

093485

B-171500
1-16-73



REPORT TO THE CONGRESS

Opportunities To Improve The Model
Cities Program In Kansas City
And Saint Louis, Missouri,
And New Orleans, Louisiana B-171500

Department of Housing and
Urban Development

BY THE COMPTROLLER GENERAL
OF THE UNITED STATES

093485

~~473-384~~

JAN. 16, 1973



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D C 20548

B-171500

To the President of the Senate and the
Speaker of the House of Representatives

CWO 0000 1

AGC00023
ID This is our report on opportunities to improve the Model
Cities Program in Kansas City and Saint Louis, Missouri, and
New Orleans, Louisiana. The Department of Housing and
Urban Development is responsible for the overall adminis-
tration of the program.

Our review was made pursuant to the Budget and Ac-
counting Act, 1921 (31 U S C 53), and the Accounting and
Auditing Act of 1950 (31 U S C 67)

Copies of this report are being sent to the Director,
Office of Management and Budget, the Secretary of Housing
and Urban Development, the Governors of Missouri and
Louisiana; and the mayors of Kansas City, Saint Louis, and
New Orleans.

DLG 02792

CNG00079

DLG 01955

Thomas P. Staats

Comptroller General
of the United States

C o n t e n t s

	<u>Page</u>
DIGEST	1
CHAPTER	
1 INTRODUCTION	5
Responsibilities of Department of Housing and Urban Development	6
Federal agency coordination	8
Cities and functional areas reviewed	8
Kansas City	11
Saint Louis	12
New Orleans	13
2 PROGRAM ACCOMPLISHMENTS	15
Manpower	15
Economic development	19
Education	22
Health	26
Conclusions	29
3 PLANNING MODEL CITIES PROJECTS	31
Need for current data	32
Conclusions	34
Recommendation to the Secretary of Housing and Urban Development	34
Agency comments	34
4 DEVELOPMENT OF MODEL CITIES PROGRAMS	35
HUD funds used to expand existing programs	36
Agency comments and our evaluation	40
Recommendations to the Secretary of Housing and Urban Development	40
5 FUNDING MODEL CITIES PROGRAMS	41
CDAs' efforts in obtaining Federal, State, and local funds	41
Agency comments	46

CHAPTER	<u>Page</u>	
6	EVALUATION OF MODEL CITIES PROGRAM	48
	CDA evaluation efforts	49
	Conclusions	52
	Recommendations to the Secretary of Housing and Urban Development	52
	Agency comments and our evaluation	53
7	SCOPE OF REVIEW	54
 APPENDIX		
I	Model cities awarded planning grants as of June 30, 1972	55
II	Funds allocated by cities to four func- tional areas during first and second action years of Model Cities Program	59
III	Kansas City model-neighborhood areas	60
IV	Saint Louis model-neighborhood areas	61
V	New Orleans model-neighborhood areas	62
VI	Projects started in four functional areas in Kansas City as of July 31, 1971	63
VII	Projects started in four functional areas in Saint Louis as of July 31, 1971	66
VIII	Projects started in four functional areas in New Orleans as of July 31, 1971	68
IX	Letter dated July 11, 1972, from the Assistant Secretary for Community Development, Department of Housing and Urban Development	69
X	Principal officials responsible for the administration of activities discussed in this report	74

ABBREVIATIONS

CDA city demonstration agency
GAO General Accounting Office
HUD Department of Housing and Urban Development
OMB Office of Management and Budget

D I G E S T

WHY THE REVIEW WAS MADE

As of June 30, 1972, the 147 cities participating in the Model Cities Program had received about \$1.7 billion in supplemental funds from the Department of Housing and Urban Development (HUD). These Federal funds were intended to help the cities put into effect and carry out their programs.

The General Accounting Office (GAO) reviewed certain aspects of the programs in Kansas City and Saint Louis, Missouri, and New Orleans, Louisiana. GAO selected these cities for review because of the substantial amount of HUD funds involved in the cities' programs. As of September 1972, Kansas City, Saint Louis, and New Orleans had been awarded supplemental funds of \$26,118,000, \$25,970,000, and \$18,498,000, respectively. (See pp 11 to 14.)

Background

The Model Cities Program was established to demonstrate that the environment and general welfare of people living in slum and blighted neighborhoods could be improved through a comprehensive, coordinated Federal, State, and local effort.

It is the responsibility of the cities to develop and undertake

Model Cities Programs. In each city this responsibility is carried out by a city demonstration agency which may be an administrative unit of a city or a separate local public agency that is responsible to the city. HUD is responsible for administering the program at the Federal level.

In the three cities GAO reviewed projects initiated in four functional areas: (1) manpower, (2) economic development, (3) education, and (4) health.

GAO selected these areas because (1) they had been designated by the cities as high priority areas, (2) they required a high degree of Federal agency assistance and coordination, and (3) the amount of funds allocated by Federal agencies and spent by the cities in these areas was significant.

At the time of GAO's review, the New Orleans program had been operating for about 11 months, the Kansas City program for about 21 months, and the Saint Louis program for about 24 months. (See p 15.)

FINDINGS AND CONCLUSIONS

According to data and reports prepared by city demonstration agencies and by the operating agencies administering projects, the

three cities had varying degrees of success in attaining the annual goals of their Model Cities projects. In the educational area, all three cities accomplished their annual project goals.

Each of the cities placed a high priority on developing an effective manpower training program to improve the quality of life for model-neighborhood residents. The cities established a number of projects to provide manpower training services to residents and were generally successful in accomplishing the annual goals of their projects. (See p 15)

The cities were to establish economic development programs consisting of projects designed to provide technical and financial assistance to existing and new model-neighborhood businesses, however, the cities had limited success in implementing planned projects and in attaining the annual goals of those projects which were implemented. (See p 19)

Although many people received services under various health projects implemented by the cities, several projects to provide direct health care in Saint Louis and New Orleans were not fully operational and Kansas City needed to expedite the implementation of certain projects for the construction of health care facilities. (See p 26)

It is difficult to specifically identify the major factors which affected the ability of city demonstration agencies to attain all of their annual project goals. The following weaknesses in HUD's and city demonstration agencies' administration of the program,

however, may have been contributing factors

--The cities, in their plans submitted to HUD, used data on neighborhood conditions that was, in many cases, neither current nor sufficiently complete to insure sound management decisions on the extent and causes of neighborhood problems. Such data is essential if city demonstration agencies are to establish projects that will help alleviate the problems. (See p 31)

--The cities did not use HUD supplemental funds to develop programs containing new and innovative projects to the extent GAO believes was anticipated by the Congress when it passed the Model Cities Act, instead, supplemental funds were used to expand existing programs. (See p 35)

--The cities generally were not successful in obtaining Federal grant-in-aid funds or State and local funds to support their Model Cities Programs. (See p 41)

--The cities did not develop suitable evaluation plans to measure progress in accomplishing objectives of their Model Cities Programs. (See p 48)

RECOMMENDATIONS

GAO recommends that HUD

--Require city demonstration agencies to periodically obtain and analyze information on the extent and causes of problems in the model neighborhoods and to use the results of such analyses to (1) plan the types of projects that will help alleviate the neighborhood problems and (2) ascertain

whether existing projects represent the most suitable approaches to accomplishing their program goals (See p 34)

- Ascertain, in its reviews of cities' plans, whether the cities are developing new and innovative approaches to solve their social, economic, and physical problems and, when it appears that the cities are using HUD supplemental funds primarily to expand existing programs, assist city demonstration agencies, through its regional and area offices, to develop new and innovative projects (See p 40)
- Examine city demonstration agency efforts to establish organizational structures (including staffing) for conducting required evaluations of projects define program goals and objectives for measuring progress and for identifying problems of projects, and utilize evaluation results in planning, refining, and revising their comprehensive plans and in designing and initiating new programs and activities (See pp 52 and 53)
- Periodically review the evaluation efforts of city demonstration agencies to insure that HUD's requirements are being met (See p 53)

AGENCY ACTIONS AND UNRESOLVED ISSUES

GAO furnished HUD with a draft of this report for review and comment HUD replied that GAO's report was accurate in its observations and helpful in its recommendations HUD said that its own evaluation of progress of the Model Cities Programs in the three cities had resulted in similar findings and that GAO's comments on specific program areas were generally ap-

plicable to the entire Model Cities Program

Comments on the draft report by the Kansas City, Saint Louis, and New Orleans city demonstration agencies were incorporated in HUD's comments

HUD said that city demonstration agencies' administrative capability and economic conditions, rather than insufficient data, were the more salient causes of difficulties in the manpower and economic development areas and that city demonstration agencies did not have full control over these causes (See p 34)

With regard to the need to develop programs containing new and innovative projects, HUD said that neither the statute nor HUD's guidelines required innovation within each project or as an essential approach to the cities' longstanding problems GAO believes that the legislative history of the Model Cities Act clearly shows that the Congress anticipated that emphasis would be placed by the cities on Model Cities Programs containing projects that were new and innovative and that supplemental funds would be used for such projects (See p 40)

HUD said that it recognizes that evaluation efforts at the local level had not been universally successful and that, in some cities, evaluation efforts had not progressed beyond initial stages of development HUD said also it was aware that the cities frequently gave the evaluation activity a low priority and minimum staff (See p 53)

MATTERS FOR CONSIDERATION BY THE CONGRESS

This report is being furnished to

the Congress because of interest expressed by many members in the operation and administration of

the Model Cities Program in cities throughout the country

BEST DOCUMENT AVAILABLE

CHAPTER 1

INTRODUCTION

The Model Cities Program was established by title I of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3301), to demonstrate that the living environment and general welfare of people living in slum and blighted neighborhoods could be improved through a comprehensive, coordinated Federal, State, and local effort.

The purposes of the program are to rebuild or revitalize large slum and blighted areas; expand housing, job, and income opportunities; reduce dependence on welfare; improve educational facilities and programs; combat disease and ill health; reduce crime and delinquency; enhance recreational and cultural opportunities; establish better access between homes and jobs; and generally improve living conditions for the people who live in slum and blighted areas.

At the local level the development and implementation of the Model Cities Program is the responsibility of city demonstration agencies (CDAs). CDA may be an administrative unit of a city or county or a separate local public agency that is responsible to the sponsoring city or county. Essentially a planning and coordinating organization, CDA usually arranges with other local agencies to administer Model Cities projects.

A local Model Cities Program consists of (1) a 5-year comprehensive demonstration plan which describes the needs of the city in terms of projects required to make a substantial impact on social, economic, and physical problems of the city and (2) annual "action" plans which outline projects to be implemented each year.

Because of the comprehensive nature of the Model Cities Program, a city's program usually includes projects in a number of functional areas, such as crime and delinquency, economic development, education, health, housing, manpower, recreation, social services, and transportation.

RESPONSIBILITIES OF DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT

The Secretary of Housing and Urban Development has administrative responsibility for the Model Cities Program and provides financial and technical assistance to CDAs for developing and implementing their comprehensive demonstration plans.

The Department of Housing and Urban Development (HUD) selected 150 cities to participate in the program the District of Columbia, cities in 45 States, and a city in Puerto Rico. In the spring of 1968, HUD awarded planning grants to 75 of these cities, which were generally referred to as first-round cities.

In the fall of 1968, planning grants were made to the remaining 75 cities. HUD officials said that these second-round cities were included in the program because the Congress had appropriated additional funds for the Model Cities Program.

The planning grants, which were to cover up to 80 percent of the cost of developing comprehensive demonstration plans, were provided to cities to identify the needs of the model neighborhoods; coordinate the planning activities of Federal, State, and local agencies; and involve neighborhood residents in the planning process. As of June 30, 1972, HUD had provided \$22.2 million to 150 cities for planning purposes. A listing of the cities is included as appendix I.

HUD also provides supplemental funds to cities to implement Model Cities projects. The Model Cities Act provides that such funds be used by the cities to establish programs containing new and innovative projects that are not aided under other Federal grant-in-aid programs. Also, to the extent that such funds are not necessary to support such new projects, the funds may be used as non-Federal contributions for projects in the Model Cities plan which are to be assisted under other Federal grant-in-aid programs.

The act limits the amount of HUD supplemental funds to 80 percent of the total amount of non-Federal contributions that are necessary to carry out the Federal programs included in the HUD-approved Model Cities plans.

HUD establishes the amount of supplemental funds to be awarded to cities by taking into account the number and intensity of economic and social pressures in the Model Cities neighborhoods. The Model Cities Act indicated that such pressures resulted from high population densities; widespread poverty, unemployment, public welfare participation, disease, and crime and delinquency; lack of education; poor health; and substandard and dilapidated housing.

As of June 30, 1972, the 147 cities participating in the program had received about \$1.7 billion in HUD supplemental funds to help them put into effect and carry out their programs for the action years. As of that date, the cities had spent \$866 million in supplemental funds.

FEDERAL AGENCY COORDINATION

HUD is responsible for insuring, in conjunction with other Federal agencies, maximum coordination of Federal financial and technical assistance. HUD must consult with other Federal agencies before issuing program regulations and making grants to CDAs.

To provide coordinated Federal support for the Model Cities Program, HUD established the Washington Interagency Coordinating Committee, composed of representatives of the Departments of Agriculture; Commerce, Health, Education, and Welfare, Justice, and Labor and of the Office of Economic Opportunity. This Committee was established to advise HUD on the development and implementation of Model Cities policies and the coordination of Federal agency efforts at the headquarters level. HUD officials told us in February 1972 that this Committee, although not formally dissolved, no longer functioned because it had accomplished the major purpose for which it was established--advising HUD on policy matters.

At the regional level, HUD established Regional Interagency Coordinating Committees composed of representatives of the various Federal agencies involved in the program. These committees are responsible for reviewing cities' comprehensive demonstration plans, implementing Model Cities policies, coordinating Federal agency activities at the regional office level, and providing information and technical assistance to CDAs and to various public and private agencies participating in Model Cities Programs.

