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# Opportunities For Improving The Model Cities Program In San Antonio, Texas B-171500

Department of Housing and Urban Development  
and other Federal agencies

**UNITED STATES  
GENERAL ACCOUNTING OFFICE**

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JAN. 9, 1973



UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

RESOURCES AND ECONOMIC  
DEVELOPMENT DIVISION

B-171500

Dear Mr. Secretary:

This is our report on opportunities for improving the Model Cities Program in San Antonio, Texas.

Copies of the report are being sent to the Director, Office of Management and Budget; the Secretary of Health, Education, and Welfare; the Secretary of Labor; the Director, Office of Economic Opportunity; the Governor of Texas; and the mayor of San Antonio, Texas.

Copies are also being sent to your Assistant Secretary for Community Development and your Inspector General.

Sincerely yours,

*Henry Eschwege*

Director, Resources and  
Economic Development Division

The Honorable  
The Secretary of Housing  
and Urban Development

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- X Principal officials responsible for the  
administration of activities discussed  
in this report

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ABBREVIATIONS

CDA city demonstration agency  
GAO General Accounting Office  
HEW Department of Health, Education, and Welfare  
HUD Department of Housing and Urban Development  
OEO Office of Economic Opportunity  
OMB Office of Management and Budget

*GENERAL ACCOUNTING OFFICE  
REPORT TO THE SECRETARY OF  
HOUSING AND URBAN DEVELOPMENT*

OPPORTUNITIES FOR IMPROVING  
THE MODEL CITIES PROGRAM IN  
SAN ANTONIO, TEXAS  
Department of Housing and Urban  
Development and other  
Federal agencies B-171500

D I G E S T

WHY THE REVIEW WAS MADE

The Model Cities Program was established in 1966 to demonstrate that the living environment and general welfare of people living in slum and blighted neighborhoods could be improved substantially through concentration of Federal, State, and local efforts.

Because of the importance of the Model Cities Program as a means of demonstrating new approaches to solving the social, economic, and physical problem of the cities, the General Accounting Office (GAO) examined into major areas of the planning, development, and implementation of the program in San Antonio, Texas.

GAO selected San Antonio because of the considerable amounts of Federal, State, and local funds involved in the program. The GAO review covered the period from inception of the program in San Antonio in May 1968 to June 1971.

Background

A city demonstration agency is responsible for developing and executing the Model Cities Program at the local level. Such an agency may be an administrative unit of the city or a separate local public agency that is responsible to the city. At the Federal level the Department of Housing and Urban Development (HUD) has overall administrative responsi-

bility, and nine agencies administer programs which involve Model Cities activities.

HUD selected 150 cities to participate in the program. As of February 1972 HUD had awarded grants totaling about \$1.3 billion to 147 of those cities to implement their Model Cities projects.

San Antonio received a \$177,772 grant from HUD for planning its Model Cities Program. The city also received a \$9,590,000 grant for implementing its first "action" year of the program--August 1, 1969, to August 31, 1970--and like amounts for implementing the second and third action years.

FINDINGS AND CONCLUSIONS

The two functional areas of the Model Cities Program designated by the city demonstration agency as having the highest priority were education and physical environment. These functional areas accounted for about \$7 million, or 73 percent of the budget for the first action year, and about \$5.6 million, or 58 percent of the budget for the second action year. (See pp. 10 to 20.)

The goal of a \$2.7 million educational facilities and building-site development project was to construct three schools and to improve the facilities at 12 schools in the model neighborhood. The city demonstration agency reported that, as of

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June 1971--13 months after the start of the project--one new school had been constructed and nine schools had been remodeled and renovated; and work on four schools was continuing. The city demonstration agency did not mention the status of the remaining school.

The \$2.9 million Apache Creek channel improvement project was designed primarily to eliminate major flooding in the model neighborhood through widening and deepening Apache Creek and constructing a concrete channel, a bridge-dam, and 10 new bridges over the creek. As of September 1971, about 2 years after the Apache Creek project was started, the city demonstration agency reported that:

- One bridge had been completed.
- Four bridges had been designed and were under construction.
- Three bridges had been designed, but their construction was contingent on acquiring the rights-of-way and on completing other bridges.
- Two bridges were being designed; design completion was being delayed pending necessary street improvements and final creek alignment.
- Design of the bridge-dam was being delayed pending agreement between Federal and local agencies as to the type of bridge-dam to be constructed.

Although it is difficult to identify major factors which affected the city demonstration agency's rate of progress in implementing the Model Cities Program, GAO identified certain factors which may have influenced the results

and/or impact of the program. (See p. 20.)

GAO noted that:

- State support, which--according to the Model Cities Act--is essential to accomplish the program's objectives, was minimal from the initiation of the San Antonio program in 1968 through 1969. State support, however, improved after the State received HUD's financial assistance. (See pp. 21 to 23.)
- The Model Cities Act requires that residents of model neighborhoods be given an opportunity to participate in the program. The city demonstration agency's initial citizen participation plan did not specify the method of selection and the terms of office of members of the policy and program component review committees nor did it define the functions, responsibilities, and duties of the citizens appointed to those committees. The city demonstration agency had not obtained the views of model-neighborhood residents in evaluating Model Cities projects. (See pp. 24 to 30.)
- The Model Cities Act provides for concentrated and coordinated efforts of Federal, State, and local agencies in the program. The city demonstration agency did not develop formal agreements nor establish specific coordinating procedures with other agencies to provide that, to the maximum extent possible, the other agencies would participate with and assist the city demonstration agency in carrying out its local Model Cities Program; in some cases the city demonstration agency did not coordinate its program efforts with those of established local agencies, and Federal agencies, contrary to the terms of an



interagency agreement, did not provide to the city demonstration agency information on projects which might affect the local Model Cities Program. (See pp. 31 to 39.)

- In some cases the city demonstration agency was unable to obtain the direct personal assistance of Federal and State officials that it considered necessary for the development of projects. Federal agency technical assistance provided to the city demonstration agency during the program's planning phase consisted essentially of interagency reviews of the local comprehensive demonstration program plan. (See pp. 41 to 44.)
- The Model Cities Act states that State and local laws and regulations should not impede achieving Model Cities goals. City demonstration agency officials experienced problems as a result of conflicting Federal regulations and differences between Federal and State policies in implementing Model Cities projects, which delayed the initiation of some projects. (See pp. 46 to 48.)
- At the outset of the program, city demonstration agency efforts to secure financial assistance were hampered by the lack of knowledge by its employees of Federal grant-in-aid and funding procedures. Also Federal and State agencies, because of the lack of funds, were not able to provide the financial assistance requested by the city demonstration agency. (See pp. 49 to 53.)
- HUD directives state that city demonstration agencies are responsible for monitoring their programs and continually evaluat-

ing project operations. City demonstration agency evaluations of the Model Cities Program were not made timely and were limited in scope. (See pp. 54 to 59.)

The success of the Model Cities Program depends, to a great extent, on the continuous financial, technical, and administrative support by participating Federal, State, and local agencies.

In addition, a responsive level of citizen participation, effective program evaluations, and coordination among participating agencies is essential to achieving program goals and objectives.

#### RECOMMENDATIONS

GAO recommends that the Secretary of Housing and Urban Development:

- In line with HUD's program guidelines, require the city demonstration agency to solicit the views of model-neighborhood residents in evaluating Model Cities Programs and projects. (See p. 30.)
- In cooperation with the city demonstration agency, review the agency's day-to-day practices in coordinating its efforts with those of established agencies. GAO recommends also that, after such a review, HUD assist the city demonstration agency in establishing procedures necessary to insure the appropriate level of interagency cooperation and participation. (See p. 39.)
- Examine into the practices of the city demonstration agency in soliciting and utilizing technical assistance from Federal agencies and, as appropriate, assist

the agency in obtaining technical assistance essential to achieving a coordinated Model Cities Program. (See p. 44.)

- Require HUD's regional and area offices to review the results of city demonstration agency evaluation efforts to insure that the agency makes project evaluations which are timely and of sufficient scope to measure project impact and performance. (See p. 59.)

AGENCIES' ACTIONS AND UNRESOLVED ISSUES

GAO sent its draft report to HUD and other Federal agencies for their review and comment. Comments by the San Antonio city demonstration agency on the draft report were incorporated in HUD's comments. (See pp. 61 and 62.)

HUD officials, although they rec-

ognized the Model Cities Program to be a demonstration effort on the part of Federal and local governments, had little difficulty in agreeing, overall, with GAO's findings and recommendations.

HUD said that, although the draft report did not provide a very encouraging analysis of the first two action years of San Antonio's program, it was encouraged by the strength exhibited in the program in recent months.

HUD said also that, although it was certain that some difficulty would continue in the management of the San Antonio Model Cities Program, HUD was encouraged by the results and increasing responsiveness at all government levels. HUD also anticipated that its recent decentralization of the Model Cities Program to its area offices should further strengthen the program and help alleviate many of the problems noted in the San Antonio program.

## CHAPTER 1

### INTRODUCTION

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

The Secretary of Housing and Urban Development has primary administrative responsibility for the program. The Department of Housing and Urban Development (HUD) is responsible for insuring, in conjunction with other Federal agencies, maximum coordination of Federal assistance. Other Federal agencies participating in the program include the Office of Economic Opportunity (OEO) and the Departments of Agriculture; Commerce; Health, Education, and Welfare (HEW); Interior; Justice; Labor; and Transportation. These agencies are to provide financial and technical assistance to cities in planning and implementing their Model Cities Programs.

At the regional level HUD established Regional Inter-agency Coordinating Committees composed of representatives of the various Federal agencies involved in the Model Cities Program. The Regional Interagency Coordinating Committees are responsible for implementing Model Cities policies, coordinating Federal agency activities at the regional office level, and providing information and technical assistance to city demonstration agencies (CDAs) and to the various public and private agencies carrying out Model Cities projects.

A CDA is responsible for developing and executing a comprehensive demonstration program at the local level.

Such a CDA may be an administrative unit of the city or a separate local public agency that is responsible to the city. A CDA may contract with Federal, State, and local agencies for assistance in planning and implementing Model Cities projects.

Federal, State, and local agencies responsible for programs in health, education, employment, welfare, and other areas are expected, under the Model Cities Act, to provide financial and technical assistance to the local Model Cities Programs.

HUD provides grants to cities to pay up to 80 percent of the costs of developing Model Cities plans. Planning funds are to be used to identify the needs of the model neighborhoods, develop new and improved projects, coordinate planning among the various agencies, and involve the residents in planning a Model Cities Program.

After HUD approves the cities' planned programs, it provides funds to pay up to 80 percent of the costs of administering approved programs and up to 100 percent of the direct costs of implementing the projects included in the programs. The amount of funds that HUD provides to the cities--according to HUD officials--is established on the basis of the number and intensity of economic and social problems in the model neighborhoods. These funds are generally referred to as HUD supplemental funds. HUD selected 150 cities to participate in the program. As of February 1972, HUD had awarded grants totaling about \$1.3 billion to 147 cities to implement their Model Cities projects. The grants ranged from \$750,000 for Pikeville, Kentucky, to \$65 million for New York City.

The principal parts of a city's comprehensive demonstration program are a 5-year plan and an annual "action" plan which outlines projects to be implemented each year. HUD reviews and approves these plans and consults with other Federal agencies. According to HUD guidelines, a program, to be eligible for Federal financial assistance, should be comprehensive; should coordinate and concentrate the efforts and resources of Federal, State, and local agencies; should include new and imaginative proposals; and should have a substantial impact on the conditions of life and the quality of the environment in the model neighborhood.

At the outset of the program, HUD advised cities to limit the size of their model neighborhoods to include approximately 10 percent of the population of the city. HUD stated that a neighborhood selected by a city must be of a

size convenient for demonstrating--within a few years--measurable results of programs which deal effectively with the neighborhood's problems.

#### SAN ANTONIO MODEL CITIES PROGRAM

In April 1967, the city of San Antonio, Texas, applied to HUD for financial assistance for planning a Model Cities Program and was among the first group of cities selected by HUD to participate in the Model Cities Program. In May 1968 HUD awarded a planning grant to the city in the amount of \$177,772. In November 1968 HUD advised the city that a HUD supplemental grant in the amount \$9,590,000 was approved for the implementation of the city's projects during its first action year which began on August 1, 1969. HUD awarded the city supplemental grants in the same amount for its second and third action years which began on September 1, 1970, and September 1, 1971, respectively.

A schedule showing the amounts budgeted and expended for each functional area of the San Antonio Model Cities Program as of May 31, 1971, is presented as appendix III.

The city of San Antonio established a CDA to develop and administer its Model Cities Program. CDA functions as a city department, and its offices are located in the model neighborhood. To provide for program participation by model-neighborhood residents as well as the community at large, a citizens' participation organization was established by CDA. An organization chart showing the relationship between city manager and CDA as of July 1971 is included as appendix I.

CDA, together with citizens' policy and review groups, is to develop projects and establish priorities to accomplish the basic objectives of the HUD-approved comprehensive demonstration program. The individual Model Cities projects and priorities proposed by CDA and the citizens' groups are subject to approval by the city council before implementation under the Model Cities Program.

The HUD-approved San Antonio model neighborhood encompasses an area of about 9.4 square miles, or about 18 percent of the city's total area. The 1960 census data, used by CDA in its comprehensive demonstration plan, showed that

the San Antonio model neighborhood had about 114,000 people, or about 13 percent of the city's total population. The ethnic composition of the neighborhood's population, as reported in the city's comprehensive demonstration plan, was about 86 percent Spanish surname, 10 percent Anglo, and 4 percent black. The model neighborhood includes sections of two independent public school districts. A map showing the model neighborhood in relation to the total city area is included as appendix II.

