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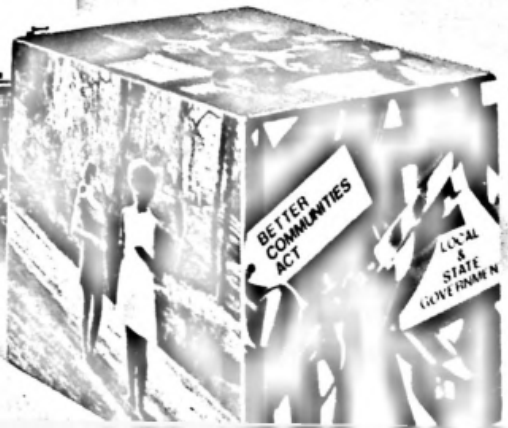
# Challenge

## Planned Variations



### Proposed Better Communities Act

**BETTER COMMUNITIES A**  
\$2.3 BILLION - FIRST YEAR FUND\*



**BETTER  
COMMUNITIES  
ACT**

**LOCAL  
&  
STATE  
GOVERNMENT**

## TABLE OF CONTENTS

Volume IV, Number 7 / July 1973

- 2 Proposed Better Communities Act—Revenue Sharing for Community Development
- 6 The Planned Variations Demonstration: An Overview
- 12 The Planned Variations Experience:
  - Butte, Montana
  - Houston, Texas
  - Indianapolis, Indiana
  - Tampa, Florida
- 18 Urban Systems Engineering
- 22 10-Mile Wide River
- 26 Agenda For Change: HUD's Training Program
- 29 Amenities—The Bridge Between Shelter and the Environment

### DEPARTMENTS

- 1 Looking Ahead
- 11 Notebook
- 21 In Print
- 28 Forum
- 33 Lines & Numbers

# HUD Challenge

U.S. Department of Housing and Urban Development

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## IN THIS ISSUE:



PAGE 2



PAGE 6



PAGE 22



PAGE 26

**PAGE 2:** President Nixon has said in relation to the Proposed Better Communities Act: "The Federal policy that will work best is one that helps people and their leaders in each community meet their own needs in the way they think best."

**PAGE 6:** HUD Under Secretary Floyd H. Hyde discusses the Planned Variations program begun in 1971, under which 20 Model Cities are involved in a demonstration of the principles of revenue sharing.

**PAGE 22:** HUD photo-journalist Richard Mowrey brought back from the flooded Mississippi Valley this story of one family and the aid they received through Federal disaster relief efforts.

**PAGE 26:** Current trends and changes in public administration have heightened HUD management's awareness that to accomplish the Department's mission, its human resources must be better developed.

### NEXT MONTH

HUD's disaster assistance function has grown from a few people working part-time to handle the *Camille* disaster in 1969 to a full staff operation of 21 people drawing emergency personnel from offices throughout the country whenever the President declares a National Disaster. Articles will depict this growth in staff and responsibility.

**COVER:** The Proposed Better Communities Act that the President sent to Congress on March 8 builds upon the Department's experience with Model Cities, Planned Variations, and General Revenue Sharing to help communities meet their needs in their own way.

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# looking ahead

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## Fair Housing Decisions

A U.S. District Court has found that the suburbs around Cleveland, Ohio, have refused to build low-income public housing for discriminatory reasons, and has ordered the Cuyahoga Metropolitan Housing Authority to formulate a plan specifying locations in these suburbs that reflect their need for low-income housing. The suburbs would then be expected to accept their constitutional obligations and further the national policy of equal housing opportunity by agreeing to the dispersal of this housing.

... In Hamtramck, Mich., Federal Judge Damon Keith ordered the City to build housing and change its fair housing and zoning laws to give 4,000 black residents, forced out of the community by urban renewal, a chance to move back. ... This was the first time that a Federal judge has ordered a locality to build housing and change its local laws to make up for past discrimination.

... In Gadsden, Ala., the Greater Gadsden Housing Authority has been ordered by a U.S. District Court to carry out a policy that would lead to desegregation of its public housing and to comply with HUD's requirements that applicants be assigned on a racially nondiscriminatory first-come, first-served basis. The court rejected the GGHA's argument that adoption of the HUD plan would weaken its financial condition. GGHA is forbidden to practice future discrimination and must take affirmative steps to eliminate the continuing effects of past discrimination.

## High-Rise Uneconomic?

A Price, Waterhouse study commissioned by the Borough of York, in Toronto, Canada, has concluded that higher buildings do not result in higher revenue to a municipality. The study found that additional revenues from high-rise apartments are offset by additional costs to the municipality for servicing the buildings and the people they house.

## Residential Construction

According to Wilfred Lewis and Graham C. Scott of the National Planning Association, "The strong growth exhibited in residential construction during 1972 is expected to taper off during 1973, with expected higher interest rates and tighter credit causing a re-occurrence of the counter-cyclical trend in housing due to competition for funds with business investment. While government housing programs have, in recent years, insulated the housing market from this financial cycle, the absence of new commit-

ments to subsidize housing should reverse this trend (such commitments involved 14 percent of total housing starts in 1972). Housing starts should be off about 12 percent from their 1972 average of 2.1 million, slipping below the 2.0 million mark during the fourth quarter of 1973. Total spending on residential structures is expected to drop steadily from \$57.3 billion during the first quarter of 1973 to \$53.2 billion during the fourth quarter of 1973."

## Accomplishment of Regionalism

The Denver (Colo.) Regional Council of Governments states, "Perhaps the most decisive accomplishment in regionalism in recent years was the acceptance in late 1972 by local governments that housing was a matter of primary concern throughout the area.

"The precedent-setting decision was made by the Council of Governments through formal adoption of a Regional Housing Plan. The major tool the Council provided to disperse some 21,450 needed low- and moderate-income housing units throughout the five-county area was a fair-share allocation plan."

## "Nighttime Empty Downtown"

Expected to go into construction in the fall of 1974 is the Myriad Gardens project designed to transform Oklahoma City's "nighttime empty downtown" into an arts and shopping park that will bring people downtown at night. As planned, the scheme will carve a landscaped canyon out of the center of the city, terrace it with shops, movies, museums, restaurants, and cultural, civic, and commercial facilities, and a two-acre lake. The scheme was conceived by the mayor of Oklahoma City and is sponsored by the Chamber of Commerce and the Urban Renewal Authority.

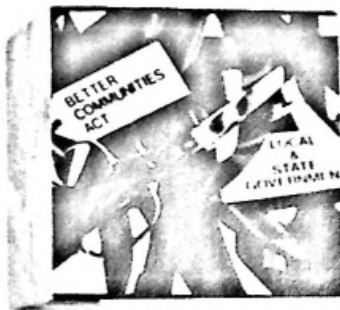
## Bricks From Waste

Bricks made from ocean bottom dredgings are being used to build a resort complex in the Bahamas. The blocks are described as having knurled edges that hold the inner and outer faces together, and can be laid by unskilled labor without the use of mortar. Cavities may be foam-filled for additional insulation. The bricks, called TekBrik, can be made from inorganic waste, including mine tailings, oyster shells, fly ash, slag, or rubbish that has been incinerated into a residue called "frit," according to the Tekology Corporation which has also experimented with bricks made from crushed glass containers. TekBriks will be used to build a prototype, three-bedroom house in Georgia.

# THE PROPOSED BETTER COMMUNITIES ACT\*

## Revenue Sharing for Community Development

\*Submitted to the Congress  
April 19, 1973.



"Many of the structures and systems we have developed under Planned Variations will be utilized to carry out community development special revenue sharing."

Mayor James H. McGee,  
Dayton



The White House  
Washington, D. C.

*"America's communities are as diverse as our people themselves. They vary tremendously in size—from massive cities to medium-sized urban and suburban areas, to small towns and rural communities.*

*Just as importantly, each of our communities has built up strong individual characteristics over the years, shaped by region, climate, economic influences, ethnic origins and local culture.*

*Of course, communities do share common needs and concerns. People in every community want adequate housing, transportation, and jobs, a clean environment, good health, education, recreation facilities, security from crime and fear, and other essential services. But local priorities differ; the intensity and order of local needs vary.*

*Clearly, no single, rigid scheme, imposed by the Federal Government from Washington, is capable of meeting the changing and varied needs of this diverse and dynamic Nation.*

*There is no 'best' way, no magic, universal cure-all, that can be dispensed from hundreds or thousands of miles away.*

*What is good for New York City is not necessarily good for Chicago, or San Francisco, much less for smaller communities with entirely different economies, traditions and populations.*

*Too often in the past we have fallen into the trap of letting Washington make the final decisions for St. Louis, Detroit, Miami and our other cities. Sometimes the decisions were right, and programs have succeeded. Too often they were wrong, and we are still paying the price.*

*The time has come to recognize the errors of past Federal efforts to support community development and to move swiftly to correct them.*

*The results of past errors form a disturbing catalogue:*

- They have distorted local priorities.
- They have spawned a massive glut of red tape.
- They have created an adversary climate between local communities and Washington which has often led to waste, delay and mutual frustration.
- They have contributed to a lack of confidence among our people in the ability of both local and national governments to solve problems and get results.
- They have led to the creation of too many complex and often competing Federal programs.

● Perhaps worst of all, they have undercut the will and the ability of local and State governments to take the initiative to mobilize their own energies and those of their citizens.

*The Federal policy that will work best in the last third of this century is not one that tries to force all of our communities into a single restrictive mold. The Federal policy that will work best is one that helps people and their leaders in each community meet their own needs in the way they think best.*

*It is this policy which binds together the many aspects of our community development programs.*

*In the near future, I will submit to the Congress the Better Communities Act to provide revenue sharing for community development. Beginning July 1, 1974, this act would provide \$2.3 billion a year to communities to be spent as they desire to meet their community development needs. In the interim period before the legislation becomes effective, funds already available to the Department of Housing and Urban Development will be used to maintain and support community development.*

*The Better Communities Act is intended to replace inflexible and fragmented categorical grant-in-aid programs, and to reduce the excessive Federal control that has been so frustrating to local governments.*

*Rather than focusing and concentrating resources in a coordinated assault on a set of problems, the categorical system scatters these resources and diminishes their impact upon the most needy. Excessive Federal influence also limits the variety and diversity of development programs. Local officials should be able to focus their time, their resources and their talents on meeting local needs and producing results, instead of trying to please Washington with an endless torrent of paperwork.*

*I first proposed such legislation in 1971, and although the Congress failed to enact it, significant support was expressed in both the Senate and the House. Since that time, members of my Administration have been consulting with Congressional leaders, mayors, Governors, other local officials and their representatives. Many constructive suggestions have been received and will be incorporated in my new legislative proposal. As a result, I believe the Better Communities Act will represent our best hope for the future of community development and will deserve rapid approval by the Congress."*

Richard Nixon  
Community Development Message  
March 8, 1973

The Better Communities Act replaces the following present HUD categorical programs: Urban Renewal (including Neighborhood Development Programs, Code Enforcement, Demolition Grants, and Interim Assistance); Model Cities; Neighborhood Facilities; Water and Sewer Grants; Open Space and Historic Preservation; Rehabilitation Loans; and Public Facilities Loans. Other HUD authority, including housing and community planning authority, is not replaced by the Act.

#### Activities For Which Funds May Be Used

The Better Communities Act special revenue sharing funds may be used for any community development activities permitted by any of the categorical programs being replaced. Thus, such activities may include:

- Acquiring, clearing, and improving real property;
- Purchasing and developing open space, historic sites, parks and playgrounds;

- Relocating people and businesses displaced by community development activities;
- Building streets, malls, neighborhood and community centers, recreation areas;
- Rehabilitating residential or commercial properties;
- Eliminating harmful physical conditions that endanger health or public safety; and
- Providing community services considered necessary to carry out the community development objectives of the particular community.

A community which wants to use all or a part of its Better Communities Act funding to continue activities heretofore funded under any of the HUD categorical programs being replaced is free to do so. The important change is that the decision to maintain, discontinue or expand any current activity, or to start new activities, will be made at the local level by local elected officials.

