
 Administrator, Small Business Administration  
 Director, Community Services Administration  
 Executive Director, Domestic Council  
 Director, White House Office of Public Liaison

By invitation:

Board of Governors of the Federal Reserve System  
 Federal Home Loan Bank Board

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JUNE 30, 1976

## Office of the White House Press Secretary

THE WHITE HOUSE

## MEMORANDUM FOR:

THE SECRETARY OF THE TREASURY  
THE ATTORNEY GENERAL  
THE SECRETARY OF AGRICULTURE  
THE SECRETARY OF COMMERCE  
THE SECRETARY OF LABOR  
THE SECRETARY OF HEALTH, EDUCATION,  
AND WELFARE  
THE SECRETARY OF HOUSING AND URBAN  
DEVELOPMENT  
THE SECRETARY OF TRANSPORTATION  
THE DIRECTOR, OFFICE OF MANAGEMENT  
AND BUDGET  
THE DIRECTOR, SMALL BUSINESS  
ADMINISTRATION  
THE DIRECTOR, COMMUNITY SERVICES  
ADMINISTRATION  
THE EXECUTIVE DIRECTOR, DOMESTIC COUNCIL  
THE ASSISTANT TO THE PRESIDENT FOR  
PUBLIC LIAISON  
THE CHAIRMAN OF THE BOARD OF GOVERNORS  
OF THE FEDERAL RESERVE SYSTEM  
THE CHAIRMAN OF THE FEDERAL HOME LOAN  
BANK BOARD

SUBJECT: President's Committee on Urban Development  
and Neighborhood Revitalization

I am today establishing a Committee on Urban Development and Neighborhood Revitalization to examine urban problems and to make recommendations to improve current Federal programs in order to revitalize urban and neighborhood areas. The Committee will study the problems both from a broad Federal policy perspective and from the perspective of those who live in urban neighborhoods. Specifically, the Committee will be responsible for:

1. Conducting a comprehensive review of all major Federal programs which have an impact on the cities and their neighborhoods and reporting results to the President;
2. Seeking the perspectives of local officials and neighborhood groups on Federal programs which affect them;

more



3. Developing recommendations to the President and the Congress for changes in Federal policies and programs affecting cities and their neighborhoods in order to place maximum decision-making responsibility at the local level, to remove legal and administrative obstacles to exercise this authority, and to provide for better coordination and delivery of Federal programs.

The Committee will be chaired by the Secretary of Housing and Urban Development, and include the Secretary of the Treasury, the Attorney General, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Secretary of Health, Education, and Welfare, the Secretary of Transportation, the Director of Office of Management and Budget, the Director of the Small Business Administration, the Director of Community Services Administration, the Executive Director of the Domestic Council, the Assistant to the President for Public Liaison; and, by invitation, the Chairman of the Board of Governors of the Federal Reserve System and the Chairman of the Federal Home Loan Bank Board.

GERALD R. FORD

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THE WHITE HOUSE

REQUEST

WASHINGTON

July 9, 1976

MEMORANDUM FOR JIM CANNON

FROM: LYNN MAY   
SUBJECT: President's Committee on Urban Development  
and Neighborhood Revitalization

Attached is a summary of the first working group meeting of the President's Committee on Urban Development and Neighborhood Revitalization. Page 4 contains the projected timetable.

Attachment

cc: Bill Baroody  
Art Quern  
Allen Moore  
Steve McConahey

President's Committee on Urban Development and  
Neighborhood Revitalization

The following agencies were represented:

Small Business Administration  
Domestic Council  
Transportation  
Justice  
Economic Development Administration  
Community Services Administration  
Health, Education and Welfare  
Office of Management and Budget  
Agriculture  
Environmental Protection Agency  
Labor  
Treasury  
White House  
Federal Home Loan Board

I. Introduction

Secretary Hills opened the meeting with a short statement, noting that the Committee should be looking at the impact of Federal programs on the quality of life in our neighborhoods and center cities.

Paraphrase: If we were to start these programs anew, we would not organize them as they are: The objectives of different Federal programs often conflict with one another; their funding cycles conflict with each other. More importantly, they often conflict with State and local funding/budget cycles.

The classic example of Federal agencies working at cross-purposes is HUD's funding rehabilitation in a neighborhood being undermined by highway construction.