Social, economic, and physical problems of the model neighborhood cited in the city's comprehensive demonstration plan submitted to HUD in March 1969 for approval included:

#### Education

- The dropout rate was 15 percent a year.
- About 83 percent of the high school graduates did not enter college.
- In standardized tests, the scores for elementary-level students in the model neighborhood were 1 to 2 years below the national average and the scores for secondary-level students were 2 to 4 years below the national average.

#### Housing

- 23 percent of the area's 21,000 structures were beyond repair.
- 67 percent of the homes were substandard and needed rehabilitation.
- 3,099 public housing units, or more than half of the units in the city, were in the model neighborhood.

#### Crime

- 25 percent of the arrests made in the city involved model-neighborhood residents.
- The model neighborhood had an insufficient number of law enforcement personnel.

--Residents lacked confidence in the law enforcement agencies.

#### Manpower and economic development

--In the model neighborhood, the median annual income of all families was about \$2,900 and the median annual family income for families with females as the head of the households was \$1,750.

--Underemployment was estimated at 47 percent.

--Unemployment was estimated to be 39 percent for residents between ages of 16 and 19 years.

#### SCOPE OF REVIEW

We directed our examination to identifying factors which might have influenced the effectiveness of the program. Our review covered the period from inception of the program in San Antonio in May 1968 to June 1971.

Although our conclusions and recommendations are based primarily on the administration of the program in San Antonio, certain of our findings are related to matters that were reported in HUD's Office of Audit reviews of Model Cities activities. The matters which the Office of Audit reported that related to the areas covered by our review are discussed in this report.

We made our review at HUD's Washington, D.C., Office; its regional office in Fort Worth, Texas; and its area office in San Antonio. We also visited other Federal agency regional offices in Fort Worth and Dallas, Texas; the San Antonio CDA's office; the offices of certain project sponsors; and the office of the State Model Cities Coordinator in Austin, Texas.

We sent our draft report to HEW, HUD, Labor, and OEO for review and comment. (See apps. VI through IX.) Comments on our draft report by San Antonio CDA were incorporated in HUD's comments. Specific comments of the agencies are discussed in appropriate chapters of this report; their general comments are discussed in chapter 10.

## CHAPTER 2

### PROGRAM ACCOMPLISHMENTS

During the first action year--August 1, 1969, to August 31, 1970--of the San Antonio Model Cities Program, CDA received a supplemental grant of \$9,590,000 from HUD to implement 24 Model Cities projects. CDA designated two functional areas--education and physical environment--as having the highest priority. These functional areas accounted for \$7,046,000, or about 73 percent of the budget for the first action year.

San Antonio's program for the second action year--September 1, 1970, to August 31, 1971--was financed by a second HUD supplemental grant of \$9,590,000. During the second year 44 projects were administered under the Model Cities Program. Education and physical environment projects again received the greatest emphasis, accounting for \$5,610,000, or about 58 percent of the budget for the second action year.

Summaries of certain program activities for these two areas, including brief descriptions of the types of projects implemented by CDA and pertinent data on the accomplishments of CDA, follow.

#### EDUCATION

During the planning phase of the San Antonio Model Cities Program, CDA identified the educational deficiencies in the model neighborhood by a number of factors:

- 83 percent of residents aged 25 and over had less than an eighth-grade education.
- Vocational and technical training was available to less than 5 percent of the residents.
- 95 percent of children from ages 3 to 5 years did not have opportunities for preschool training.
- Counselor-pupil ratios in neighborhood schools ranged from 1:2,300 to 1:13,000, compared with the national average ratio of 1:800.



--The diets of 98 percent of the school children were inadequate.

CDA determined that one of the basic causes for the deteriorated economic and social conditions in the model neighborhood was the lack of suitable educational services and facilities--including technical skills--for the model-neighborhood residents. As a result, CDA established, under the education component of the Model Cities Program, the broad goal of raising the educational level of the model-neighborhood residents to the national level. To accomplish this goal, CDA initiated, during its first year, seven educational projects requiring about \$4 million in Model Cities supplemental funds.

--Early childhood education to prepare preschool children for first grade.

--Counseling services to improve the counselor-student ratio.

--Staff training for teachers, counselors, and paraprofessional teacher-aides.

--Free school lunches.

--Housing, food, clothing and educational services to emotionally disturbed children.

--Modern learning tools and equipment for schools.

--Acquisition of land for schools, construction of new schools, and improvements to existing schools.

The free school lunch project was initiated by CDA to provide free lunches to model-neighborhood children from families having annual incomes below the poverty level established by OEO. CDA stated that this project was directed toward meeting a requirement of the neighborhood children that was essential to their educational progress. The goal of the project was to provide lunches to 13,183 of the 26,440 students attending junior high and elementary schools in the model neighborhood.

The school districts in the model neighborhood, designated by CDA as the operating agencies for the project, were to provide the lunches for the period March 5 through May 31, 1970. The school lunch project was included by CDA in the budget for its first action year at \$185,595; that amount was expended during the year.

The school districts administering the school lunch project reported to CDA that 11,790 children, or about 1,400 less than originally anticipated, were served free lunches during the period. In addition, the school districts reported that project funds had been used to hire 119 cafeteria-aides, who were model-neighborhood residents, to help administer and supervise the project.

Project directors reported to CDA that the number of students who had been served free school lunches was less than anticipated primarily because:

--Many students had been forced to leave school during the spring semester to relocate with their parents who were migrant workers.

--Parents of many eligible families had not permitted their children to participate in the program.

CDA budgeted and expended only \$1,500 for this project during the second action year because the school districts in the model neighborhood received funds under the National School Lunch Program to continue the free school lunch project.

With respect to the educational facilities and building site development project, CDA stated in its HUD-approved plan that the school facilities in the model neighborhood area needed to be improved to help CDA in its efforts to raise the educational level of the model-neighborhood residents to the national level.

CDA noted in its Model Cities comprehensive plan that the school buildings in the model neighborhood were not appropriate for modern instructional methods because the school buildings, on the average, were 28 years old; some were over 80 years old. Also the space available in these schools was

not considered adequate for the large number of students who were enrolled.

The specific goal of CDA under this project was to acquire the land for and construct three schools and to improve 12 existing schools in the model neighborhood. The project--initiated by CDA in May 1970--accounted for about \$2.7 million, or 28 percent of the budget for the first action year.

The plans for this project included acquiring land adjacent to existing schools for use as playgrounds and constructing such facilities as libraries and cultural centers for the entire community.

As of June 1971, 13 months after the start of the project, about \$2 million had been spent. CDA reported to HUD that at that time remodeling and renovation had been completed on nine schools and was continuing on the remaining three schools and that construction of one school was completed and of another was underway. In its report to HUD CDA did not mention the construction of the third school.

The project was continued during the second action year with the funds provided for the first action year. As of September 1971--the end of the second action year--about 16 months after the project was started, about \$2.3 million had been spent. CDA reported to HUD in September 1971 that work was progressing on the schools undergoing construction; it did not mention construction of the third school.

Although the initial remodeling and renovation of the nine schools was completed, certain additional remodeling of these schools was not completed by the end of the second action year. CDA officials stated that the basic goals of the project were being satisfactorily accomplished.

CDA budgeted \$4.4 million in Model Cities supplemental funds for the education component for the second action year of the program. Six of the seven first-year projects were continued into the second year, and one new project was initiated to provide basic educational skills to adult model-neighborhood residents.

A schedule showing amounts budgeted and expended and objectives and accomplishments for education projects in the San Antonio Model Cities Program as of September 30, 1971, is presented as appendix IV.

## PHYSICAL ENVIRONMENT

CDA considered the improvement of the model-neighborhood physical environment--to improve the quality of urban life for model-neighborhood residents--to be of high priority.

CDA, in its Model Cities Program goals and objectives, specified that flood-free land was essential to such vital activities as open-space land development, new-housing construction, and school and street improvements and generally was needed to improve the overall living environment of model-neighborhood residents. Under the Model Cities Program, CDA implemented several public works projects to enhance the physical environment of the model neighborhood.

CDA budgeted about \$3 million in Model Cities funds for the three physical environment projects initiated during the first year of the program.

- Provision of flood control by widening and deepening the Apache Creek channel and constructing a new dam and improvement of traffic flow by constructing new bridges.
- Replacement of substandard water mains.
- Reconstruction of streets and improvement of drainage.

The most significant of these projects was the Apache Creek channel improvement project which was designed primarily to eliminate major flooding in the model-neighborhood area and to provide a capacity adequate for storm-sewer drainage. The following pictures, provided by CDA, are representative of areas of preflood and flood conditions along Apache Creek.

Under the Apache Creek project, automobile and pedestrian traffic flow was to be improved by new bridges. Also the land surrounding Apache Creek was to be beautified. Project activities included widening and deepening Apache Creek; constructing a concrete channel, a bridge-dam, and 10 new bridges over the creek; and developing parks on the creek banks.



Apache Creek area under preflood conditions



Apache Creek area under flood conditions

In October 1969 CDA contracted with the San Antonio River Authority to administer the Apache Creek channel improvement project. This project accounted for about \$2.9 million, or 30 percent of the first-year Model Cities budget in San Antonio.

Planning and implementing the Apache Creek project involved the coordination and participation of numerous Federal, State, and local agencies, such as the San Antonio River Authority, San Antonio Urban Renewal Agency, Army Corps of Engineers, and San Antonio Public Works Department. The San Antonio River Authority was responsible for overall coordination of the project, the Corps of Engineers was responsible for construction of the channel and bridges, and the urban renewal agency was responsible for acquisition of the rights-of-way for the proposed parks and bridges.

CDA's first-year goals for the project included developing plans for channel improvements and designs for construction of the bridges. Construction of the creek improvements--including the concrete channel--was scheduled to begin early in 1970.

As of December 1970--about 14 months after the Apache Creek project was initiated--CDA reported to HUD that \$25,000 had been spent and that about 50 percent of the bridge design had been completed. CDA reported also that the channel design for about 70 percent of the project had been completed and that the design for the remainder was in process. Also, as of that time, the final review of land acquisition for the bridge sites and the rights-of-way acquisition for channel improvements was pending.

For the second action year, CDA budgeted about \$64,000 to continue work on the Apache Creek project.

As of September 1971, the end of the second action year--about 2 years after the Apache Creek project was started--CDA reported that about \$720,000 had been spent and that:

--One bridge had been completed.

--Four bridges had been designed and were under construction.



- Three bridges had been designed, but their construction was contingent on acquiring the rights-of-way and on completing other bridges.
- Two bridges were being designed; design completion was being delayed pending necessary street improvements and final creek alignment.
- Design of the bridge-dam was being delayed pending agreement between the Corps of Engineers and the San Antonio River Authority as to the type of bridge-dam to be constructed.

No mention was made, however, of the construction of the concrete channel or beautification of the land surrounding Apache Creek. Although it is difficult to pinpoint the specific reasons why greater progress was not made toward completing the Apache Creek project during the first 2 years of its existence, we believe that a number of basic problems had a major impact on the project's progress.

For example, the San Antonio River Authority reported to CDA in October 1970 that the major problem encountered was related to coordinating the construction activities of different agencies and parties. The San Antonio River Authority added that solutions to the problem might be found in (1) entering into a consolidated construction contract with the Corps of Engineers that would cover all aspects of the Apache Creek project in the same area or (2) scheduling construction so that activities of the agencies involved in the project would not conflict.

CDA included two of the three first-year physical environment projects--the Apache Creek project and the project to reconstruct streets and improve drainage--in its second action year and initiated two new projects to (1) develop engineering plans for storm runoff and (2) resurface residential streets. CDA budgeted \$1.2 million in Model Cities supplemental funds for these four second-year physical environment projects.

A schedule showing amounts budgeted and expended and objectives and accomplishments for physical environment projects as of September 30, 1971, is presented as appendix V.

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Although it is difficult to identify major factors which affected CDA's rate of progress in implementing the Model Cities Program, we identified certain factors--adverse as well as favorable--which may have influenced the results and/or impact of the program. These factors are discussed in the following chapters and concern:

- The extent of State participation in the program.
- The level of citizen participation.
- Coordination of effort between CDA and Federal and local agencies.
- Technical assistance provided to CDA by Federal agencies.
- Federal and State laws, regulations, and policies affecting the program.
- CDA efforts to obtain financial support.
- Program evaluation.

## CHAPTER 3

### EXTENT OF STATE PARTICIPATION IN

### SAN ANTONIO MODEL CITIES PROGRAM

The Model Cities Act provides that the objectives of the Model Cities Program be accomplished through effectively and economically concentrating and coordinating Federal, State, and local efforts.

HUD guidelines state that the full potential of the Model Cities Program cannot be attained without maximum advice and support from the State and its executive agencies and departments. These guidelines state also that State technical and financial assistance and Federal financial assistance available to the cities through State governments are vital to the success of the Model Cities Program.

Although State support was minimal from the initiation of the San Antonio Model Cities Program in 1968 through 1969, the level of State involvement improved, beginning in 1970--after the State received HUD's financial assistance--and the San Antonio CDA director received the assistance from the State that he considered necessary.

CDA correspondence and progress reports showed that early in 1968 the San Antonio CDA director suggested to the Governor that a State interagency group be established to provide financial and technical assistance to the cities in the State participating in the Model Cities Program. Shortly thereafter such a State interagency group was established. The group consisted of representatives of the Comprehensive Health Planning Agency, the Texas Employment Commission, the Texas Education Agency, the Criminal Justice Council, the Texas Department of Public Welfare, and the Texas Department of Mental Health/Mental Retardation.

The establishment of this group, however, did not result in any significant financial or technical assistance to the San Antonio CDA. In a CDA progress report dated February 19, 1969, CDA reported that certain State agency

representatives had given information to the San Antonio CDA director when he visited their offices; but the State had not advised CDA directors of how the State could aid the cities. A report, prepared by the Texas State coordinator on model cities activities, covering a 3-month period ended August 31, 1970, showed that State agencies provided only minimal technical and financial support to the Texas Model Cities.