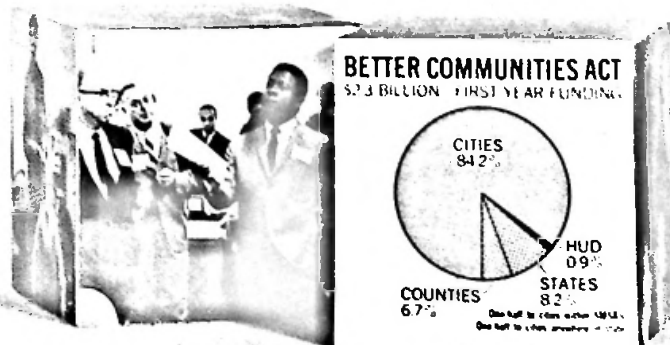
#### Funding Levels

President Nixon proposes that the annual funding of the Better Communities Act during its initial years be at a \$2.3 billion level, which exceeds the amounts appropriated and expended for the current fiscal year for all of the categorical programs which would be replaced.

#### Distribution Based on Need

A basic purpose of the Better Communities Act is to disburse Federal community development funding for urban areas on the basis of need. Under the current Federal categorical programs assistance is on a piecemeal project-by-project, application-grant basis. There is poor correlation between the relative needs of communities, one to the other, and the funding a particular community may have received. There are many reasons for this. For example, in a given year, the aid available under a particular categorical program may fit some communities' plans to solve their community development problems but not the plans of other communities under the structure of the same program. Some cities have received Model Cities funding but others have not. Some communities are skilled in dealing with the Federal bureaucracy and red tape and others are not.

Under the Better Communities Act, these vagaries of funding would be eliminated over an initial transitional



period and the allocation of Federal community development funds to cities and urban counties and for metropolitan areas would be based on their relative needs as determined by objective standards.

#### **The Needs Formula**

From statistical information available, three factors have been chosen to determine community development need. These are population, the extent of overcrowded housing and the number of people living below the poverty level of income. Recognizing the special needs of the poor, the poverty factor would receive double weight in the formula.

#### **Basic Entitlement Funding for Cities and Urban Counties**

A large share of the total funds appropriated annually under the Act—about 75% by the fifth year at a \$2.3 billion level, as an example, would be allocated and made available directly to the following:

- All central cities in metropolitan areas.
- All cities over 50,000 population.
- All urban counties with a population of over 200,000 (excluding cities mentioned above).

#### **Basic Entitlement Funding for Specific SMSA's**

The Act recognizes the interrelation of central city and metropolitan area challenges and opportunities. Under the Act, a share of the total funds appropriated annually—about 22% by the fifth year at a \$2.3 billion level, as an example—would be allocated to the States on the basis of the relative needs, nationwide, of all of the metropolitan areas (SMSA's). About half of these funds allocated to States would have to be directed proportionately, on the needs formula, to communities in the various metropolitan areas. This will enable State government to respond to the needs of its smaller metropolitan communities for assistance and technical expertise.

#### **State Discretionary Funds**

The balance of the funds allocated to the States could be directed to any SMSA or other smaller communities, and be used for State expenses incurred in the administration of the Act.

#### **Transition**

A number of cities and other local governments have been funded under the categorical programs at levels higher than they would receive under the needs formula. Although the ultimate objective is to have all allocations be on the basis of relative need, a transitional period is necessary to permit adjustment to the needs formula funding levels. Accordingly, the Act contains a "hold harmless" provision.

The hold harmless amount will be equal to:

- The sum of the average funds received in fiscal years 1968-1972 from urban renewal, rehabilitation loans, open space grants, neighborhood facilities, public facilities loans, water and sewer grants; plus
- An amount equal to the annualized Neighborhood Development Grants over the "life" of the city's program

(from the first action year starting date to the completion of the last action year—FY 68-72); plus

- An amount equal to the annualized grant for Model Cities over the "life" of the city's program (from the first action year starting date to the completion of the last action year or June 30, 1972, whichever is later).

Smaller communities not receiving an entitlement share according to the needs formula would also qualify for a hold harmless amount calculated in the same manner as above, provided they have active Model Cities, or NDP or urban renewal programs, the latter funded in the last five years.

These hold harmless funding levels would remain constant during the entire first two years under the Act. During the three years thereafter, the excess of hold harmless over the needs formula entitlement would be decreased uniformly and the funds made available by this would be added mainly to the needs formula amounts allocable to all entitlement cities and urban counties and to the State funds described above.

Just as there are some cities with "hold harmless" amounts above their entitlement share determined on the needs formula basis, there are many cities and urban counties entitled to funds on the needs formula basis which have received much less, if anything, under the categorical programs. These cities and urban counties presently funded below their formula share will have their funding adjusted upward during the initial years of the Act, until the third year when they will be funded on a full formula entitlement basis. This will afford time for these communities to adjust to substantially higher funding levels and permit transitional hold harmless funding for other communities within a feasible overall funding level for the Act.

#### **Federal Red Tape Is Eliminated**

Each of the categorical grant programs now requires a locality to submit a separate and complex application which must be reviewed and approved for technical conformity by one or more levels of Federal officials.

Under the Better Communities Act, the localities and States to receive the funds will not be required to submit applications for Federal approval. They will provide in advance of funding a statement of community development objectives and proposed uses of the funds for the particular year. A proposed version of this statement will be published by each locality and State at least 60 days before it is finalized so as to allow local citizens an opportunity to examine and comment on its provisions and proposals. Only after such period for examination and comment would the plan become final. Thereupon a copy of the plan, certified as to compliance with the procedures and other provisions of the Act, would be furnished to the Secretary and, if a local plan, to the State.

After the first year of the Act, participating local and State governments will be required to include in their

publication each year an assessment of the activities previously undertaken.

To assure local adherence to the Act, the Federal Government would periodically audit local records to assure that funds were used for the purpose of community development.

#### **Local Finances Will Be Helped**

Local government will receive three immediate benefits from the Better Communities Act. First, the Act will require no local matching share in the funding of projects, freeing local funds. Second, Better Communities funds may be used by a community as its share for any other community development program. Third, the high costs of developing applications for categorical grants will be eliminated.

#### **Previous Grants Made By HUD Remain With The Locality**

Funds already obligated by the Federal Government under existing categorical programs will remain with the locality for use in accordance with the terms of the grant.

Urban Renewal projects initiated under Title I of the Housing Act of 1949 may be converted by the community to Better Communities Act funding and regulation. This will be achieved by closing the project's financial records, and conversion of the assets and liabilities of the project to assets and liabilities against the community's future shared revenue entitlement.

#### **Protection Will Be Afforded Minority Individuals**

The Federal Government has long played a prominent role in protecting the rights of minority individuals. Therefore, this Act provides that no person can be denied access to or the benefits of any facility, service or activity conducted, in whole or in part, with Better Communities funds. The rights of every person are protected regardless of race, color, national origin or sex. Funds distributed under the Act may be used to further these objectives.

#### **The Federal Government's Role**

A small portion of the total funding under the Act—approximately 1% in the first year—will be available to HUD to apply to purposes of the Act at the discretion of the Secretary.

The increased responsibilities placed upon State and local governments under the Better Communities Act, as well as other Administration initiatives, make the development of management capacity more important than ever before. Therefore, the Administration will soon send to the Congress a proposed Responsive Government Act which will build upon the successes of the existing comprehensive planning assistance program, known as "701" by giving substantially increased emphasis to strengthening and improving the management capacity of State and local government. Under this Act, assistance would be available for such things as:

- Developing and analyzing information needed to identify problems and opportunities;

- Developing and analyzing alternative policies and programs;

- Managing and coordinating the implementation of programs; and

- Evaluating the results to propose adjustments as appropriate.

HUD will also audit the financial records of each locality to assure that funds had been expended for purposes authorized by the Better Communities Act. HUD and the Attorney General would originate and prosecute cases in which persons had been deprived of their rights to equitable treatment as specified by law.

#### **Five Year Authorization**

The Administration asks for a five-year authorization to permit a sufficient length of experience for evaluation purposes and permit the transitional funding periods to be completed. A five-year commitment will enable State and local governments to plan better development programs. ☺

#### **Proposed Better Communities Act Highlights**

- Replaces existing HUD categorical programs with a special revenue sharing system which enables local leaders to use the Federal funds for community development in accordance with local objectives and priorities.

- Provides the funds directly to local elected governments, the governments most responsible to the people affected by the decisions.

- By allocating funds by formula on the basis of need provides funding for many communities not reached under the present HUD programs being replaced.

- By a hold harmless provision, protects communities heretofore receiving funding under the categorical programs against inequity in the transition to the special revenue sharing approach.

- Under the formula, based on need, assures automatic annual funding to metropolitan cities and urban counties.

- Under a needs formula, assures an allocation of funds for each metropolitan area.

- Provides a significant role for State governments.

- With the flexibility given local and State governments, eliminates Federal red tape and bureaucratic restrictions.

- Assures accountability of local citizenry by mandatory publication of the proposed plan for spending the Federal funds for at least 60 days in advance of plan finalization.

- Protects legitimate Federal concerns through public disclosure, reporting procedures, post-audits and other provisions.



# THE PLANNED VARIATIONS DEMONSTRATION

## An Overview

By Floyd H. Hyde, HUD Under Secretary

In 1971 President Nixon launched Planned Variations as a demonstration of many of the principles of revenue sharing. Twenty model cities are involved in the demonstration which permits them to extend their activities citywide, to institute a local chief executive review and comment procedure for all Federal programs involving the city, and to reduce Federal administrative and review requirements connected with Model Cities activities. The 20 cities were selected after an interagency work group had forwarded its recommendations regarding which of the 147 Model Cities should be included in the demonstration. The group included representatives from the Departments of Housing and Urban Development; Health, Education, and Welfare; Transportation; Labor; the Office of Economic Opportunity; and the Office of Management and Budget.

In his August 1972 statement announcing the second year of Planned Variations, President Nixon stressed the goal of the Administration to transfer decision making power from Federal to local hands. "Local elected officials," he said, "have far too long been held accountable for actions over which they have little or no authority. This Administration is dedicated to giving local officials the authority so that they can get on with the job."

### Overview

The need for local governments to develop conscious policies for guiding the development of their communities gained recognition in 1966 when Congress enacted the Demonstration Cities and Metropolitan Development Act creating the Model Cities program. By providing cities with flexible funds to be used at their discretion in dealing with the full range of problems confronting a city, the Congress recognized that the various aspects of urban life are not separable, but are interwoven. Furthermore,

the interrelated problems of cities can best be defined and addressed by local officials.

While some new ways of integrating public and private efforts to improve living conditions in our Nation's poorest neighborhoods emerged from Model Cities, certain procedures limited its effectiveness. In 1970 President Nixon directed the Domestic Council to conduct an intensive review of the program and to develop recommendations for improving it.

From the analysis and recommendations there emerged three central features of Planned Variations, to be undertaken in a limited number of model cities:

1. Citywide Strategies. In this variation cities were given additional Model Cities supplemental grant funds for the purpose of expanding Model Cities plans and programs to cover blighted areas throughout the city. Prior to this, most cities had been required to limit their Model Cities programs to specified neighborhoods.

2. Simplification of Federal Rules and Regulations. Cities were encouraged to request waivers of administrative requirements for HUD and other Federal programs. HUD issued greatly simplified application requirements for the release of Planned Variations funds.

3. Chief Executive Review and Comment (CERC). The local chief executive, representing the local general purpose government, was given stronger coordinating powers through the opportunity to review and comment on all applications for Federal assistance affecting the community.

Of the 20 cities selected to participate in the demonstration, 16 are taking part in all three variations. Four cities are participating only in the third variation (CERC).



"Elected city officials are now capable and willing to assume the responsibility of solving our people problems."

Mayor Ted C. Wills,  
Fresno





### Citywide Strategies

One of the problems encountered in Model Cities is that the program has limited the area of concern in most cities to a neighborhood or neighborhoods representing a very small percentage of the city's total population. Such a limitation seriously hampers the ability of local government to concentrate its resources and attention because of the legitimate demands of other areas of significant need in the community.

Expansion of Model Cities plans and programs to cover deteriorated areas throughout the city under Planned Variations changed the nature of the Model Cities program drastically. No longer was it a program to be administered by an agency of the city for one neighborhood. Now it became local general purpose government's comprehensive citywide strategy for meeting the needs of low- and moderate-income people.

Cities participating in this variation received a substantial increase in Model Cities funds. These funds are being used to develop and carry out citywide comprehensive plans for improving conditions in deteriorated areas throughout the city. The projects and activities undertaken with these funds are determined by local general purpose government, based on an analysis of local needs and priorities. Each city is free to set its own priorities and develop its own strategy for expanding programming to additional blighted areas.

### Simplification

Normally cities using Federal funds must comply with a variety of rules and regulations first in seeking grants and then in carrying out programs. While some of these rules are statutorily based, many are administratively set. Such rules frequently cause serious program delays and increase local costs, as was borne out by the Model Cities experience.