CITIES AND FUNCTIONAL AREAS REVIEWED

We reviewed certain aspects of the Model Cities Programs in Kansas City, Missouri, Saint Louis, Missouri, and New Orleans, Louisiana. We selected these cities for review because of the substantial amount of HUD funds involved in the cities' programs. CDA which managed the program in each of the three cities was, in each case, an administrative unit of the city.

A Model Cities Program consists of projects in various functional areas. We reviewed projects initiated in the

areas of manpower, economic development, education, and health. We selected these areas because

- they had been designated by the cities as high priority areas,
- they required a high degree of Federal agency assistance and coordination, and
- the amount of funds allocated by Federal agencies and spent by the cities in these areas was significant.

A brief description of each of the four areas follows

Manpower

Manpower development is one of the most important components of any antipoverty effort. The major thrust in this area was to provide jobs for model-neighborhood residents.

Although the cities' comprehensive plans contained a number of objectives in this area, the primary objectives were to reduce unemployment and underemployment levels in the model neighborhoods. Other objectives included increasing the number of model-neighborhood residents who were members of construction trade unions and providing job training programs for residents.

To achieve these objectives, the cities undertook projects to increase job skills and provide employment to model-neighborhood residents.

Economic development

In the area of economic development, the major thrust was to improve economic conditions in the model neighborhoods by increasing the income of model-neighborhood residents and by improving the goods and services available to them.

Some of the specific objectives of the cities in this area were to increase public and private investment in the

model neighborhood bring the prices charged model-neighborhood residents for goods and services in line with the prices charged other residents of the city, and promote business ownership by neighborhood residents.

Projects undertaken by the cities to accomplish these objectives included establishing an economic development corporation and a consumer protection agency, initiating programs to improve the availability of loans for model-neighborhood businesses, and providing technical assistance and management training to model-neighborhood residents

Education

Many cities considered education to be the most important functional area. The major emphasis in this area was on providing educational services to model-neighborhood residents of all ages in order to reduce the educational disadvantages of these residents.

The cities' objectives in this area were numerous and varied. For example, these objectives included reducing the school dropout rate, improving parent-teacher relations, developing new curriculums which were more relevant to the needs of the residents, providing improved teacher training, increasing the capacity and attractiveness of the schools, and providing specialized educational programs for certain groups of model-neighborhood residents.

Projects undertaken in this area included reading improvement projects, counseling and remedial services, pre-school and adult education projects, and a teacher education project.

Health

Many cities' comprehensive plans indicated that the health of model-neighborhood residents was not as good as that of other city residents. For example, the infant mortality and disease rates were higher than in other areas of the cities.

Specific objectives of the cities in this area included providing comprehensive medical services, improving general sanitation and environmental health levels, reducing the incidence of infectious diseases among neighborhood residents,

improving and expanding the health education program in the public schools, and developing a system of health insurance.

To achieve these objectives, the cities undertook such projects as neighborhood health centers, drug addiction treatment programs, projects providing mental health services, a prepaid health insurance program, and a rodent control and eradication program.

From their supplemental funds for their first and second action years, Kansas City, Saint Louis, and New Orleans allocated about 43, 48, and 53 percent, respectively, to the four functional areas. (See app. II.)

Kansas City

The Kansas City model neighborhood--consisting of seven geographical areas--covers about 6.3 square miles of the city, or about 2 percent of its total area. According to the city's planning application, the model-neighborhood areas included about 81,000 people, or about 14 percent of the city's total population. A map showing the location of the model neighborhood is included as appendix III.

In April 1967 Kansas City applied to HUD for financial assistance to plan its Model Cities Program. HUD awarded the city a planning grant of \$153,270 in January 1968, and the grant was increased to \$163,272 in July 1968.

In May 1969 the city submitted its 5-year comprehensive plan and its plan for the first action year to HUD. HUD approved these plans and awarded the city supplemental funds of \$8,706,000 in September 1969. In November 1970 and December 1971, HUD awarded the city the same amount for each of its second and third years of the program.

The goals of the functional areas we reviewed, as stated in the city's comprehensive plan, included

--providing (1) services for model-neighborhood pre-school children to bring their school-readiness levels up to national averages, (2) an instruction program for neighborhood children and youth to bring their achievement levels up to national norms,

(3) opportunities for neighborhood adults to eliminate or reduce their educational handicaps, and
(4) educational opportunities for the mentally and physically handicapped and the socially disadvantaged in the model neighborhood;

--bringing the physical and mental health levels of neighborhood residents to the level of residents in other areas of the city; and

--providing manpower programs and services to reduce the unemployment rate in the model neighborhood to the average rate for the metropolitan area and to improve the economy of the model neighborhood.

Saint Louis

The Saint Louis model neighborhood--consisting of five contiguous geographical areas--covers about 2.6 square miles of the city, or about 4 percent of its total area. According to the city's planning grant application, the model neighborhood included about 70,000 people, or about 10 percent of the city's total population. A map showing the location of the model neighborhood is included as appendix IV

In April 1967 Saint Louis applied to HUD for a planning grant and in February 1968 was awarded \$279,272 to develop its program.

In August 1968 the city submitted its 5-year comprehensive demonstration plan and its plan for the first action year to HUD. HUD rejected them because of the lack of involvement of local agencies in the program and the failure of the plans to include a responsible leadership role for the city. After three subsequent submissions (in March, May, and June 1969) by CDA, HUD awarded the city supplemental funds of \$5,183,000 in June 1969. HUD increased the amount to \$9,485,000 in May 1970. For the second action year, the city was awarded supplemental funds of \$7,000,000 in March 1971. According to HUD, the amount for the second year was reduced from the requested \$9,485,000 because of the lack of progress during the first action year, as evidenced by the small percentage of funds spent (23 percent) and by the large number of projects (22) that the city had

not implemented during the first year. In June 1972 Saint Louis was awarded supplemental funds of \$9,485,000 for its third action year.

The goals of the functional areas we reviewed, as stated in the city's comprehensive plan, included

- raising the health level of model-neighborhood residents to that of the metropolitan area and increasing the quantity and quality of health services available to the neighborhood residents,
- raising the educational level of neighborhood residents to enable them to compete on an equal basis with other residents of the city; and
- providing full, stable employment for all employable neighborhood residents at skill and wage levels commensurate with their capabilities and needs.

New Orleans

The New Orleans model neighborhood--consisting of three geographical areas--covers about 3.3 square miles of the city, or about 2 percent of its total area. According to the city's planning application, the model neighborhood included about 74,000 people, or about 11 percent of the city's total population. A map showing the location of the model neighborhood is included as appendix V.

In April 1968 New Orleans requested financial assistance from HUD to plan its Model Cities Program, and in January 1969 HUD awarded the city a grant of \$245,000.

In May 1970, after completing its planning phase, New Orleans submitted to HUD its 5-year comprehensive demonstration plan and its plan for the first action year. HUD approved these plans and, in June 1970, awarded the city supplemental funds of \$9,249,000 for its first action year, which began in September 1970. In June 1971 HUD awarded the city the same amount for its second action year, which began in September 1971.

The goals of the functional areas we reviewed, as stated in the city's comprehensive plan, included

- reducing unemployment and underemployment in the model neighborhood,
- increasing the availability and accessibility of health care to neighborhood residents, improving the health status of the residents, and reducing social and environmental impediments to good health, and
- improving the average educational level of neighborhood residents by increasing the quality, quantity, and variety of educational opportunities available to them.

CHAPTER 2

PROGRAM ACCOMPLISHMENTS

According to data and reports prepared by CDAs and by the operating agencies administering projects, the three cities had varying degrees of success in attaining the annual goals of their Model Cities projects.

As of July 1971 the New Orleans program had been operating for about 11 months, the Kansas City program for about 21 months, and the Saint Louis program for about 24 months. Presented below for each of the functional areas we reviewed are summaries, by city, of Model Cities Program activities. These summaries include a brief description of the types of projects implemented by CDAs and data on accomplishments under certain projects. In addition, appendixes VI, VII, and VIII are listings of all projects in the four functional areas, and their goals and accomplishments, for which these three cities had spent funds as of July 31, 1971. The following table shows the amount of supplemental funds which the three cities spent in the four functional areas as of July 31, 1971.

	<u>Kansas City</u>	<u>Saint Louis</u>	<u>New Orleans</u>	<u>Total</u>
Manpower	\$ 565,544	\$1,276,847	\$ 531,716	\$2,374,107
Economic devel- opment	104,479	-	144,288	248,767
Education	1,792,446	1,090,036	253,324	3,135,806
Health	<u>1,489,285</u>	<u>392,699</u>	<u>423,180</u>	<u>2,305,164</u>
Total	<u>\$3,951,754</u>	<u>\$2,759,582</u>	<u>\$1,352,508</u>	<u>\$8,063,844</u>

MANPOWER

Because of the high level of unemployment and under-employment in the model neighborhoods, each of the cities placed a high priority on developing an effective manpower training program to improve the quality of life for model-neighborhood residents. CDAs established a number of projects to provide manpower training services to residents and were generally successful in accomplishing the annual goals of their projects.

Kansas City

CDA stated that the basic objective of the program in the area of manpower training was to reduce the level of unemployment in the model neighborhood to the level in the larger metropolitan area. In 1969 the unemployment rate in the citywide area was 3.7 percent, and in the model neighborhood it was 10.3 percent.

During the first action year, the Kansas City CDA initiated four projects to reduce the level of unemployment in the model neighborhood.

One project started by CDA during the first action year was to expand the existing Concentrated Employment Program by establishing an additional employment service center in one area of the model neighborhood. This center was to provide employment outreach, orientation, training, and placement for model-neighborhood residents. At the end of the first action year in October 1970--5 months after the center was established--84 residents had been enrolled in the program. According to reports prepared by the operating agency, 35 residents were still enrolled in the program as of October 1970. Of the 49 residents who had left the program, only four were employed. This project was continued during the second action year and as of July 1971--9 months after the second year began--an additional 113 residents had been enrolled and 56 residents had been employed.

Another project conducted by CDA during the first action year, at a cost of \$345,793, was a summer youth employment project. This project, the objective of which was to employ 300 high school students and graduates, actually employed 764 persons.

During the first action year CDA also implemented a vocational training project under which 20 neighborhood residents were to be trained as automobile mechanics in a 39-week training course. Although 57 residents had participated in the course as of July 1971, only one resident completed the course.

Under a career training project, which was undertaken by CDA during the first action year and continued during

the second action year, a program was to be developed to further the careers of neighborhood residents employed in the Model Cities Program. As of July 1971, 231 residents had participated in the program.

For the second action year of the program, which began in November 1970, CDA added one new project to its manpower-training component. Under the new project the city planned to hire and train 140 disadvantaged persons for public service jobs. Through this project 46 model-neighborhood residents were employed.

By July 1971 the citywide area unemployment rate had increased to 6.1 percent and, according to CDA officials, the model-neighborhood rate was between 12 and 18 percent. Officials of public and private agencies in Kansas City informed us that, in their view, it was highly unlikely that any significant impact in attaining the manpower goals of the Model Cities Program could be accomplished until national economic conditions--which plagued the city as well as the model neighborhood--improved.

Saint Louis

Manpower-training objectives of the program in Saint Louis included providing stable employment for all employable residents of the model neighborhood at skill and wage levels commensurate with their capabilities and needs. Although the manpower needs of the neighborhood residents were given a very high priority when CDA was assigning financial resources to the various functional areas of the Model Cities Program, CDA reports showed that little progress had been made in accomplishing the manpower goals set forth by CDA. In March 1969, the city stated that about 39 percent of the model-neighborhood labor force was either unemployed or underemployed. In December 1970, after the Model Cities Program had been operating in Saint Louis for 18 months, CDA reported that the unemployed-underemployed rate in the model neighborhood had increased to about 52 percent.

During its first action year, the Saint Louis CDA planned to conduct two summer youth employment projects and a skill-training project. Under the two summer youth

employment projects, about 2,400 students were employed for a maximum of 10 weeks. Although CDA began the skill-training project during the first program year, neighborhood residents received no training because the skill center had not been constructed. As of July 31, 1971, about 5 months after the second action year began, construction of the skill center still had not started because of difficulties in acquiring a suitable building site. During the second action year, CDA again conducted a summer youth employment project. Under the project, 660 students were to be employed for a 10-week period. There were no accomplishments reported by CDA for this project as of July 1971.

New Orleans

The Model Cities manpower-training objectives included establishing new training programs to provide employment to model-neighborhood residents that offered career development and advancement possibilities. To accomplish these objectives CDA started three projects in the first action year to

- hire and train model-neighborhood residents for Model City agency jobs;
- provide bonding insurance, working capital, and technical assistance for minority contractors; and
- train 40 model-neighborhood residents as paraprofessional health care workers.

At the end of the first action year, 503 neighborhood residents, 200 of whom were previously unemployed, had been hired for Model City agency jobs and 39 minority contractors, who employed about 100 previously unemployed residents, had received loans through the Model Cities Program. In addition, 30 minority contractors had been assisted under the bonding insurance project. Under the paraprofessional health care project, 21 residents had been trained and hired.

ECONOMIC DEVELOPMENT

CDAs in the three cities were to establish economic development programs consisting of projects designed to provide technical and financial assistance to existing and new model-neighborhood businesses, however, CDAs had limited success in implementing planned projects and in attaining the annual goals of those projects which were implemented as of July 1971.

Kansas City

During its first action year, CDA started a youth enterprise and employment project. Under this project, teen centers were to be established in the model neighborhood and financial assistance was to be provided to small business firms operated by youths. During the year only four model-neighborhood residents were employed under this project. Another project--to provide consumer protection service--was planned for the first action year but was not started until the second action year.

In preparing for its second year of program activities, CDA pointed out to HUD that economic conditions of the model-neighborhood areas needed improvement because shopping facilities were inadequate and only a small number of minority-owned businesses were operating in the model neighborhood. Accordingly, for its second action year, CDA proposed to establish

- a business-industrial incentive fund to encourage industries and businesses to locate in the model-neighborhood areas,
- a loan fund to aid small businesses,
- a credit union to encourage systematic savings and to provide a source of low-interest loans to neighborhood residents, and
- a technical assistance project to assist businessmen in organizing and operating their businesses.