In July 1969 Texas received a \$168,000 grant for local, areawide, and State-wide development through comprehensive planning. Part of this grant was used to establish an office of Model Cities coordinator. The coordinator, who was appointed by the Governor in July 1969, worked with a State agency liaison committee to formulate policy and to provide State assistance to the eight Texas cities having Model Cities Programs. The coordinator told us that he participated in meetings of State work teams and regional inter-agency coordinating committees held to review and discuss methods of providing State assistance.

In June 1970 Texas received a second HUD grant--\$114,000--for State technical and financial assistance. Under this grant the coordinator established a State agency technical assistance task force in August 1970. The coordinator, under an interagency cooperation contract with the individual State agencies involved in the Model Cities Program, outlined specific duties and responsibilities of these agencies for providing assistance to CDAs in the State.

Members of this task force provided technical assistance to the San Antonio CDA staff. Also the coordinator in several instances assisted the San Antonio CDA in conducting its Model Cities Program. For example, as discussed on page 47, the coordinator assisted the San Antonio CDA in having State policy modified to permit CDA to receive certain Federal funds for a Model Cities project. Also the coordinator assisted the San Antonio CDA in its attempts to resolve certain problems which had prevented CDA from initiating a day-care project in the model neighborhood.

In May 1971, we discussed the level and nature of State participation with the CDA director and he said that he considered State participation to be satisfactory.

AGENCY COMMENTS

Department of Housing and Urban Development

HUD said that the State had been unable to respond to the needs and demands the cities placed on it at the outset of the Model Cities Program. Recognizing the State's need to provide additional technical advice and assistance to the cities and to strengthen its ability to respond, HUD provided funds to the State. HUD stated that the State's technical assistance role had been strengthened through experience with the Model Cities Program and recruitment of persons having Model Cities Program experience.

HUD said that CDA, in addition to obtaining at least tentative funding commitments on specific projects from State departments, had been offered intensive technical assistance by State agencies for programs funded through the respective State agencies.

## CHAPTER 4

### CITIZEN PARTICIPATION IN

#### SAN ANTONIO MODEL CITIES PROGRAM

The Model Cities Act requires that residents of Model Cities neighborhoods be given an opportunity to participate in planning, implementing, and evaluating the Model Cities Program. San Antonio citizens participated in the program during the initial planning phase, primarily through their membership on Model Cities policy and program component review committees. These committees were part of the CDA organizational structure to permit citizens to participate in planning and developing the program.

Our review show that:

--CDA's initial citizen participation plan did not specify the method of selection and the terms of office of members of the policy and program component review committees nor did it define the functions, responsibilities, and duties of the citizens appointed to those committees.

--CDA had not obtained the views of model-neighborhood residents in evaluating Model Cities projects.

In addition, HUD regional office officials pointed out, in an August 15, 1969, report, that members of special-interest groups who were on the Model Cities policy committee had hindered program planning by not always considering the interests of most of the residents of the model neighborhood.

#### REVISIONS MADE IN CDA CITIZEN PARTICIPATION PLAN

HUD Model Cities Program guidelines require that each CDA establish an organizational structure to permit

model-neighborhood residents to participate in policy matters affecting the administration of the Model Cities Program.

In October 1967 HUD set certain citizen participation performance standards.

Structure--The organizational structure should provide for the inclusion of neighborhood residents in the Model Cities policy and program-planning process.

Representation--The leadership of the citizen participation organization structure should consist of persons whom the neighborhood residents accept as their representatives.

Information and communication--Pertinent information which affects the Model Cities Program should be provided to residents so that they can initiate appropriate Model Cities projects and can react knowledgeably to proposals made by others for Model Cities projects.

Technical assistance--Professional technical assistance, in a manner agreed to by the neighborhood residents, should be provided to the residents by CDA and/or State or local organizations.

Financial assistance--Where financial problems may be a barrier to effective citizen participation, financial assistance should be extended to the neighborhood residents by CDA or by other interested parties.

Employment of residents--Neighborhood residents should be employed in the planning and execution of Model Cities projects.

A city's comprehensive plan, according to HUD, should describe precisely how the residents will participate in and be involved in the program.

San Antonio's citizen participation organization was established in May 1968. A single policy committee and nine Model Cities program component review committees were established. The policy committee was to develop policies for planning and establishing priorities among alternative

projects and to review and approve program plans. The nine program component review committees were to review the needs of the model-neighborhood residents and the overall goals of the program. These committees also were expected to make constructive and realistic proposals and to make decisions on the implementation and administration of Model Cities Program activities.

Although the citizen participation plan initially drafted by the city did not outline the process for selecting or appointing committee members, we noted that about two-thirds of the members of the program component review committees were model-neighborhood residents who had been selected from existing neighborhood citizens' organizations by members of those organizations. The remaining one-third of the members were professionals, such as educators and lawyers, and technical representatives who were selected by the city council from the community at large. Under this selection method, model-neighborhood residents who were not affiliated with or members of neighborhood organizations could not participate in the program as members of the policy or program component review committees.

HUD officials informed us that they recognized these weaknesses in the San Antonio CDA's citizen participation plan and that in 1969 and 1970 HUD had attempted to have CDA revise its plan. These officials added that an effective level of citizen participation in the San Antonio Model Cities Program was hampered because the CDA plan did not:

- Set specific terms of office for the members of the committees.
- Include an orderly process for selecting or appointing and replacing committee members.
- Describe the duties and responsibilities of the Model Cities policy and program component review committees and their working relationships with the members of the San Antonio City Council.

In September 1970 HUD, in approving San Antonio's plan for the second action year, withheld \$2 million from the city's grant allocation of \$9,590,000 because certain



improvements in the San Antonio Model Cities Program were required. HUD officials cited the need for CDA to revise and improve its citizen participation plan as one of the major improvements which must be made before HUD would release the funds.

The city revised its plan, and HUD approved it in May 1971. The revised plan established specific terms of office for the members of the policy and program component review committees; made committee membership available to all neighborhood residents and specifically restricted program component review committee membership to model-neighborhood residents; and included a description of the working relationship between the policy and program component review committees, CDA, and the city council members. On June 11, 1971, the \$2 million which had been withheld by HUD was released.

#### EMPLOYMENT OF RESIDENTS IN PROGRAM ADMINISTRATION

The Model Cities Act and HUD Model Cities Program guidelines provide that local Model Cities Programs should be designed to provide maximum opportunities for employing model-neighborhood residents in all phases of the programs. San Antonio's Model Cities Program specified that primary consideration would be given to filling available jobs with model-neighborhood residents. The second-year plan, approved by HUD in September 1970, stated that, as a minimum, 50 percent of all jobs created by Model Cities projects should be filled by model-neighborhood residents.

During the first year of the program, 73 percent of those employed on Model City projects were model-neighborhood residents; during the second year 56 percent were model-neighborhood residents. The following table shows the number of positions in Model Cities operating agencies that were created through the Model Cities projects and the number and percentage of positions filled by model-neighborhood residents.

<u>Action year</u>	<u>Number of positions</u>			<u>Percent filled by residents</u>
	<u>Created</u>	<u>Filled</u>	<u>Filled by residents</u>	
First	332	320	235	73
Second	1,222	872	484	56

Model-neighborhood residents were employed under the program in a variety of positions, including carpenters, secretaries, electricians, homemaker-aides, and youth outreach coordinators. Also a model-neighborhood resident was appointed director of manpower and economic development projects for one of the operating agencies. These positions were created through the projects which were administered by various agencies, such as the San Antonio Metropolitan Health District, the San Antonio Police Department, the San Antonio Department of Welfare, the Texas Rehabilitation Commission, and the San Antonio Department of Parks and Recreation.

In November 1970 HUD requested all Model Cities to insure that model-neighborhood residents were being employed in the program. San Antonio, to meet this request, developed an employment and training plan and established specific goals for the employment of model-neighborhood residents. The plan, approved by HUD in October 1971, outlined the procedures that the operating agencies should use in hiring and training model-neighborhood residents. Under this plan at least 50 percent of the jobs created with Model Cities funds were to be filled by model-neighborhood residents. CDA's employment practices, according to the plan, were to offer maximum opportunities for recruiting, training, employing, and upgrading model-neighborhood residents.

PROJECT EVALUATION BY  
MODEL-NEIGHBORHOOD RESIDENTS

CDA's evaluation plan set forth responsibilities of model-neighborhood residents in project evaluation and required CDA to consider the views of those residents in determining the impact that the Model Cities projects would have on the model neighborhood.

The evaluation plan pointed out--and we agree--that model-neighborhood residents could provide pertinent information on the impact that the projects would have on neighborhood conditions. This information, the plan added, would be obtained by CDA through sampling model-neighborhood residents to obtain their views and by gathering information from members of program component review committees assigned to the project evaluation teams.

Model-neighborhood residents participated in project evaluations during the second action year as members of the project evaluation teams, but CDA did not solicit the views of the model-neighborhood residents in evaluating projects. The views of those residents who participated in, or were to be assisted under, such projects would, in our opinion, provide information pertinent to an effective project evaluation.

In June 1971 the CDA project evaluation manager, who was responsible for implementing and developing the evaluation plan, told us that most projects had not progressed to the point where model-neighborhood residents' views were essential or necessary for evaluating project impact.

We agree that some projects under the program may not have been in existence for a sufficient period to warrant an in-depth project evaluation by CDA. Nevertheless there were a number of other projects, such as an early-childhood education project and a park development project implemented during the first action year, which, in our opinion, CDA should have evaluated, taking into consideration the views of model-neighborhood residents.

The need for HUD to emphasize including the views of residents in evaluations was further demonstrated by results

of audits performed by HUD's Office of Audit. In a March 1971 HUD internal audit report on another Fort Worth region Model City--Tulsa, Oklahoma--the Office of Audit pointed out that the Tulsa CDA should resolve the matter of using model-neighborhood residents in program evaluations. Although HUD required that model-neighborhood residents participate in evaluations, the Tulsa CDA had eliminated the role of the residents in its initial evaluation plan. HUD's Office of Audit reported also that the Tulsa CDA should involve model-neighborhood residents in all phases of the evaluation process and recommended that the HUD Regional Administrator advise the Tulsa CDA to establish the residents' role in the evaluation process.

### CONCLUSIONS

The views and opinions of model-neighborhood residents served, or to be served, by Model Cities projects are useful to CDA in evaluating the projects. Even though model-neighborhood residents participated in the projects by serving as members of evaluation teams, CDA should solicit the views of model-neighborhood residents in evaluating the effectiveness of the city's program in meeting the objectives of Model Cities projects.

### RECOMMENDATION TO THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT

We recommend that HUD, in line with its program guidelines, require CDA to solicit the views of model-neighborhood residents in evaluating the Model Cities Program and projects.

### AGENCY COMMENTS

#### Department of Housing and Urban Development

HUD did not specifically comment on our recommendation.

## CHAPTER 5

### COORDINATION OF EFFORT BETWEEN CDA AND FEDERAL AND LOCAL AGENCIES

The Model Cities Act calls for a comprehensive attack on the social, economic, and physical problems in the slum and blighted areas of Model Cities through concentrated and coordinated efforts of Federal, State, and local public and private agencies in the Model Cities Program. HUD Model Cities Program guidelines point out that the talents and skills of these agencies must be combined so that agency efforts are not fragmented in accomplishing the objectives of the program.

Our review of interagency coordination under the Model Cities Program in San Antonio showed that:

- CDA had not developed formal agreements nor established specific coordinating procedures with other agencies to provide that, to the maximum degree possible, the other agencies participate with and assist CDA in carrying out its local Model Cities Program.
- CDA, in some cases, had not coordinated its program efforts with those of established local agencies.
- Federal agencies, contrary to the terms of interagency agreement, had not provided to CDA, information on projects which might affect the local Model Cities Program.

#### DEVELOPMENT OF FORMAL COORDINATION PROCEDURES

HUD guidelines for the Model Cities Program provide that CDAs may contract with local agencies and organizations to assist them in planning and implementing Model Cities projects. HUD's guidelines suggest that CDAs enter into agreements with agencies defining the agencies' responsibilities under the program so that the efforts of agencies are not duplicated but are mutually beneficial in assisting CDAs in accomplishing the goals of the program.

San Antonio CDA officials said that they had not established formal procedures and had not entered into written agreements with agencies which were operating projects impacting on the model neighborhood. CDA officials added, however, that the following measures, in their opinion, represented an informal interagency coordination effort which had proved to be successful in helping the San Antonio CDA accomplish the Model Cities Program goals.

1. CDA officials consulted--on an informal basis--with officials of local public and private organizations.
2. CDA functioned as an organization within the San Antonio city government.
3. A city work team coordinated the activities of the city departments and agencies with CDA.
4. A State task force coordinated the financial and technical assistance provided to CDA by State agencies.

CDA officials said that the first of the above measures was the most essential feature of CDA's interagency coordination efforts. CDA officials said also that local public and private organizations assisted CDA in developing the city's comprehensive demonstration plan and that many of these organizations sponsored and administered Model Cities projects. CDA officials told us that, in their opinion, the methods they used to solicit the assistance of other agencies had proved to be of some success in planning and implementing projects.

According to HUD guidelines, the various elements of a local comprehensive program should be effectively concentrated in the model neighborhood. Although CDA considered its method of obtaining assistance effective, we did note that CDA reported in November 1968 that it had experienced problems in obtaining the cooperation of certain locally based agencies.

HUD correspondence and CDA progress reports showed that, during the planning phase of the Model Cities Program, CDA had difficulty in obtaining the cooperation of the local housing authority.

In October 1968 CDA asked the local housing authority for its proposed model-neighborhood housing plans. The housing component review committee desired to review these plans during the planning phase of the program. The housing authority agreed to provide this information in April 1969. The citizen participation organization, due to this delay, approved the first-year action plan in March 1969 without having detailed knowledge of the authority's plans for model-neighborhood housing. CDA officials told us that this situation was an isolated instance of unfavorable relationships with other agencies and that this conflict had occurred at the outset of the program. These officials said that the working relationships between CDA and other local agencies, in their opinion, was excellent.