The Committee must act quickly to convince the public that the effort is a meaningful one.



After introductions were made, Orlebeke summarized the mandate of the Committee:

1. Review Federal programs.
2. Conduct public hearings.
3. Recommend changes.

He foresees three kinds of recommendations:

1. Reforms which can be implemented immediately administratively.
2. Reforms which can be implemented through regulatory modification.
3. Reforms which require legislative changes.

## II. Preparation of Summary Sheets

### Selection of Programs

Orlebeke called attention to the program summary sheets which had been distributed to members of the Committee, noting that each agency will need to use judgment in selecting the programs to be included.

Discussion followed on the methods of categorizing programs, and selecting ones for inclusion. HEW has 390 different programs, many of which flow through the States to local units of government. Orlebeke emphasized that we are looking at impact, rather than the mechanics of administration.

Meeker of HUD suggested excluding from initial consideration income maintenance programs, distinguishing between physical revitalization efforts and other programs having to do with personal welfare and well-being. Several disagreed, indicating that those programs may have significant effects on urban areas. The most obvious example is the welfare cost carried by many local governments which has aggravated serious fiscal problems. Other income maintenance programs may have less immediately evident impacts caused by the way they are administered. It was agreed that no program would be arbitrarily excluded from consideration because the recipients are not local governments, or because the funding arrangement involved pass-throughs or administration by a State or local level of government.

EDA suggested a typology of programs which might be used; HEW indicated that they would probably be guided by it:

1. Funds flowing directly to local governments (or, in limited cases, neighborhoods).
2. Funds flowing through other levels of government, but eventually getting to the urban area.
3. Payments to individuals.

Treatment of each program on the summary sheet will be handled on a case-by-case basis, depending on the Agency's judgment as to its identifiable impact. However, the exclusion of any program must be accompanied by an explanation or rationale for that exclusion, so that important but less obvious program relationships are not overlooked.

#### Modification to Summary Sheet

1. Add question 13: What major changes or modifications to this program are now being considered which would be relevant to this Committee? Include proposed program terminations or consolidations and FY 78 budget options.
2. Rephrase question 6: Is this program administered or structured by population categories? If so, what are they? What is the approximate distribution of funds among these categories?
3. Provide rationale for exclusion of any program.
4. Add to question 9: Identify major public interest groups or trade associations with whom you regularly deal in administering this program. Note relevant hearings already held.
5. Add to question 8: What has been the agency's response to these criticisms? What restrictions (policy, administrative, regulatory, legislative) affect your ability to respond?
6. As appropriate include anecdotal "horror stories" which would be illustrative of program impacts.

### III. Planning for Public Hearings

Orlebeke indicated that no plans had yet been made regarding the who, what, why, how and when of the public hearings which are a part of the Committee's mandate. Several agencies indicated that they have been holding hearings relevant to this topic. Several others noted that the White House hearings, the recent Congressional hearings and the White House conference have aired the complaints of neighborhood organizations. Nevertheless, Hamm of OMB noted, those groups still do not believe they are being heard. Orlebeke indicated that a member of his staff is preparing an analysis of the Congressional testimony.

The difficulty of holding hearings in a very political period preceding the election was acknowledged.

There appeared to be a consensus that any hearings would have to have a focus which moved beyond an airing of grievances. Consultation with public, whether in public hearings or meetings with smaller groups, should focus on specific remedies for the problems. Newman of CARF suggested that hearings be held to review the alternatives the Committee was proposing to the President. Alm of EPA emphasized the importance of involving such groups early, so that it was not simply public exercise with little substantive input. Several expressed concern about the divergence of views which would come from such different groups as local officials, State officials, and neighborhood groups.

No decisions were reached regarding public hearings.

### IV. Related Efforts Recent or Ongoing

A number of analytic products were identified which might be useful to the Committee:

- DOT did an analysis of the Vice President's hearings as they related to that agency.
- ACIR and OMB collaborated on study of flow of Federal funds in 1970.
- ACIR study of "UMJO's" in 1973.
- HUD's study of Chief Executive Review and Comment process in 16 cities
- HUD's evaluations of Model Cities program.