At July 31, 1971, these four projects, which had a combined budget of \$525,000, were operating in the model neighborhood. We discussed these projects with CDA officials and reviewed certain CDA reports on program accomplishments. We noted that the project accomplishments in the second year were minimal. For example, no industrial loans had been made and only two clients had been approved for small business loans. Under the technical assistance project, 32 loan applications were being processed, and under the credit union project, credit counseling service had been provided to only 10 residents.

Saint Louis

CDA proposed nine projects in the economic development area which were to be started during the first year of the program. HUD, however, did not approve any of these projects because they were not comprehensive and, according to data prepared by HUD, were not consistent about the types of services to be provided to the residents of the five model-neighborhood areas.

CDA did not submit any other projects to HUD for approval during the first action year. CDA officials said they were unable to develop a suitable economic development program primarily because they did not have sufficient data for determining the type of economic development projects needed in the model neighborhood.

For the second action year CDA proposed one project whose objectives were to (1) assist Saint Louis minority contractors in developing entrepreneurial skills for administering major construction projects, (2) upgrade job skills of minority group construction workers, and (3) assist contractors in obtaining financing and in meeting bonding requirements. CDA proposed this project in December 1970 and HUD approved it in March 1971. As of July 31, 1971, the project had not been implemented because CDA had not entered into a contract with the agency that was to administer the project.

New Orleans

CDA planned two projects in New Orleans. Under one project, a local corporation was to be established to promote the development of businesses in the model neighborhood. Under the other project CDA assumed the responsibility for administering three credit unions which the local community action agency had established in the model neighborhood. The purpose of the credit union project was to promote the development of an economic base within the model neighborhood.

As of July 31, 1971, CDA had not started the local business development project because it had been unable to define the sectors of the model neighborhood that the Small Business Administration was servicing. Such information was necessary to avoid duplicating the Small Business Administration's efforts in this area. The accomplishments reported to CDA on the credit union activities showed that, as of July 1971, about 800 residents of the model neighborhood had become credit union members.

EDUCATION

Under the educational-training components of their Model Cities Programs, the three cities established goals to

- improve children's readiness for school and improve their achievements while in school;
- provide educational opportunities to model-neighborhood residents to enable them to compete on an equal basis with residents of other areas of the cities;
- provide special services to socially, mentally, and physically handicapped neighborhood residents;
- improve the quality of education in the model neighborhood through innovative curriculums, better facilities, and better teacher-student ratios; and
- decrease the dropout rate in model-neighborhood schools by 3 percent.

CDAs successfully implemented a number of projects which accomplished their annual goals under this component of CDAs' programs.

Kansas City

In its first action year, CDA initiated nine projects which included preschool and adult education programs and programs for training elementary school teachers to be more responsive to the needs of model-neighborhood children. Also schools were kept open after the normal hours for Model Cities activities. In its second action year, CDA provided basically the same types of services to the residents and planned to start two new projects.

CDA started one of the new projects, which had as its goal the development and use of new methods for teaching social studies in model-neighborhood elementary schools and which emphasized the social and psychological development of the students. The other project--planned but not implemented by CDA as of July 1971--was to provide for a coordinated effort on the part of model-neighborhood parents,

teachers, and principals to better understand (1) the educational needs of the inner-city children and (2) the role of the schools in the community. CDA officials said that implementation of this project would result in significant changes in the model-neighborhood school curriculum.

CDA project data showed that the projects which CDA and/or various operating agencies had started during the first 21 months of the program had provided services in accordance with the stated goals of the projects. For example, an early childhood education project, the objective of which was to provide educational and supporting services to 400 model-neighborhood children, had been initiated about 8 months after the first action year began and had provided services to 526 children during a 6-week summer program. This project was continued during the following school year, and, at June 1971, a total of 477 children were enrolled in the project. According to CDA reports, educational, medical, and dental services and meals were provided to the children under this project.

Another project for the first action year that was carried over into the second action year was a scholarship grant project to assist 60 model-neighborhood residents. Under this project, which had a 2-year budget of \$140,000, CDA awarded \$25,000 in scholarships to 66 neighborhood residents who were attending college.

Adult educational services were also provided to model-neighborhood residents during the first and second action years at centers located throughout the model neighborhood. By July 1971, 8 months after the second action year began, there were 419 persons enrolled in the adult education project. Another project for the first action year was a reading-skills project under which CDA planned to enroll 9,400 model-neighborhood students. CDA spent \$265,070 on this project in which 8,202 students participated.

Saint Louis

The projects implemented by CDA during its first action year provided the model-neighborhood residents with the services and assistance necessary for accomplishing the HUD-approved goals. In the first action year, CDA initiated

six projects. Three of the projects--community schools, adult basic education, and employment of teacher-aides--were carried forward into the second action year; one new project to provide part-time employment to model-neighborhood high school students was initiated in the second year.

According to CDA reports on program accomplishments under the community schools project, social, cultural, and educational services were provided to model-neighborhood residents after regular school hours. The implementation of this project was delayed because of difficulties in negotiating a contract with the operating agency and, although the project did not become fully operational until 13 months after HUD approved it, about 1,000 residents were enrolled in the project at the end of the first action year. The project was continued during the second action year and CDA, in its July 1971 quarterly status report, stated that the project was serving a total of 762 adults and 1,649 youths.

Under the teacher-aide project, 133 teacher-aides were employed in 22 schools at the end of the first action year. This project, which had as its goal the hiring of 149 teacher-aides to work in 27 schools, was carried forward into the second action year. At the end of the school year in June 1971, 150 teacher-aides were employed. Under the project to provide part-time employment for 70 high school students, CDA reports showed that, at July 1971, 65 students were participating in the program. CDA planned to assist 1,200 residents in obtaining high school diplomas under an adult basic education project. As of July 1971, 807 persons had participated in the project and 29 adults had completed the grade-level requirements.

New Orleans

In the first action year, CDA and its operating agencies started four projects, consisting of (1) a community schools expansion program, (2) a reading improvement program, (3) a preschool program for children from ages 2 to 5 years, and (4) a program for high school dropouts.

CDA's objective under the preschool program was to prepare about 900 model-neighborhood preschool children for

entering the regular school curriculum; CDA reports showed that in June 1971, 959 children were being served. Under the project to aid high school dropouts, 50 residents were enrolled and 17 residents had been placed in jobs as of July 1971.

HEALTH

The health service program objectives of the Kansas City and Saint Louis programs were to increase the level of health care provided to model-neighborhood residents to the level of that of the residents of the community at large. In New Orleans CDA's objective was twofold (1) to provide services to meet the immediate health needs of the residents and (2) to develop a comprehensive health care program to insure that model-neighborhood residents would not be prevented from realizing their full earning potential because of the lack of adequate health care.

Although many people received services under the various health projects implemented by CDAs, several projects to provide direct health care in Saint Louis and New Orleans were not fully operational and in Kansas City CDA needed to expedite the implementation of certain projects for the construction of health care facilities.

Kansas City

During the first action year, CDA planned to start six projects. Three of the projects involved the construction of health care facilities in which health services and care would be dispensed to model-neighborhood residents. The objectives of the fourth and fifth projects were to increase the availability of mental health care services to neighborhood residents (mental health aides project) and to inspect housing facilities in the model neighborhood, respectively. The purpose of the sixth project was to provide free hospitalization insurance to model-neighborhood residents.

During the second action year, CDA added one new project, which was to increase medical services for neighborhood residents by expanding an existing clinic.

Two of the health care projects that were to be implemented during the first action year--the expansion of a city-owned hospital and the establishment of a health center--had not been started as of July 31, 1971, 9 months after the second action year began. Construction was delayed because an acceptable construction design and plan had not been completed for the hospital and because a site for the

health center had not been selected. The construction of a new hospital for which CDA was providing financial support was about 52 percent complete as of July 1971.

Officials of the agency which will administer the health center project told us that it would serve about 28,000 people residing in the area. This project appears to be a major effort of the Kansas City program to provide health care to a large number of model-neighborhood residents.

Under the housing code inspection project, about 4,200 inspections of model-neighborhood houses had been made and 25,000 repairs had been recommended as of July 1971; there was no data available, however, on the number of repairs made. The mental health aides project met its goal of employing seven model-neighborhood residents, who contacted about 63 outpatients a month. The hospitalization insurance project, which was intended to cover 900 persons during the first action year and 3,000 more persons during the second year, provided insurance coverage to 15,500 neighborhood residents during the second year. We were unable to ascertain, however, the number of persons that had received benefits and the extent of such benefits under the project as of July 31, 1971.

Saint Louis

CDA started four projects during the first action year, and the services and assistance provided under these projects were carried forward into the second year of the program.

Two of these projects were to inform model-neighborhood residents about, and assist them in locating and using, available health care services. Under one of these projects, the goal was to hire and train 32 model-neighborhood residents to contact residents in the five model-neighborhood areas and provide them with information on locating health care services. Although no information was available on the number of residents that were assisted under this project, we noted that the operating agency had hired 37 neighborhood residents as health aides. Under the other project, which related to health planning, no accomplishments were reported.

Another project, which had a first-year budget of \$41,000, was to provide 10,000 model-neighborhood residents with transportation to a health clinic. As of July 1971, about 9,600 residents had been served.

Under the fourth project, direct patient services, such as therapeutic, diagnostic, and preventive care, were to be provided at a Model Cities mental health center; however, as of July 1971 the center was not fully operational.

During the second action year, CDA initiated a project--health care outreach--to provide health care coordination among CDA, operating agencies, and model-neighborhood residents. According to CDA, about 4,000 neighborhood residents were to be contacted each month; 2,500 residents were actually contacted each month.

New Orleans

New Orleans experienced delays in getting its health care projects started. During the first action year, CDA planned to start five projects.

One of these project--health service clinics--was not operational as of August 31, 1971, which was the end of the first action year. The project was delayed because CDA had not selected the agency that was to operate the project. After CDA reached a decision, the operating agency had to hire and train its staff to administer the project.

Although direct services were provided to model-neighborhood residents under certain other projects, we noted that such services had been provided to a much smaller number of residents than CDA had anticipated when it planned the projects. For example, under one project visits by health care workers were planned for about 175 chronically ill residents who were ineligible for health care under other medical assistance programs. At the end of the first action year, only 41 residents had been provided with services under this project. CDA officials advised us that services were expected to be provided to residents through referrals from physicians but that such referrals were not as numerous as CDA expected when it planned this project.

CONCLUSIONS

We discussed, with public and private agency officials in Kansas City and Saint Louis, the basic goals of the cities and accomplishments under the projects. These officials set forth a number of factors which, in their view, affected the degree of success of projects in the manpower-training component of their programs.

The most frequently cited factors follow

- Current economic conditions prevented the success of manpower projects.
- Employers discriminated in their hiring practices and were not willing to hire the disadvantaged.¹
- More public service jobs were needed.
- Better transportation service was needed and better child-care services for working parents should have been provided
- Centralized control of the various manpower programs was needed.

Also the lack of essential planning data and of pertinent statistics on the economic, social, and physical

¹In 1970 the New York University School of Commerce issued a study report on "Industry Hiring Requirements and the Employment of Disadvantaged Groups." This report stated that improper hiring requirements, including those in the Saint Louis metropolitan area, may have reduced employment opportunities for the disadvantaged and may have harmed industry and unnecessarily restricted its supply of labor. The report included discussions of various practices, such as an overwhelming preference for employees in the 22- to 45-year age group, the possibility of employers' overstating education requirements, the absence of minority group workers in some occupations, and the nearly total absence of steps to encourage employment of minority groups.

conditions of the model neighborhoods was a factor limiting CDAs' ability to develop successful projects which would accomplish the manpower-training and economic development goals under the program. CDA officials in Saint Louis told us, for example, that they were unable to develop a suitable economic development program, primarily because they did not have data essential for determining the types of projects needed.

Under the health care area of the program, the desired annual accomplishments were limited, to a great degree, because CDAs did not fully implement some projects and did not initiate other projects on a timely basis. In the educational area annual project goals were generally accomplished and program data prepared by CDA showed that essential services, such as adult education and preschool programs, were provided to model-neighborhood residents.

It is difficult to specifically identify the major factors which affected CDAs' ability to satisfactorily attain all of their annual project goals. However, certain weaknesses in HUD's and CDAs' administration of the program may have been contributing factors. These matters, which are discussed in the following chapters, include the need for

- Sufficient planning data and statistics on the model-neighborhood social, economic, and physical conditions (See ch. 3.)
- Increased emphasis on the establishment of new and innovative projects. (See ch. 4.)
- CDA compliance with funding requirements of the Model Cities Act and HUD guidelines. (See ch. 5.)
- An adequate evaluation of program accomplishments. (See ch. 6.)

CHAPTER 3

PLANNING MODEL CITIES PROJECTS

In their Model Cities plans submitted to HUD, the cities used data that was available on model-neighborhood conditions. In many cases such data was neither current nor sufficiently complete to insure sound management decisions on the extent and causes of the neighborhood problems. Such information is essential if CDAs are to establish the types of projects that will help alleviate the problems.

At the outset of the Model Cities Program, HUD issued guidelines on Model Cities planning requirements. HUD pointed out that problem analyses and descriptions of the social, economic, and physical problems of the model neighborhoods must be submitted to HUD. Such analyses should, according to HUD, be based on and include (1) evaluations of the model-neighborhood problems, their underlying causes, and interrelationships and (2) conditions that must be changed if the problems are to be solved.

HUD said that, when cities submit proposed projects to HUD, they should use data that is as current and complete as necessary and that, when such data cannot be developed--during the initial planning period--they should make estimates based on the best available information. HUD stated that cities would be expected to identify any additional data that they considered necessary to justify their Model Cities Programs and would be expected to establish the appropriate methods of obtaining this data during the first action years of their programs.

Title 1, section 103(c), of the Model Cities Act states that the demonstration programs of the cities should include, to the maximum extent feasible, analyses and comparisons of costs and benefits--financial and otherwise--of alternative actions to fulfill the cities' needs.