In our opinion, formal coordination agreements, in addition to defining agencies' responsibilities under the program, would help CDA to learn of the types of technical and administrative assistance that are available from other agencies.

#### COORDINATION OF EFFORT BETWEEN CDA AND LOCAL AGENCIES

HUD guidelines state that a CDA should have the authority--by drawing on the powers of the chief executive officer of the city--to reconcile conflicting plans, goals, programs, priorities, and time schedules of agencies conducting projects in the model neighborhood. HUD guidelines suggest that a CDA take certain measures to effectively combine its Model Cities Program with those of other agencies participating in the program.

HUD guidelines provide that a CDA, as a planning and coordinating organization, arrange with other local agencies for the administration of Model Cities projects. A comprehensive Model Cities Program involves public and private agencies operating outside the jurisdiction of CDA. HUD, however, expects the CDA to coordinate and utilize the services and assistance of public and private agencies administering similar or related programs in the model neighborhood. A CDA's use of established organizations and agencies for administering projects under the Model Cities Program will help to avoid the proliferation at the local level of

similar or closely related programs conducted by numerous agencies.

We noted that the San Antonio CDA--contrary to HUD guidelines--did not, in some cases, coordinate its efforts with those of an existing agency. In one case we noted that in January 1969 the Texas Agricultural Extension Service initiated a nutritional education project in the greater San Antonio area which included the model neighborhood. Under this project model-neighborhood residents were provided with specific information and instruction on the health benefits of nutritionally balanced diets.

During the first program year CDA, under its health-care component of the Model Cities Program, established a project to provide similar services to the model-neighborhood residents. Although the Texas Agricultural Extension Service had conducted its project since January 1969, in September 1970 CDA designated the metropolitan health district as the sponsor and administering agency of CDA's project.

Members of the Federal regional interagency coordinating committee who reviewed CDA's proposed project stated in October 1969 that CDA's nutritional education project with the health district as the sponsoring agency appeared to be a duplication of the Texas Agriculture Extension Service's program.

In October 1969 CDA officials advised agriculture extension service officials that the metropolitan health district had been selected to conduct a nutritional education project in the model neighborhood and requested that the extension service's project in the model neighborhood be discontinued. The agriculture extension service agreed to do so. The extension service continued to provide nutritional education services throughout the remaining areas of the county while the metropolitan health district provided these services in the model neighborhood.



## FEDERAL AGENCY COORDINATION WITH CDA

Because of the importance of Federal coordination in the Model Cities Program, we previously reviewed at the central office of HUD in Washington, D.C., and at three model cities--Atlanta, Georgia; Chicago, Illinois; and Seattle, Washington--the actions of HUD and other Federal agencies in providing financial, technical, and administrative support to the program. Our report on the improvements needed in Federal agency coordination and participation in the Model Cities Program was issued to the Director, Office of Management and Budget (OMB), on January 14, 1972.

Our previous review and interagency studies by major Federal agencies involved in the Model Cities Program showed that the lack of Federal coordination had plagued the program from its inception. The effort of the Federal agencies in responding to the needs of the cities should, in our view, be independently and objectively monitored and periodically evaluated by an agency having central authority, such as OMB. Because of the need for improved Federal agency coordination and participation under the Model Cities Program, we recommended in that report that the Director, OMB:

- Monitor and periodically evaluate the level of Federal agencies' responses to the Model Cities concept.
- Make such suggestions and recommendations to the participating Federal agencies as appear to be appropriate under the circumstances to help insure that the agencies respond to the Model Cities concept at a level consistent with the administration's expressed support of the program.

Although HUD has final administrative responsibility for the Model Cities Program, effective cooperation among Federal agencies at the central and regional office levels is essential to the success of the program. To promote Federal agency cooperation and coordination, HUD and other agencies, including the Departments of Agriculture, Commerce, Labor, Justice, and HEW and OEO established interagency

coordinating committees at the national, regional, and local levels. Four agencies significantly involved in the Model Cities effort--HUD, Labor, HEW, and OEO--also entered into an agreement in December 1968 requiring that these four agencies request existing or prospective recipients of Federal grant funds--under each agency's programs--to advise CDAs of projects which might affect model neighborhoods or their residents.

Our review showed, however, that certain Federal agencies had not complied with the interagency agreement. In October 1970 HUD area office officials in San Antonio requested the CDA director to endorse a proposed housing project which was expected to have an impact upon the model neighborhood and its residents. CDA, however, was not given information on the development and establishment of the project. The CDA director advised HUD that he could not render an opinion on the project until he reviewed such information. HUD officials subsequently provided the data that the CDA director requested, and he endorsed the project.

This case shows that, even though an interagency agreement had been reached among the major agencies participating in the program, certain data on projects which might have an impact on the Model Cities effort was not initially provided to CDA, contrary to the terms of the interagency agreement.

In another case, HEW did not advise CDA that \$25,000 in Federal funds under the Juvenile Delinquency Prevention and Control Act of 1968 had been allocated to the San Antonio Model Cities Program. These funds had been allocated in accordance with HUD's request that Federal agencies set aside funds for Model Cities. (See p. 51.) In July 1969 the CDA director was advised by HEW officials that the funds had been allocated to another city because CDA had not acted to use the funds. HEW officials further advised the CDA director that they were not responsible for notifying him that funds were available for the Model Cities Program.

The December 1970 HUD internal audit report on the Eagle Pass Model City noted that CDA needed to coordinate its efforts with Federal, State, and local agencies. The report pointed out that CDA had not used all available

agencies, and (3) coordination between CDA and Federal agencies.

RECOMMENDATIONS TO THE SECRETARY  
OF HOUSING AND URBAN DEVELOPMENT

We recommend that HUD, in cooperation with CDA, review CDA's day-to-day practices in coordinating its efforts with those of established agencies.

We recommend also that, after such review, HUD assist CDA in establishing procedures necessary to insure that the level of interagency cooperation and participation under the program will be in line with the level and type of assistance feasible under HUD's Model Cities Program criteria on interagency cooperation.

AGENCY COMMENTS

Department of Housing and Urban Development

HUD stated that recent action by OMB to strengthen the Federal Regional Council--responsible for the supervision of regional interagency program coordination mechanisms--provided the mechanism, as well as the opportunity, to strengthen overall Federal assistance to Model Cities on a continuing basis. HUD added that certain recent actions taken by the Southwest Federal Regional Council, which was responsible for the San Antonio area, should provide constructive changes in the overall Federal effort and interest in the Model Cities Program.

HUD said that, during the first two action years of the San Antonio Model Cities Program, there undoubtedly was some confusion, on the part of CDA, stemming from having various levels of HUD deal with CDA and other local officials. HUD pointed out that this confusion was due to the relative newness of the program and related operating procedures and to the changing role of involvement in the program between HUD central and regional offices. HUD anticipated that its recent decentralization of the Model Cities Program to its area offices should minimize the difficulties which San Antonio had experienced in dealing with HUD.

HUD stated further that, although its area office was providing day-to-day HUD-CDA linkage in conformance with other HUD programs, the overview and interagency action provided by the Southwest Federal Regional Council should greatly enhance the effectiveness of the Federal response to CDA.

Federal, State, and local resources in carrying out its Model Cities Program and that, as a result, certain projects which could have been financed through other existing sources had been funded entirely with Model Cities supplemental funds.

The audit report identified three projects, involving about \$71,000, for which CDA had made no attempt to obtain financial assistance through Federal, State, and local funding sources. HUD's Office of Audit recommended that HUD require CDA to use all available Federal, State, and local resources to carry out its Model Cities Program in accordance with the Model Cities Act which provides that Model Cities supplemental funds be used as an addition to, and not as a substitute for, assistance available from other sources.

According to San Antonio CDA officials, a problem which adversely affected CDA's efforts to achieve a responsive level of Federal interagency coordination was the inconsistency of HUD to follow established lines of communication in dealing with CDA. CDA officials said that HUD's decisions concerning the administration of the San Antonio program that were made by HUD central, regional, or area offices had, at times, been sent to the mayor or the city manager and at other times been sent to the CDA director or to officials of agencies sponsoring Model Cities projects. To illustrate this point, CDA referred to an educational assistance project that had been planned under the Model Cities Program.

During its first action year, CDA planned to establish a school project to provide up-to-date learning tools and equipment for a local school district and a parochial school in the model neighborhood. This project--estimated to cost \$279,323--was approved by the San Antonio City Council in April 1970 and was submitted to HUD for approval. In July 1970 HUD regional office officials advised CDA that the regional interagency coordinating committee had approved the project for the local school district but had withheld approval of the parochial school part of the project until HUD central office officials could reach a decision on the legality of awarding HUD supplemental funds to parochial schools for capital outlays. During the period

September 1970 to March 1971, HUD officials, on several occasions, expressed legal views on the parochial school part of the project but did not directly communicate--in all cases--with CDA. For example:

1. HUD's initial notification, dated September 4, 1970, on the unacceptability of this project was sent from the HUD regional office to the parochial school.
2. HUD central office officials, in a letter dated November 4, 1970, informed the parochial school that the project would be eligible for Model Cities funding if it was revised to meet certain legal requirements. A copy of this letter was sent to CDA.
3. The project was resubmitted to HUD by CDA. HUD again disapproved the project, and in a letter dated March 5, 1971, the HUD area office notified the city manager of its decision but did not notify CDA.
4. The HUD central office, in a memorandum dated May 14, 1971, which was provided to the parochial school before it was provided to CDA and the HUD regional and area office, stated that the problems that had caused HUD to reject the project could be resolved. As of June 1971 the problem was unresolved.

HUD's failure to use established lines of communication between HUD regional offices, the city, and the parochial school impaired CDA's efforts to coordinate the activities of these agencies in the Model Cities Program.

#### CONCLUSIONS

Although it is difficult to determine the impact which the lack of formal agreements or effective coordinating procedures may have had on the development and implementation of Model Cities projects in San Antonio, CDA's administration of the Model Cities Program, in our opinion, was hampered by such weaknesses.

These weaknesses were the lack of (1) formal coordination procedures, (2) coordination between CDA and local

## CHAPTER 6

### TECHNICAL ASSISTANCE PROVIDED

#### BY FEDERAL AGENCIES TO CDA

At the regional level, Model Cities interagency coordinating committees--chaired by HUD--are responsible for implementing Model Cities policies and for arranging for technical assistance for local CDAs and State and other local agencies involved in the program. According to HUD, cities participating in the Model Cities Program may call upon interagency coordinating committees for technical assistance and information.

Under the Model Cities Act, the Secretary of HUD is authorized to provide technical assistance to CDAs directly or by contract with other agencies or organizations. HUD obligated, on a nationwide basis, about \$3 million and \$10.6 million during 1969 and 1970, respectively, for technical assistance contracts.

In addition to contracting with private consulting firms, individual consultants, and associations, HUD and CDAs arrange for technical assistance from Federal and/or State agencies. Such agencies often provide assistance to CDAs in preparing applications for funding, planning, and designing specific projects.

Further, HUD pointed out in its program guidelines that Federal and State agencies would provide CDAs with pertinent data on the (1) existing categorical grant-in-aid programs such as social and welfare assistance programs administered by HEW, (2) funds available under these programs, (3) submission of grant applications for Federal financial assistance, (4) review and approval of grant applications, and (5) relationship of Federal and State programs to locally established projects.

In reviewing the Federal agency technical assistance aspects of the program in San Antonio, we noted that:

--CDA officials had stated that in some cases CDA had been unable to obtain the direct personal assistance

of Federal and State officials that it considered necessary for the development of projects.

--Federal agency technical assistants provided to CDA during the planning phase of the program had consisted essentially of interagency reviews of the local comprehensive demonstration program.

Had the Federal agencies provided technical assistance to CDA during the planning of the program, delays would have been avoided and CDA might have been able to implement its program sooner.

#### CDA EFFORTS TO OBTAIN TECHNICAL ASSISTANCE FROM FEDERAL AGENCIES

CDA officials informed us that direct personal assistance from Federal and State agency officials was the most effective type of technical assistance. These officials added, however, that, from the inception of the program in May 1968 to the time that our fieldwork was completed, technical assistance from Federal agencies participating in the program had consisted essentially of general information which usually was of little value to CDA.

CDA officials added that a Federal Housing Administration official served as a member of CDA's housing project review committee and that as a result certain technical assistance was provided to CDA during the planning of its comprehensive demonstration program. During the period February 1968 to March 1971, HUD provided information to CDA on relocation of residents and business organizations in the development of housing projects in the model neighborhood. CDA officials added, however, that in many instances they had been unable to obtain useful technical assistance from HUD on specific Model Cities projects.

According to HUD, CDA had not developed an adequate housing component in its plan in either the first or the second action years of the program and therefore in September 1970 HUD withheld \$2 million from the city's program for the second action year.

CDA officials told us that on September 15, 1970, the CDA director specifically requested assistance to develop an



acceptable housing plan. In a letter to the Director of the HUD area office, the CDA director said that assistance was needed to develop a viable housing component as part of its program for the second action year.

The CDA director informed us that HUD had not replied to his request for technical assistance and that in January 1971 he had obtained proposals from five housing-consultant firms to assist CDA in preparing, developing, and implementing an acceptable housing project. CDA subsequently entered into a contract with one of the consultant firms to develop a Model Cities housing component. In addition, a local housing-consultant firm agreed to provide, at no cost to CDA, a housing component for the San Antonio program. CDA subsequently received housing-component plans from both firms.

#### FEDERAL AGENCY TECHNICAL ASSISTANCE DURING PLANNING PHASE OF MODEL CITIES PROGRAM

Federal agencies, including HUD, HEW, Labor, and OEO, reviewed the completed CDA comprehensive demonstration program plan. These efforts, for the most part, represented the only technical assistance that was provided to CDA during the planning phase of the program.