## V. Timetable and Immediate Objectives

Agency summary sheets are due on July 14. By the July 19 meeting of the Committee, Orlebeke hopes to have synthesized a picture of the Federal program structure as the liaison group sees it impacting on urban areas. It must be in an "intellectually accessible" form. Meeker suggested that the major finding is likely to be that there is no obvious framework for dealing with this subject: the Federal government cannot coordinate its resources to a target group.

Following the President's Committee meeting, the liaison group will meet to plan implementation of the Committee's decisions. Probably during late July or early August, consultation with public groups and officials will take place in an as yet undefined framework. The liaison group and subgroups of its members will meet periodically during August and September or write a report, due to the President on September 24.

Several persons expressed concern that the Committee's objectives and final product needs more specific definition before proceeding.

Halpern of DOT emphasized the need to refine the Committee's objectives so that it does more than reproduce the Catalog of Federal Assistance.

Newman of CAREF suggested that it be a matching of programs with problems which have been identified.

Hamm saw a need for criteria with which to review the program summaries.

Agreeing with all these comments, Orlebeke urged members of the liaison group to forward their ideas on the public meetings, the framework for analysis and possible categories of recommendations. He indicated that he would be contacting members of the liaison group for support.





THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, D. C.. 20410

JUL 20 1975

MEMORANDUM FOR: The President

FROM: Carla A. Hills

SUBJECT: Briefing Paper for July 21, 1976 Meeting  
of The President's Committee on Urban  
Development and Neighborhood Revitalization

#### A. Purpose of Meeting

The purpose of the meeting is:

- (1) To review and discuss the ways in which major federal grant and loan programs flow into urban areas. The review will be based on an initial survey of programs submitted by the member agencies of the Committee to Secretary Hills.
- (2) To adopt a plan to consult with local officials and neighborhoods.
- (3) To adopt a timetable for preparing and submitting an initial report to the President.

#### B. Background

The President's Committee on Urban Development and Neighborhood Revitalization was appointed on June 30, 1976, and given a three-part charge:

- (1) Review major federal programs which have an impact on cities and their neighborhoods.
- (2) Consult local officials and neighborhood groups on federal programs which affect them.
- (3) Recommend to the President and the Congress changes in federal policies and programs affecting cities and their neighborhoods in order to place maximum decision-making responsibility at the local level, to remove legal and administrative obstacles to exercise of this authority, and to provide for better coordination and delivery of federal programs.

Appointment of the President's Committee resulted in part from a White House Conference on Ethnicity and Neighborhood Revitalization (May 5) co-sponsored by the Office of Public Liaison and the National Center for Urban Ethnic Affairs. Discussions with the Cabinet on June 29 led to the decision to give the Committee a broader urban focus.

Legislation is currently pending in Congress to create a two-year Presidentially-appointed National Commission on Neighborhoods to study the impact of federal programs on neighborhood problems and make recommendations. Chances of early passage appear good.

### C. Progress to Date

The Committee has formed a Liaison Committee consisting of one representative, usually a sub-Cabinet officer, from each agency. The Liaison Committee has prepared a quick survey of major federal urban programs designed to provide information on program objectives, structure, and flow of dollars to various levels of government. The survey also called for an initial assessment of program coordination problems and of criticisms levelled by local officials and neighborhoods.

Within HUD, Secretary Hills has developed a tentative list of management principles for the delivery of federal grant and loan programs based on the Administration's philosophy of giving local elected officials maximum responsibility and flexibility. These principles include:

- (1) Preference for use of block grants, with broad guidelines;
- (2) Preference for funding through locally-elected chief executive officers;
- (3) Conformance of the grant-making cycle to local budget cycles;
- (4) Preference for providing funds to cover 100% of costs rather than requiring matching;
- (5) Preference for multi-year entitlement funding;
- (6) Preference for enforcing Federal requirements through monitoring rather than front-end review -- Davis-Bacon, environment, and EO; and
- (7) Use of a "timeclock", or deadline for Federal action on applications, preferably with automatic approval at the end of the review period.

D. Proposed Objectives of the President's Committee

The Committee should deliver an interim report to the President by October 1 with the following components:

- (1) An outline of proposed principles governing federal-state-local relationships which will form the basis for long-term reform of the federal delivery system.
- (2) An assessment of federal program impacts on cities and neighborhoods, based on extensive consultation with state and local officials and neighborhood groups.
- (3) Immediate-effect initiatives which can be taken by agencies to improve interagency coordination, reduce application requirements, streamline processing, and increase local discretion and flexibility.