NEED FOR CURRENT DATA

Under the procedures established by the three cities in planning their Model Cities projects, the cities requested the neighborhood residents to identify the problems of the neighborhoods. CDA staff, model-neighborhood representatives, and certain local agency officials then provided additional information to the cities on the problems identified by the residents. This data represented the overall framework for the cities' comprehensive demonstration programs and was the basis for the development of specific projects implemented by CDAs and operating agencies.

Although the model-neighborhood residents, assisted by CDA staff members, identified social, economic, and physical problems of the neighborhood, CDAs did not supplement such information with current data on the extent and causes of these problems and therefore could not help insure that the projects which were proposed, and subsequently implemented, represented the most appropriate approaches to deal with the problems of the model neighborhoods. Such problems, in many cases, were longstanding problems which previously established social programs were unable to solve.

We recognize that certain time constraints and fund limitations may, in some cases, restrict the amount and the type of data that cities can collect. However, because the data available to the cities at the time they were planning their projects under the Model Cities Program was to a great extent outdated, inaccurate, and/or pertained to larger geographical areas not specifically covered under the Model Cities Programs, we believe that such data was not entirely suitable for effective CDA planning. Also the information used by CDAs in planning was of only limited assistance to HUD in its evaluations of the cities' progress in accomplishing the goals they had outlined in their comprehensive demonstration plans.

In Kansas City the program goals set forth by CDA in the manpower-training area were based on the views of the model-neighborhood residents and on data obtained from the local community action agency. The data, prepared in August and September 1968 and submitted by the local community action agency, was based not on specific conditions in the

model neighborhood but rather on general estimates of the overall employment conditions existing in the large geographical areas covered by the Concentrated Employment Program.

CDA officials pointed out that, because of the small amount of educational research activity conducted in the Kansas City area, they did not have the essential data for planning the educational-training component of their Model Cities Program. The data used for planning purposes was furnished by citizen groups, the local school district, and CDA staff.

Saint Louis CDA officials said they recognized that many of the goals and objectives of their comprehensive demonstration program were unrealistic because they were based on the 1960 census data and on other outdated and, in some cases, inaccurate information on the social and economic conditions of the model neighborhood.

The data New Orleans used in planning its program was based primarily on a 1966 Department of Labor survey of the employment conditions in the city and on the 1960 census. CDA officials said they did not study or analyze the model-neighborhood conditions to obtain current data because this would require a great deal of work and because CDA staffing was insufficient to perform such work.

The cities said that, in accordance with HUD guidelines, they intended to obtain from the 1970 census certain additional information on the model-neighborhood conditions for future planning purposes. Such information, however, was not available to the cities as of July 1971. Accordingly, the cities were required to continue planning projects without benefit of the census data. At that time Kansas City and Saint Louis had initiated planning for projects that they would implement in the third action year of their 5-year programs; New Orleans had completed planning for its second action year and was awarded a HUD supplemental grant of \$9,249,000.

CONCLUSIONS

Although the assistance of the model-neighborhood residents in identifying model-neighborhood problems is important, current and complete data on the model-neighborhood conditions is essential to the planning and implementation of projects that will result in an effective Model Cities comprehensive demonstration program. The lack of current and complete data for use in establishing projects reduces the likelihood that those projects will be successful in accomplishing their goals.

RECOMMENDATION TO THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT

We recommend that HUD require CDAs to periodically obtain and analyze information on the extent and causes of problems in the model neighborhoods and to use the results of such analyses to (1) plan the types of projects that will help alleviate the neighborhood problems and (2) ascertain whether existing projects represent the most suitable approaches to accomplishing the goals of their Model Cities Programs.

AGENCY COMMENTS

With respect to our finding that the cities had not developed sufficient data on the extent and causes of model-neighborhood problems, HUD agreed that much of the data the cities had used in developing projects in the manpower and economic development areas was inadequate. HUD pointed out that the cities had attempted to use available data, such as that supplied by other federally assisted local activities, and that each city had surveyed its model neighborhood to determine the major interests of the residents. HUD expressed the belief that administrative capability and economic conditions, rather than insufficient data, were the more salient causes of difficulties in the manpower and economic development areas and stated that CDAs did not have full control over these causes.

CHAPTER 4

DEVELOPMENT OF MODEL CITIES PROGRAMS

The Kansas City, Saint Louis, and New Orleans CDAs did not use supplemental funds to develop programs containing new and innovative projects to the extent we believe was anticipated by the Congress when it passed the Model Cities Act, instead, supplemental funds were used primarily to expand existing programs. As a result, the cities did not fully use the opportunities available under the program to develop new approaches to solving their longstanding social, economic, and physical problems

Our review of the legislative history of the Model Cities Act indicates that the Congress anticipated that supplemental funds would be used primarily to develop programs containing new and innovative projects. Section 101 of the act states in part that

"The purposes of this title are to provide additional financial and technical assistance to enable cities of all sizes (with equal regard to the problems of small as well as large cities) to plan, develop, and carry out locally prepared and scheduled comprehensive city demonstration programs containing new and imaginative proposals to rebuild and revitalize large slum and blighted areas;***"

Section 105(d) of the Model Cities Act provides that supplemental funds

"*** shall be made available to assist new and additional projects and activities not assisted under a Federal grant-in-aid program. To the extent such funds are not necessary to support fully such new and additional projects and activities, they may be used and credited as part or all of the required non-Federal contribution to projects or activities, assisted under a Federal grant-in-aid program, which are part of an approved comprehensive city demonstration program."

HUD guidelines to the cities state that the Model Cities Program is a demonstration program designed to develop new approaches to solving longstanding problems that have brought many cities to points of crisis. HUD guidelines state further that cities should look upon this program as an opportunity to experiment and to become laboratories for testing and refining new and better methods to improve the quality of life for the residents. Further, HUD points out that cities should develop

- improved ways of reaching the residents,
- new approaches to make the administration of cities more efficient and effective, and
- new methods for using modern technology to meet the cities' problems.

In its guidelines HUD discussed the level of financial aid and the type of assistance needed to carry out the Model Cities Program and emphasized the need for cities to be innovative in developing their programs. HUD advised the cities that, if sufficient Federal funds were not available for all the programs of the cities, it would give preference to cities which were innovative in developing their programs.

HUD FUNDS USED TO EXPAND EXISTING PROGRAMS

In evaluating the type of projects developed by the Kansas City, Saint Louis, and New Orleans CDAs, we found that the cities did not place primary emphasis on the use of supplemental funds to develop programs containing new and innovative projects as anticipated by the Congress, but rather used supplemental funds to expand existing programs.

The following table shows for the first and second action year the total number of, and the funds budgeted for, projects initiated by the three cities in the four functional areas included in our review and those projects which were expansions of existing programs.

	<u>First Action Year</u>							
	<u>Kansas City</u>		<u>Saint Louis</u>		<u>New Orleans</u>		<u>Total</u>	
	<u>Number</u>	<u>Supplemental funds budgeted</u>	<u>Number</u>	<u>Supplemental funds budgeted</u>	<u>Number</u>	<u>Supplemental funds budgeted</u>	<u>Number</u>	<u>Supplemental funds budgeted</u>
Total projects	20	\$2,868,272	13	\$3,365,764	13	\$3,569,000	46	\$9,803,036
Projects expanding existing programs	19	2,858,034	11	3,305,764	7	2,301,000	37	8,464,798

	<u>Second Action Year</u>							
	<u>Kansas City</u>		<u>Saint Louis</u>		<u>New Orleans (note a)</u>		<u>Total</u>	
	<u>Number</u>	<u>Supplemental funds budgeted</u>	<u>Number</u>	<u>Supplemental funds budgeted</u>			<u>Number</u>	<u>Supplemental funds budgeted</u>
Total projects	16	\$3,060,687	8	\$2,546,392			24	\$5,607,079
Projects expanding existing programs	15	2,985,687	8	2,546,392			23	5,532,079

^aNew Orleans' second action year had not been initiated at the time we completed our fieldwork

BEST DOCUMENT AVAILABLE

As the above table shows, Kansas City and Saint Louis continued to use HUD supplemental funds during the second action year to expand existing programs implemented by other agencies.

We discussed with CDA officials of each of the cities their reasons and justifications for using HUD supplemental funds to expand existing programs rather than to develop programs containing new and innovative projects. These officials stated generally that, in their opinion, it was much easier to initiate a program of this type (Model Cities) by using financial resources to carry out existing programs.

We were told that HUD required the Kansas City CDA to submit its comprehensive demonstration plan 2 months earlier than was initially planned. CDA officials said that they complied with this request so that they could obtain the largest amount of supplemental funds possible for the Kansas City program. HUD officials had advised CDA that the city could obtain additional supplemental funds if it submitted its plan to HUD by June 1, 1969. CDA officials pointed out that, in their view, it was far easier to build on existing programs than to initiate new projects and that the Model Cities Act called for the program to provide services to model-neighborhood residents within a reasonably short period. They said that one of the best ways to accomplish this objective was to expand existing programs.

During our review, we discussed with Saint Louis CDA officials the lack of new and innovative projects in their program. These officials said that HUD had influenced the types of projects included in their program for the first action year because HUD had told CDA to initiate its program at the earliest possible date. The officials added that, in their opinion, this could best be accomplished if they expanded existing projects.

New Orleans CDA officials said that it was easier to begin New Orleans' Model Cities Program by building on existing programs instead of starting new projects. Expanding existing programs, in their opinion, was a means of quickly providing needed services to residents in the three model-neighborhood areas.

Regional representatives of HUD and other Federal agencies review a city's comprehensive demonstration plan at the regional level. (See p. 8.) However, we found no indication that projects representing an expansion of existing programs had been questioned by HUD during Regional Interagency Coordinating Committee reviews of cities' plans.

AGENCY COMMENTS AND OUR EVALUATION

HUD said that neither the statute nor HUD's guidelines required innovation within each project or as an essential approach to the cities' longstanding problems. HUD said it regards the Model Cities process itself to be a major innovation.

The legislative history of the Model Cities Act clearly shows that the Congress anticipated that emphasis would be placed on Model Cities Programs containing projects that were new and innovative and that supplemental funds would be used for such projects, but the statute also provides that, to the extent that such funds are not necessary to support fully such projects and activities, they may be used and credited as non-Federal contributions to projects assisted under a Federal grant-in-aid program which are a part of an approved comprehensive city demonstration program. HUD guidelines point out that cities are expected to be innovative in their use of supplemental funds and that the funds are to be used to test new ideas, develop new techniques, and perfect new problem-solving tools.

CDAs in the three cities emphasized to us that it was easier to build on existing programs than to initiate new projects and that they had expanded established programs to more promptly provide services to residents.

In summary, we believe the cities did not fully use the opportunities available under the program to develop experimental or demonstration-type projects.

RECOMMENDATIONS TO THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT

We recommend that HUD ascertain, in its review of cities' plans, whether the cities are developing new and innovative approaches to solve their social, economic, and physical problems. When it appears that the cities are using HUD supplemental funds primarily to expand existing programs, we recommend that HUD assist CDAs--through its regional and area offices--to develop new and innovative projects.

CHAPTER 5

FUNDING MODEL CITIES PROGRAMS

HUD guidelines to the cities stated that the development of a comprehensive Model Cities Program required a concentration of Federal, State, and local public and private resources. According to the Model Cities Act, supplemental funds are to be made available to assist new and additional projects not assisted under other Federal grant-in-aid programs. To the extent that supplemental funds are not needed for this purpose, they also may be used as part of or all of the required non-Federal contributions for projects financed under Federal categorical grant-in-aid programs.

HUD guidelines stated that, if supplemental funds were used to expand existing programs, cities should indicate whether the funds resulted in attracting other Federal or non-Federal funds for the projects. HUD further told the cities that their programs for the first action year should include an appraisal of the present, as well as the future, uses of Federal, State, and municipal financial resources for the Model Cities effort. These resources, HUD added, should be analyzed to determine whether they can be increased or effectively shifted to higher priority projects.

We noted that the cities, for the most part, were not successful in obtaining Federal grant-in-aid funds or State and local funds to support their comprehensive programs. CDAs used HUD supplemental funds as the major source of funding for the Model Cities projects.

CDAs' EFFORTS IN OBTAINING FEDERAL, STATE, AND LOCAL FUNDS

Many of the projects implemented by CDAs during the first and second action years in the three cities we reviewed were projects which, although funded with HUD supplemental funds, were eligible for funding with categorical grant-in-aid funds. For example, of the 20 projects started by the Kansas City CDA in its first action year, 15 were eligible for Federal financial assistance under existing grant-in-aid programs. In Saint Louis all 13 of the

projects implemented by CDA during the first year were eligible for Federal grant-in-aid funding.

The table below shows, for the first and second action years, the total number of, and the funds budgeted for, projects started by CDAs in the four functional areas included in our review and those projects eligible to receive Federal funds from categorical grant-in-aid sources.

	<u>First Action Year</u>							
	<u>Kansas City</u>		<u>Saint Louis</u>		<u>New Orleans</u>		<u>Total</u>	
	<u>Number</u>	<u>Supplemental funds budgeted</u>	<u>Number</u>	<u>Supplemental funds budgeted</u>	<u>Number</u>	<u>Supplemental funds budgeted</u>	<u>Number</u>	<u>Supplemental funds budgeted</u>
Total projects	20	\$2,868,272	13	\$3,365,764	13	\$3,569,000	46	\$9,803,036
Projects eligible for Federal grant-in-aid funding	15	2,538,348	13	3,365,764	5	2,497,000	33	8,401,112

	<u>Second Action Year</u>							
	<u>Kansas City</u>		<u>Saint Louis</u>		<u>New Orleans</u>	<u>Total</u>		
	<u>Number</u>	<u>Supplemental funds budgeted</u>	<u>Number</u>	<u>Supplemental funds budgeted</u>	<u>(note a)</u>	<u>Number</u>	<u>Supplemental funds budgeted</u>	
Total projects	16	\$3,060,687	8	\$2,546,392		24	\$5,607,079	
Projects eligible for Federal grant-in-aid funding	14	2,745,687	8	2,546,392		22	5,292,079	

^aNew Orleans second action year had not been initiated at the time we completed our fieldwork

As shown above, in the four functional areas of health, education, manpower, and economic development the three cities started a total of 46 projects during the first action year, 33 of which were eligible for Federal grant-in-aid assistance.