For example, the San Antonio Model Cities plan sent to HUD in March 1969 included projects which were to be initiated under the city's educational and community service component of the program. In developing projects under this component, CDA consulted with, and established tentative agreements with, private organizations and agencies that CDA considered appropriate to administer the proposed projects.

Prior to submitting the plan to HUD, CDA submitted it to the local interagency coordinating committee for review and approval. During this review, HEW representatives pointed out that substantial amounts of Federal financial assistance would not be available to CDA if the proposed educational projects were administered by private organizations instead of the local public educational agency.

The CDA director requested HEW officials to provide information on the projects which would not be financially assisted if they were administered by private organizations instead of the local public education agency. The information was provided by HEW, and CDA officials then established working agreements and arrangements with the local school district officials.

CDA officials withdrew the tentative agreements they made with the proposed private organizations, and the CDA director redrafted the educational component of the city's comprehensive demonstration program. The revised plan was submitted to HUD in May 1969--about 2 months after the initial submission had been made.

HEW representatives agreed that there obviously had been a lack of technical assistance from HEW during the development of the city's plan. Substantial changes in the educational component of the city's plan and additional efforts on the part of the CDA staff would have been avoided if technical assistance had been provided to CDA during its planning of the educational projects.

#### RECOMMENDATION TO THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT

We recommend that HUD examine into the practices of CDA in soliciting and utilizing technical assistance from Federal agencies and, as appropriate, assist CDA in obtaining technical assistance essential to achieving a coordinated Model Cities Program.

#### AGENCY COMMENTS

##### Department of Health, Education, and Welfare

With regard to HEW's advice to CDA that certain HEW education funds would not be available if proposed education projects were to be administered by organizations other than the local education agency (see above), HEW stated that, according to HEW's Office of Education, in many cases the State education agency handling HEW formula grant funds for education was statutorily prevented from funding other than local education agency groups to plan and implement education

projects. The intent of the Model Cities Program was that nontraditional operating or administering groups be considered only after the traditional groups declined or could not meet expectations and desires.

Concerning HEW's lack of technical assistance to CDA (see p. 44), HEW stated that its staff had visited San Antonio from time to time to meet with both CDA and the superintendents and staffs of the San Antonio and Edgewood Independent School Districts. These trips, initiated by HEW, also had been requested by the local agency. HEW added that it had never failed to respond to every request for technical assistance but that CDA occasionally had failed to request assistance when it should have.

#### Department of Housing and Urban Development

HUD stated that generally it must be conceded that, until approximately a year ago, the technical assistance provided to CDA by HUD had been inadequate. HUD technical assistance, with the exception of consultant contracts in the areas of housing and administration, was limited largely to providing comments on CDA submissions rather than assistance and advice to CDA in the development stage. HUD added that HUD regional and area office staffs recently had provided increased guidance and advice to CDA but that there was the continuing problem of locating resources outside the categorical grant-in-aid program areas.

## CHAPTER 7

### FEDERAL AND STATE LAWS, REGULATIONS, AND POLICIES

#### AFFECTING MODEL CITIES PROGRAM

The Model Cities Act provides that projects developed and implemented under a comprehensive demonstration program should be initiated by a CDA within a reasonable time. The act and HUD guidelines, which specify that State and local laws and regulations should not impede achieving Model Cities goals, clearly indicate the need for promptly eliminating any conflicts that may be encountered in this regard by a CDA.

San Antonio CDA officials experienced problems as a result of conflicting Federal regulations and conflicting Federal and State policies in implementing Model Cities projects. These conflicts delayed the initiation of some projects.

On the other hand a State policy which had hampered implementation of one project in the Model Cities Program had been modified through the efforts of CDA and State officials.

Under the San Antonio Model Cities Program, a day-care project--to provide child-care services for children of model-neighborhood parents who were either employed or participating in work-training programs--was to be implemented by CDA during its first action year. This project, estimated to cost about \$544,000, was to be financed with \$136,000 of HUD supplemental funds and \$408,000 of HEW funds that were to be made available to CDA through the Texas Department of Public Welfare. CDA's request for supplemental funds was approved by HUD in April 1970. In May 1971--about 13 months later--this project still had not been started because of delays that were caused by conflicting Federal and State regulations and policies.

Following are some of the problems that CDA encountered that delayed establishing the project.

- CDA planned to delegate financial responsibility for the project to a private, nonprofit corporation (Economic Opportunity Development Corporation), but HEW could not allocate funds for the project unless it was administered by a public agency.
- The Texas Department of Public Welfare assessed a 5-percent administrative fee on contracts with other parties; however, under HUD requirements, CDA could not use supplemental funds to cover administrative costs of local (including State) governments.
- HUD required that Model Cities' project sponsors maintain fiscal records in accordance with HUD guidelines, but HEW required that the State public welfare contractors, such as the Economic Opportunity Development Corporation, maintain fiscal records in accordance with the HEW guidelines.

Although these problems were ultimately resolved, CDA officials advised us that the most significant conflict they had experienced related to determining which Federal agency's fiscal regulations (HEW's or HUD's) would apply to this project. City officials said that, despite the State's attempts to mediate the differences between the regulations of these two Federal agencies, the agencies did not agree on whose fiscal regulations would apply until May 1971, 13 months after the project was first approved by HUD.

For another project, however, we noted that CDA and State officials had been successful in having State policy changed, which aided the Model Cities effort in San Antonio. A personal bail bond project, estimated to cost about \$15,566 in HUD supplemental funds, was scheduled by CDA for implementation in September 1970. Although this project was to be financed partly with HUD supplemental funds, CDA requests for State financial assistance under the Federal Law Enforcement Assistance Administration were rejected because a State policy prohibited the use of such funds for projects that were financed initially with funds from other sources.

The cooperative efforts of city and State officials were successful in changing the State policy that restricted

the use of Federal Law Enforcement Assistance Administration funds for such projects. As a result of these efforts, the Texas Criminal Justice Council rendered a legal decision which modified the State's policy on the use of the funds, and in December 1970 CDA received \$23,295 in Federal law enforcement funds from the State.

#### AGENCY COMMENTS

##### Department of Health, Education, and Welfare

Referring to the long delay in approving and funding the day-care project (see p. 46), HEW stated that major problems had resulted from conflicts in regulations and policies of Federal departments and State agencies. HUD guidelines, however, do not supplant statutory provisions or guidelines of other departments or State agencies, and resultant problems have to be negotiated and corrected, when possible. Great efforts went into resolutions of the problems identified in this particular case, and the results were applicable to all Model Cities.

##### Department of Housing and Urban Development

HUD stated that it was inevitable that proposals associated with a demonstration program, such as Model Cities, would conflict with standard regulations and procedures. It was also natural that the first of such conflicts would take longer to resolve. On the basis of experience in handling waivers to standard policy, as well as recent high-level attention being directed to the Model Cities Program by the Southwest Federal Regional Council, HUD stated that it did not expect that such extensive time delays as those cited in the report would again be experienced. HUD pointed out, as an illustration, that a recent financing problem involving HUD and the Corps of Engineers in the Apache Creek area had been resolved in a matter of weeks.

## CHAPTER 8

### FINANCIAL SUPPORT PROVIDED TO

### SAN ANTONIO MODEL CITIES PROGRAM

The Model Cities Act provides that the objectives of a comprehensive demonstration program be accomplished through the most effective and economical concentration of Federal, State, and local resources. HUD guidelines state that Federal financial support of the Model Cities Program should include financial assistance not only from HUD in the form of supplemental funds but also from other Federal agencies under existing Federal grant-in-aid programs. Various Federal agencies participate with HUD in the review of Model Cities plans and are expected to provide financial and technical assistance to CDAs in formulating and implementing the CDAs' comprehensive plans.

Utilization of all available resources--Federal, State, and local--is a basic requirement of the Model Cities concept in achieving effective, coordinated city demonstration programs.

Our review of the extent of financial support that was provided to the San Antonio program from Federal, State, and local sources showed that:

- At the outset of the program, CDA efforts to secure financial assistance had been hampered by the lack of knowledge by CDA employees of Federal grant-in-aid and funding procedures.
- Federal and State agencies, because of the lack of funds, had not been able to provide the financial assistance that CDA requested.

According to a former secretary of HUD, each \$1 of Model Cities funds was supposed to generate \$6 in funds from other Federal categorical programs for the model neighborhood. San Antonio Model Cities Program statistics showed that, during the first 2 action years of the program, CDA received approximately \$1 of other Federal, State, and local funds for each \$1.20 of HUD supplemental funds that it

received for Model Cities projects. The following schedule shows, for the first 2 action years of the program, the amount of funds--by funding source--that CDA received.

<u>Funding source</u>	<u>Amount</u> <u>(000 omitted)</u>	<u>Percent</u>
HUD Model Cities	\$19,180	55
Other Federal:		
HEW	\$2,798	
HUD	3,561	
Labor	228	
OEO	116	
Corps of Engineers	<u>3,000</u>	28
State	3,222	9
Local	<u>2,933</u>	<u>8</u>
Total	<u>\$35,038</u>	<u>100</u>

#### CDA EFFORTS TO OBTAIN FINANCIAL ASSISTANCE

We discussed with CDA officials their efforts to obtain financial assistance for Model Cities projects and were told that a number of factors had contributed to CDA's limited success in obtaining financial assistance from Federal sources. These factors included:

- Unfamiliarity of the CDA staff with Federal grant-in-aid procedures.
- The enormous volume and diversity of existing Federal categorical grant-in-aid programs.
- The high turnover of CDA administrative staff during the first action year of the program.

CDA officials said that their major effort in attempting to obtain financial assistance from other sources consisted essentially of personal contacts with officials of Federal and State agencies. They added that formal procedures had not been established for identifying funding sources and documenting the efforts made by CDA officials to obtain financial assistance.



We were informed by CDA officials that the CDA staff had relied, to a great degree, upon the assistance of the local agencies administering Model Cities projects and that these agencies in most cases were familiar with the Federal categorical grant-in-aid programs in specific program areas, such as health, welfare, and education.

#### LACK OF FUNDS FOR MODEL CITIES PROJECTS

Federal and State agencies reported that they did not have sufficient funds to financially assist CDA. Federal and State representatives said that they had funds to finance their ongoing programs but did not have funds for new programs, such as Model Cities.

In an attempt to have Federal agencies set aside categorical grant-in-aid funds for the Model Cities, HUD requested that Federal agencies earmark funds for the Model Cities Program on the basis of the needs of the individual cities as described in their HUD-approved Model City Programs.

HEW earmarked funds for Model Cities, but the earmarking process, because of the lack of funds, was not successful in meeting the financial needs of the cities under the Model Cities Program. In March 1971 an official of the Texas Department of Public Welfare told us that the department did not have any uncommitted funds for the Model Cities Program at that time.

Labor officials stated that their agency's major contribution to the Model Cities effort was through the federally aided Concentrated Employment Program which, they emphasized, was designed to alleviate conditions of unemployment in the cities and which in many cases included residents of specific model neighborhoods.

Federal financial assistance of \$116,000 was provided by OEO to the San Antonio program from its inception in November 1968 through April 1971. Officials of the Economic Opportunity Development Corporation stated that their inability to provide additional financial support to the program had been the result of reductions in the corporation's budget.

## CONCLUSIONS

We have not identified the amounts of additional financial assistance and services that might have been available to CDA at the time the Model Cities Program was being developed. It appears, however, that in the development and implementation of new programs, such as Model Cities, a concerted effort must be made by Federal agencies to assist CDA staff members who, as in the case of the San Antonio program, were not familiar with Federal grant-in-aid application procedures or the large number of Federal programs as potential sources of financial assistance.

We believe that effective implementation of our recommendations--that HUD review CDA's coordination efforts and assist CDA in establishing procedures necessary to insure maximum interagency cooperation and participation under the program (see chapter 5)--should assist CDA in identifying sources of Federal financial assistance.

## AGENCY COMMENTS

### Department of Health, Education, and Welfare

With regard to the lack of funds for Model Cities projects (see p. 51), HEW said that:

- Only HUD had been given additional funds or personnel by the Congress to support the Model Cities Program and that HEW had had to use existing appropriations and personnel to support Model Cities.
- Its ongoing programs, projects, and services received priority and that any new-start moneys in its programs went, to a great extent, to Model Cities.
- Neither States nor State agencies had received any additional funds or personnel to support Model Cities and that HEW and its counterpart State agencies had done rather well, under the circumstances, because a considerable amount of their funds had gone to Model Cities as the result of HEW's earmarking efforts over a 2-year period.

Department of Housing and Urban Development

HUD stated that:

- During the first two action years of the program, CDA's difficulty in obtaining a higher rate of funding from Federal categorical programs obviously had been due to a number of factors, such as the (1) inexperience of CDA with many Federal programs, (2) lack of rapport between CDA and other city agencies which did understand Federal programs, and (3) failure of Federal agencies to provide adequate technical assistance to CDA.
  
- On the basis of the experience gained by CDA and of the commitment of the Southwest Federal Regional Council, great improvements should be made in the level of financial support provided to the San Antonio Model Cities Program. HUD stated further that it certainly would strive toward increased financial support but that limited dollar availability and programs for which funds must flow through the States before going to the cities undoubtedly would continue to present difficulties.

## CHAPTER 9

### NEED FOR TIMELY AND ADEQUATE EVALUATIONS

#### OF MODEL CITIES PROGRAM BY CDA

Guidelines provided by HUD in 1967 to CDAs to assist them in developing local Model Cities Programs stated that CDAs were responsible for monitoring their programs and for continually evaluating project operations.

In March 1970 HUD directives to CDAs emphasized the importance of project evaluations and required CDAs to include evaluation plans in their comprehensive demonstration programs. HUD advised CDAs that they must prepare acceptable evaluation plans and submit them to HUD before HUD would approve CDAs' action plans. In February 1971 HUD again advised CDAs that project evaluations were a continuing process and should be made timely and pointed out that the results should be used by CDAs in their decisionmaking processes.