This variation, then, is designed to demonstrate the capacity of local general purpose government to use Federal funds wisely, without the usual delays and constraints imposed, often unnecessarily, by such administrative regulations. Other Federal agencies and Departments are cooperating with HUD in attempting to give favorable consideration to requests from Planned Variations

cities for waivers of administrative policies and procedures which duplicate staff efforts without offsetting benefits to the community.

### Chief Executive Review and Comment (CERC)

Implicit in the CERC variation is the major thrust of Planned Variations—a demonstration of urban policy which allows local general purpose government to be the level of government responsible for how federally collected tax dollars are to be spent locally.

In past decades most Federal and State funds expended in cities have not been controlled by local general purpose government. The bulk of Federal funds flowing into cities has simply bypassed the local chief executive. For example, in a statement presented during a study of the impact of Federal programs in Oakland, California, in the late sixties, Mayor John Reading declared: "Of those Federal programs in the City of Oakland during 1967-68, less than 10 percent according to our best computations were programs for which I as Mayor had control over the content and administration. In other words, in more than 90 percent of the programs the Federal Government dealt directly with agencies which were separate or autonomous from the general purpose government of Oakland." Obviously, local elected officials cannot be expected to plan and carry out a rational community development process if their priorities are periodically circumvented by actions which they do not even know about. The CERC variation provides the local chief executive the opportunity to know about and comment on all applications for Federal grants affecting his community before funding decisions are made.

Model Cities supplemental funds have been provided to allow the 20 Planned Variations cities to build staff capability for analyzing citywide needs and establishing



"Planned Variation has permitted the City of Waco to respond to the needs and conditions of the people and their environment."

Mayor Harold L. Mathias,  
Waco



# CHIEF EXECUTIVE REVIEW & COMMENT FOR STATE ADMINISTERED PROGRAMS

## CERC Activity Flow State of Ohio/Dayton

### Initial Steps:

- ☐ State agencies, departments, boards and commissions, responsible for providing funds to local grantees, send out guidelines which include all of the necessary steps, forms and information required to complete an application or contract for review by the appropriate State and local agencies.
  - ☐ Local eligible applicant determines whether or not to pursue funding.
- Sufficient program planning takes place to allow the applicant to provide the information required by the CERC Project.

### Early Notification & Review System:

- ☐ The letter of intent must include:
    - (1) Completed CERC Project Summary
    - (2) Checklist of all agencies contacted and the contact person in each agency
  - ☐ The letter of intent must be submitted to:
    - (1) City of Dayton—Office of Program Review (OPR)
    - (2) Metropolitan Clearinghouse (MCH)
    - (3) State Clearinghouse (SCH)
- Not less than 60 calendar days prior to application due date.

### Review Steps of the Letter of Intent

- (1) Contacts are made with the applicant, other agencies involved, agencies providing similar services and designated umbrella review agencies, where appropriate, by OPR, MCH, & SCH
- (2) Reviewing agencies reserve the right to notify applicants of their intent to:
  - a. waive review of final application
  - b. request final application for review
  - c. request a conference with the applicant to resolve any difficulties with the proposed application

### Review of Final Application:

- ☐ The applicant prepares and submits the final application 30 calendar days prior to the due date for final proposal submission.
- ☐ A review of the final application is conducted by OPR, MCH, & SCH. Contacts are made with applicant, the agencies involved, agencies providing similar services and designated review agencies, where appropriate.

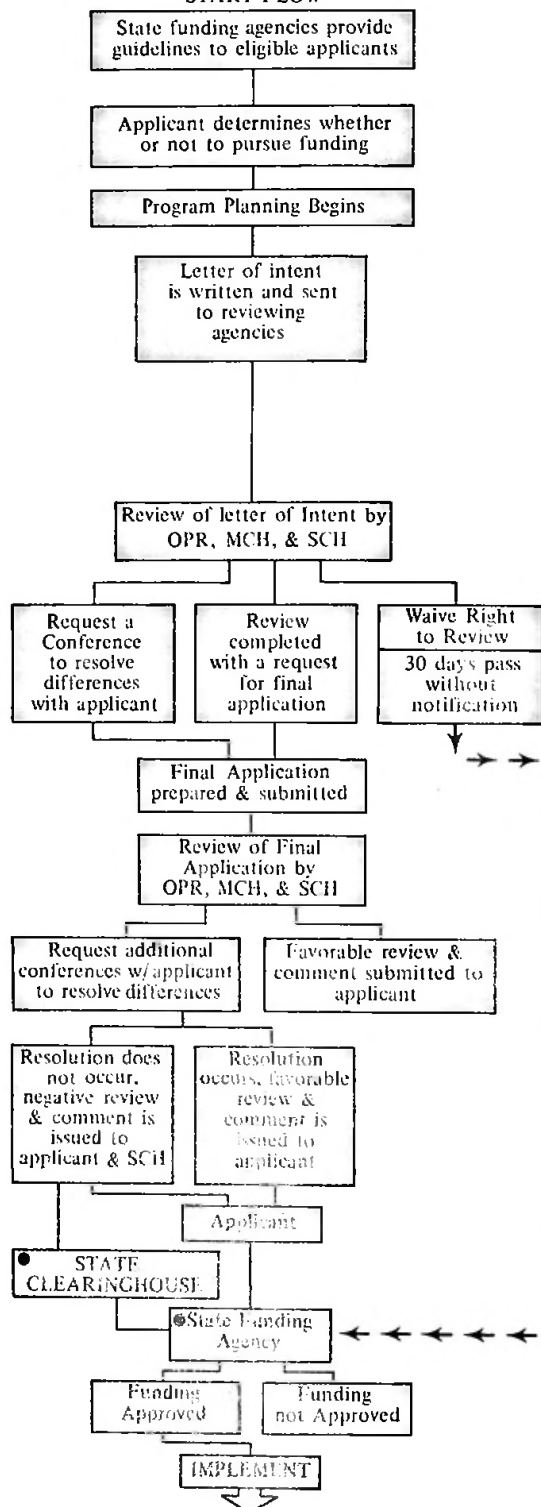
### Reviewing agencies reserve the right to:

- (1) Issue to the applicant a favorable review & comment, which becomes a part of the final application
- (2) Request additional conferences with applicant to resolve any problems with final application as follows:
  - a. If resolution occurs, a favorable comment is issued
  - b. If resolution does not occur, a negative review and comment is issued to applicant and SCH

### States Response to Chief Executives Comments:

- The State Clearinghouse is responsible for insuring that the State Funding Agency responds to negative comments.
- The State Clearinghouse is responsible for coordination of response to negative comments.
- The State Clearinghouse is responsible for withholding funding of projects until response to negative comments.
- The State Funding Agency is responsible for reviewing all comments relative to the proposed program.
- The State Funding Agency makes final decision whether or not to fund the program.
- If funded, all involved parties are notified by the State Clearinghouse and implementation begins.

### START FLOW



priorities among them. By comparing individual applications against such priorities, the local chief executive is able to determine the degree to which a particular project contributes to the city's overall development objectives. Thus, he is able to supply Federal decision makers with a better understanding of the relevance of each application to the broader development of the community.

This does not give the local chief executive a veto power. Participating Federal agencies are not bound by the recommendations. But they do give strong weight to the views expressed by the local chief executive.

Planned Variations Cities	Total Two-Year Planned Variations Funding (Millions)
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Butte, Mont.	\$ 3.0
Dayton, Ohio	10.4
Des Moines, Iowa	7.4
East St. Louis, Ill.	7.6
Erie, Pa.	5.8
Fresno, Calif.	9.8
Indianapolis, Ind.	17.0
Lansing, Mich.	6.6
Newark, N.J.	14.0
Norfolk, Va.	16.0
Patterson, N.J.	8.2
Seattle, Wash.	10.4
Tampa, Fla.	14.2
Tucson, Ariz.	11.0
Winston-Salem, N.C.	6.6
Waco, Tex.	9.2

All Three Variations:  
Citywide Programs  
Simplification  
CERC

Houston, Tex.	.4	CERC Variation Only
Rochester, N.Y.	.4	
San Jose, Calif.	.4	
Wilmington, Del.	.4	

**PLANNED VARIATIONS** is a two-year demonstration in 20 cities which permits:

- Extension of Model Cities activities citywide;
- Review and comment by the local chief executive on all Federal programs involving the city;
- Reduction of Federal administrative and review requirements.

The CERC variation relates directly to another effort by the Federal Government to strengthen Federal-State-local procedural and information links called the A-95 Project Notification and Review system. Office of Management and Budget Circular A-95, implemented in 1969, sets up procedures requiring review and comment by State and areawide officials on certain applications for Federal funds. CERC is meant to increase a city's capacity to use the A-95 system by providing funds which strengthen a chief executive's staff capability to perform review and comment functions. In addition, CERC included some programs not currently covered by A-95.

#### Interagency Coordination

The responsibility for coordinating the Federal role in this demonstration is lodged with the Federal Regional Councils (FRCs). HUD is providing financial assistance to FRCs to assist them in monitoring and evaluating the Federal response to city needs, as well as in helping the cities to assess their own progress in the demonstration. FRCs are coordinating groups set up in each of the 10 Federal regions to improve the performance of the members' constituent agencies in delivering Federal assistance to State and local governments. Nine agencies are represented on the FRCs: HUD; Departments of Health, Education, and Welfare; Labor; Transportation; Interior; and Agriculture; the Environmental Protection Agency; Law Enforcement Assistance Administration; and the Office of Economic Opportunity.

#### The Way Ahead

President Nixon summed up the fundamental concept of Planned Variations in his August 1972 statement: "Instead of focusing... decisions in Washington, one fundamental thrust of my Administration has been to develop power-to-the-local-people programs under which local officials—who know the local scene the best—are given funds and the freedom to allocate those funds as local conditions suggest, with a minimum of Federal red tape and regulations."

My conversations with the Mayors and City Managers of Planned Variation cities tell me that the hope behind those words of the President is, to a great extent, being fulfilled. We have minimized red tape. The second year Model Cities application filed by Erie, Pennsylvania



amounted to 509 pages; its Planned Variations application was reduced to 88 pages. Waco reduced its 326 page third year application to 31 pages for Planned Variations funding. These paper work reductions are real accomplishments; but we can certainly do better. Under the Better Communities Act, I am confident that no city will be sending HUD a submission that is even 33 pages long, not to mention 88 pages!

As much as has been done toward decreasing the size of applications, and toward prompt HUD review of them, there still remains the statutory requirement that an application be submitted to HUD for review. With the passage of the proposed Better Communities Act, however, HUD would no longer review applications for project feasibility and quality. This would be the job of local government.

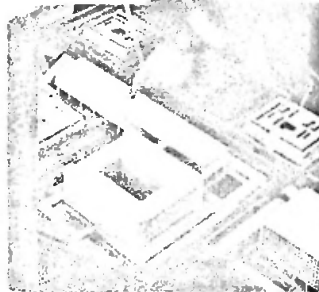
As flexible as the current Model Cities legislation now is, it prevents a city from spending its Model Cities funds in any section of the city it chooses. The Better Communities Act has no such restriction.

Current Model Cities legislation requires that the funds be spent on a comprehensive program. However, some cities may wish to concentrate on a few priorities; they may not want to be "comprehensive" with the funds available. The Better Communities Act would allow this flexibility.

There are now only 147 Model Cities throughout the country, 20 of them Planned Variations cities. They have learned a great deal, and it is HUD's intention to make available to other cities across the Nation some of the lessons learned by them, particularly through the Planned Variations demonstration. But now it is time for a Federal initiative which would allow hundreds of other cities, the States, and the urban counties the opportunity to use versatile community development funds for the priorities they themselves set.

If the Planned Variations experience has been valuable to cities, and the evidence is that Mayors and City Managers believe it has been, then we have seen a preview of how valuable the Better Communities Act will be to hundreds of other units of government throughout the Nation.

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"...a recent increase in the quality of life of our fellow citizens has also seen a substantial increase in the quality of local government."

Mayor Louis J. Tuillio,  
Erie

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## notebook

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On May 8 the President sent to Congress the Disaster Preparedness and Assistance Act of 1973. The proposed legislation centralizes in HUD the major disaster activities now divided among several Federal agencies, including the Farmers Home Administration and the Small Business Administration. It also provides for the establishment of a single revolving fund for all disaster loans and for specific disaster assistance through low-income and emergency housing grants. It also would streamline the management of the disaster program by standardizing the assistance benefits and by providing uniform criteria for disaster declarations. The Act proposes a greater management role and discretion over the use of disaster assistance by State and local governments and strengthens the disaster preparedness program at both Federal and State levels.