The three cities' comprehensive demonstration plans for the first and second action years indicated that substantial amounts of grant-in-aid funds from Federal sources, including HUD, would be necessary to implement and develop a local comprehensive demonstration program; however, the amount of Federal assistance that the cities received was substantially less than anticipated. For example, in its plan for the first action year, the Saint Louis CDA showed that \$24.1 million would be needed in Federal grant-in-aid funds to implement 62 projects. As of July 1971 Saint Louis had received

about \$331,000 from Federal sources, such as the Departments of Health, Education, and Welfare and of Agriculture, and estimated, at the same date, that an additional \$414,000 would eventually be received. The Kansas City CDA plans, submitted to HUD in May 1969, showed that \$22.4 million in Federal grant-in-aid funds was anticipated for 23 Model Cities projects. As of March 1971 Kansas City had received about \$3 million from such Federal sources.

We discussed with CDA officials of the three cities their efforts to obtain financial assistance from Federal, State, and local agencies. These officials said that the most significant factor contributing to their lack of success was the fact that these agencies (public and private) did not have sufficient funds to finance their ongoing programs and to provide financial assistance to CDAs for Model Cities projects. Because CDAs were frequently told by such agencies that they did not have funds to assist the Model Cities Program, CDAs said they did not encourage their operating agencies to solicit Federal financial assistance from sources such as categorical grant-in-aid programs.

CDA officials said also that local agencies' lack of commitment to and interest in the Model Cities Program adversely affected CDAs' ability to obtain essential financial assistance from these sources. CDA officials added that the problem of coordinating and timing requests for funds from Federal agencies was also a major impediment to getting funds. For example, CDA requests for financial assistance to implement Model Cities projects often were submitted to Federal agencies after Federal agencies committed categorical grant-in-aid program funds to finance other projects or programs.

In some instances, CDAs did not make intensive efforts to obtain Federal financial assistance. In many cases CDAs' efforts to obtain financial assistance consisted essentially of indicating on their project proposals--which they sent to HUD--the amount of Federal funds they needed. Under these procedures CDAs were relying on representatives of the various Federal agencies to advise them whether the funds they needed for the Model Cities projects were available.

CDA officials told us that their efforts to obtain funds from non-Federal sources were not very aggressive because they did not have sufficient staff or sufficient time to solicit funds more actively. Kansas City and New Orleans CDA officials told us that they contacted a number of local agencies, such as the chamber of commerce, the city health department, and the school board, but these agencies advised them in almost every case that funds were not available. CDA officials in these two cities said they considered several other local sources of financial assistance, such as private foundations, but decided not to contact these sources because their experience in soliciting financial assistance from local agencies showed that these agencies would not have funds for their projects.

Kansas City and Saint Louis CDAs each received about \$185,000 in non-Federal funds to assist it in administering the Model Cities Programs. These contributions were made because of the statutory requirement that non-Federal sources must provide 20 percent of the costs incurred in administering the Model Cities Program. In New Orleans about \$300,000 was obtained from non-Federal sources.

In February 1971 the Research Group, Incorporated, and Marshall Kaplan, Gans, and Kahn made an independent study report for HUD on the use of supplemental funds. This report, titled "Model Cities Supplemental Funds Study, Phase I," was based on a sampling of projects initiated in four functional areas--education, health, housing, and renewal--in six cities. None of these cities were included in our review; however, many of the findings presented in the study report were similar to the results of our review in Kansas City, Saint Louis, and New Orleans. The study report included the following findings.

1. The following factors led CDAs to use supplemental funds for projects which theoretically might have been carried out with categorical grant-in-aid funds.
 - a. Obtaining categorical funds was not considered by CDAs as a high priority; therefore, they devoted their time to "more pressing things."

- b. There was a real or presumed lack of funds in the applicable categorical programs. Some CDAs believed that categorical funds were difficult, if not impossible, to obtain, while other CDAs sought funds for specific projects and were told by Federal officials that there were none. Also CDAs' requests for financial aid came at a time in the fiscal year when the categorical funds were already committed.
2. Local health, education, and renewal agencies looked to CDAs as sources of financial assistance. These agencies, however, were not willing to share their long-established categorical grant fund resources with CDAs. Instead of CDAs using these agencies' categorical funds for CDA projects, it was more often a case of the functional agencies using CDA supplemental funds.
3. When categorical funds were used, CDA initiative was not the predominant factor in obtaining such funds. Categorical program funds were used primarily because:
 - a. Funds were made available to CDAs through the earmarking process at the Federal level.
 - b. Another agency--on its own initiative and not because of its participation in the local Model Cities Program--wanted to start a project in the Model Cities area and was required by Federal regulations to relate its project to the local Model Cities Program.

- - - -

The cities' inability to obtain funds from other Federal, State, and local agencies and organizations has been a major problem of the Model Cities Program since its inception.

In an earlier review, which we made in three other model cities--Atlanta, Georgia; Chicago, Illinois; and Seattle, Washington--for the purpose of examining into Federal agencies' efforts in providing support and assistance to the

Model Cities Program, we noted that there was a need for improvements in agencies' coordination and participation in the program. In our report¹ to the Director of the Office of Management and Budget (OMB) on our earlier review, we recommended that action be taken to

- monitor and periodically evaluate the level of Federal agencies' responses to the Model Cities concept and
- make such suggestions and recommendations to the participating Federal agencies to help insure that the agencies respond to the Model Cities concept at a level that is consistent with the administration's expressed support of this program.

In response to our recommendations, OMB, on March 27, 1972, advised the Chairman, House Committee on Government Operations, that the interagency problems discussed in our report were being addressed by the administration's recent proposals on the reorganization of the executive branch of the Federal Government and on revenue sharing. OMB said that this would help increase the effectiveness of the Federal response to all programs, including the Model Cities Program.

In view of our previous recommendations and OMB's response, we are not making any recommendations on this matter.

AGENCY COMMENTS

HUD stated that there were failures to coordinate resources at the Federal level despite the efforts of the Departments of Health, Education, and Welfare and HUD to earmark funds for Model Cities activities and despite the fact that HUD and other Federal agencies entered into joint technical assistance contracts.

According to HUD the efforts currently being initiated under its Planned Variations Program--a modified Model Cities

¹"Improvements Needed in Federal Agency Coordination and Participation in the Model Cities Program" (B-171500, Jan. 14, 1972).

Program--are a direct result of its experiences and evaluations of shortcomings of the system of coordinating Federal resources under the Model Cities Program. HUD expressed the belief that the Planned Variations Program would bring about continued refinement of interagency and intergovernmental roles and cooperative agreements to insure the proper use of supplemental funds in relation to categorical programs. HUD stated that its efforts would be directed to improving the complex Federal system that often hampered effective and efficient planning and programing at the local level.

CHAPTER 6

EVALUATION OF MODEL CITIES PROGRAM

HUD, in its program guidelines, advised the cities that each local program was part of a national demonstration designed to benefit all cities in the country. Local programs, HUD added, must be evaluated to ascertain the results attained from diverse Model Cities Program efforts and to make available to other cities the lessons learned under the demonstration program. Evaluation is an integral part of administering the overall program, and program evaluation activities--whether performed by CDA staff or by contractors--are eligible for Federal financial assistance.

In March 1970 HUD guidelines to CDAs emphasized the importance of performing project evaluations and required CDAs to include evaluation plans in their comprehensive demonstration programs. HUD also advised cities that they must prepare acceptable evaluation plans and submit them to HUD for approval before the cities' action plans are approved.

Our review of program evaluation efforts of the three cities showed that the cities did not develop suitable evaluation plans to measure the progress made in accomplishing the objectives of their comprehensive demonstration programs. The Kansas City CDA, for example, implemented certain projects for its third action year, although it had not evaluated the program results of the first 2 years of operations. During the first 2 years of the program, the Kansas City CDA spent about \$11.3 million in HUD supplemental funds.

In Saint Louis and New Orleans, CDAs planned, and submitted to HUD for approval, their programs for the second action year before they had made any evaluations of their programs for the first action year. As of February 1972--the end of the second action year in Saint Louis and 7 months before the proposed completion of New Orleans' second year--CDAs had spent about \$6.8 and \$9.8 million, respectively, in HUD supplemental funds.

CDA EVALUATION EFFORTS

Each of the three cities sent an evaluation plan to HUD with its plan for the first action year. After reviewing these plans, HUD advised the cities that the evaluation plans, for the most part, did not accurately recognize the evaluation requirements of the program. For example, HUD officials said the cities' plans (1) were inconsistent, (2) did not adequately consider whether contractors hired to evaluate specific projects would be able to provide timely data to CDAs, and (3) did not include any information to show how such evaluation results would be used in planning projects for subsequent years of the program.

HUD pointed out also that CDAs' evaluation plans were poorly organized and, in most cases, did not include details on the level of staffing, citizen participation, and inter-agency coordination. HUD also said that the cities did not describe the procedures that CDAs would follow in evaluating individual projects included in their comprehensive demonstration programs.

The following table shows, for each of the cities, the date the evaluation plan for the first action year was submitted to HUD and the date the plan was approved

<u>City</u>	<u>Plan initially submitted</u>	<u>HUD approval</u>
Kansas City	May 1969	July 1970
New Orleans	April 1970	August 1970
Saint Louis	October 1969	June 1970

During the 8-month period between the time the Saint Louis CDA initially submitted its evaluation plan and the date HUD approved it, CDA submitted--at HUD's request--10 revisions of its evaluation plan. In the case of New Orleans, HUD approved CDA's plan in August 1970 but advised CDA that numerous weaknesses in the plan, such as the need to describe methods and techniques to evaluate the programs and the level of model-neighborhood resident participation in evaluation activities, would have to be corrected.

The types of deficiencies noted in the preparation of the three cities' evaluation plans were recognized also by HUD in its review of other cities' plans. Therefore, in May 1969, HUD issued a memorandum to all second-round city program directors and advised them that its review of the cities' plans showed that most cities did not fully recognize HUD's planning and evaluation requirements when the cities started to plan their comprehensive demonstration programs. HUD added that the cities' failure to recognize these evaluation requirements resulted in the cities' subsequently submitting hastily prepared and inadequate evaluation plans.

CDA officials told us that HUD did not provide the cities with sufficient and timely information and assistance to (1) establish evaluation plans and (2) develop suitable evaluation procedures.

These officials added that, although HUD issued certain guidelines to the cities for preparing evaluation plans, HUD did not issue specific evaluation requirements until March 1970--4 months after the Model Cities Program began in Kansas City and 8 months after the program began in Saint Louis. CDA officials said they had requested, but had had difficulty in obtaining, assistance from HUD in developing suitable evaluation plans. CDA officials told us also that they had been hampered in their evaluation efforts because they could not obtain qualified personnel to perform the necessary evaluation functions. They added that they had not been able to develop factors or indicators to measure project results.

CDA officials in New Orleans said that evaluations of Model Cities projects were not made during the first action year of the program because HUD had not approved CDA's evaluation plan in time to make such evaluations. Also, the officials said that, because HUD had not provided criteria for measuring project results, they had not made any project evaluations. In September 1971, after the second action year began, the New Orleans CDA initiated the evaluation procedures that were planned for the first action year of the program. These procedures included preparing certain evaluation reports on first-action-year projects.

We reviewed the evaluation reports and found them incomplete; in our opinion, they would be of little assistance in arriving at conclusions on the effectiveness of the projects. For example, the reports did not contain data comparing the actual accomplishments of the projects with the desired or planned objectives. Also the reports did not include comments or conclusions on reasons for the apparent success or failure of the projects

Many of the deficiencies in the methods and techniques for evaluating program effectiveness and in the methods for utilizing evaluation results which HUD found in New Orleans' plan for the first action year were also present in New Orleans' plan for the second action year; HUD had conditionally approved the plan for the second action year in June 1971. We noted that, as of September 1971, CDA had not taken action to correct the deficiencies in its plan for the second action year.

In June and July 1971, the Kansas City CDA prepared brief evaluation summaries of each project started during the second action year. We were told by Kansas City CDA officials in October 1971 that they had used this information, to a certain extent, in planning the third action year of the program.

CDA evaluations consisted basically of CDA reviews of monthly progress reports submitted by the operating agencies. During our review in Kansas City, New Orleans, and Saint Louis, we analyzed these monthly progress reports and noted that some reports sent to CDAs were not supported by appropriate documentation at the local level. In other cases, data on project accomplishments maintained by the operating agencies did not agree with the data reported to CDAs. For example, we noted that, in 13 of 20 reports sent to CDA by an agency operating an educational project, the reported attendance figures on participating students did not agree with the data maintained at the operating-agency level.

We discussed these inconsistencies with local operating-agency officials who told us that they had discarded certain supporting data; they could not explain the discrepancies between the data in their files and the reports they sent to CDA.

In August 1971 the HUD Office of Audit issued a report on the Kansas City Model Cities Program to the acting regional administrator, region VII. In this report it was pointed out that CDA should specifically define its program goals and objectives. HUD auditors also pointed out that CDA had failed to clearly define or to appropriately quantify its program goals and that, as a result, there were no standards for CDA to use in measuring the progress of the program in general or the accomplishments of individual projects.

CONCLUSIONS

We recognize the difficulty of evaluating the impact of social-type programs, such as Model Cities, particularly with regard to establishing factors or criteria for effectively measuring project results. However, in view of the significance of the evaluation process in a national demonstration program, we believe that certain HUD actions are essential to insure that (1) the results of the Model Cities Program--for which a total of \$866 million in HUD supplemental funds had been expended as of June 30, 1972--are compiled and (2) the knowledge gained from these demonstration program efforts is made available to all cities

We believe that HUD should examine the cities' current evaluation efforts. The need for this examination appears to be of particular importance because the Model Cities Program was planned to demonstrate, within a limited time frame (about 5 years), results of new and innovative projects under a coordinated and concentrated program designed to resolve the problems of blighted neighborhoods in selected localities.