Timely and adequate evaluations enable the CDAs to determine whether the individual projects are accomplishing the basic program objectives and serve as bases for revising the program. These evaluations also will aid the CDAs in designing new and improved projects.

Our review of the local evaluation plan and process under the San Antonio Model Cities Program showed that CDA evaluations had not been made timely and had been limited in scope.

#### CDA EVALUATION EFFORTS NOT TIMELY

San Antonio's evaluation plan for the first action year was approved by HUD in June 1970, which was about 2 months prior to the completion of the city's first action year. Also HUD officials noted several deficiencies in the San Antonio evaluation plan. For example, these officials reported that the plan was inadequate because it did not provide for (1) an annual review of problems, objectives, and strategies, (2) resident and citizen involvement, and (3) staff to perform project evaluations. These deficiencies played a major role in delaying HUD's approval of the

plan. The local evaluation plan was approved at the end of the city's first action year; HUD and CDA therefore concluded that it would be too late for CDA to perform any meaningful evaluations of projects in the first action year.

HUD approved the city's evaluation plan for the second action year in March 1971. As of May 1971 CDA had 40 individual projects in progress, for which about \$16.5 million in Model Cities supplemental funds had been allocated; 10 of these projects costing about \$1.2 million had been evaluated by CDA.

Five of the evaluated projects had been initiated during the first action year and five during the second action year. CDA had evaluated five projects--four first-year projects and one second-year project--in depth and had submitted formal reports to HUD on these evaluations. The other five projects were given cursory reviews. Memorandum reports were prepared by CDA on these five projects and were distributed to citizen participation groups.

We noted that, of the five projects which had been initiated during the first action year and which had been evaluated by CDA, three had been financed for the second action year before CDA had evaluated the results of the first-year project. For example, a Model Cities crime component project--designed to provide services to juveniles and their families with the objective of preventing delinquent behavior--was conducted from September 1969 through June 1970 and again from September 1970 through August 1971. CDA initiated its evaluation of this project in October 1970 and completed it in December 1970. The project was started during the city's first action year and was continued in the second action year before CDA had evaluated the first-year efforts. CDA completed its evaluation 4 months after the second action year began.

In another case we noted that an educational project--designed to train and develop qualified early-childhood education teachers--had been conducted during the first action year from September 1969 through August 1970 and again during the second action year from September 1970 through August 1971. CDA initiated its evaluation of this project in January 1971 and completed it in March 1971--7 months after the second action year began.

## EVALUATIONS OF PROJECTS WERE INADEQUATE

The HUD-approved evaluation plan for the San Antonio Model Cities Program provided that, during project evaluations, the project be related to the problems it purported to solve and the extent to which the project had succeeded be measured. CDA evaluations should be made to develop information to determine whether the projects are accomplishing the goals and objectives of the program. The following evaluations did not appear to have been adequate for determining whether project goals were being accomplished.

An educational project administered under the program during the period February 1970 through January 1971 cost \$105,400, of which \$25,700 was financed with HUD supplemental funds. This project was to provide housing, food, clothing, education, guidance, counseling, and supervision to emotionally disturbed children between the ages of 5 and 18 years. The contract required that the operating agency provide services to a specified number of children from the model neighborhood in the same manner that the operating agency was providing services to children from the citywide area.

The CDA evaluation report on this project, dated September 25, 1970, stated that interviews with the project director and visual inspections by the CDA evaluation team had shown that the sponsoring agency was providing the required services to the model-neighborhood children. The evaluation efforts were directed to determining whether the sponsoring agency was complying with the terms of the contract. No deficiencies were reported by the project evaluators.

The evaluation report did not include (1) comments or conclusions on such matters as the effect the project might have had on participating model-neighborhood children educationally and/or emotionally and (2) the views and opinions of parents, guardians, and/or relatives concerning the benefits derived by the children.

In another case, under a crime prevention project which was established in September 1969, a local college was to work with a certain group of children and their

families with the objective of preventing delinquent behavior in the children. This project cost \$12,331 in supplemental funds for the first year and \$15,362 in supplemental funds during the second year. During the first year the college was to use 10 college students who would work under the supervision of a full-time instructor.

CDA project evaluators stated, in a December 1970 evaluation report, that they could not determine whether delinquent behavior in the children had been prevented, because the college did not maintain any information on who the juveniles were and what their behavioral history was prior to, as well as during and after, the completion of the project. Also the project evaluators said that they had no basis for determining whether the children met the requirement that they be from the model neighborhood.

Despite the lack of this type of essential information, the project evaluators concluded that the required services had been provided and that minor deviations from the contract, such as inadequate recordkeeping, had not materially affected the program impact. They added that the project appeared to be sound and offered a certain potential for significantly reducing the incidence of juvenile delinquency. The project evaluators recommended to CDA that the project be continued but that the college should record pertinent data to permit sound management of the project.

The CDA's evaluation manager said that there was no quantitative analysis to support the conclusions reached by the project evaluators on project impact and that such conclusions had been arrived at on a "purely subjective judgment" basis.

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With regard to the five projects mentioned on page 55, which had been given cursory evaluations and for which memorandum reports had been prepared, the evaluation reports emphasized compliance with the terms of the contract rather than accomplishment of project objectives. For example, on only one of the five projects had the evaluators determined the impact of the project on the people who were being served. The CDA evaluation manager advised us that these

evaluations were to provide information to the Model Cities Program planners in developing the program for the third action year.

The evaluation manager cited two reasons for the lack of evaluations to measure project impact. First, he said that he believed that most projects, when they were being implemented, did not lend themselves to quantified objectives; therefore such objectives were not established. Secondly, he said that, because of the lack of monitoring of projects by CDA during the first action year, evaluation efforts during the second action year were directed to contract compliance. He said also that, to offset the shortcomings of CDA officials' relying heavily on subjective judgments of evaluation, he required that citizen organization members be assigned to each evaluation team.

The evaluation manager added that the evaluation of impact of programs established under the Model Cities effort was in its development stages and was a very difficult task. The CDA evaluation manager concluded that most Model Cities projects had not progressed to where their impact could be measured.

HUD regional office officials did not review the evaluation reports prepared by CDA. The HUD regional planning and evaluation advisor, who was responsible for providing technical assistance to cities during the evaluation of local Model Cities Programs, told us that he had not reviewed the evaluation reports because they had been prepared by CDA for its use.

HUD internal audit reports on four Model Cities in the Fort Worth region--Eagle Pass, San Antonio, and Texarkana, Texas; and Tulsa, Oklahoma--pointed out the need to strengthen CDA evaluation systems. For example, in a HUD internal audit report dated March 10, 1971, on Tulsa, it was noted that recommendations for the funding of projects for the second action year had been made by the Tulsa CDA although it did not know how effective the Model Cities Program was because it had not been evaluated in depth. The HUD audit report pointed out also that an interim evaluation of Model Cities projects by the Tulsa CDA had been limited in scope and had not provided in-depth evaluations of the projects.



HUD's Office of Audit concluded that the Tulsa CDA should initiate an in-depth evaluation of the results of the Model Cities Program with emphasis on the areas requiring prompt attention by CDA management. The Office of Audit also recommended that the Regional Administrator advise the Tulsa CDA to (1) make the program evaluations necessary to provide timely information for use in decisionmaking on continued project funding and (2) follow up on project deficiencies to insure needed corrections.

### CONCLUSIONS

Timely evaluation of program performance is essential in a demonstration program, such as Model Cities, because such evaluations aid CDAs in determining whether projects established under the program are meeting the desired goals and objectives. Project evaluations also serve as bases for making revisions to the program and aid CDAs in designing new projects and improving existing projects.

CDA evaluations did not measure the impact and the effectiveness of Model Cities projects and were not made timely. Therefore the evaluations did not provide CDA with data sufficient for determining whether the projects were accomplishing CDA- and HUD-approved goals and objectives or whether the projects should be continued, modified, or terminated.

### RECOMMENDATION TO THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT

We recommend that HUD require its regional and area offices to review the results of CDA evaluation efforts and insure that CDA makes evaluations which are timely and of sufficient scope to measure project impact and performance.

## AGENCY COMMENTS

### Department of Housing and Urban Development

HUD stated that:

- Although progress was being made in the area of evaluating the Model Cities Program, it continued to be one of the greatest national programmatic problems. HUD added that it had made repeated attempts to get increased attention to that area and that CDAs had gradually come to realize that the monitoring-evaluation tool was one of the best planning tools available to them.
- HUD said also that in San Antonio increased emphasis had been placed on evaluation efforts and that, although it was still too early to assess the full impact of these changes, increased emphasis would be given to getting CDA to continue to strengthen its efforts in that direction.
- One of its regional office prime objectives was to perform impact evaluations of HUD-oriented programs, including Model Cities. HUD pointed out also that initial efforts to improve program evaluation had recently been started and that additional measures were scheduled.

## CHAPTER 10

### ADDITIONAL AGENCY COMMENTS

#### DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

In a letter dated June 15, 1972 (see app. VI), HEW stated that it was the consensus of HEW officials that the draft report presented a reasonable appraisal of the planning, development, and implementation of the San Antonio Model Cities Program. The comments by HEW on specific matters discussed in the report have been included in the appropriate chapters.

#### DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

In a letter dated June 19, 1972 (see app. VII), HUD stated that, HUD officials, although they recognized the Model Cities Program to be a demonstration effort on the part of Federal and local governments, had little difficulty in agreeing, overall, with GAO's findings and recommendations.

HUD said that, although the report did not provide a very encouraging analysis of the first 2 action years of the San Antonio Model Cities Program, HUD was encouraged by improvements which had been made in recent months in delivery and coordination problems at various governmental levels. HUD stated also that, although it was certain that some difficulty would continue in the management of the San Antonio Model Cities Program, HUD officials were encouraged by the results and increasing responsiveness at all governmental levels.

HUD commented that the steady growth of CDA staff competence had been due primarily to on-the-job training and that, as individuals became more competent in their positions, they had learned to be more effective in their roles. HUD added that increased citizen interest and support, as a result of successful activities, was producing growing political interest and support, even though the program's special funding would terminate within a few years.

HUD stated that San Antonio had reorganized CDA and other city-related operations and had created a department of community affairs and that the reorganization appeared to have improved city-administered programs, particularly CDA coordination efforts with municipal departments and established local services and agencies. An assistant city manager is now responsible for planning, coordinating, monitoring, and administering programs affecting the model cities.

Also, according to HUD, the recent decentralization of HUD activities, which placed full responsibility for management of the Model Cities Program at the area office level, would serve to strengthen the Model Cities Program and thus help to alleviate many of the kinds of problems that had surfaced in the San Antonio Model Cities Program.

#### DEPARTMENT OF LABOR

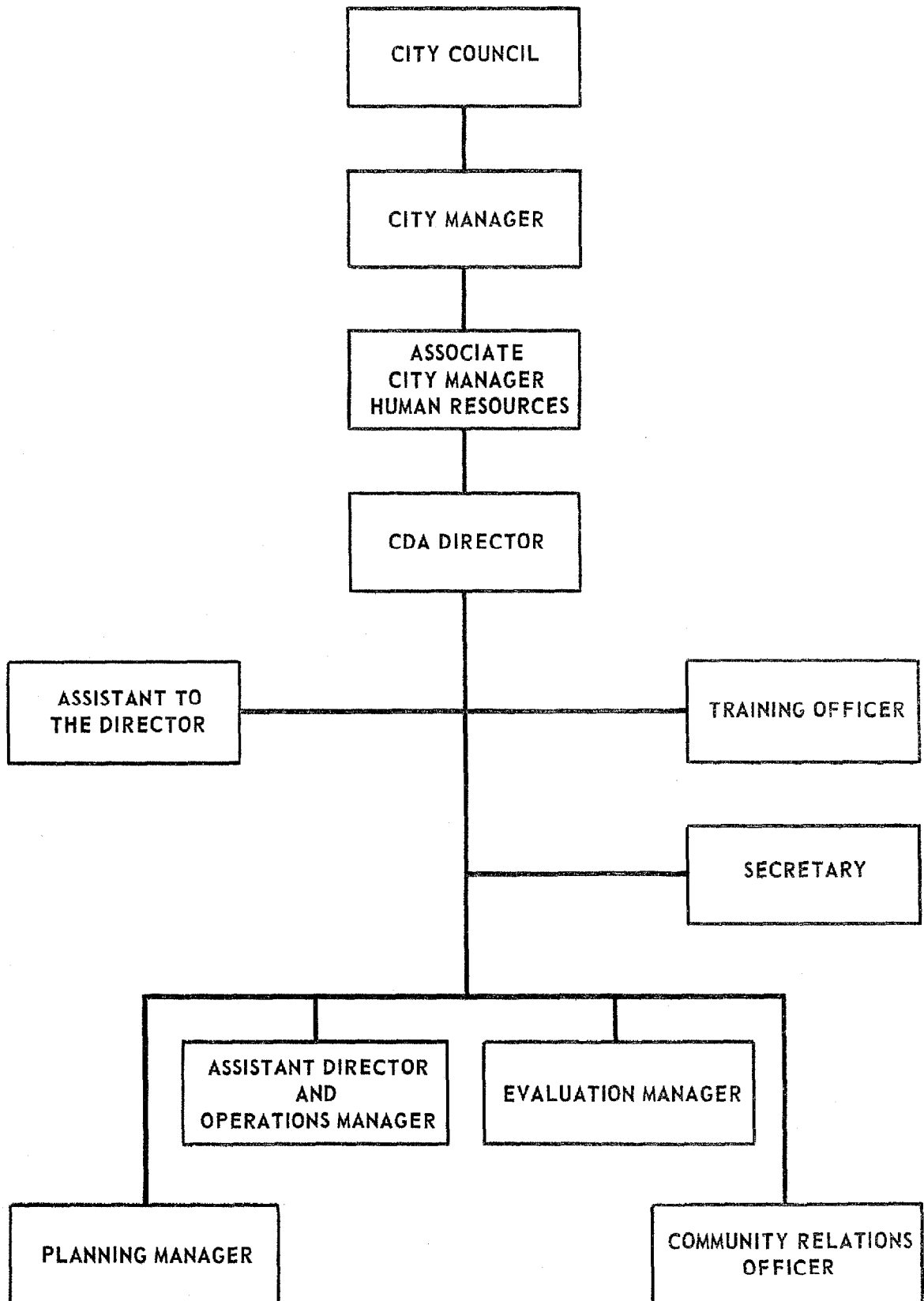
Labor, in a letter dated June 13, 1972 (see app, VIII), stated that the report made some firm recommendations for improvements in the San Antonio Model Cities Program. Labor added that these suggested improvements should result in a better delivery of service to model-neighborhood residents.