In the longer run, the Committee should develop a proposed legislative program which could include additional block grant proposals, tax incentives designed to stimulate urban and neighborhood preservation, and changes in grant distribution formulae designed to channel funds to declining cities and/or regions.



THE WHITE HOUSE

WASHINGTON


July 20, 1976

MEETING WITH THE PRESIDENT'S COMMITTEE  
ON URBAN DEVELOPMENT AND  
NEIGHBORHOOD REVITALIZATION

Wednesday, July 21, 1976

11:30 a.m.

Cabinet Room

From: Jim Cannon 

I. PURPOSE

The purpose of the meeting is:

- To review and discuss the ways in which major Federal grant and loan programs flow into urban areas. The review will be based on an initial survey of programs submitted by the member agencies of the Committee to Secretary Hills.
- To adopt a plan to consult with local officials and neighborhoods.
- To adopt a timetable for preparing and submitting an initial report to the President.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background:

The President's Committee on Urban Development and Neighborhood Revitalization was appointed on June 30, 1976, and given a three-part charge:

- Review major Federal programs which have an impact on cities and their neighborhoods.
- Consult local officials and neighborhood groups on Federal programs which affect them.
- Recommend to the President and the Congress changes in Federal policies and programs affecting cities and their neighborhoods in order to place maximum decision-making responsibility at the local level, to remove legal and administrative obstacles to exercise of this authority, and to provide for better coordination and delivery of Federal programs.

Appointment of the President's Committee resulted in part from a White House Conference on Ethnicity and Neighborhood Revitalization (May 5) co-sponsored by the Office of Public Liaison and the National Center for Urban Ethnic Affairs. Discussions with the Cabinet on June 29 led to the decision to give the Committee a broader urban focus.

Legislation is currently pending in Congress to create a two-year Presidentially-appointed National Commission on Neighborhoods to study the impact of Federal programs on neighborhood problems and make recommendations. Chances of early passage appear good.

#### Progress to Date

The Committee has formed a Liaison Committee consisting of one representative, usually a sub-Cabinet officer, from each agency. The Liaison Committee has prepared a quick survey of major Federal urban programs designed to provide information on program objectives, structure, and flow of dollars to various levels of government. The survey also called for an initial assessment of program coordination problems and of criticisms levelled by local officials and neighborhoods.

Within HUD, Secretary Hills has developed a tentative list of management principles for the delivery of Federal grant and loan programs based on the Administration's philosophy of giving local elected officials maximum responsibility and flexibility. These principles include:

- Preference for use of block grants, with broad guidelines;
- Preference for funding through locally-elected chief executive officers;
- Conformance of the grant-making cycle to local budget cycles;
- Preference for providing funds to cover 100% of costs rather than requiring matching;
- Preference for multi-year entitlement funding;
- Preference for enforcing Federal requirements through monitoring rather than front-end review -- David-Bacon, environment, and EO; and
- Use of "timeclock", or deadline for Federal action on applications, preferably with automatic approval at the end of the review period.

Proposed Objectives of the President's Committee

The Committee should deliver an interim report to the President by October 1 with the following components:

- An outline of proposed principles governing Federal State-local relationships which will form the basis for long-term reform of the Federal delivery system.
- An assessment of Federal program impacts on cities and neighborhoods, based on extensive consultation with State and local officials and neighborhood groups.
- Immediate-effect initiatives which can be taken by agencies to improve interagency coordination, reduce application requirements, streamline processing, and increase local discretion and flexibility.

In the longer run, the Committee should develop a proposed legislative program which could include additional block grant proposals, tax incentives designed to stimulate urban and neighborhood preservation, and changes in grant distribution formulae designed to channel funds to declining cities and/or regions.

B. Participants

See Tab A.

C. Press Plan

To be determined during the meeting.