RECOMMENDATIONS TO THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT

We recommend that HUD examine CDAs' efforts to

--establish organizational structures (including staffing) for conducting the HUD-required evaluations of Model Cities projects;

--define program goals and objectives for measuring the progress and for identifying the problems of Model Cities projects; and

--utilize the results of evaluations in planning, refining, and revising their comprehensive plans and in designing and initiating new programs and activities

We recommend that HUD also periodically review CDA evaluation efforts to insure that HUD program evaluation requirements are being met

AGENCY COMMENTS AND OUR EVALUATION

HUD said it recognized that evaluation efforts at the local level had not been universally successful and that, in some cities, evaluation efforts had not progressed beyond the initial stages of development. HUD said it was aware that the cities frequently gave the evaluation activity a low priority and minimum staff.

HUD officials informed us that its requirement for submitting detailed evaluation plans was dropped because (1) cities were spending too much time developing detailed evaluation plans instead of making evaluations and (2) project information sheets which CDAs were preparing in connection with their information system were a useful management tool for evaluation purposes.

Although HUD no longer requires cities to submit detailed evaluation plans, it does require cities to include statements in their annual Model Cities plans describing planned evaluation activities for the year.

HUD stated that, by disseminating information to cities on successful evaluation efforts, it was emphasizing and demonstrating that information gained from sound evaluation activities was an invaluable tool in local decisionmaking and management.

Although the above efforts may be beneficial, we believe that, by periodically reviewing CDA evaluation efforts, HUD can better insure that its program evaluation requirements are being met.

CHAPTER 7

SCOPE OF REVIEW

We directed our review to examining into the planning, implementation, administration, and evaluation of certain functional areas of the Model Cities Programs in Kansas City, Saint Louis, and New Orleans. Our review covered the period from inception of the cities' programs through July 31, 1971, and included identifying factors--favorable or adverse--which may have affected the program results in four functional areas--manpower, economic development, education, and health. The data on program accomplishments was obtained, for the most part, from reports prepared by CDAs and the operating agencies administering projects under the Model Cities Programs in these three cities.

Our review was made at the offices of various Federal, State, and local agencies involved in the Model Cities Program in the three cities. We examined policies, procedures, studies, and reports related to the Model Cities Program and interviewed Federal, State, and local officials and community representatives associated with the programs being reviewed.

MODEL CITIES AWARDED PLANNING GRANTS

AS OF JUNE 30, 1972

State and city <u>or county</u>	State and city <u>or county</u>
ALABAMA ·	CONNECTICUT
Huntsville	Bridgeport
Tuskegee	Hartford
	New Haven
ALASKA.	New London
Juneau	Waterbury
ARIZONA:	DELAWARE ·
Gila River Indian Com-	Wilmington
munity	
Tucson	DISTRICT OF COLUMBIA
ARKANSAS ·	FLORIDA
Little Rock	Dade County
North Little Rock	Tampa
Texarkana	GEORGIA:
CALIFORNIA:	Alma-Bacon County
Berkeley	Athens
Compton	Atlanta
Fresno	Gainesville
Los Angeles City	Savannah
Los Angeles County	
Oakland	HAWAII
Pittsburg	Honolulu
Richmond	IDAHO:
San Diego	Boise
San Francisco	
San Jose	ILLINOIS:
COLORADO.	Carbondale
Denver	Chicago
Trinidad	East St. Louis
	Rock Island

APPENDIX I

State and city
or county

INDIANA.
Gary
Indianapolis
South Bend

IOWA
Des Moines

KANSAS:
Kansas City
Wichita

KENTUCKY:
Bowling Green
Covington
Danville
Pikeville

LOUISIANA
New Orleans

MAINE
Lewiston
Portland

MARYLAND:
Baltimore
Prince Georges County

MASSACHUSETTS:
Boston
Cambridge
Fall River
Holyoke
Lowell
Lynn
New Bedford
Springfield
Worcester

State and city
or county

MICHIGAN:
Ann Arbor
Benton Harbor
Detroit
Genesee County
Grand Rapids
Highland Park
Lansing
Saginaw

MINNESOTA
Duluth
Minneapolis
St. Paul

MISSOURI
Kansas City
Saint Louis

MONTANA.
Butte
Helena

NEW HAMPSHIRE:
Manchester

NEW JERSEY:
Atlantic City
East Orange
Hoboken
Jersey City
Newark
Paterson
Perth Amboy
Plainfield
Trenton

NEW MEXICO:
Albuquerque
Santa Fe

State and city <u>or county</u>	State and city <u>or county</u>
NEW YORK.	PENNSYLVANIA
Binghamton	Allegheny County
Buffalo	Bradford
Cohoes	Erie
Mt Vernon	Lancaster
New York City	Philadelphia
Poughkeepsie	Pittsburgh
Rochester	Reading
Syracuse	Wilkes-Barre
NORTH CAROLINA.	PUERTO RICO
Asheville	San Juan
Charlotte	
High Point	RHODE ISLAND
Winston-Salem	Pawtucket
	Providence
NORTH DAKOTA	SOUTH CAROLINA:
Fargo	Rock Hill
	Spartanburg
OHIO	TENNESSEE.
Akron	Chattanooga
Cincinnati	Cookeville
Cleveland	Nashville-Davidson
Columbus	County
Dayton	Smithville-DeKalb
Martins Ferry	County
Toledo	
Youngstown	TEXAS:
OKLAHOMA:	Austin
Lawton	Eagle Pass
McAlester	Edinburg
Tulsa	Houston
OREGON:	Laredo
Portland	San Antonio
	Texarkana
	Waco

APPENDIX I

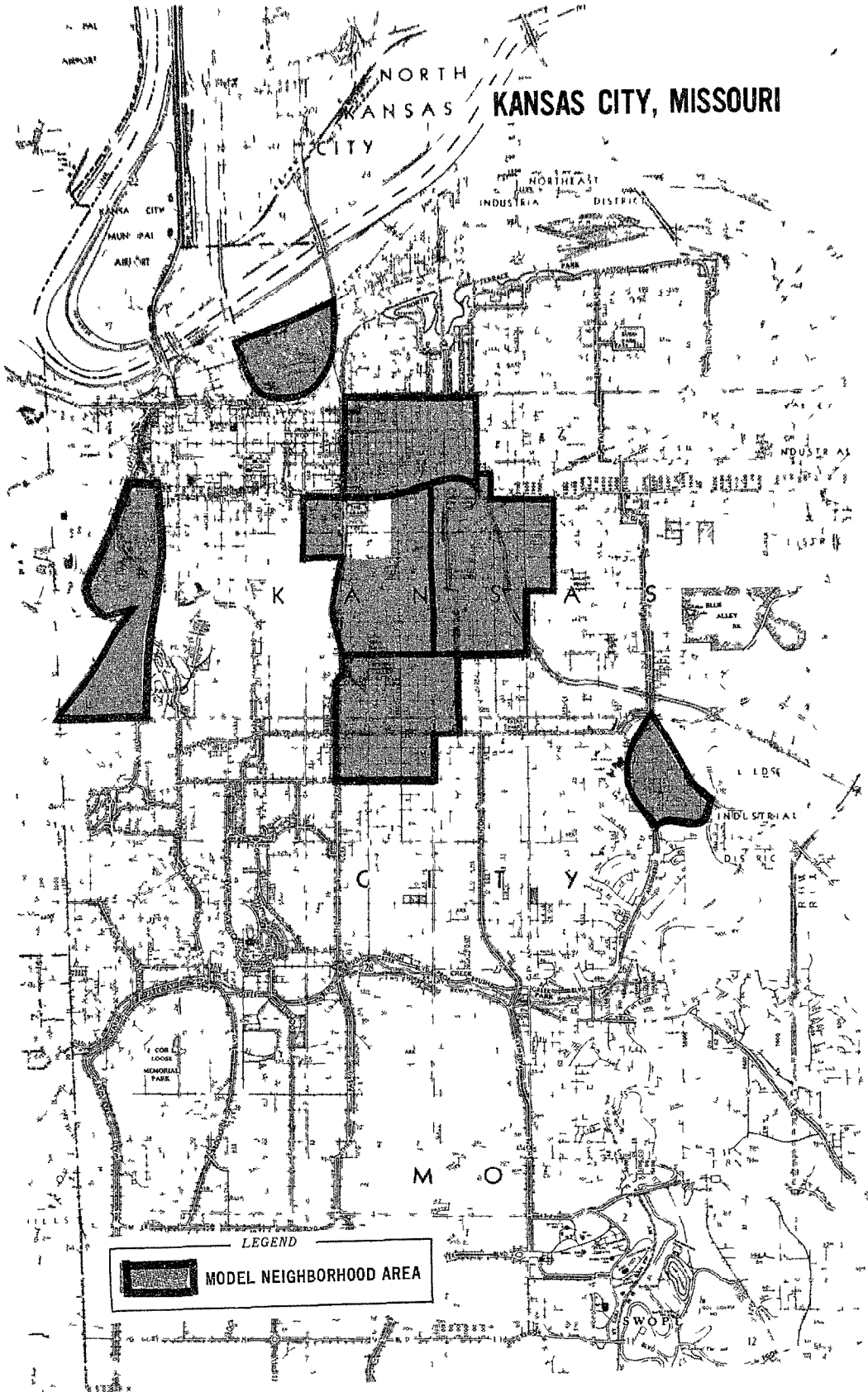
State and city <u>or county</u>	State and city <u>or county</u>
UTAH. Salt Lake County	WASHINGTON: Seattle Tacoma
VERMONT. Winooski	WISCONSIN. Milwaukee
VIRGINIA. Norfolk Richmond	WYOMING. Cheyenne