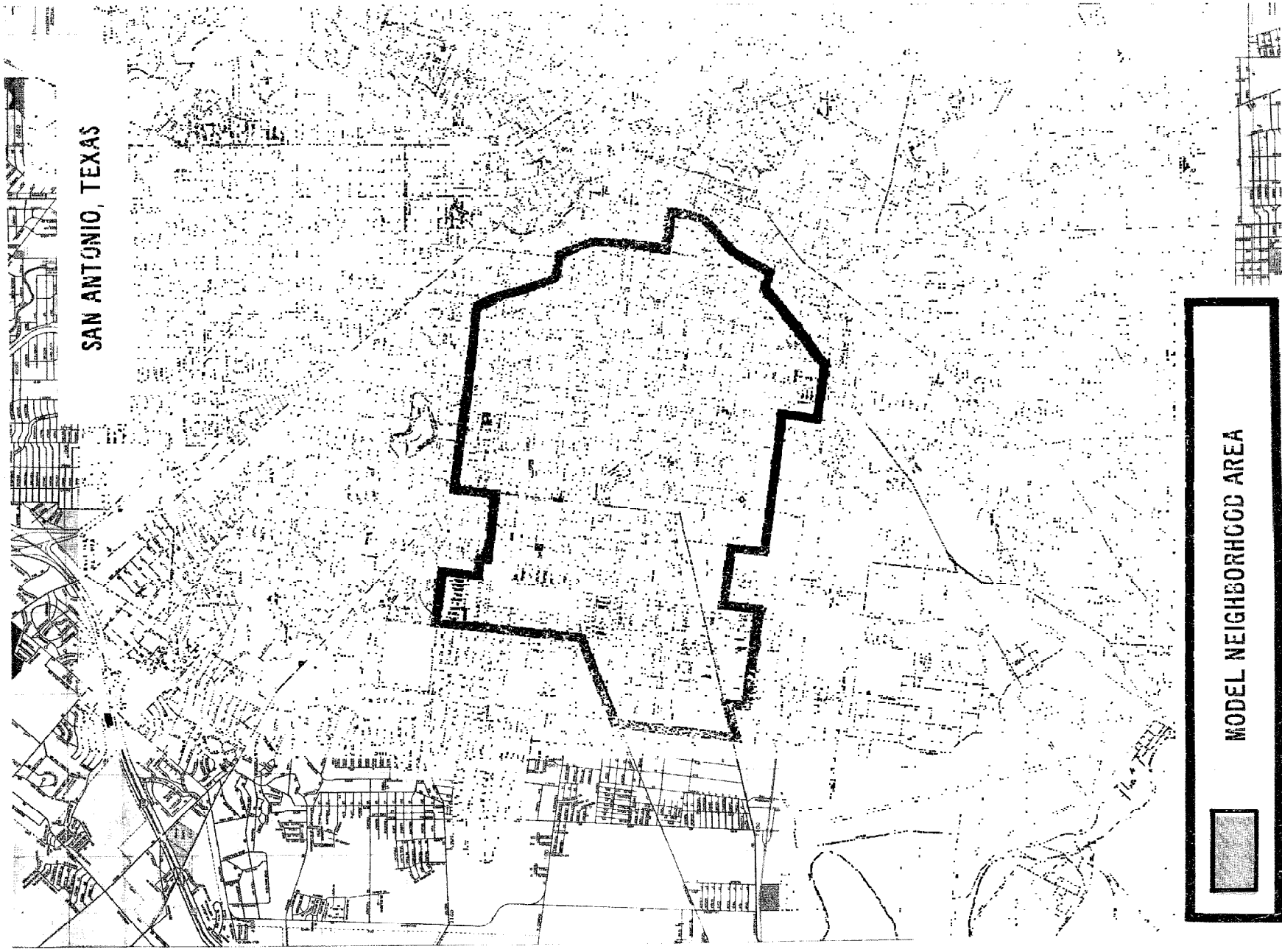
#### OFFICE OF ECONOMIC OPPORTUNITY

OEO, in a letter dated May 5, 1972 (see app. IX), stated that the regional and national offices of OEO had carefully reviewed the draft report and had found the contents to be representative of the situation in the San Antonio Model Cities Program.

OEO stated also that it would continue to support HUD in an interagency effort to improve the Model Cities Program in San Antonio and that the report would be used to guide OEO in that effort.

ORGANIZATION CHART OF RELATIONSHIP  
BETWEEN CITY MANAGER AND CDA  
AS OF JULY 1971





APPENDIX III

AMOUNTS BUDGETED AND EXPENDED FOR EACH FUNCTIONAL AREA  
 OF THE SAN ANTONIO, TEXAS, MODEL CITIES PROGRAM  
 AS OF MAY 31, 1971

Functional areas	Amount budgeted				Total amount budgeted	Total amount expended
	First action year		Second action year			
	Projects	Amount	Projects	Amount		
Education	7	\$3,960,998	7	\$4,393,215	\$ 8,354,213	\$3,177,593
Health	5	330,203	7	873,222	1,203,425	687,658
Social services	-	-	3	372,069	372,069	150,479
Recreation	2	528,157	5	386,566	914,723	379,456
Crime	3	81,267	7	284,668	365,935	203,338
Manpower	1	89,572	5	428,123	517,695	190,716
Economic development	-	-	1	246,917	246,917	77,691
Housing	1	98,470	3	415,158	513,628	94,074
Relocation	1	50,000	1	11,250	61,250	646
Transportation	1	912,658	1	147,895	1,060,553	21,945
Environment	3	3,085,888	4	1,217,630	4,303,518	104,920
Citizen participation	-	-	-	50,000	50,000	1,459
Evaluation	-	77,647	-	295,007	372,654	91,732
Administration	-	375,140	-	468,280	843,420	834,463
<b>Total</b>	<b>24</b>	<b>\$9,590,000</b>	<b>44</b>	<b>\$9,590,000</b>	<b>\$19,180,000</b>	<b>\$6,016,170</b>

# APPENDIX IV

AMOUNTS BUDGETED AND EXPENDED AND OBJECTIVES  
AND ACCOMPLISHMENTS FOR EDUCATION PROJECTS IN  
THE SAN ANTONIO MODEL CITIES PROGRAM  
AS OF SEPTEMBER 30, 1971

Project	Purpose	Amount budgeted		Total amount budgeted	Total amount expended	Objective	Accomplishment
		First action year	Second action year				
Early childhood education	Help prepare disadvantaged pre-school children for first grade	\$ 626,633	\$ 598,211	\$1,224,844	\$1,172,566	Enroll 2,300 children (note a)	1,705 children enrolled (note b)
Counseling services	Improve the counselor-student ratio and the quality of counseling services	120,904	97,407	218,311	214,961	Hire 12 counselors and 3 aides (note a)	10 counselors and 1 aide hired
Staff training	Develop teachers for early childhood education project by providing training and full academic qualification for kindergarten-teacher certification	20,018	28,501	48,519	43,669	Certify 40 teachers train 6 counselors	3 teachers certified; 6 counselors trained
Free school lunches	Provide free hot lunches to disadvantaged students	185,595	1,500	187,095	187,095	Provide lunches to 13,183 students	Provided lunches to 11,790 students
Friends special school	Provide housing, food, clothing, and education to emotionally disturbed children	25,700	-	25,700	25,700	Enroll 55 residents	35 residents enrolled
School capital outlay	Provide modern learning tools and equipment to schools	279,323	356,896	636,219	351,838	Not available	All equipment ordered but not yet received
Sites and Building Development I	Acquire land and improve school sites by repairing existing schools and constructing new schools	2,702,825	-	2,702,825	2,276,467	Renovate 12 existing schools; construct 3 new schools	3 school renovations reprogramed to second year; 9 schools renovated; 1 new school constructed; 1 new school under construction
Sites and Building Development II	Upgrade existing substandard facilities and construct new educational facilities	-	3,215,000	3,215,000	138,617	Construct 3 new educational facilities and an addition to a school; renovate 3 existing schools	Work in progress for all projects except addition to school
Adult basic education	Establish classes to provide reading, writing, arithmetic, and other basic skills to adults	-	95,700	95,700	93,951	Enroll 800 to 1,200 participants	595 participants enrolled
Total		<u>\$3,960,998</u>	<u>\$4,393,215</u>	<u>\$8,354,213</u>	<u>\$4,504,864</u>		

<sup>a</sup> Not available for first year; figures shown represent second year.

<sup>b</sup> Not available as of September 30, 1971; figures shown are as of June 30, 1971.



APPENDIX V

AMOUNTS BUDGETED AND EXPENDED AND OBJECTIVES  
AND ACCOMPLISHMENTS FOR PHYSICAL ENVIRONMENT  
PROJECTS IN THE SAN ANTONIO MODEL CITIES PROGRAM  
AS OF SEPTEMBER 30, 1971

<u>Project</u>	<u>Purpose</u>	<u>Amount budgeted</u>			<u>Total amount expended</u>	<u>Objective</u>	<u>Accomplishment</u>
		<u>First action year</u>	<u>Second action year</u>	<u>Total amount budgeted</u>			
Apache Creek	Provide flood control by widening and deepening the creek channel and improve traffic flow by constructing new bridges	\$2,895,335	\$ 64,056	\$2,959,391	\$ 720,250	Construct concrete creek channel, 10 bridges, and 1 bridge-dam	1 bridge completed; 4 bridges under construction; 5 bridges and a bridge-dam in various stages of design
Water system improvements	Replace substandard water mains	150,000	-	150,000	280,561 <sup>a</sup>	Replace 52,600 feet of water mains	33,600 feet of mains replaced
Concentrated renewal area	Reconstruct streets and improve drainage in selected areas	40,553	547,001	587,554	-	Reconstruct 18,046 feet of streets and improve 2,740 feet of drainage	Construction not yet begun
Storm drainage (engineering)	Accomplish engineering required for construction of storm-drainage facilities	-	309,000	309,000	-	Design 3 drainage facilities	Preliminary designs underway
Street paving	Resurface residential streets	-	297,573	297,573	50,025	Pave 61 miles of streets	7.3 miles paved
Total		<u>\$3,085,888</u>	<u>\$1,217,630</u>	<u>\$4,303,518</u>	<u>\$1,050,836</u>		

<sup>a</sup>Includes funds from sources other than Model Cities supplemental grant.

APPENDIX VI



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20201

JUN 15 1972

Mr. Morton E. Henig  
Associate Director  
Manpower and Welfare Division  
U.S. General Accounting Office  
Washington, D.C. 20548

Dear Mr. Henig:

Reference is made to your letter of April 10 in which you requested our views and comments on a draft of your report to the Congress entitled, "Opportunities for Improving the Model Cities Program in San Antonio, Texas."

Cognizant staff of the Department have reviewed your report; their comments are enclosed. We appreciate the opportunity to review and comment on this report.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Charles F. Cardwell".

~~James B. Cardwell~~

*Acting* Assistant Secretary, Comptroller

Enclosure

## Department of Health, Education, and Welfare

Comments on the draft of a GAO report to the Congress entitled, "Opportunities for Improving the Model Cities Program in San Antonio, Texas"

It is the general consensus of concerned Department officials that the GAO draft report presents a reasonable appraisal of the planning, development and implementation of the San Antonio Model Cities Program. There are, however, several statements made in the report relative to HEW's participation in this program which we disagree with and feel should be changed to present a more accurate picture. For ease in identification, our comments on these statements are associated with the page numbers of the draft report.

On page 41 of the draft report, the content of the last paragraph is inaccurate in that each city within each Region VI City allotted funds under HEW "Earmarking" was notified in writing. (See enclosure)

A similar statement (on page 48 of the GAO report, second full paragraph), that HEW did not notify the local agency (CDA) of the availability of Juvenile Delinquency funds is also incorrect. (See last page of enclosure.)

On page 56 of the GAO report (relating to the Education Component, particularly the third paragraph), it is stated that HEW representatives advised the local agency that certain HEW education funds would not be available if proposed education projects were to be administered by organizations other than the local education agency (LEA). This is true. The Office of Education pointed out that in many cases the State Education Agency, handling HEW formula grant funds for education, is statutorily prevented from funding non-LEA groups to plan and implement education projects. Such was not the intent of the Model Cities Program. Non-traditional operating or administering groups were to be considered only after the traditional groups either declined or could not meet expectations and desires.

On top page 57 of the report, another statement is made regarding the lack of technical assistance to the CDA, which we believe is inaccurate. HEW staff visited San Antonio from time to time to meet with both the CDA and the Superintendents and staffs of both the San Antonio and Edgewood Independent School Districts. These trips were both HEW initiated, and requested by the local agency. We never failed, at any time, to respond to every request for technical assistance. True, sometimes the CDA failed to request assistance when they should have.

On page 60 of the report are statements regarding a long delay in approval and funding of a Coordinated Day Care Project. It is true that major problems resulted from conflicts in regulations and policies among Federal Departments and State Agencies. Unfortunately "HUD guidelines" do not supplant statutory provisions or guidelines of other Departments or State

## APPENDIX VI

Agencies. Resultant problems have to be negotiated and corrected as possible. Great efforts went into resolutions of the problems identified in this particular case, and the results were applicable to all Model Cities.