There has been a "phenomenal" rise in the number of flood insurance policies issued since January under the federally subsidized National Flood Insurance Program, according to Federal Insurance Administrator George K. Bernstein. He said new communities are becoming eligible for the program at the rate of 130 a month, with policy sales reaching 17,000 in April 1973. The number of participating communities now stands at 2,009, he reported, and in four months the number of policies has jumped from 137,000 to over 200,000.

HUD's San Francisco Area Office participated with Mayor Alioto and the City's director of redevelopment in a contract-burning ceremony that marked completion of the Western Addition A-1 urban renewal project, begun 20 years ago as an effort to renew an entire neighborhood. The project results are: 1,818 new units of housing, the new St. Mary's Cathedral, the Japanese Cultural and Trade Center, expanded school sites, playgrounds, medical facilities and libraries. Many of the buildings in the Western Addition A-1 have won national design awards.

A study of the psychological implications of the design of housing commissioned by the New Jersey Department of Community Affairs calls for design that contributes to the tenant's positive self-image and satisfies his desires for privacy and socializing. It is recommended that urban projects include television rooms, general purpose areas, a teenagers' center and quiet rooms. It also says that low-income tenants should be trained in repair skills to foster feelings of personal power and efficiency, and to help keep the project intact physically.

Owners of housing in poor and blighted neighborhoods are paying property taxes at substantially higher rates than owners in other neighborhoods, according to a study recently completed for HUD by Arthur D. Little, Inc.

Higher tax rates on property in poor neighborhoods result when local property assessments fail to keep pace with changes in property values. In most blighted neighborhoods, the property values are declining or close to zero. The HUD survey asserts that major repairs do not lead to reassessment and that upgraded properties usually incur no increased tax burden whatsoever. High effective tax rates in blighted neighborhoods lessen the opportunity for the transfer of property to activist owners who would be more inclined toward rehabilitation.

The Wilmington (Delaware) Housing Authority has begun a program to alter its public housing projects by deversifying the tenant families. Using a computerized tenant selection process, the authority will aim for a new mix of families to include those on welfare with young children, as well as smaller families with higher incomes. If the authority could double the number of non-welfare families—to about 32 percent of its resident population in the family projects—its rental income would increase by about \$225,000 over its present \$2.4 million budget.

Dr. Gloria E. A. Toote is to be HUD Assistant Secretary for Equal Opportunity. Dr. Toote will be responsible for administering HUD's civil rights and equal opportunity programs in housing, employment and business opportunity. She comes to HUD from ACTION where she served as Assistant Director and directed the Office of Voluntary Action Liaison since November 1971. In that capacity, she was concerned with developing private sector interest in ACTION programs relating to all former volunteers of the Peace Corps, VISTA and five other voluntary agencies.

Suzanne Hassett and Gary J. Kopff have been appointed Special Assistants to Secretary Lynn. Ms. Hassett was a Special Assistant to the Assistant Secretary for Legislation in the Department of Health, Education, and Welfare from October 1971 until she came to HUD. Her major areas of responsibility were social services and welfare legislation, including the President's proposed welfare reform bill, aging, vocational rehabilitation, and juvenile delinquency legislation.

Mr. Kopff had been an analyst in the Office of HUD's Deputy Under Secretary since November 1968. Among his major areas of responsibility were the development of the Administration's original Urban Community Development Revenue Sharing proposal and analysis of the subsidized housing programs. From July 1968 to November 1968 he worked with the HUD Regional Administrator in New York.

# The Planned Variations Experience

## Citywide Experiment Pays Off

By Mario Micone,  
Mayor, Butte, Montana

Target areas versus citywide strategies—which one makes more sense for sound community development planning and operation? This issue is much discussed now as HUD moves toward community development revenue sharing called for in the proposed Better Communities Act. Butte, Mont., has been a part of a HUD experiment to help answer that question, and I think we have some evidence that speaks directly to that question, as far as smaller cities are concerned.

Butte is an old mining town with a stable municipal population of 23,000 and an adjacent suburban

county population of about the same number. From June of 1969 to June of 1971 we were participating in the Model Cities program as were 149 other large and small cities throughout the country. We had designated as a Model Neighborhood a target area covering about half of our city's geographic area and population.

### Improving the Whole City

As our Model Cities program progressed, it became more and more ludicrous to plan municipal development as if half the city and its problems did not exist. We were actually missing opportunities to make lasting improvements for the whole city. A case in point is our kindergarten program. Montana did not have any kindergarten programs. On the basis of Headstart and other pre-school programs, we knew, however, that Butte's children were being short-changed without such a program. So in our first year we made a heavy commitment (almost 10 percent of our annual Model Cities grant) to this single project, which we called Springboard.

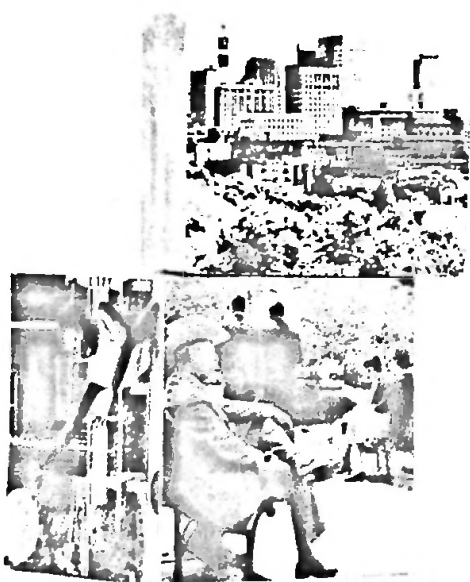
Because of Federal requirements, we had to limit enrollment to children who were to attend schools within the defined Model City neighborhood. After two years of very successful operation, the school board went to the voters to ask for a special mill levy to finance a District-wide kindergarten program. That proposal lost for a number of reasons, one of which was that parents outside the project neighborhood did not have any first-hand experience with what Springboard was going to do for their own children. Many parents of Springboard children, while in favor of continuing the pro-

gram, also voted against the levy request. This was understandable since they were receiving free services for their children already. Why should they vote to pay extra for a free commodity?

### A Second Look

After the unsuccessful mill levy attempt and with the new authority the Planned Variations demonstration allowed, we decided to give the parents of Butte an unbiased second look at the program rather than settle for the limited prospects of continuing to operate the program only in the Model City area. We expanded the program citywide and enrolled children throughout the district. Parents from outside the project area began seeing what kindergarten could do for their own children.

With this expanded base of support, we were able to institutionalize the program. During the last session of the State Legislature, a bill was introduced, authorizing, for the first time, inclusion of pre-school instructional programs in the State Education Foundation Program. The bill passed with unanimous support of the local legislative contingent. The school district has committed itself to continue the Model City-initiated kindergarten program as a permanent



feature of Butte's education system under this new State legislation. The Springboard program will soon be operating on a citywide basis, and without depending on Federal dollars.

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## **'CERC' and Its Value for the Mayor**

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By Louie Welch,  
Mayor, Houston, Texas

In Houston, in January 1972, the Planned Variations Division was established in the Office of the Mayor.

Houston is one of four CERC-only cities in the Planned Variations program. The objective of the system is to give the Mayor the opportunity to review and comment, in relation to the overall objectives of the city, on Federal programs that are planned or are operating in the city. This, in essence, gives the city the capability to coordinate planning and implementation of Federal grants for city-wide improvement.

### **Federal Regional Council Gives Strong Support**

In February 1972, the Southwest Regional Council unanimously passed a resolution expressing full support of the Chief Executive Review and Comment programs in Houston and Waco, and instructed all of the participating agencies to submit all applications for Federal funds to the Chief Executive in each of these cities. The Regional Council, its staff and all regional offices have been full partners in the CERC process ever since, resulting in close working relationships between the Planned Variations Division staff and their regional Federal colleagues.

### **State Participation**

During the early months of the Houston experience it became apparent that participation in the Planned Variations program by the State agencies responsible for approval of projects to be funded at the State level was also necessary.

The Texas Department of Community Affairs, established in 1971, had developed by that time into an effective mechanism for channeling matters of local concern to appropriate State officials and departments. Therefore, Houston and Waco urged that a staff person be added to the Community Affairs Department to serve as a coordinator between the two Planned Variations programs and the State agencies.

The Southwest Federal Regional Council provided the funds and the State-level contacts with the two cities were greatly enhanced after the proposal was implemented. Several meetings were held to inform State agencies of the Planned Variations program and to enlist their cooperation in requiring applicants for State pass-through funds to submit their applications to the CERC process. To date, 12 of the State agencies have agreed to participate and applications submitted to them carry local Chief Executive letters of comment.

### **Application of the System**

In Houston, the first funding application submitted for Chief Executive Review and Comment arrived at the Planned Variations Division of the Mayor's Office early in March 1972. During the first year of CERC operation in Houston the Chief Executive has been asked to provide review and comment on approximately 340 projects contained in 192

applications. Those applications involved \$145 million of Federal and State funds and \$41 million of local funds. About 55 percent of the applications sought HEW funds, 10 percent criminal justice and law enforcement funds, and 10 percent HUD funds. The remaining requests were addressed to 15 other Federal and State agencies.

The last analysis of the data showed that the opportunity for review and comment has been waived on 12 percent of the applications. These were primarily for scientific research grants. It was also found that another three percent of the applications have been withdrawn by the applicant during the CERC review process. Of those which have been processed to completion, 61 percent were either approved as submitted or approved with a particularly enthusiastic endorsement. The CERC process has had an impact in various ways on the remaining 24 percent.

### **Increased Involvement of City Hall in the Decision-Making Process**

Of those applications on which there was impact, 32 percent were approved conditional on the grantee taking certain specified actions. Another 21 percent were approved either after modification of the application or, in cases where time was too short, with the written understanding that the actual implementation of the proposal would differ in certain ways from the application statement. Some of the modifications dealt with flaws in program design, some with improving overall efficiency by such means as consolidation of two or more duplicating programs.

In 10 percent of the cases the



approval was not only enthusiastic, but it suggested that the project be expanded and the grantee be encouraged to ask for more money. The remainder of the comments were in a number of different categories. For instance, some were approved on a one-year trial basis only. Another has been held for a considerable time because additional information is needed from the applicant. In several recent cases, the comments have presented top to bottom priorities among competing applications as viewed by the Planned Variations staff.

#### Local Interagency Coordination

In addition to impacts resulting directly from the review and comment process, it is felt that Planned

Variations has had an effect on Houston in a number of other ways. One is that it has brought about substantially increased coordination, communication and cooperation among service delivery agencies. In several cases it has been instrumental in the creation of "umbrella" agencies aimed at increasing overall efficiency by providing central management services and close coordination among organizations working in the same field, as for example, the creation of the Houston Economic Growth Association to "umbrella" six minority business enterprise agencies.

CERC has also brought nonprofit agencies into a new relationship with city government. For the first time, city government is becoming involved with and aware of the social needs, the resources available to cope with them, and, in certain instances, the resources which should be there but are not. City government is having its first comprehensive look at the agencies and programs which exist to cope with those needs. It is likely that this has had a salutary effect on agency planning and the quality of applications submitted for proposed programs.



**"Our participation in the Planned Variations program will make the advent of special revenue sharing and its increased responsibilities for the city both easier and more effective."**  
**Mayor Stephen May,**  
**Rochester**

#### Resource Management Expertise

Perhaps the most important contribution Planned Variations has made in Houston is that it has built a sound foundation for local resource management in the future. The Office of the Mayor has a better perspective on the availability and use of Federal and State funds, and this has enhanced the planning and management capacity of city government.

At the end of its first year it is felt that the Planned Variations program in Houston has demonstrated that a new federally funded process can thrive and develop successfully under local initiatives without imposition of regulations, forms, and procedures by the Federal bureaucracy.

I am confident that Houston will be better prepared to handle revenue sharing under the Better Communities Act and other bloc grants as a result of its participation in the Planned Variations program and that, of course, has been one of the major objectives.

## Improvements in the Capacity of Local Government

By Richard G. Lugar,  
 Mayor, Indianapolis, Indiana

The Planned Variations extension of the Indianapolis Model Cities program has been a tremendous opportunity for the City of Indianapolis. It immediately permitted us to expand the population served from 40,000 to 275,000.