PARTICIPANTS:

Secretary Carla A. Hills (Chairman)  
Jerry Thomas, Under Secretary, Department of the Treasury,  
for Secretary Simon  
Henry F. McQuade, Deputy Administrator for Policy Division,  
LEAA, Department of Justice, for the Attorney General  
William Walker, Assistant Secretary for Rural Development,  
Department of Agriculture, for Secretary Butz  
Secretary Elliot L. Richardson  
Richard Darman, Assistant Secretary for Policy, Department  
of Commerce  
Secretary W. J. Usery  
William Morrill, Assistant Secretary for Planning and Evaluation,  
Department of Health, Education and Welfare, for Secretary  
Mathews  
Secretary William T. Coleman, Jr.  
Mitchell P. Kobelinski, Administrator, Small Business  
Administration  
Michael P. Balzano, Jr., Director, ACTION  
Samuel Martinez, Director, Community Services Administration  
Jim Cannon, Director, Domestic Council  
Bill Baroody, Director, White House Office of Public Liaison





July 21, 1976

PRESIDENT'S COMMITTEE ON URBAN DEVELOPMENT  
AND NEIGHBORHOOD REVITALIZATION

1. Discussion of Initial Survey of Federal Programs
2. Discussion of Organizing Principles
- 3.. Discussion of Proposed Meetings with State and  
Local Officials, and Neighborhood Groups
4. Discussion of Proposed Work Plan and Timetable
5. Discussion of Possible Early Initiatives

PROGRAM SURVEY  
SUMMARY

## SUMMARY RESULTS OF INITIAL PROGRAM SURVEY

An initial survey of federal program relating to the President's Committee's interests was conducted July 7-14. The survey consisted of agency responses to a Program Summary Sheet (attached). Thirteen agencies responded with information on 103 programs.

In spite of the quick turnaround time for agency responses, the survey produced a useful first look at the range and variety of federal programs impacting on urban areas and neighborhoods. The survey also contained items of information on program evaluations, on problems and criticisms relating to program operation and coordination, and on the job impact of some programs. However, because of the variety of programs, there was a lack of uniformity and comparability in the information submitted, and therefore further collection and analysis of program information will be necessary.

In reviewing the survey, we also attempt to assess the program against a tentative list of management principles for the delivery of federal grant and loan programs based on the Administration's philosophy of giving local elected officials maximum responsibility and flexibility. These principles include:

- (1) Preference for use of block grants, with broad guidelines;
- (2) Preference for funding through locally-elected chief executive officers;
- (3) Conformance of the grant-making cycle to local budget cycles;
- (4) Preference for providing funds to cover 100% of costs rather than requiring matching;
- (5) Preference for multi-year entitlement funding;
- (6) Preference for enforcing Federal requirements through monitoring rather than front-end review--Davis-Bacon, environment, and EO; and
- (7) Use of a "timeclock", or deadline for Federal action on applications, preferably with automatic approval at the end of the review period.

Since these specific program characteristics were not asked of the agencies, it was not possible during the first review to get precise answers to each question. Generally, however, the review confirmed in some detail that which was largely known: few funds flowing to urban areas are in any form other than the categorical grants-in-aid.

Of the 103 programs summarized, 63 were grant programs, of which four were block grants and 59 were categorical. The remaining 40 varied from direct provision of services to loans and loan guarantees. A rough estimation of the Federal funds covered by the 103 programs is \$43 billion, of which \$19 billion are categorical grants, \$16.9 billion block grants, and \$7 billion other types of assistance (including value of insurance and loan guarantees).

In about one-fourth of the programs, local governments are eligible direct applicants, but in many of these they are not the only eligible group, and must compete with States and local organizations. In other programs, funds are allocated on a formula basis to States, who then allocate them on a grant basis among local jurisdictions, or to local agencies other than general purpose governments.

Matching funds are generally required from State and local governments; often they are not required from non-profit organizations.

As categorical grant programs, virtually all have extensive application review requirements, with few limits on the time a Federal agency can review an application, nor any assurance of approval after lengthy delay.

The exceptions to these comments are few. General Revenue Sharing, of course, is the prototype in most respects. HUD's Community Development Block Grant program generally meets the seven characteristics. Labor's CETA program is also a block grant going to local governments ("prime sponsor") based on a formula. However, it is not an entitlement, and has more extensive planning and application review procedures. Finally, LEAA provides block grants to States based on population for criminal justice planning, of which at least 40 percent must pass through to local governments.

## PROGRAM SUMMARY SHEET

1. Program name and statute.
2. Relevant background information, including date program began.
3. Objectives.
4. Program description.
5. Eligible grantees, funding level, timing and mechanism.
6. Is this program administered or structured by population categories of recipients? If so, what are they? For FY '76, what is the approximate distribution of funds among these categories?