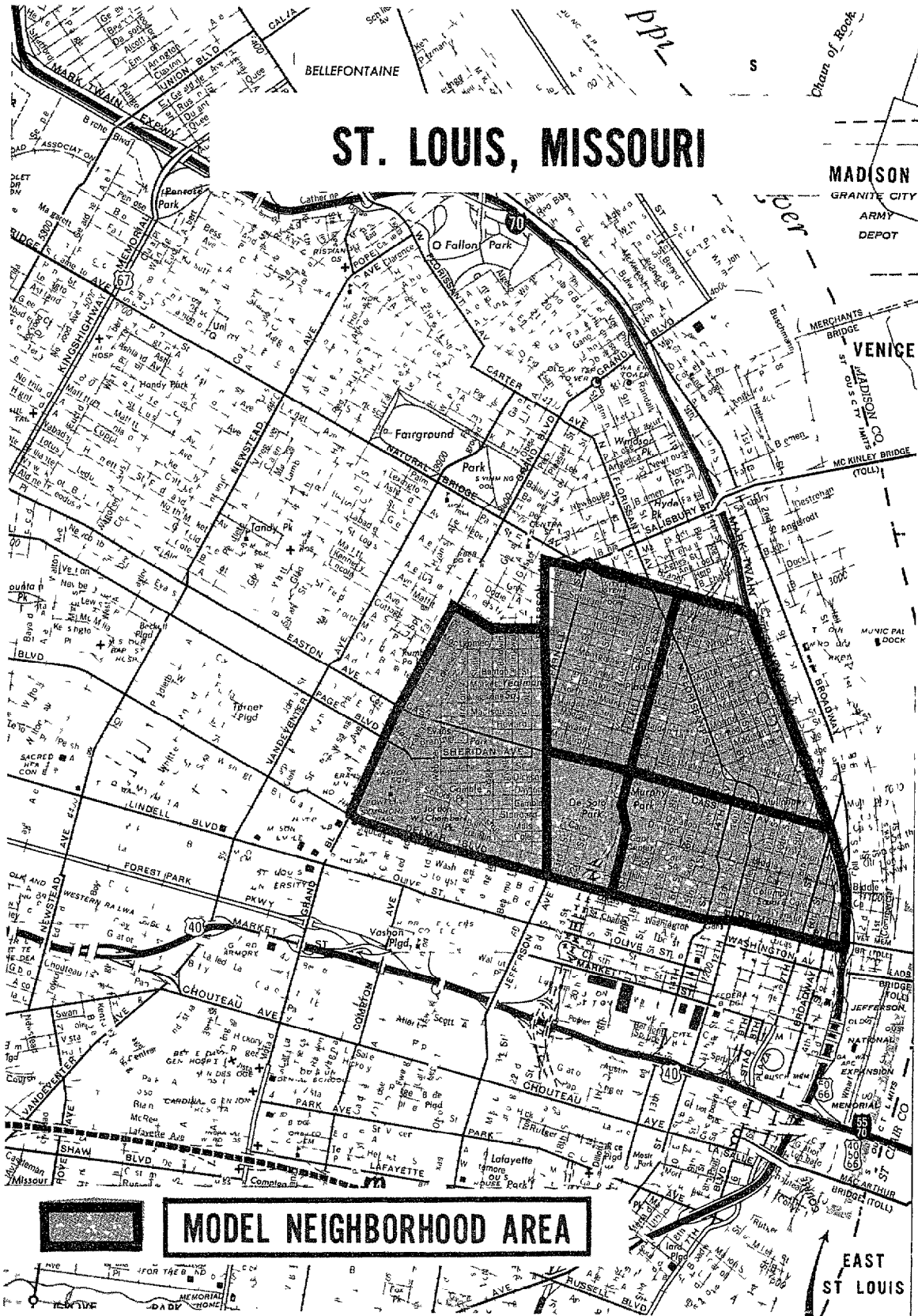
APPENDIX II

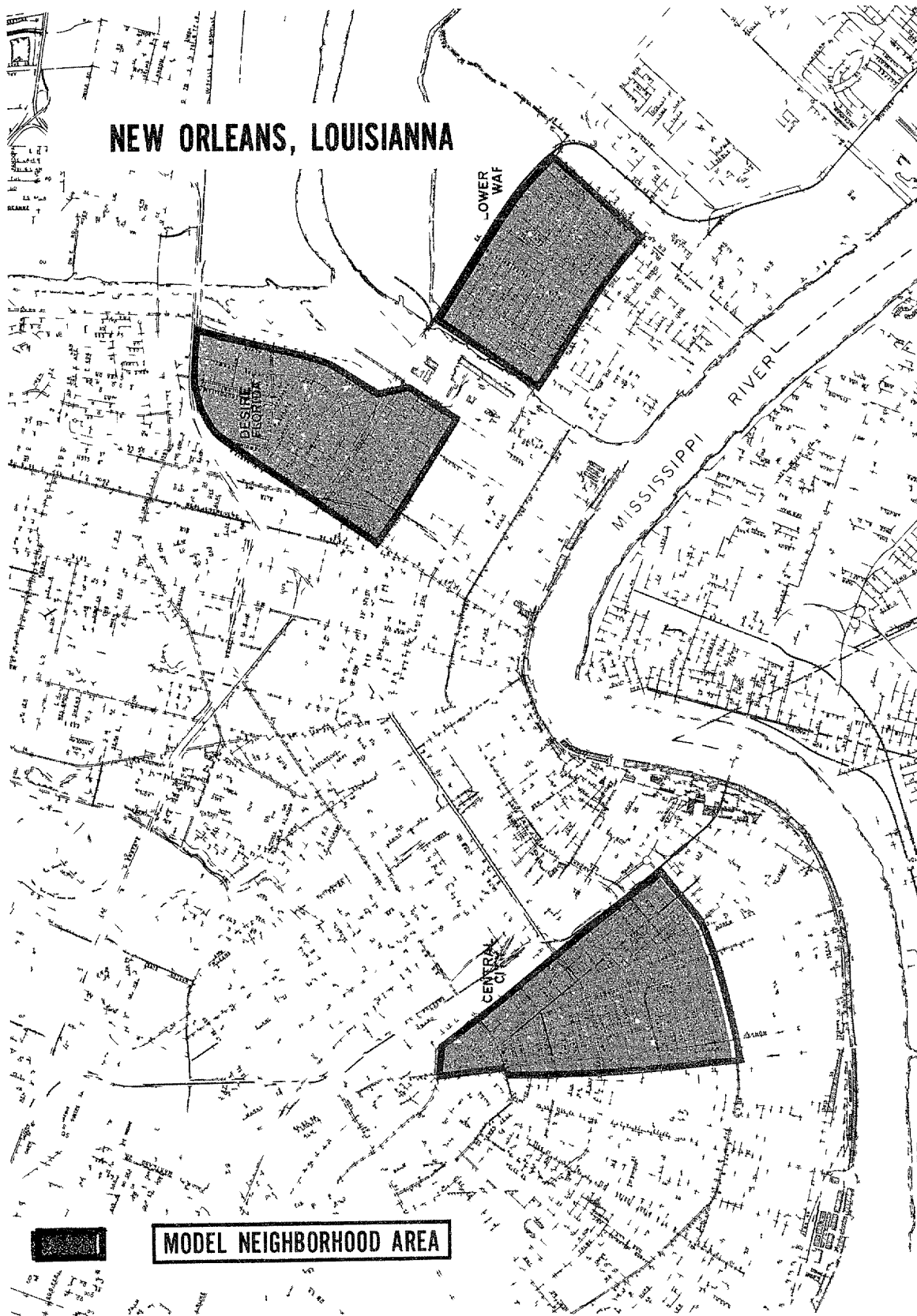
FUNDS ALLOCATED BY CITIES TO FOUR FUNCTIONAL AREAS
DURING FIRST AND SECOND ACTION YEARS
OF MODEL CITIES PROGRAM

<u>City</u>	<u>First action year</u>	<u>Second action year</u>	<u>Total HUD supple- mental funds</u>	<u>Amount allocated to</u>					<u>Total</u>	<u>Per- cent</u>
				<u>Man- power</u>	<u>Economic develop- ment</u>	<u>Educa- tion</u>	<u>Health</u>			
(000 omitted)										
Kansas City	11-1-69 to 10-31-70	11-1-70 to 10-31-71	\$17,412	\$ 665	\$ 682	\$2,768	\$3,300	\$7,415	42 6	
Saint Louis	7-18-69 to 2-28-71	3-1-71 to 2-29-72	16,485	3,318	103	2,059	2,347	7,827	47 5	
New Orleans	9-1-70 to 8-31-71	9-1-71 ^a	18,498	1,184	2,369	1,834	4,482	9,869	53 4	

^aNot completed as of September 12, 1972







PROJECTS STARTED IN FOUR FUNCTIONAL AREAS
IN KANSAS CITY AS OF JULY 31 1971

BEST DOCUMENT AVAILABLE

Project	Purpose	Budget		Total	Total expenditures	Objective	Accomplishments
		First action year	Second action year				
Manpower							
Concentrated Employment Program facilities	Provide better manpower services to certain residents of the city	\$ 55,000	\$ 40 000	\$ 95 000	\$ 53 713	Establish an employment service center	New center established 197 residents enrolled and 60 placed in jobs
Summer youth employment	Provide summer employment	159,080	-	159,080	345,793	Employ 300 high school students and graduates	764 employed
Vocational training	Establish 39-week automotive course	25,000	-	25,000	13,849	Train 20 residents	57 residents participated, 1 completed course
Career training	Develop program to assist residents employed in local Model Cities programs	19,000	61 000	80 000	54,347	Further careers of residents	231 persons participating
Public service careers	Hire and train disadvantaged persons for permanent city jobs	-----	306 000	306,000	97 842	Train 140 model-neighborhood residents	46 residents employed and receiving training
Total		<u>\$258,080</u>	<u>\$407,000</u>	<u>\$665,080</u>	<u>\$565,544</u>		
Economic development (note a)							
Consumer protection	Investigate alleged unfair trade practices	\$ 7 000	-	\$ 7 000	\$ 38 089 ^b	Assist all model neighborhood residents	Implemented in second year but specific accomplishments not reported
Youth enterprise and employment	Provide teen centers in neighborhood and assist small businesses operated by youth	<u>150,000</u>	-	<u>150,000</u>	<u>66,390^c</u>	Provide summer employment and activities for Model City youths	Four residents of model neighborhood employed
Total		<u>\$157 000</u>		<u>\$157,000</u>	<u>\$104 479</u>		

^a The four projects discussed on pages 19 and 20 are not shown in the appendix because expenditures were not made from the budgets for the four projects. The salary and administrative costs incurred by CDA to operate these projects were included by CDA in its expenditures for the consumer protection project and were not allocated to the four projects.

^b In second action year

^c In first and second action years

APPENDIX VI

PROJECTS STARTED IN FOUR FUNCTIONAL AREAS IN KANSAS CITY AS OF JULY 31, 1971

Project	Purpose	Budget		Total	Total expenditures	Objective	Accomplishment
		First action year	Second action year				
Education Early childhood education	Provide educational program for pre-school-age children	\$423,719	\$ 592,000	\$1,015,719	\$ 879,912	Train 400 children	477 children enrolled
Training educational personnel	Train elementary teachers to be more responsive to the needs of model-neighborhood children	57,425	151,000	208,425	162,382	Improve education of model-neighborhood children	25 teachers completed courses
Resident Educational Advisory Board	Assist citizens in participating in policy and other activities of local school systems	10,238	75,000	85,238	38,317	Make residents more aware of local school systems	Board members selected (no other reports accomplished)
Urban Education Program	Expand federally financed reading skills program	169,260	-	169,260	265,070	Enroll 9,400 students	8202 students participating
Wider use of existing schools	Keep schools open after normal hours for use of residents	3,606	-	3,606	3,674	None reported	Schools being used for Model City purposes
Operation Upgrade	Improve reading skills of students	110,987	165,687	276,674	199,784	Provide services for 300 students	267 students enrolled with average attendance 140
Scholarship program	Financially assist model-neighborhood students to attend college	31,909	108,000	139,909	35,553	Assist 60 model neighborhood residents	66 scholarships awarded
Adult education	Provide educational services to residents, including academic, vocational and avocational courses	55,000	84,046	139,046	118,388	None reported	419 residents enrolled in summer school
Volunteer adult tutoring	Provide volunteer tutors for residents to improve their educational achievements	28,669	65,954	94,623	59,781	Assist 300 residents	170 residents enrolled, 25 passed high school equivalency examinations
Social studies	Develop and use new methods in the upper elementary social studies curriculum	-	159,000	159,000	29,585	Have 20 teachers and 700 children participate	Program still being formed
Total		<u>\$890,813</u>	<u>\$1,400,687</u>	<u>\$2,291,500</u>	<u>\$1,792,446</u>		

BEST DOCUMENT AVAILABLE

PROJECTS STARTED IN FOUR FUNCTIONAL AREAS

IN KANSAS CITY AS OF JULY 31 1971

BEST DOCUMENT AVAILABLE

Project	Purpose	Budget		Total	Total expenditures	Objective	Accomplishments
		First action year	Second action year				
Health Comprehensive health-care center	Renovate an existing facility for a neighborhood health-care center which will offer medical, dental, and optometric care	\$ 194,790	\$ 305,000	\$ 499,790	\$ 273,528	Provide services to model-neighborhood residents	Center not fully operational but some services provided to children enrolled in summer recreation programs
Mental health aides	Increase availability of mental health services to Model Cities residents	96,589	136,000	232,589	126,620	Hire and train seven residents	Seven aides hired and trained
Martin Luther King, Jr Hospital	Provide health care for certain residents of the inner city	1,000,000	-	1,000,000	1,000,000	Construct hospital	Hospital 52-percent complete
Prepaid health insurance	Provide insurance to eligible residents	250,000	500,000	750,000	40,320	Provide free hospitalization insurance to 900 residents in first year and to an additional 3,000 residents in second year	15,500 residents provided with insurance (hospital bills of 14 residents paid first year, no data available for second year)
Housing code inspection	Hire aides to inspect housing facilities in the model neighborhood	21,000	72,000	93,000	40,163	Hire seven public health aides	4,176 inspections made and 24,935 repairs recommended (no data on repairs made)
Richard Cabot Health Clinic	Increase medical services by expanding size of clinic	-	240,000	240,000	8,654	Provide space for an additional 15,000 clinic visits a year	Construction underway
Total		<u>\$1,562,379</u>	<u>\$1,253,000</u>	<u>\$2,815,379</u>	<u>\$1,489,285</u>		

APPENDIX VII

PROJECTS STARTED IN FOUR FUNCTIONAL AREAS IN SAINT LOUIS AS OF JULY 31 1971

Project	Purpose	Budget		Total	Total ex- penditures	Objective	Accomplish- ments
		First action year	Second action year				
Manpower							
Skill center	Provide skill training and related services	\$1 218 292	\$ 207,000	\$1 425 292	\$ 10 957	Train 1 500 resi- dents	Project had provided no services to residents at this date
Summer youth of 1969	Provide jobs for model- neighborhood youths during the summer	406 549	-	406 549	405 472	Employ 1 000 youths	1 382 youths hired
Summer youth of 1970	Provide jobs for model neighborhood youths during the summer	700 000	-	700 000	691 484	Employ 900 youths	982 youths hired
Summer youth of 1971	Provide jobs for model- neighborhood youths during the summer	-	425 392	425,392	168 934	Employ 660 youths	No accom- plishments reported
Total		<u>\$2,324,841</u>	<u>\$ 632,392</u>	<u>\$2,957,233</u>	<u>\$1,276,847</u>		
Economic development							
Nine projects proposed by CDA but none approved by HUD (See p 20)							
Education							
Community schools	Establish facilities in each of the five model- neighborhood areas to provide educational programs	\$ 274 950	\$ 555 000	\$ 829 950	\$ 490,184	Enroll 200 students in each of the five schools	762 adults and 1 649 youths being served
Adult basic education	Assist adults in obtain- ing high school diplomas	104 795	289 000	393 795	184 023	Assist 1 200 adults	807 persons partici- pated 29 adults com- pleted grade-level requirements
Demonstration home	Train residents in renovating and furnishing homes on modest budgets	19 000		19 000	12 551	Acquire and renovate a house for demonstration	House ac- quired but project not operating
Teacher-aides	Help ease teaching man- power shortage	251 761	399,000	650 761	333 364	Recruit train and hire 149 residents as teacher aides	150 aides employed
Work study college	Insure the possibility of higher education for residents	18 640	-	18 640	14 997	Provide part time work for college students	19 students participa- ing
Head Start	Help prepare model- neighborhood children to begin school cur- riculum	33 236	-	33,236	30,380	Assist 325 children	60 children enrolled
Work study high school	Retain students in high school	-	114 000	114 000	24 537	Provide part-time work for 70 high school students	65 students participat- ing
Total		<u>\$ 702,382</u>	<u>\$1,357,000</u>	<u>\$2,059,382</u>	<u>\$1,090,036</u>		

BEST DOCUMENT AVAILABLE

APPENDIX VII

PROJECTS STARTED IN FOUR FUNCTIONAL AREAS
IN SAINT LOUIS AS OF JULY 31, 1971

Project	Purpose	Budget		Total	Total ex penditures	Objective	Accomplish- ments
		First action year	Second action year				
Health Transportation to clinic	Provide access to exist- ing health facilities	\$ 41 000	\$ -	\$ 41 000	\$ 47 202	Aid 10,000 resi- dents	9 626 resi- dents being served
Residents' health-care agents	Raise health-care levels of residents through community health agents	245 153	-	245 153	163 566	Hire and train 32 residents as health- care agents	37 health care agents hired (no other data available)
Malcolm Bliss Mental Health Center	Decrease residents' behavioral problems due to mental illnesses	37 049	-	37 049	33 642	Increase outpatient services and co- ordination of such services (mental health) with other services	CDA did not require op- erating agency to submit data because of lack of activity
Health planning	Develop a health-care planning structure for residents	15 339	34 000	49 339	16 150	Build a sound health-care plan- ning structure for model-neighborhood residents	No direct accomplish- ments re- ported
Health-care outreach	Provide health care coordination among CDA, operating agencies and residents of model neighborhood	-	523 000	523 000	132 139	Contact 3 960 resi- dents each month	2 500 resi- dents con- tacted a month
Total		<u>\$ 338,541</u>	<u>\$ 557,000</u>	<u>\$ 895,541</u>	<u>\$ 392,699</u>		