The service improvement can be measured on a gross basis by the increase in people employed through the program from 500 to 800. Another measure that has been developed by staff indicates that over 200,000 people have been served at least one time by over 150 projects.

Not only is it clear that measurable steps have been taken which have resulted in improvement in the quality of life of individuals in our community, but we have also demonstrated new methods of serving people, helped to institutionalize these improvements, and formed needed new organizations.

#### **Citizens Involved in Decision Process**

In achieving these important results we have been aided by citizens from the affected neighborhoods. Successful devices have been developed in our community for broadening the citizen participation process beyond that of a particular target neighborhood.

In a similar vein, the geographical extension has drawn greater attention from the general political and legislative process. Despite the gloomy predictions of some local and national nay-sayers, our local City-County Council responded most positively in approving some 96 percent of the recommendations which were made by the citizens and the Mayor. Furthermore, the extensive public hearings which were held by the City Council served to open communication channels and permit the sharing of both hard and soft data between elements of the community which had not always been sufficiently in touch in the past.

#### **Greater Local Capability**

Many examples of the type of cooperation of all the parties involved can be cited. One we believe is unique in Indianapolis is the use of a portion of the funds with the approval of the City-County Council and the inner-city residents for specific projects aimed at improving the capacity of local government. The funds in these projects have been used to improve the city's ability to serve people and utilize funds from all sources for some time to come, including the anticipated Better Communities Act and general revenue sharing funds. The following examples illustrate this unique area of our Planned Variations program:

##### **1. Policy Analysis Capacity**

To allocate the majority of the Planned Variations funds for current service programs, and review other Federal and local efforts, it was necessary and possible to develop staff capacity in the area of program and policy analysis. This principal experience with the questions of staffing patterns, technical skills, interfaces between central staff and policy makers, has prepared the city to design a small, effective policy analysis and tactical planning unit directly assisting the Mayor.

##### **2. Accounting and Information Systems Improvements**

Planned Variation funds have permitted the adaptation and installation in Indianapolis of a newly designed and sophisticated financial accounting management information system. It is a fully integrated system of handling transactions which saves considerable processing time. In addition it identifies to the sub-activity level includ-

ing both functions and programs, yet avoids the need for individuals utilizing the system to recall or record long lists of code numbers. Similar, but less dramatic, improvements have been made in other management and information systems in the area of community development project management, census data utilization, capital inventory maintenance, city ordinance references, and human services referrals.

#### **Local Gains Through CERC**

Under the Chief Executive Review and Comment provision, the Mayor reviews each application for Federal funding, private and public, in Indianapolis before that funding is considered at the Federal level. Through this process the communications between the left hand and the right hand are maximized and agencies in our community designing programs seeking Federal support have the technical basis to change the strategy where necessary to support common policies which are consistent with those of the Mayor and the City-County Council. In the first year over 150 applications or potential applications have been reviewed.

#### **Administrative Waivers**

Finally, the authority which is given to a Planned Variation city to seek a waiver of regulations has been particularly useful in Indianapolis. With the knowledge that they can petition for a waiver of regulations, local project directors have been encouraged to think for themselves more and identify the best ways to proceed in light of local conditions. After that step is accomplished, they then refer to the Federal instruction

books and discuss matters with Federal officials. In this way the unique needs of our local community are preserved. Most importantly it has been found that it has not in fact become necessary to petition formally for waiver as often as anticipated.

#### **Planned Variations a Good Foundation**

In summary, the authority and financial assistance of the pre-revenue sharing Planned Variations program has meant for Indianapolis that internal problems have been solved. Moreover, the foundation has been laid for continued service improvements for the people of our community. Through these initiatives we have sustained an atmosphere of high quality municipal government that attracts qualified employees and produces results for both existing and newly arrived individual and corporate citizens.

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## **City Reorganization Provides the Key to Better Program Administration**

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**By Dick Greco,  
Mayor, Tampa, Florida**

Planned Variations brought to Tampa the added responsibility of more resources and less Federal direction. With the additional funding and flexibility given to the city, we were better able to look at diversified areas of need and treat them collectively, as variable inputs to a single problem.

The effect has been to strengthen the city's planning, management, and evaluation capability to meet the challenges of revenue sharing.

#### **Consolidating Federal Programs**

Planned Variations came to Tampa in July 1971, in the third action year of the Model Cities program. Almost immediately, the need was seen to coordinate all programs that shared in Federal dollars. What was needed was a mechanism which would unify the overall administration of programs receiving Federal assistance within the city government.

To meet this need, the city created a new department, Metropolitan Development Agency (MDA), and placed there the organizational structure to do the job. The new agency absorbed a number of separate entities which while operating independently of each other impacted on the city's overall plan for community development. These included: Model City Demonstration Agency, Commission on Human Relations, Bureau of Community Improvements and Rehabilitation, Mayor's Council on Youth Opportunity, Neighborhood Youth Corps Commission, Bureau of Minimum Housing Standards, and Urban Renewal Agency.

The establishment of MDA enhanced the city's ability to provide direction to the administration of citywide programs in several ways. On the surface, the new agency did what it was intended to do, that is, bring Federal programs together under one roof, one management. A deeper look shows that MDA also provided an environment conducive to the sophistication and development of techniques previously nonexistent in Tampa. In effect, the

incorporation of all Federal programs allowed the city to gain varied skills and experiences in its attempts to blend physical, social, and economic projects in a harmonious relationship working toward a mutual objective.

#### **New Evaluation Techniques**

Under the new streamlined approach to the handling of all programs, certain other basic problems became apparent in the MDA. One of these was the need for a single uniform approach to the evaluation of ongoing activities. Tampa had to assure itself that its ability to monitor its programs was sound and at the same time cost effective. New techniques had to be developed for delivering vitally needed management information data to measure and evaluate the city's Planned Variations program.

The city met this challenge by developing an information gathering system in support of these requirements. The system revolved around the collection and analysis of impact and effectiveness data and project operational data. The second category was collected on a continuing basis over time, whereas the former appeared as semi-annual supportive information.

All data collection was performed by the MDA project monitors and the MDA planning staff. Thus, an effective evaluation capacity was developed within the city and used as the basis for project continuation decisions.

The evaluation process was developed to accommodate the situation given to us under the Planned Variations. However, the experience and expertise gained through the Planned Variations-spawned evaluation tech-

niques will greatly benefit the city when it finds itself having to distribute monies under the Better Communities Act and general revenue sharing.

#### Introduction to Revenue Sharing

The city fully realizes that Planned Variations is an experiment of limited duration. Thus we think of the evaluation process, important as it is, as only an antecedent to what must logically follow under revenue sharing, that is, a more comprehensive, continuing method of determining where to put our resources.

We are currently concentrating our efforts on the development of a lasting process by which the city can keep informed of the status of its activities, evaluate their progress and coordinate their goals. Although it is now in the design state we view the finished product as providing a direct input into our resource allocation strategy which requires that we develop ways and means for distributing limited resources among diverse areas of need.

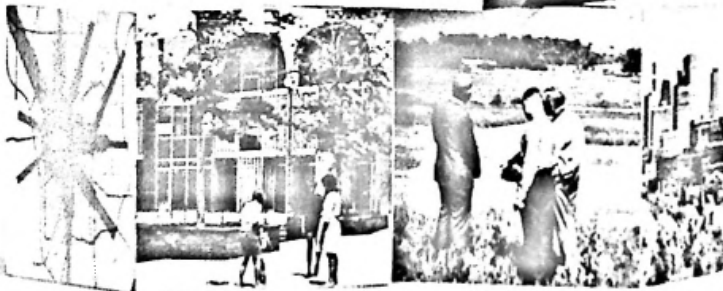
This is an ambitious task, but in our aspirations there are two things that favor us: first, we have the know-how, and second, we have the Planned Variations sphere in which to test our product. With Planned Variations as the dominant force, the city has become an improved community. The city has programmed itself to awareness and to the development of methods and techniques that have changed city government and made it more responsive to the needs of our people.

It is through such continued and progressive efforts that Tampa feels it can best meet the challenge of the future.



"...we have started to slow the roaring machine of deterioration in our city."

Mayor Richard E. Olson,  
Des Moines



# Urban Systems Engineering In Public Works Planning

By Paul O. Reimer

The term "Urban Systems Engineering" has emerged in an era when technology transfer from an exotic aerospace field to the down-to-earth scene of urban problems has claimed much attention. Practically, however, to solve urban problems using aerospace technology has proved difficult—particularly when the vagaries of political decision or the complications of social change tend to obscure distinct objectives.

Nonetheless, our urban life support system of utilities, facilities, and services constitutes an array of interdependent variables which lend themselves to analysis by the aerospace technique of system engineering. In such analysis, a prime factor is essential, and for the urban system it is

my contention that intensity of land use is the key parameter.

Traditionally, public works planning has been treated as an engineering function with little attention to the inherent implications in respect to land use. The typical public works program responds to present demands as they become critical, or extrapolates current use to future demand based on a fixed distribution of land use. The result is often represented by fragmented and costly expansion of public works, utilities and/or services.

There are, of course, disciplines other than engineering at work within the public agencies responsible for public improvements. Attention of the urban planner, as an example, is increasingly drawn to the strong influence of public facilities on the pattern of urban expansion. Fiscal managers and political decision makers are increasingly aware of the commitment for future life support facilities which result from land-use decisions.

## U.S.E.

As a theoretical response, Urban Systems Engineering consists of the techniques to predict the public works consequences of land use alternatives. The application of the techniques should increase the comprehensiveness of the public planning process, add measurably to the factual information available to decision-makers, and improve the cost effectiveness of public investment.

If we assume that such tools can be found, and we label the tool box "Urban Systems Engineering," then we can also conjecture a performance specification for the use of those tools. I'll suggest that they should offer the means of:

1. Reviewing the provision and expansion of public facilities to insure compatibility with community goals and growth strategies.
2. Assuring the coordinated development of water, waste, flood control, energy, transportation, communication, and service

facilities which will efficiently support desirable growth of population and economic activity.

3. Systematically analyzing public works master plans or development proposals which may influence larger geographic areas.

4. Increasing the credibility and public acceptance of recommended systems as feasible, in the public interest, and worthy of citizen support.

5. Insuring the efficiency of public facilities and optimizing benefit from the expenditure of public funds.

## Analytical Tools

To accomplish the purposes just described, a computer based engineering/planning methodology relating land use and those facilities or services that are sensitive to land use must be developed. Why computer based? Clearly, our physical solutions are better if we can select them from a truly comprehensive array of alternatives. Without benefit of the computer as an analytical tool, our alternative definition is limited by available man-hours. With the computer, on the other hand, alternatives for practical analysis are limited only by the planner's ingenuity and skill.

To fit in our Urban System Engineering tool box, the computer software that we can assemble includes an accumulation of proven engineering design subroutines, specific optimization and "trade-off" routines applicable to human values and public policies, and an overall "executive" framework interrelating public works systems, design factors, economic priorities, political decisions, and land use alternatives.