7. Summary of any evaluations done of the program.
8. What criticisms or questions have been raised by public officials or citizens groups as to the programs impact of effectiveness?

What has been the agency's response to these criticisms? What restrictions (policy, administrative, regulatory, legislative) affect your ability to respond?

9. To whom would we talk at hearings, workshops and interviews to obtain the perspectives of local officials and neighborhood groups on this program as it affects them? Identify major public interest groups or trade associations with whom you regularly deal in administering this program. Note any relevant hearings already held.
10. As currently administered by your agency and operated at the local level, does the program take into account, relate positively, or possibly conflict with, other federal or local programs related to urban and neighborhood development? Please summarize.



11. How does (or could) the program fit into a strategy for neighborhood preservation or revitalization?
12. If the program is or can be analyzed in terms of its job impact, please describe.
13. What major changes or modifications to this program are now being considered which would be relevant to this Committee? Include proposed program terminations or consolidations and FY '78 budget options.

Fund Commitments to Aid  
Urban Development and Neighborhood  
Revitalization

	<u>CATEGORICAL</u>	<u>BLOCK</u> (in millions of dollars)	<u>OTHER</u>	<u>TOTAL</u>
Action.....	\$58.6	...	\$22.3	\$80.9
Agriculture.....	2,390.2	...	5,426.6	7,816.8
Commerce.....	75.1	...	38.7	113.8
Community Service Administration.....	76.1	...	...	76.1
Environmental Protection Agency.....	152.6	...	...	152.6
Federal Home Loan Bank Board.....	4.8	...	...	4.8
Health, Education and Welfare:				
Health.....	652.2	...	...	652.2
Education.....	932.4	...	...	932.4
Social Services.....	9,415.7	...	...	9,415.7
Housing and Urban Development:				
Housing.....	1,025.8 <sup>1/</sup>	...	1,240.5	2,266.3
Community Development.....	75.0	\$2,802.0	50.0	2,927.0
Law Enforcement Assistance Administration.....	6.8	513.0	...	519.8
Small Business Administration.	...	...	288.7	288.7
Department of Transportation..	3,772.9	...	...	3,772.9
Treasury.....	...	6,354.8	...	6,354.8
Department of Labor.....	<u>495.9</u>	<u>7,228.5</u>	<u>...</u>	<u>7,724.4</u>
Total.....	19,134.1	16,898.3	7,066.8	43,099.2

<sup>1/</sup> Represents estimated annual contract authority to be used in 1976. Budget Authority in 1976 for Assisted Housing is \$18.6 billion.

Office of the Secretary  
Office of Budget  
July 20, 1976

## ACTION

1. Program for Local Service (PLS)
2. ACTION Mini Grants
3. Volunteers in Service to America (VISTA)
4. Retired Senior Volunteer Program (RSVP)
5. Senior Companion Program (SCP)
6. Foster Grandparent Program (FGP)
7. Youth Challenge Program (YCP)
8. University Year for ACTION (UYA)

**TOTAL:**

**\$80,900,000**

DEPARTMENT OF AGRICULTURE

1. Extension Service
2. Food and Nutrition Service  
Child Nutrition Support
3. Food and Nutrition Service  
Special Supplemental Food Program
4. Food and Nutrition Service  
Food Stamps
5. RDS Rural Development Leadership and Coordination, RDSY 1972

TOTAL: \$7,816,800,000

DEPARTMENT OF COMMERCE

1. Economic Development Administration (EDA)  
Public Works and Development Facilities Program
2. EDA Business Development Program
3. EDA Technical Assistance Program
4. EDA Economic Development District Program
5. EDA Section 302(a) State and Local Planning Assistance Program
6. EDA Special Economic Development and Adjustment Assistance Program
7. Office of Minority Business Enterprise

TOTAL: \$113,800,000

COMMUNITY SERVICES ADMINISTRATION

1. Community Action "Local Initiative"  
Title II of CS Act of 1974 PL 93-644
2. Emergency Energy Conservation Program  
Section 222 of CSA
3. Community Economic Development  
Special Impact Program