BEST DOCUMENT AVAILABLE

APPENDIX VIII

PROJECTS STARTED IN FOUR FUNCTIONAL AREAS IN NEW ORLEANS AS OF JULY 31 1971

Project	Purpose	Budget		Objective	Accomplishments
		First action year	Total expenditures		
Manpower					
Resident recruitment and training	Train model-neighborhood area residents for model cities jobs	\$ 467 000	\$370 080	Assist 300 to 500 residents	503 residents trained and employed 200 of whom were previously unemployed
Paraprofessional health-care worker training and education	Provide career education and training to disadvantaged residents of model neighborhood	88 000	87 702	Train 40 paraprofessional health workers	21 workers trained and hired
Aid for minority contractors	Provide bonding insurance working capital and technical assistance to minority contractors	174 000	73 934	Aid 2 500 people and working groups in the building trades	39 model-neighborhood minority contractors received loans and 30 were bonded
Total		<u>\$ 729,000</u>	<u>\$531,716</u>		
Economic development					
Neighborhood credit unions	Assist credit unions by funding and providing technical assistance to staff	\$ 157 000	\$144 288	Provide model-neighborhood residents with loans at low interest rates	Credit unions gained 813 new members from the model neighborhood
Total		<u>\$ 157,000</u>	<u>\$144,288</u>		
Education					
Community schools	Expand community school program	\$ 72 000	\$ 28 538	Benefit all residents	1 700 residents enrolled
Home Start	Provide preschool assistance to children from ages 2 to 5 years	126 000	103 331	Prepare 900 preschool children for entering regular school curriculum	959 children enrolled
Project for high school dropouts	Aid high school dropouts	40 000	34 266	Provide special educational services to certain residents of the model neighborhood	50 students enrolled and 17 high school dropouts placed in jobs
Success in reading	Improve level of reading achievement in the elementary schools and incorporate studies on black history and culture in the school curriculum	372 000	87 189	Help 22 000 model-neighborhood students to raise reading achievement levels	Program coordinator hired but no services provided
Total		<u>\$ 610,000</u>	<u>\$253,324</u>		
Health					
Comprehensive health planning	Develop plans to expand comprehensive health services for residents	\$ 40 000	\$ 31 491	Provide health services to all residents of model neighborhood	A health information data book compiled and health inquiries from residents researched
Narcotics addiction treatment	Provide services to narcotic addicts	115 000	78 707	Make treatment available to approximately 1 500 hard-core narcotic addicts	79 addicts being served
Health services clinics	Expand existing health clinics and develop clinic to meet needs of residents	1 668 000	227 609	Meet the acute health-care needs of residents	No direct services provided to residents
Environmental health	Instruct neighborhood residents on factors such as sanitation and rodent control	234 000	68 612	Have community workers meet with individual families and groups of residents to explain ways to improve health care	Workers disseminating information to residents on importance of sanitation rodent control campaign implemented
Home health services	Expand the home health services program	16 000	16 761	Directly assist 175 model-neighborhood residents under the home health program	41 residents served
Total		<u>\$2,073,000</u>	<u>\$423,180</u>		

BEST DOCUMENT AVAILABLE



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D C 20410

OFFICE OF THE ASSISTANT SECRETARY
FOR COMMUNITY DEVELOPMENT

BEST DOCUMENT AVAILABLE
IN REPLY REFER TO
IRD

JUL 11 1972

Mr B E Birkle
Associate Director
U S General Accounting Office
Washington, D C 20548

Dear Mr Birkle

We have reviewed your April 1972 draft report to the Congress, "The Model Cities Program in Three Cities Kansas City, Missouri, St Louis, Missouri, and New Orleans, Louisiana " In general, we have found this report accurate in its observations and helpful in its recommendations Many of our own evaluations of the progress of the Model Cities program in these three cities agree with the findings of your staff We agree too, that your comments regarding specific program areas are generally applicable to the overall Model Cities program We differ, essentially, in our understanding of the intent of the Congress, as expressed in the provisions of the Demonstration Cities and Metropolitan Development Act of 1966, our assessment of the progress of the three cities involved, and, our interpretation of such concepts as "innovation," as discussed in the report Our comments appear in the attachment to this letter

Despite these differences, I wish to compliment you and your staff on the overall quality of the report and the clear intent of cooperation which the report displays In each instance, we believe that we have already taken steps to implement the recommendations contained in the report

In conclusion, I wish to thank you for the study and for your recommendations We have supplied appropriate field offices of HUD with copies of your report, which has been reviewed with the three cities involved Our response, in part, is based on discussions with the cities I am confident that the weaknesses we both have identified will be eliminated through continued administrative attention and action

Sincerely yours,

Floyd H Hyde
Assistant Secretary

Enclosure

APPENDIX IX

Community Development Comments
To Profit CAO Report on Aspects of the Model Cities
Program in Kansas City, Mo , St Louis, Mo , and New Orleans, La

- 1 GAO Findings Manpower training programs and related economic development activities of the cities were limited

GAO Recommendations HUD should require CDAs to obtain current information on model neighborhood conditions and determine whether their planned course of action and/or projects represent the most suitable approach to accomplishing local model cities goals

CD Comment We agree that much of the data utilized in the development of manpower and economic development projects were inadequate. A variety of evaluation studies of Federally supported manpower programs have pointed this out, e.g. the GAO Report on the JOBS Program. But, as your report notes, the cities did attempt to utilize the available data such as that supplied by other Federally assisted local activities (CAAs and CEP). In addition, each city surveyed their model neighborhoods to determine the major interests of the residents within those areas.

Therefore, rather than insufficient data being at the base of program difficulties in the areas of manpower and economic development, we believe that the more salient factors are administrative capability and economic conditions, both of which are beyond the full control of the CDAs. Where the shortcomings could be traced to administrative deficiencies, HUD provided more than a million dollars of technical assistance in manpower planning and administration to all of the Model Cities programs which requested such help.

In November 1970, when HUD issued CDA 11, "Model Cities Resident Employment and Training Requirements," MC 3160 1, we were already aware of the difficulties the cities were having. For this reason, we required the cities to direct attention to an area which carries statutory priority -- the jobs generated by the local Model Cities programs themselves. CDA #11 specifically requires the cities to develop comprehensive approaches to recruitment, training, civil service reform, contract compliance, and the upgrading and utilization of specific data which are elements comprising adequate administrative structures that will assure a preferential system of employment and training for model neighborhood residents.

In this regard, New Orleans is now employing some 570 model neighborhood residents in model city components. By the fifth action year, New Orleans anticipates the creation of some 2500 employment opportunities through the program, 80% to 85% of which will be held by local residents. In St. Louis, 800 residents are employed in jobs generated by Model City projects and project construction contractors are required to give preference to residents of model neighborhoods in the filling of skilled positions located in those projects. St. Louis also requires that all construction laborer jobs be filled by model neighborhood residents. In addition, St. Louis is making significant progress in establishing a minority contractors program, in conjunction with the Urban Coalition, which will utilize construction contracts generated by the local CDA. In Kansas City, approximately 50% of the 1500 jobs generated by the program are held by residents.

BEST DOCUMENT AVAILABLE

In short, I believe that we are making progress in manpower and economic development because we have guided the cities in a core program area in which they can develop sufficient data and can exert administrative leadership. Nevertheless, we acknowledge the earlier problems cited in the report.

2. CAO Findings In the area of education, essential services provided to model neighborhood residents were not new or innovative, in CAO's opinion, as required by the model cities act and HUD guidelines.

GAO Recommendation HUD should require cities to attempt to develop new approaches in their solution of longstanding social, economic, and physical problems and HUD field offices should assist CDAs in developing new and innovative projects which carry out those plans.

CD Comment We must disagree with the report's position on pp 5, 52, and 53, that HUD and the statute require that, in the first instance, supplemental funds should be used to support "new and innovative" projects. Neither the statute nor HUD planning guidelines require "innovation" within each project or as an essential approach to the "long standing problems" of the communities. It is our position that the model cities process itself is the major "innovation" in the program. Most of the participating communities had never developed consolidated, comprehensive, and coordinated community plans against a set of specific priorities and within the framework of widespread citizen participation. Until the Model Cities program was launched, few, if any, of the communities had ever created an administrative structure, responsive to both local government and the affected citizens, which could implement such comprehensive planning.

Secondly, the report makes an assumption that the utilization of "existing" agencies and programs is, in itself, noninnovative. We also must challenge that assumption. An existing agency or program which may be conventional in one locality can be highly innovative in another setting. Newly developed programs or agencies are not necessarily innovative or more effective than existing agencies. We believe that the Federal experience of the past 10 years validates these assertions. In fact, we believe that only a local determination can provide a true test as to which program, in what agency, and in what relationship, is most effective. Therefore, the task of the cities is to meet the specified needs of a community. Where existing structures and programs are deemed ineffective, HUD requires the cities to attempt to change these institutions. Failing that, then they are expected to institute new agencies and approaches to the problems.

BEST DOCUMENT AVAILABLE

APPENDIX IX

We believe that any a priori order to "innovate" is neither ideal nor practical. We believe that the overall job is so complex we must utilize every possible resource and program, to meet community needs, before sweeping the field clear for a totally new or "innovative" program. The report also judges as a failure the objective of coordinating all available Federal and local resources to meet local needs. The report neglects to mention the many State resources which cities are able to utilize. Our own report, "Model Cities Supplemental Funds Study, Phase I" has documented some of the shortcomings of the Federal-State-local system and its lack of response to model cities needs. At the same time, however, we believe it might have been helpful to GAO in the development of its report, to have discussed these problems with HUD and with other Federal agencies such as HEW, which has achieved a fair degree of success in reserving, earmarking, and/or assigning funds to model cities activities. HUD itself, through its own internal earmarking process has obligated significant amounts of funds for Urban Renewal, public housing, water and sewer grants, and other HUD activities, to meet the specified needs of the local model cities plans and priorities. The Department of Labor's Concentrated Employment Program also was initiated, in large measure, as a direct support to the model cities program. During the first 3 years of model cities operations, HEW earmarked many of its funds in support of HUD's model cities activities.

Despite these efforts, and such ventures as joint technical assistance contracts between HUD and DOT, HEW, OEO and the Department of Commerce, there were failures in coordinating resources at the Federal level. We believe that the efforts which we are currently initiating under the Planned Variations Program, including the Chief Executive Review and Comment system, are a direct outgrowth of CD experiences and evaluations of the shortcomings of the system. Also, we believe that the Planned Variations program will bring about continued refinement of the inter-agency and intergovernmental roles and cooperative agreements to assure the proper use of supplemental funds in relation to core or categorical programs. Lastly, HUD's continuing efforts through both the 701 program and the many special state-model cities contracts will continue to guide us toward improving the complex Federal system that so often hampers effective and efficient planning and programing at the local level.

- 3 GAO Finding Certain weaknesses in the local evaluation of the model cities program contributed to the failure of CDAs to satisfactorily attain the results desired in the functional areas which were reviewed.

GAO Recommendation HUD should examine the evaluation efforts and procedures of the cities to ensure that cities are following existing HUD program evaluation requirements.

BEST DOCUMENT AVAILABLE

(D) Comment The Model Cities CDA letters (CDA-1 and CDA-4) governing evaluation requirements are no longer in effect, and direct technical assistance efforts made in the first years of the Model Cities program to assist local staffs in developing evaluation capability have been eliminated on a large scale. The Office of Community Development is cognizant of the fact that evaluation at the local level has not been universally successful and that there are some cities whose evaluation efforts have not progressed beyond initial stages of development. We are also aware that, in the rush of program activity at the local level, evaluation is frequently the activity which is given low priority and minimum staff

We are attempting to counter this latter tendency by emphasizing and, hopefully, by demonstrating that information gained from sound evaluation activities is an invaluable tool in local decision-making and management. Experience in those cities which did develop a good evaluation strategy under the Model Cities program demonstrates the validity of this point. We attempt, at the national level, to disseminate to interested cities as much information as possible about successful evaluation efforts.

In addition, the Office of Community Development has refunded, under contract to University Research Corporation, a series of Evaluation Institutes. These Institutes have proven to be a valuable educational device to cities participating in them in the past and the evaluation techniques learned at these Institutes are applicable to a wide range of programs and purposes in the cities.

We believe that these central office activities are compatible with the changing nature of Community Development programs and are conducive to development of more extensive evaluation efforts in the cities.

GAO note. Page numbers in appendix refer to page numbers in draft report.

BEST DOCUMENT AVAILABLE

PRINCIPAL OFFICIALS OF THE
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
RESPONSIBLE FOR THE ADMINISTRATION OF ACTIVITIES
DISCUSSED IN THIS REPORT

	<u>Tenure of office</u>	
	<u>From</u>	<u>To</u>
SECRETARY OF HOUSING AND URBAN DEVELOPMENT (formerly Administrator, Housing and Home Finance Agency):		
George W. Romney	Jan. 1969	Present
Robert C. Wood	Jan. 1969	Jan. 1969
Robert C. Weaver	Feb. 1961	Dec. 1968
ASSISTANT SECRETARY OF MODEL CITIES (formerly Assistant Secretary for Model Cities and Governmental Relations, which was formerly Assistant Secretary for Demonstration and Intergovernmental Relations):		
Floyd H. Hyde	Feb. 1969	Feb. 1971
H. Ralph Taylor	May 1966	Feb. 1969
ASSISTANT SECRETARY FOR COMMUNITY DEVELOPMENT (note a):		
Floyd H. Hyde	Mar. 1971	Present

^aEffective March 1, 1971, responsibility for the administration of the Model Cities Program was transferred to the newly established Office of Community Development.

Copies of this report are available from the U S General Accounting Office, Room 6417, 441 G Street, N W , Washington, D C , 20548

Copies are provided without charge to Members of Congress, congressional committee staff members, Government officials, members of the press, college libraries, faculty members and students. The price to the general public is \$1 00 a copy. Orders should be accompanied by cash or check.