In effect, Urban Systems Engineering brings together the previously independent planning aspects of man's life support systems. What evolves is the comprehensive and rapid means of predicting the public works consequences of land use alternatives and the analytical technique to optimize the regional effectiveness of physical improvements in respect

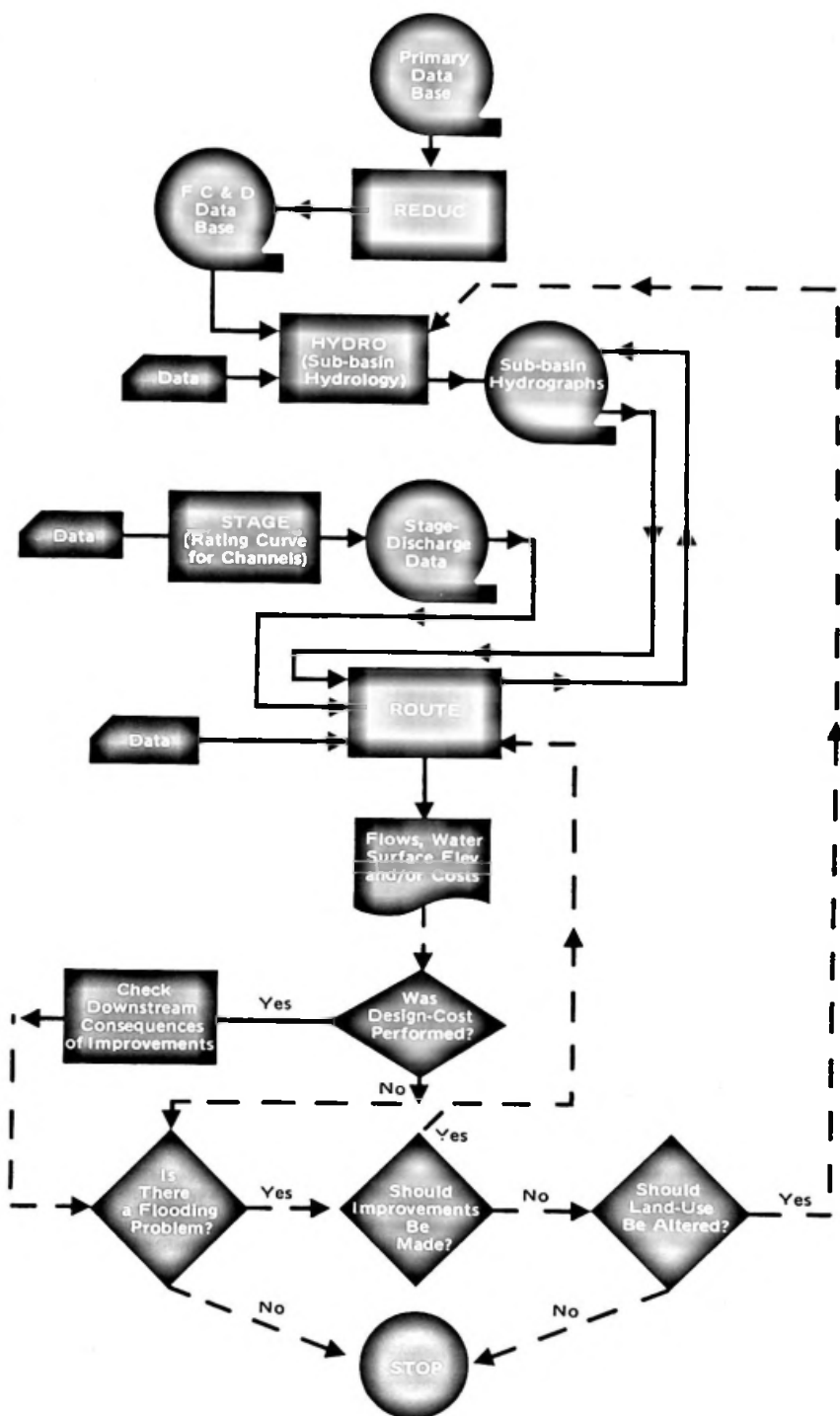
to land use decisions. The methodology is **nondeterministic** since the urban systems methodology does not generate land use plans; **comprehensive**—since the technique is applicable to all life-supporting functions which are individually sensitive to the intensity of man's land use; and **judicial**—since the output depends upon the uniform application of comparative, predetermined criteria to proposed land use alternatives.

### Examples

Although the suggested methodology is based on today's computer applications, public works examples that testify to the validity of urban system analysis are timeless. In the early 1960's, considerable attention was focused on Lake Tahoe in the western United States to determine man's impact on the Lake's eutrophication cycle. With a predicted population reaching as high as 350,000, engineers did their best to devise sewage collection, treatment, and, ultimately, export systems equal to the requirements, yet in no way did the engineering solutions come to grips with the true problem—that of the physical condition of the Lake Tahoe Basin of sufficient land use committed to accommodate 350,000 people on a sunny, summer weekend. Fortunately, other logic has prevailed in the fight to protect Lake Tahoe. My point is that a single-purpose engineering response was insufficient for the environmental protection task when the real problem was land use—not sewage.

Another example can be found in the comparison of capacity and utilization in urban sewer systems. One conclusion is usually evident—namely, that considerable unused capacity is built into the system. Yes, certain critical links may be overloaded but, in general, existing sewer capacity is far from fully utilized. The apparent explanation has to do with the engineering design concepts of sizing

## INTEGRATED PLANNING PROCEDURE FOR URBDRACONS



The diagram shows a logic chart for a typical urban systems engineering computer program.

public facilities to accommodate ultimate use, yet the public agency has no process for urban shaping to insure that the public investment in pipe in ground is efficiently utilized. I can envision a significant buried investment in virtually all our suburban cities where, on balance, land utilization falls short of initial prediction and, at the same time, the service lines go farther afield to reach new development.

A study of flood control and drainage policy for the Comprehensive Planning Organization of San Diego County, California, (financed in part through a comprehensive planning grant from the Department of Housing and Urban Development) brought forth a computer methodology which demonstrates the principle of Urban Systems Engineering. This technique produces cost estimates of flood protection channel improvements for several alternative land uses in the tributary watershed. The program has been given the acronym URB DRA CONS, short for URBanizations DRAInage CONSequence, and has been applied to a pilot watershed in San Diego County. Since computational and input time for alternate land use configurations is minimal, the planner is encouraged to test different urban patterns and to ascertain their impact on required flood control protection by the direct comparison of dollar costs. As an additional advisory, URB DRA CONS staged flows can be related to natural watercourse topography and thus define flood plain limits. This step allows comparison to be made between the cost of flood plain acquisition and channel improvement with an evident effect upon the original land use.

#### WASH-USE 1

HUD's Urban Systems Engineering Demonstration Program has supported the development of new analytical techniques which will increase the effectiveness of future public works and social programs. Under one USED funded project, the principles of comprehensive systems

analysis are currently being applied to the 350 square mile urban area of Snohomish County, Washington. This program has been given the acronym WASH-USE 1 and is scheduled for completion this year.

The methodology incorporated in WASH-USE 1 employs sound civil engineering procedures within a framework of systems engineering. This approach will permit the repeated use of engineering technology for decision-making under changing circumstances. Computer outputs to be developed in WASH-USE 1 will provide Snohomish County engineers and planners with alternative trade-offs for public facility systems planning.

In order to meet the program goals, advanced tools of systems engineering are employed. One determines the plan that is best in terms of minimum cost objective while still meeting political, legal, and environmental constraints.

Another tool applied in WASH-USE 1 is the hierarchical systems methodology. This approach permits the integration of many diverse public facility plans into a single analytical process which specifically takes into account the demand interactions between the individual public facilities. Thus, demands that are the basis for solid waste system definition are consistent with demands for flood control protection, water supply, and sewerage.

The WASH-USE 1 methodology is extremely flexible in that it permits the engineer and planner to have interactive "hands-on" control of the decision process while at the same time guaranteeing the rapid response of a digital computer. The computer tools developed in WASH-USE 1 will be permanent additions to the County's computer library since they are easily updated to fit the diverse and rapidly changing problems of planning future public facility systems in an urban environment. As an additional goal, the WASH-USE 1 methodology is to be transferable and directly applicable to other urbanizing areas. The required data base is developed locally and, once com-

pleted, it can then become input to the Urban Systems Computer Programs. In this manner, today's analytical techniques developed under the Urban Systems Engineering Demonstration Program may well become tomorrow's standard procedures for public works planning.

These are but a few examples which have led to my concept of Urban Systems Engineering as a means of bridging the gap between land use planning and public works engineering. Basically, the shortcoming in facility design is its reactive nature to demands generated by prior land use decisions. It is apparent that those decisions would be better made if their public works consequences were known. The remedy offered by the application of Urban Systems Engineering is its comprehensive, comparative, and rapid capability to furnish advisory input to planning deliberations. ☞



*Mr. Reimer is an Associate of George S. Nolte and Associates of San Jose, California, one of the firms with projects funded by HUD's Urban Systems Engineering Demonstration Program.*



*No Island Is An Island; The Ordeal of Martha's Vineyard*, by Anne W. Simon. New York: Doubleday & Co., 1973. 250p. \$8.95.

Many of us nostalgically long for a simpler life, open space, a return to the unspoiled sea or the country for at least part of the year. *No Island Is An Island* will appeal particularly to this segment as it traces the development of Martha's Vineyard, a beautiful island off the Massachusetts coast. Land use changes on the Vineyard, especially in the last decades, are a microcosm of what is happening everywhere. Farms and woods have been converted to housing or the tourist industry; water and air are being polluted; solid waste disposal is a problem; traffic clogs the roads; the beaches, stores, harbors, streets are crowded; ugly signs replace trees; land values soar. We are changing and ruining the country and seaside permanently since the conversion of unspoiled land is irreversible. As Simon points out, land is more than a commodity to be sold to the highest bidder. She is a strong advocate of restricted growth and even no-growth for an island community such as the Vineyard.

The way the disruption came about there is paralleled elsewhere. No one wants to destroy the island, few believe it to be even threatened. "An explosive paradox is created. People who love the Vineyard love it because of its character... the very thing which their presence in ever increasing numbers, inevitably followed by rising taxes, callous developers, and the rest of the quick-change syndrome, must destroy." Also honest but differing interests conflict: six proudly self-contained towns preserving their independence, farmers disagreeing with fishermen, pond versus oceanside dwellers, and significantly, year-round islanders clashing with seasonal residents.

What makes Martha's Vineyard unique is not so much its bountiful natural resources and lovely towns—all of us have favorite places—but the influence and articulateness of its past and present off islanders, i.e. part-time residents. These include Robert McNamara, Sen. Edward Kennedy, Sen. Edward Brooke, Edward Logue, Kevin Lynch, Roger Baldwin, Katherine Cornell, Thomas Hart Benton, Jerome Wiesner, David Lilienthal, Stewart Udall, James Reston (who owns the island's principal newspaper). The author herself writes for *The New York Times* and national journals and is the wife of Robert Simon, developer of the new town of Reston. Sometimes their ideas and those of the native islanders collide.

Anne Simon represents the "summer" people, believ-

ing strongly in a region-wide, united, federally run plan to save Martha's Vineyard with its six townships, Nantucket, Elizabeth Islands, and related areas. To present her case, she narrates various development efforts and battles in more detail than most who are not involved, care to know. Generally she tries to be fair, responsible, unsensational. She is not a slogan slinger, but documents the sources consulted and people interviewed. There is no particular villain, unless it be the day tripper, the tourists, and those who cater to them, especially for a quick dollar at the expense of conservation. She devotes Chapter V to a HUD assisted Comprehensive (701) Plan for Dukes County (that includes the Vineyard), the summary recommendations of which were not accepted by the Islanders, but which she endorses. As a result of this study a full-time resident planner was hired. The natives do not want the "Feds" involved; she does. Each is being true to its own character.

Most of the history and arguments in the book support Simon's advocacy of S. 3485 (92nd Congress, 2nd Session) "A Bill to Establish the Nantucket Sound Islands Trust, to Preserve and Conserve the Said Islands," introduced by Sen. Kennedy in April 1972 and amended in July. No hearings were held, and thus far (May 1973) it has not been reintroduced into the 93rd Senate. However, a similar bill (H.R. 330) was presented in the House. In essence, these bills propose Federal trust status, Federal funding, and a form of compensable zoning for Martha's Vineyard and the other Nantucket Islands. Joint Federal-local commissions would administer the trust. Various classes of land use are proposed and a freeze on construction or improvements in some cases. The bill met strong opposition from the Islanders, some of it generated because they were not consulted prior to its introduction.

A different solution was earlier presented by Earl Finkler, a planner on the staff of the American Society of Planning Officials, who, in the *ASPO* magazine for November 1972, summarized the growth problems of the Vineyard and discussed the strengths and weaknesses of S. 3485. He advocates more participation by local, year-round people, more concern for their interests, and giving the local professional planning staff an opportunity to find remedies.

One needs to read both the book and the article for a balanced presentation of a use-versus-conservation dilemma, typical of other situations.

Elsa S. Freeman, Director  
HUD Library and Information Division

# 10-Mile Wide River

For two weeks of intermittent rain the waters of the Mississippi River kept rising. On Good Friday the river crested and broke through the levees. In North Shore, Mo., Stanley Chapman tried to save his furniture and valuables by building platforms four feet above the floor of his house, but the water kept rising, and he was forced to leave by boat with his wife and two-year-old son.

He came to the Disaster Assistance Center at St. Charles, Mo., almost 12 miles away, for assistance. They were helped by Marilyn Organ from the Newark, N.J., HUD Area Office, who was appointed HUD Area Coordinator in St. Charles because of her previous disaster experience. Her team of housing counselors went to work to locate temporary housing.

*Photos and text by Richard Mowrey*





Frank Begley, of the HUD Regional Emergency Services Staff of Kansas City, Mo., is the HUD Missouri Flood Housing Director in St. Louis. His staff, drawn from HUD offices throughout the country has received over 2,100 housing applications from flood victims in the area and has housed over 1,116 as of May 18. The staff of 125 is dispersed in seven disaster assistance offices, including one in St. Charles.