TOTAL: \$76,100,000



DOT

1. Federal Aid Highway Program  
Title 23 USC
  2. Capital of Operative Formula Grants  
Section 5 of UMTA of 1964
  3. Transportation System Management TSM  
Sect. 3,4,5 of UMTA
  4. Paratransit  
3,5416(b)(2) of UMTA
  5. New Systems Starts 3 of UMTA
  6. UMTA Downtown People Mover Project  
3 of UMTA
  7. Northeast Corridor Project Implementation Title VII  
of RR Revitalization and Reg. Reform Act PL 91-258
  8. Airport and Airway Development Act of 1970  
PL 91-258
  9. Airway Development Aid Program
  10. State and Community Highway Traffic Safety Program
- TOTAL: \$3,772,900,000

EPA

1. State Air Quality Implementation Plans
2. Construction Grants Program
3. Water Quality Management Planning or Areawide Waste Treatment Management

TOTAL: \$152,600,000

FEDERAL HOME LOAN BANK  
BOARD

1. Neighborhood Housing Services
2. Neighborhood Preservation Projects

**TOTAL:**           **\$4,800,000**

HEALTH, EDUCATION, AND WELFARE

A. Education Program - TOTAL: \$932,400,000

1. University Community Services Projects
2. Head Start
3. Bilingual Education
4. Follow Through
5. Handicapped Early Childhood Education
6. Emergency School Aid
7. Right-To-Read
8. Indian Education

B. Health Formula Grants - TOTAL: \$652,200,000

1. Comprehensive Public Health Service - Formula Grants
2. Maternal and Child Health Services
3. Alcohol Formula Grants
4. Drug Abuse Prevention Formula Grants
5. Limitation on Federal Participation for Capital Expenditures
6. School of Public Health - Grants
7. Nursing Capitation Grants
8. Medical Assistance Program

TOTAL:

C. Social Services/Human Development Formula Grants - \$9,415,700,000

1. Rehabilitation Services and Facilities - Basic Support
2. Developmental Disabilities - Basic Support
3. Special Programs for the Aging - Nutrition Programs
4. Child Welfare Services
5. Public Assistance - State and Local Training
6. Work Incentive Program - Child Care - Employment Related Supported Services
7. Public Assistance - Maintenance Assistance
8. Public Assistance - Social Services

## HOUSING AND URBAN DEVELOPMENT

### A. Housing Program - TOTAL: \$2,266,300,000

1. Disposition of Acquired Properties
2. Housing Counseling
3. Low-Income Public Housing (Acquisition with or without rehab)
4. Section 8
5. Section 221(d)(4) - mortgage insurance on rental housing for moderate income families
6. Section 221(d)(3) - mortgage insurance for rental housing for low and moderate income families
7. Section 220(h) - insured improvement loans in urban renewal areas
8. Section 235 (revised)
9. Section 203 (k)
10. Title I, Section 2
11. Section 223(e)
12. Section 223(f)
13. Coinsurance - Section 244
14. Target Projects Program
15. Public Housing Modernization Program
16. Community and Tenant Services Program

### B. Community Planning and Development Program - TOTAL: \$2,927,000,000

1. Community Development Block Grant
2. Section 312 Rehab. Loan Program
3. Section 701 - Comprehensive Assistance Program

JUSTICE

1. LEAA Citizen's Initiative Program
2. LEAA Comprehensive Planning Grants
3. LEAA Law Enforcement and Criminal Justice Grants

TOTAL: \$519,800,000

LABOR

1. Comprehensive Employment and Training Act (CETA)
2. Unemployment Insurance (UI)
3. Employment Service (ES)

TOTAL: \$6,237,700,000

## SMALL BUSINESS ADMINISTRATION

1. 7(a) Business Loan Program
2. Displaced Business Loans
3. Secondary Market for SBA Guaranteed Loans
4. Local Development Company Loans
5. State Development Company Loans
6. Bond Guarantees for Surety Companies
7. Lease Guarantees for Small Businesses
8. Small Business Investment Company (SBIC) Program
9. Section 301(d) Small Business Investment Company Program  
("MESBIC" Program)
10. Small Business Lending Company Program
11. 8(a) Business Development Program
12. University Business Development Center (UBDC)
13. SBI Small Business Institute Program
14. 406 Call Contract Program
15. SCORE and ACE
16. Training Programs