Beginning the bottom of page 65 of the report and continuing onto page 66, there are statements relating to lack of funds for Model Cities projects, which although very general and broad, do indicate the nature of the problem. Only HUD was given additional funds or personnel by Congress to support the Model Cities Program. HEW had to take from existing appropriations and staffing to provide the support it could. On-going programs, projects and services did get priority, and whenever there were any "new-start" monies in programs, they generally went to Model Cities to a great extent. Neither did States nor State Agencies receive any additional dollars or personnel with which to support Model Cities. Under these difficult circumstances we believe that the DHEW and counterpart State agencies did rather well. A considerable total of funds did go into Model Cities as the result of HEW's Earmarking efforts for two years.



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, D. C. 20410

OFFICE OF THE ASSISTANT SECRETARY  
FOR COMMUNITY DEVELOPMENT

JUN 19 1972 IN REPLY REFER TO:

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

Dear Mr. Birkle:

We have carefully reviewed your April 1972 draft report to the Congress on opportunities for improving San Antonio's Model Cities Program. Recognizing Model Cities to be a demonstration effort on the part of Federal and local government, we have little difficulty in agreeing overall with the findings and recommendations of your report. Where we do find disagreement, it is generally due to tone, rather than the nature of the observation.

While the report does not provide a very encouraging analysis of the first 2 action years of San Antonio's program, we recognize the difficulty associated with a rather unique demonstration program, and are encouraged by the strength exhibited in the program over the past 9 months. This is particularly true in dealing with delivery and coordinative problems at various governmental levels. Although we are certain that some amount of difficulty will continue in the management of the San Antonio Model Cities Program and its timetable, we are encouraged by results and increasing responsiveness at all governmental levels.

As you are probably aware, this Department has just recently decentralized the Model Cities Program to our Area Offices. The intent is to place full responsibility for managing the Model Cities Program at the Area Office level. The Regional Administrator is, however, obligated to take such actions as may be necessary to carry out his responsibilities for the performance of the Area Offices and the successful operation of the Model Cities process in each of the designated cities within his region. Special emphasis is given to the responsibility of the Regional Administrator with respect to interagency coordination and liaison. The only decision-making authority reserved for the Central Office is that necessary for national management of funds, to avoid unnecessary lapses of funding authority at the end of the fiscal year.

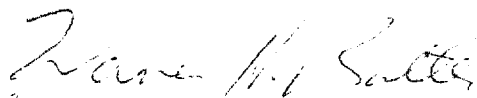
APPENDIX VII

It is anticipated that this decentralization effort will serve to strengthen the Model Cities Program and thus help to alleviate many of the kinds of problems which have surfaced in the San Antonio Model Cities Program.

We have several specific responses to contents of the draft report as provided in the attached. Comments by the San Antonio Model Cities staff have been incorporated in our response.

We welcome the opportunity to discuss the report and our comments with your staff if you feel this is desirable or necessary.

Sincerely,



Floyd H. Hyde  
Assistant Secretary

Enclosure

1. Lack of Capacity at Local Level

There seems to be little doubt that the CDA was initially hampered by lack of good direction, lack of adequately trained staff, and lack of strong support for the program by the City Council and the Mayor based on an absence of evidence to that effect. This is partly understandable given the newness of the program and its demonstration nature. Nationally, the comprehensive nature of the Model Cities Program far out-stripped orientation of local officials toward the narrow objectives of the more traditional grant-in-aid programs. In like manner, recruiting of sufficient technical staff was time-consuming and difficult. Problems in carrying out the locally conceived program (as evidenced by Appendix 3 of the report) were due partly to these circumstances.

Steady growth of staff competence has been due to on-the-job-training to a great extent. As individuals have become more competent in their positions they have begun to learn how to be more effective in their roles. While some difficulties may remain in achieving political acceptance and full support, increased citizen interest and support, as a result of successful activities, are producing growing political interest and support, even though the program's special funding will terminate within a few years.

The City has reorganized the CDA and other City-related operations and created a Department of Community Affairs. An Assistant City Manager is now responsible for planning, coordination, monitoring, and administration of programs affecting the Model City area, as well as other depressed areas of the City. This reorganization appears to have improved City-administered programs and particularly CDA coordination efforts with municipal departments, and established local services and agencies.

2. Lack of Adequate Technical Assistance from the State

As with the City Demonstration Agency, the State was unable to respond to the needs and demands placed upon it at the outset of the Model Cities Program. In recognition of the State's need to provide additional technical advice and assistance to the City and to strengthen the State's capacity to respond, HUD initiated financial assistance to the State in June, 1970. Experience with the Model Cities Program, over a period of time, together with recruitment of individuals having Model Cities experience, have strengthened the State's technical assistance role.

## APPENDIX VII

In addition to obtaining at least tentative funding commitments on specific projects from respective State departments, the State agencies have also offered intensive technical assistance to the CDA for those programs funded through the respective agencies.

### 3. Coordination Between CDA and Federal Agencies

This report recommends: (a) that assistance and coordination by Federal agencies be improved, (b) that OMB monitor and evaluate the level of Federal agency responses, and (c) that suggestions be made to agencies for improved effort in furthering the Model Cities concept. Recent action by OMB to strengthen the Federal Regional Council provides the mechanism, as well as the opportunity to strengthen overall Federal assistance to Model City communities, on a continuing basis.

Several Federal Regional Councils, of which the Southwest Council is one, have already shown increased interest in providing support for the Model City concept. In at least one instance, this has been expressed by the Council in abolishing the Regional Interagency Coordinating Committee (RIACC) and assuming its duties. In others, such as the Southwest Council, the RIACC has become a subcommittee of the Council, with the Council being the final decision-making body. In considering its future course of action, the Southwest Council observed that prior coordination and followthrough of Federal agencies had been very inadequate. Some agencies had withdrawn from attending RIACC meetings, presumably on the basis that if the CDA requires assistance, they would contact the agency. Also, RIACC members seemed to feel that the capacity of local government had increased to the point where constant Federal involvement was not required.

In elevating interagency coordination by assigning it to the Council, it was believed that the Council would place responsibility and decision-making in the hands of those capable of both making and carrying out their decisions. Such actions should provide constructive changes in the overall Federal effort and interest in the Model City activities.

During San Antonio's first 2 action years, there was undoubtedly some confusion on the part of the CDA stemming from various levels of HUD dealing with the CDA and others in the City. This was due in part to the relative newness of the program and procedures, as well as a changing role of involvement between the Central and Regional Offices. Most recent action to decentralize operation and management of the Model Cities Program to Area Offices should serve to minimize difficulties the City has had in dealing with HUD, that are cited in the report. While the Area Office is providing day-to-day HUD-CDA linkage in conformance with other HUD programs, the overview and interagency action provided by the Council should greatly enhance the effectiveness of the Federal response to the CDA.



#### 4. Federal Technical Assistance to CDA - Overall and During Planning Stages

Generally, it must be conceded that until approximately a year ago, inadequate technical assistance was provided to the City by HUD. With the exception of consultant contracts in the areas of housing and administration, HUD technical assistance was limited largely to providing comments to CDA submissions, rather than providing assistance and advice in the development stage. Recently, increased guidance and advice have been provided to the CDA by Regional and Area Office staff, but there is the continuing problem of locating resources outside of categorical programs.

#### 5. Changes in Federal/State Laws, Regulations, and Policies Affecting the Model Cities Program

It is inevitable that proposals associated with a demonstration program such as Model Cities will run into conflict with standard regulations and procedures. It is also natural that the first of such proposals will take longer to resolve. Based on experience to date in handling waivers to standard policy, as well as recent high level attention being directed to the Model Cities Program by the Southwest Council, we do not expect that such extensive time delays as those cited in the report will again be experienced. As an illustration, a recent financing problem involving HUD and the Corps of Engineers in the Apache Creek Area was resolved in a matter of weeks.

#### 6. Financial Support

The difficulty of the CDA in obtaining a higher rate of funding from Federal categorical programs, during the first 2 action years, is obviously due to a number of previously stated factors such as (a) inexperience of the CDA with many Federal programs; (b) CDA not having rapport with other city agencies who do understand the Federal programs; and, (c) failure of Federal agencies to provide adequate technical assistance to the CDA. Based on the experience gained by the CDA staff and the renewed Federal commitment expressed by the Southwest Council, great improvement should be made in this area. HUD certainly will strive toward this goal. Limited dollar availability and programs with State pass-through requirements will undoubtedly continue to provide difficulties, however, in carrying out the Model City effort.

#### 7. Evaluation

While progress is being made in this area, it continues to be one of the greatest national programmatic problems. As indicated in the report, HUD has made repeated attempts to get increased attention to this area. Gradually, CDA's too have come to realize that the monitoring-evaluation tool is one of the best planning tools available to them. In San Antonio,

## APPENDIX VII

increased emphasis has been placed on evaluation efforts, including a citizen participation element. While it is still too early to assess the full impact of these changes, increased emphasis will be given to getting the CDA to continue to strengthen its efforts in this direction.

One of the Regional Office prime objectives for Fiscal Year 1972 and beyond is to perform impact evaluations of HUD-oriented programs, including Model Cities. Some initial efforts have recently been started, and a conference is being scheduled for July to discuss data which is now being collected. In addition, the Regional Office held a conference in Dallas in March with all CDA Directors at which time evaluation efforts were discussed.

The San Antonio CCDP, Resident Employment and Training Plan (RETP), dated May 27, 1971, states on page 3, "a minimum goal of 50 percent Model Neighborhood Residents is established for all jobs created as a result of Model Cities funds."

[See GAO note.]

GAO note: Material not related to this report has been deleted.

U.S. DEPARTMENT OF LABOR  
OFFICE OF THE ASSISTANT SECRETARY  
WASHINGTON, D.C. 20210



JUN 13 1972

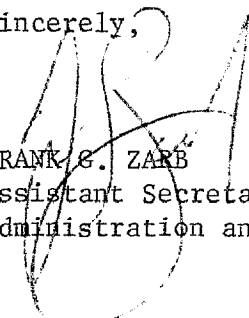
Mr. Henry Eschwege  
Associate Director  
Civil Division  
U.S. General Accounting  
Office  
Washington, D.C. 20548

Dear Mr. Eschwege:

We have reviewed the GAO draft report entitled "Opportunities for Improving the Model Cities Program in San Antonio, Texas". We find that this report makes some firm recommendations for improvements in the San Antonio program. These suggested improvements should result in a better delivery of service to model neighborhood residents.

We see no specific program implications in this report for Department of Labor manpower efforts in San Antonio.

Sincerely,

  
FRANK G. ZARB  
Assistant Secretary for  
Administration and Management

OFFICE OF ECONOMIC  
**OPPORTUNITY**

EXECUTIVE OFFICE OF THE PRESIDENT  
WASHINGTON, D.C. 20506

MAY 5 1972

Mr. M. E. Henig  
Associate Director  
Manpower and Welfare  
Division  
United States General  
Accounting Office  
Washington, D. C. 20548

Dear Mr. Henig:

Reference is made to your letter dated April 10, 1972 transmitting the draft report "Opportunities for Improving the Model Cities Program in San Antonio, Texas". The report has been carefully reviewed by both the regional and national offices of the Office of Economic Opportunity.

We appreciate the opportunity to review the draft report and have found the contents to be representative of the situation in San Antonio as we know it to be. We have no additional information to add or other recommendations to make. We will continue to support the Department of Housing and Urban Development in an interagency effort to improve the Model Cities program in San Antonio. The GAO report will be used to guide us in that effort.

If we can be of further assistance please let us know.

Sincerely,



Wesley L. Hjernevik  
Deputy Director

## PRINCIPAL OFFICIALS

RESPONSIBLE FOR THE ADMINISTRATION OF  
ACTIVITIES DISCUSSED IN THIS REPORT

Tenure of office	
From	To

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARESECRETARY OF HEALTH, EDUCATION,  
AND WELFARE:

Elliot L. Richardson	June 1970	Present
Robert H. Finch	Jan. 1969	June 1970
Wilbur J. Cohen	May 1968	Jan. 1969
John W. Gardner	Aug. 1965	May 1968

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENTSECRETARY OF HOUSING AND URBAN  
DEVELOPMENT (formerly Adminis-  
trator, Housing and Home Fi-  
nance Agency):

George W. Romney	Jan. 1969	Present
Robert C. Wood	Jan. 1969	Jan. 1969
Robert C. Weaver	Feb. 1961	Dec. 1968

ASSISTANT SECRETARY FOR MODEL  
CITIES (formerly Assistant  
Secretary for Model Cities  
and Governmental Relations,  
which was formerly Assistant  
Secretary for Demonstration  
and Intergovernmental Rela-  
tions):

Floyd H. Hyde	Feb. 1969	Feb. 1971
H. Ralph Taylor	May 1966	Feb. 1969

ASSISTANT SECRETARY FOR COM-  
MUNITY DEVELOPMENT (note a):

Floyd H. Hyde	Mar. 1971	Present
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APPENDIX X

<u>Tenure of office</u>	
<u>From</u>	<u>To</u>

DEPARTMENT OF LABOR

SECRETARY OF LABOR:

James D. Hodgson	July 1970	Present
George P. Shultz	Jan. 1969	June 1970
W. Willard Wirtz	Sept. 1962	Jan. 1969

OFFICE OF ECONOMIC OPPORTUNITY

DIRECTOR, OFFICE OF ECONOMIC OPPORTUNITY:

Phillip V. Sanchez	Sept. 1971	Present
Frank C. Carlucci	Dec. 1970	Sept. 1971
Donald Runsfeld	May 1969	Dec. 1970
Bertrand M. Harding (acting)	Mar. 1968	May 1969
R. Sargent Shriver	Oct. 1964	Mar. 1968

<sup>a</sup>Effective 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.