After years of working to buy their home in North Shore, Stanley and Katherine Chapman almost wept when they went back by boat to see their house as the water slowly receded. This family is planning to move to higher ground. They will rehabilitate their house, sell it, and apply the money to another house HUD located for them.

Ann Nestor of the St. Charles Disaster Center negotiated with Jim Rosenthal, a St. Charles realtor, for rental of a new house for the Chapmans; HUD will pay the rent for up to one year. The Chapmans like the house and intend to buy it.

Stanley Chapman said in retrospect, "We could hardly believe the wonderful treatment we got from the Field Disaster Center when we were at our wits end. I never thought my tax dollars would help us this much when we could not help ourselves." @







# AGENDA FOR CHANGE

## HUD's Training Program



Secretary Lynn and Dorothy Nelms, Director of Training, address graduates of the HUD-East Training Center. Under Secretary Hyde (left) and Assistant Secretary for Housing Management H. R. Crawford are seated at the table.

Current trends in public administration have heightened management's awareness that to accomplish the Department's mission, its human resources must be better developed.

Training is a function of management and should be used to provide employees with the knowledge and skills they need to perform their jobs. The impact of training systems on organization and management determines whether or not employees maintain set levels of performance after completing training. For example, the supervisor who attends a basic supervisory training course, and returns to his office to find that his superiors either do not know or practice the good management techniques he learned, will tend to disregard such training. The environment is not conducive to practicing what he had learned, or the consequences of practicing what he had learned are negative. To avoid this we have to continuously identify and systematically cope with the changing training needs at all levels: executive, middle management, supervisory, professional, and clerical.

HUD's Training Division has devel-

oped a departmental training plan divided into six functions: identification of training needs, training plans, training budget, training materials, conduct of training, and evaluation of training. Assistant Secretaries, Regional Administrators, and the Personnel Training Division all have specified responsibilities.

Assistant Secretaries establish national goals and priorities, set standards, determine course content, select and assign headquarters training staff, and train regional office staff. Regional Administrators must train area and insuring office staff, and select and assign regional office staff for training, and select instructors. Headquarters Training Division is responsible for developing a system of coordinating training activities: identifying and securing training resources outside of HUD; supplying training methodology, technology, and design; coordinating preparation of training materials; training instructors, and developing a system of evaluation.

Manpower resources within the Training Division have been significantly increased, especially with the opening of two HUD Field Training

Centers. This increase in staff and training facilities means Personnel can, in cooperation with the program staffs, plan, develop and conduct training programs which realistically meet the needs of HUD employees.

The primary vehicle for identifying training needs is the Annual Training Needs Survey that will be conducted in April of each year. The Regional Training staff and the Headquarters Personnel Operations staff will be responsible for gathering survey data; the Training Division staff will coordinate, compile, and analyze both the headquarters and regional data. Priority needs will be determined by the Assistant Secretaries. Once this is done the Training Division will issue a departmental plan for training each fiscal year.

Some programs now being conducted and in the planning stage have been developed to meet some of these needs. They are described below:

The Community Development Specialist Seminar Series is designed to provide Federal, State, and local agency officials with knowledge and understanding of Community Devel-

opment issues—population growth, housing, education, jobs, new communities, revenue sharing, citizens participation, problems of minorities, social services, and social policy planning. In the seminars specialists in various areas of community development analyze how the decision of one specialist affects the operations of other urban specialists. This learning experience spotlights the participant, and response has been most positive and enthusiastic.

This fiscal year, seminars have been held in Boston, Washington, D.C., San Francisco, Atlanta, Fort Worth, and Chicago. During fiscal year 1974 the series will be coordinated by the Regional Training Staffs.

**Training for Program Managers in the Area Offices** has been continually requested since the Department decentralized its operating functions. The specific program addresses such issues as management roles and responsibilities, program development and policy planning, and the impact of HUD programs as measured in the evaluation process.

Participants feel the program is of great value, and particularly appreciate the opportunity to meet each other, share solutions to their common problems, and meet top level departmental policy-makers.

**Supervisory and Management Training** now includes one program and plans for several others. Human Relations Training is a headquarters program to prepare supervisors realistically to assess the approach they use in getting work done through other people. It has helped them to analyze and understand the behavior consequences of effective and ineffective employee-supervisor relationships. This training is only the first step in the preparation and development of supervisors and managers, and will eventually become a part of the total supervisory training program.

A totally integrated approach for the training of HUD supervisors, managers, and executives is planned for early FY 1974. The objective of this

training program is to outline HUD's minimum training requirements over and above the Civil Service Commission's minimum requirements, and delineate responsibilities for implementation. A handbook entitled "HUD Management Training Program," invites comments from all components. Essentially, the plan is as follows:

1. All newly appointed supervisors, middle managers, and executives will participate in an orientation program before assuming responsibilities of their new positions.

2. Within six months of assuming a supervisory position, all newly appointed supervisors must have no less than 40 hours of training in basic Federal personnel and HUD administrative procedures.

3. The follow-up course is designed to provide the supervisor who has more than six months supervisory experience with an understanding of leadership of small groups and how to apply these principles in his work situation.

4. The manager who directs the work of one or more supervisors or who has major program responsibilities, will attend a course covering advanced management concepts and HUD program management. This course proposes to combine providing the middle manager with a broader view of HUD programs, their interrelationships, and his role in managing them, and giving him some of the more advanced management concepts.

5. Training given to executives will be specifically tailored to their needs as revealed under the executive evaluation system and through their individual development plans.

**Special Training and Reassignment (STAR)** began on May 8, 1972, when 150 headquarters and regional HUD staff members began special training in nine technical disciplines and in one general field. All courses, except for one at Atlanta, were held in new training facilities at Rosslyn, Va. STAR's objective was to provide area and insuring offices with trained staff members while at the same time re-

ducing the number of headquarters and regional office personnel.

Preliminary reports from their new duty stations indicate trainees are doing their jobs well; many of them have already been promoted. A comprehensive evaluation is now being conducted to determine the strengths and weakness of the STAR program.

**HUD Field Training Centers** are perhaps the most dramatic, and certainly far-reaching, training development. In January of 1973, the HUD-East Training Center opened in Rosslyn, Va., and HUD-West opened in Denver, Col., at the Loretto Heights College. Approximately 250 employees began training in four occupational disciplines: appraiser, construction analyst, mortgage servicing specialist, and realty specialist. Following orientation and cross-program training, the trainees began intensive specialized training. On-the-job training in the home offices will consist of up to nine months of structured and planned assignments with experienced staff.

The thrust for the second training session in May was to retrain field staff for housing management jobs—housing management officer, occupancy specialist, financial analyst, maintenance engineer, mortgage servicing specialist and realty specialist. The four phases of training include overview to the housing management function: philosophy, organization, programs, operations; cross program training: occupational disciplines, area and insuring office operations; specialized training; and on-the-job training. Future plans include the use of the centers for basic skills development, upward mobility training, maintenance and cross-program training, basic and advanced supervisory training, program manager, and executive training.

The agenda for change in the Department requires that training, as a function of management, become institutionalized as a normal prerequisite to quality performance by employees at all levels.

*Dorothy E. Nelms  
Director, HUD Training Division*



"Any serious, open-minded student of the building industry, must purge from his mind something he's held near and dear for many years. Stick, conventional, custom building methods are dead, dead, dead! If one clings to the idea that they aren't, serious understanding cannot even begin.

"It is virtually impossible to find even one sizeable builder who is not using roof trusses, panelized walls and partitions (tilt-up, site-fabrication, shop or factory assembled), pre-hung doors, and moving upward in sophistication from there to gable ends, panelized floors and roofs, mechanical cores, and even into factory built modules. Thus, any sizeable builder is not living in yesterday's image of the conventional, stick or custom builder.

"They can design custom and conventional structures but none are so foolish as to build them stick-by-stick. They must use components and panels to control conventional building costs which have risen 67 percent in the past ten years and are increasing, and to maintain a quality product."

—*Systems Building News*  
April 1973

"It is not enough to rehabilitate rundown neighborhoods if the people of the neighborhoods remain in an economic ghetto. The physical improvements must include plants and business that provide meaningful employment alternatives to public welfare."

—Paul T. Jordan  
Mayor, Jersey City, N.J.

"It is...reasonable to suspect that high-rise living does not make any contribution to our so-called 'life-style,' it does not have any real advantage over low-rise living, except for the lofty view over the rest of mankind. Security and location can just as easily be attained in low buildings.

"There is no saving in land. There is no saving in cost. There is, to the contrary, increasing evidence that the public pays more for the roads and services high-rise concentrations demand than it gains in tax revenue. Builders keep building them because they promise greater private profit but that, too, is now being questioned by many economists.

"With good design, you can attain the same densities, you can accommodate the same number of people on the same amount of land closer to the ground, than you can by piling them into human filing cabinets. And with some ingenuity you can still give each family a little private patio or roof garden or garden terrace."

—Wolf Von Eckardt  
Architectural Critic  
Washington Post

"The modern vest pocket park originated in war-torn Europe after World War II, where communities wanted to reestablish normal life quickly and inexpensively. Bombed out areas were rebuilt into small parks. When the idea was transported to the U.S., the pragmatic America adapted the idea not only to slums, but wherever there was a need for people to relate to trees, flowers, and soil. Vest pocket parks are best known as part of urban renewal programs—an instantaneous, visible sign that the neighborhood, property owners, and local government are working together to make the inner city more livable. But mini-parks are also found by downtown Manhattan skyscrapers, in the heart of a small city, an alley, on top of a hill—anywhere there is under-utilized space, a need for open-space relief, and developers with energy and vision to make it happen."

—*Buildings Magazine*  
April 1973

"Revenue sharing is a challenge—a challenge to local governments to manage their affairs wisely and a challenge to State governments to organize local governments in such a way that efficient local management is possible. It is a challenge to us, average citizens, because only through our interest and efforts can the local and State governments measure up to the task."

—James W. Guest, "Revenue Sharing Is No Panacea—Good Management Still the Key,"  
Pennsylvania Department of Community Reports

"Human capacity for modifying the landscape has been growing at a rapid rate...the effects of building cities, mining ore, erecting dams, draining and filling marshes, and withdrawing groundwater have enormous impact at specific local sites. And as such sites are usually closely associated with population centers, they can directly affect the lives and property of millions of people. Obviously, the environmental effects of many human activities are greater on a local scale than when viewed on a global scale..."

—*Report of the Committee on Geological Sciences, National Research Council-National Academy of Sciences*

"Our present systems of land use planning and control are not working well enough and are just not adequate to the job of matching limited land resources to national growth requirements...present systems aren't protecting critical environmental areas from detrimental development. Another major well documented weakness is our inability to control growth around major regional growth-inducing facilities..."

—Clifford W. Graves, Acting Assistant Secretary for Community Planning and Management, HUD

# AMENITIES: The Bridge Between Shelter and Environment

The problem of how to manipulate amenities to better relate them to Federal subsidy housing programs and the environment is one officials should be prepared to meet head-on. The Administration has been establishing environmental controls and broadening the definition of amenities. This gives HUD the opportunity to improve procedures and bring more liveable quality into housing and neighborhood development.

In the broad sense, an amenity is an ingredient added to the normal functional elements of shelter, used to add social and economic significance to a housing environment, and it can bring all housing and community factors together into a more beneficial relationship. Using amenities in this sense would lead to a more consumer-conscious approach to housing and neighborhood development than has been generally practiced in the past. It should be obvious to those who are concerned with HUD's impact that the long-run social and economic benefits of a sensitive and viable application of amenities are of great national value.

To further this effort, HUD's housing decisions for the subsidized programs ought to be resolved into a refined series of trade-offs and establishment of requirements between such items as superior management, swimming pool, better location, additional interior facilities, less sound transmission, or the like. What we have been trying to do through the Operation BREAKTHROUGH program is to increase our under-

standing of how to optimize these trade-offs to include the benefits to the consumers and for integration in the community at large.

## Social Value of Amenities

A project worthy of mention in this context is Sierra Nevada Arms, Las Vegas, Nev., which was completed in December 1972 under Phase III of Operation BREAKTHROUGH. When fully rented, this development will house 352 families.

Sierra Nevada Arms was developed by Sun Homebuilders, Inc., Las Vegas, using General Electric's Operation BREAKTHROUGH industrialized housing product. From the outset a private planning team was involved as well as HUD local office site planners and the Breakthrough Site and Land Planning Division.