TOTAL: \$288,700,000

## TREASURY

1. General Revenue Sharing

TOTAL: \$6,354,800,000



PROPOSED MEETINGS

MEETINGS WITH LOCAL OFFICIALS AND  
NEIGHBORHOOD GROUPS

- I. New Coalition  
(Leaders of National Associations of State and  
Local Elected Officials)
- II. Proposed List of Cities for Visits by Individual  
Committee Members
- III. Some Topics for Discussion with Local Officials  
and Neighborhood Groups

I. New Coalition (Leaders of National Associations of  
State and Local Elected Officials)

Chairman

Governor Cecil Andrus - Idaho

Governors

Dan Evans - Washington

Calvin L. Rampton - Utah

Robert D. Ray - Iowa

State Legislators

Tom Jensen - Nashville

Martin Sabo - St. Paul

Herbert Fineman - Harrisburg, Pa.

Mayors

Hans Tanzler - Jacksonville, Fla.

John Poelker - St. Louis, Mo.

Moon Landrieu - New Orleans, La

Kenneth Gibson - Newark, N.J.

County Officials

Charlotte Williams - Flint, Mich.

Vance Webb - Taft, Calif.

Jack Walsh - San Diego, Calif.

II. Proposed List of Cities for Visits by Individual Committee Members

REGION 1

Boston, Massachusetts  
Hartford, Connecticut

REGION III

Baltimore, Maryland  
Norfolk, Virginia  
Philadelphia, Pennsylvania  
Pittsburgh, Pennsylvania

Region V

Chicago, Illinois  
Cleveland, Ohio  
Detroit, Michigan  
Minneapolis/St. Paul, Minnesota  
Toledo, Ohio

REGION VIII

Kansas City, Missouri  
St. Louis, Missouri

REGION X

Portland, Oregon  
Seattle, Washington

REGION II

Newark, New Jersey  
New York, New York  
Paterson, New Jersey  
Syracuse, New York

REGION IV

Atlanta, Georgia  
Charlotte, North Carolina  
Jacksonville, Florida  
Louisville, Kentucky

REGION VI

Houston, Texas  
New Orleans, Louisiana  
Tulsa, Oklahoma

REGION IX

Compton, California  
Los Angeles, California  
San Diego, California  
San Francisco, California  
San Jose, California

### III. Draft Topics for Discussion with Local Officials and Neighborhood Groups

1. What federal programs do you feel have been the most successful in providing tools for community development and neighborhood revitalization?
2. What federal programs have hindered community development and neighborhood revitalization? How can they be improved?
3. What federal programs are operating in your community which you believe should be brought under local government control?
4. What program requirements do you regard as unnecessary or particularly burdensome?
5. To what extent do neighborhood groups participate in major decisions relating to federal programs in their neighborhoods?
6. Do neighborhood organizations receive some direct funding or technical assistance to assist them in planning? Do neighborhood organizations operate some programs directly?
7. Have there been efforts to involve local financial institutions in efforts to revitalize neighborhoods? Have they been responsive?

LIAISON COMMITTEE



LIAISON COMMITTEE

ACTION

Mr. John L. Ganley  
Deputy Director  
Action  
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Washington, D. C. 20525

254-8060

DEPARTMENT OF AGRICULTURE

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Assistant Secretary for Rural Development  
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Washington, D. C. 20250

447-4581

(Alternate: Dr. James E. Bostic  
Deputy A/S for Rural  
Development - Room 219-A)

447-5277

DEPARTMENT OF COMMERCE

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Assistant Secretary for Policy  
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377-5201

COMMUNITY SERVICES ADMINISTRATION

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254-5280

DOMESTIC COUNCIL

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Associate Director  
Domestic Council  
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The White House  
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456-6437

ENVIRONMENTAL PROTECTION AGENCY

Mr. Alvin L. Alm  
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755-2900

FEDERAL HOME LOAN BANK BOARD

Mr. Robert S. Warwick  
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and Urban Affairs  
Federal Home Loan Bank Board  
Room 638 - 320 First Street, N. W.  
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376-3262

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

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DEPARTMENT OF JUSTICE

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376-6722

OFFICE OF MANAGEMENT AND BUDGET

Mr. Dan L. McGurk  
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395-4844

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653-6854

DEPARTMENT OF TRANSPORTATION

Dr. Irwin P. (Pete) Halpern  
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426-4540

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Honorable Jerry Thomas  
Under Secretary  
Department of Treasury  
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