The development includes amenities such as a large swimming pool, basketball courts, tot play lots, barbecue pits, three acres of landscaped open space, and a community building which contains a child-care facility. The amenities were judged proper for the number and characteristics of the occupants expected. It was also recognized that an appropriate level of amenities probably would attract and hold as permanent residents moderate income families, particularly those who contribute neighborhood leadership. In addition, since the development is also to attract non-subsidized families, the amenity level becomes more critical.

This BREAKTHROUGH project is located about a mile from the edge of the present concentration of the

black population in Las Vegas. It can be considered a transition location. The local black and white leadership wished to assure that the development has a balance of majority and minority families. The thrust of the marketing and management would be to stabilize a balanced racial population in this sector of a fast growing population center.

Using realty marketing strategies developed under HUD's Affirmative Marketing concept, applications reflect a 70 percent racial majority and 30 percent minority. Occupancy is expected to match these percentages. Continued good quality management should maintain this acceptable ratio in the Sierra Nevada Arms development, and hopefully influence surrounding vicinity. The attractive amenity level and site layout contribute greatly to achieving this objective.

## Balancing the Neighborhood

Greenfair, Operation BREAKTHROUGH's 407-unit prototype development in Sacramento, California, offers another example of using common sense in design, amenities and trade-offs to achieve program and social goals. The site is located on the old State Fair Grounds. It is one mile from the Oak Park District which contains the largest concentration of minority families in the Sacramento Valley and which has been the catch-basin for the relocation of minorities, mainly to make way for various Federal and other government-supported projects. There has been very little residential construction in the Oak Park area in recent years. It is bor-



dered on the other sides by housing of modest to middle-income non-minority families in detached homes. The developer has limited the use of housing subsidies to the elderly. The affirmative marketing strategy for Greenfair was to establish the amenity level that is expected by middle-income families and thus attract them also to the site. Within that, a racial balance would be sought.

The Greenfair plan is proving successful. Recent sales records show that 13 percent of the 199 sales units are going to minorities. Buyers include university professors, one medical doctor, an engineer, people involved in public service, semi-professionals, and the like. These middle-income buyers were attracted by the site layout, amenities of safety, open space, privacy, a swimming

pool, other recreation areas, and a location within a 15 or 20 minute drive to downtown.

A project named College Town II is another Sacramento development in which Operation BREAKTHROUGH is involved. This 200-unit development is the last phase of a master plan for 872 housing units under Sections 236 and 221(d)(3). It is adjacent to the California State University at Sacramento and is primarily targeted to married students, but assisted families, non-students, and others also qualify as occupants.

Although the 872-unit residential community might be considered a large concentration of assisted families, the unique location adjacent to the college and the predominance of young, upwardly mobile families are

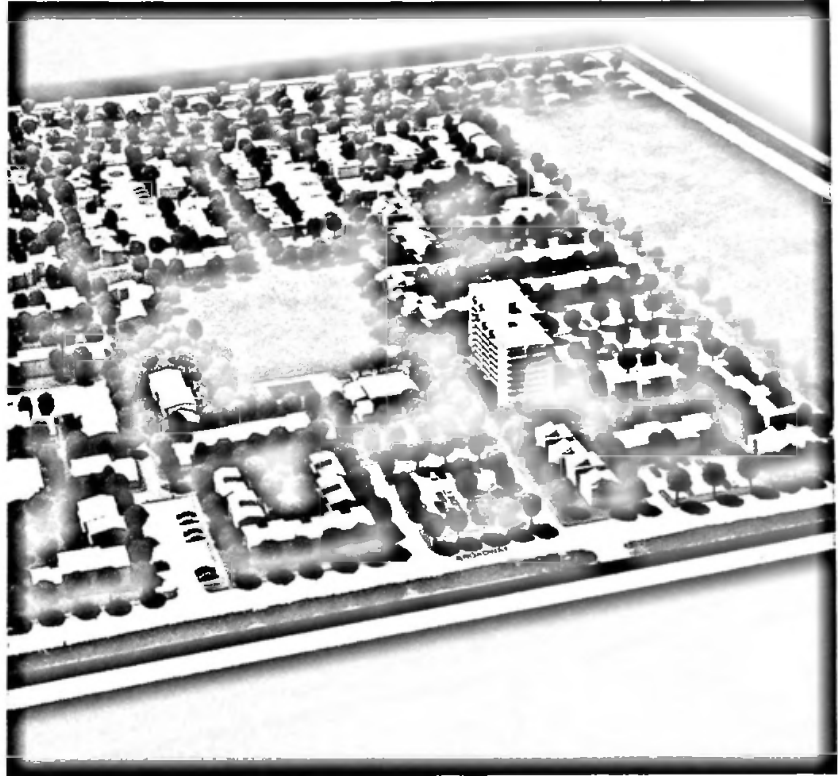
factors not to be overlooked. However before committing itself to a 200-unit addition to College Town, the HUD Regional and Sacramento Insuring Offices analyzed the long-term amenity level in College Town and its environs. The conclusion was that a sufficient amenity level could be maintained to assure residential diversity. The need for good management, which appears possible from the developer, Trans Pacific Industries, Inc., was also a determining factor.

Operation BREAKTHROUGH's Central Office Site and Land Planning staff monitors each project in the Phase III marketing phase of Operation BREAKTHROUGH developments for the appropriateness of the site design as a demonstration showcase for the program's products. In

the case of College Town II, Central Office's concern with total acceptable amenity level revolved around whether or not an adult swimming pool is an essential amenity to assure access by all residents to what ap-

pears to be an essential recreation need in the long, hot Sacramento summer. One concern was that the college pool is available only to college students.

Although pools have been included



**TOP LEFT**—Sierra Nevada Arms in Las Vegas, Nev., is an industrialized housing project built under Operation BREAKTHROUGH Phase III. It houses 353 subsidized and nonsubsidized families.

**LEFT**—Sierra Nevada Arms' plans include amenities such as a swimming pool, basketball courts, tot play lots, barbecue pits, three acres of landscaped open space and a community building.

**ABOVE**—The Operation BREAKTHROUGH site in Sacramento Calif., called Greenfair, provides a highrise building for elderly residents and 199 townhouse and single-family industrialized housing units for sale.



in the other BREAKTHROUGH projects of Region IX, the Regional and Insuring Office analysis revealed that in addition to the adjacent 30-mile long American River Park, there are sufficient swimming facilities within easy distance.

However, a shallow pool requiring little maintenance may be provided for children. This will relate to and enhance the existing child care and training center, elevate and complement the amenity level of College Town, and create a focus and center for interchange among the residents of all three projects which include a variety of family types.

#### Benefits of Child Care Amenities

It is because BREAKTHROUGH looks at the whole housing system or total community, not just the shelter element, that Region IX has become so deeply involved in analyzing and manipulating amenity levels and relating them to subsidy and occupancy strategies. This has led us to conclude that child care and training centers are desirable amenities where large numbers of assisted families will be the project occupants. Indeed, these projects may be at the threshold of size that permits achieving a desirable level of amenities. We are employing considerable staff time in this area of concern and are encouraged by the fact that the experienced private developers who participate in this program enthusiastically share this conviction.

As an example, the Sierra Nevada Arms development in Las Vegas has a community building designed to meet the State's child care facility regulations. The developer is underwriting the first year's operation with the expectation that public assistance funds will become available in the future. The facility is leased to a nonprofit corporation formed for this purpose by Verdun Trioni, Professor of Child Psychology at the University of Nevada's Las Vegas campus. In this case, the child care and training program will be adapted to Montessori educational techniques. There is a growing awareness that proper

design, layout, and amenity level generate self-maintenance and self policing. (A recent work in this area is Oscar Newman's *Defensible Space*).

Developing child care and training centers at the 411-unit, Operation BREAKTHROUGH Springdale West project in Long Beach, California, is a current amenity objective. We expect younger persons, many of whom will be newly married, returning Vietnam veterans to live in this development. Although some community facilities are available nearby, we believe an onsite or adjacent child care center would be a significant amenity asset.

In Springdale West these young married families will have a safe, economical, and enjoyable place to live close to educational employment centers. Also, young married tenants should be more attracted to the sensible social, racial, and economic development plan we have for this project, which was developed under the HUD Affirmative Marketing concept.

#### Cooperation of Functions

All these shelter, amenity, and trade-offs to assure a good community—developmental, operational, and environmental—seem to be what Operation BREAKTHROUGH is about in addition to encouraging the production of quality industrialized housing.

In Region IX we are applying the underlying BREAKTHROUGH management concept of "flexible design performance criteria," which treats the dwelling on its site as an engineered functional whole, to the manipulation of amenities and their inclusion in the whole housing system. In this way we expect to accomplish specific social objectives within an economic framework acceptable to HUD's field offices.

Under the BREAKTHROUGH process, HUD's landscape architects, site planners, and design professionals have been included in the earliest stages of project planning. They were essential in identifying the trade-offs relating to amenity levels, location, and environment considerations as well as land use intensity. Representa-

tion from management, Housing Production Mortgage Credit, Equal Opportunity, and the Program Management Team at site design review allowed input from all these elements prior to the submission of the application for feasibility and request for BREAKTHROUGH 236 program set-aside funding. This assured maximum leverage to assure consideration of HUD's interest.

The amenity trading-off process, brought into focus for the first time by the method created for implementing BREAKTHROUGH, has not always operated smoothly. Yet the approach, as it relates to environmental/subsidy/amenity/ life-style considerations, formalizes what our better "housers" and HUD professionals have been trying to do.

At the moment the critical program management problem is how to apply HUD and other Federal programs as needed to support desirable amenity levels so we might assure successful projects in small areas. Much more thinking and policy is needed to meet this objective, particularly with the problem of differentiating amenities allowable for non-profit as contrasted with limited dividend developments. The tax relief often available to the former should permit a proper and higher onsite amenity level, whereas the latter, paying full taxes in most cases, should benefit more from the community facilities for which they would be paying their taxes.

If HUD is to avert a future image of being difficult to work with, having internal conflicts of philosophies, and providing housing that in some cases does more harm than good in the neighborhood, then our decision-making must change. It seems the first thing we ought to clear up internally is how to make these decisions regarding the correct amenity levels and the best way to relate alternative amenities to all the various kinds of environmental and shelter situations.

John W. Keast  
Region IX

# lines&numbers

## Mobile Home Production

Mobile home production continues to break records. Shipments of mobile homes to retailers in March 1973 reached a record high of 57,040 units, a 16 percent increase over March 1972. The previous record was 55,030 units shipped in June 1972. The seasonally adjusted annual rate for March was 737,000 mobile homes, up 14.8 percent over February. During the first quarter of 1973, mobile homes accounted for nearly 36 percent of all single family housing production: 396,000 mobiles to 255,000 single family housing starts. During the period, 1960 to 1972, the mobile home share of single-family housing production grew from nine percent to 30 percent. Mobile home output for the 1973 calendar year is expected to be approximately 625,000 units. This compares to the previous high of 572,000 units in 1972.

A regional comparison of shipments for the first quarter of 1973 to the same period last year indicates an increase for all regions except the Pacific and the states of Alaska and Hawaii. The downturn in the Pacific region was caused by a 32 percent decline for California, from 10,451 to 7,074 units.

The South Atlantic and South Central regions recorded the greatest increases, 31 percent and 22 percent respectively. Florida led all the states with 17,752 homes shipped during the first quarter.

## Mobile Home Shipments and Housing Starts: Selected Years

Year	Mobile Home Shipments	Dollar Value (\$000)	Single Unit Housing Starts	Mobile Home Shipments as % of Shipments and Single Unit Starts
1960	103,700	518,000	1,008,800	9.3
1965	216,470	1,212,232	964,900	18.3
1970	401,190	2,451,271	815,100	33.0
1971	496,570	3,297,225	1,152,900	30.1
1972	572,430	4,153,103	1,310,200	30.4

## Mobile Home Shipments by Region: 1st Quarter 1973 vs. 1st Quarter 1972

Region/State	1st Quarter 1973	1st Quarter 1972	% Change
Northeast	8,709	7,560	+15
East North Central	16,590	15,176	+9
West North Central	7,370	7,021	+5
South Atlantic	45,296	34,505	+31
South Central	35,283	28,915	+22
Mountain	14,953	14,109	+6
Pacific	12,369	15,130	-18
Alaska	80	95	-16
Hawaii	0	49	-100
Total	140,650	122,560	+15

Sources: Bureau of the Census; Mobile Home Manufacturers Association.

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