

The Secretary of Health, Education and Welfare and the Chairman of the National Governors' Conference should appoint a Joint Task Force to prepare legislative and administrative proposals to meet the housing needs of all persons receiving federal welfare and housing assistance.

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The States and Model Cities: HEW and HUD

Recommendation 13: HEW-Model Cities Relations

As HEW begins to re-structure its programs to provide that adequate attention is focused on urban areas and Model Cities in particular, HEW should seek to renovate existing HEW-State relations to accomplish this task rather than trying to develop its own HEW delivery system at the local level, as it is now doing in Model Cities. The Secretary of HEW should require the concurrence of the Governor for all HEW funds earmarked and spent through state agencies in Model Cities.

HEW should seek to re-structure its relations with its own Regional Offices, State Agencies and the Governors with a view to insuring that State machinery is responding to the priority needs of urban areas. This method is preferred over the alternative of direct HEW-local relations as is being undertaken in the Model Cities Program. HEW already has 200 field people assigned to work directly with Model Cities. A similar deployment of personnel to the Governors' offices would produce an ability to coordinate and deliver most HEW and State services needed for the orderly development of all local communities. Direct Federal-local relations have no great record of achievement, except in food production. HEW has historically used the States to deliver a good record of health, education, and social services to people regardless of where they live. We recommend a modification of the existing HEW-State system rather than direct HEW-local relations, to meet the priority needs of urban America.

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Recommendation 14: HUD-Model Cities Relations

Congress should amend the Model Cities legislation to provide for a legitimate and positive role for State government in the operation of the program. Specifically, Section 105 of the "Model Cities and Metropolitan Development Act of 1966 should be amended to authorize the Secretary of Housing and Urban Development to make matching grants to the States to provide continuing planning, coordination, programming and technical assistance services to model city agencies.

In those states where the state contributes a substantial portion of the local non-federal financial share, the program should provide for state concurrence in the approval of the selection, program development and funding of all model cities applications.

HUD should immediately provide for State review and comment on model city work programs and supplemental grants.

The Model Cities Program should be re-evaluated with a view toward its extension to the entire city and making it the coordination and delivery system for all federal grants coming into the model city, plus an appropriate role for the State for the delivery of State programs.

The Model Cities program has reached the point where closer Federal-State Community cooperation is essential. The program very shortly will be operating in over 40 States and in some 150 cities, both large and small, with a total population of 50,000,000 people. Not only the 6,000,000 people in the model neighborhood areas stand to benefit, but also the total city by the emphasis upon local innovation and the development of more effective and responsive procedures and policies at all levels of government. This program could well become the prototype for a new federal assistance delivery system.

HUD has invited Governors and other appropriate State officials to participate as partners with the cities in the development of Model Cities comprehensive program submissions, and to contribute to the review of these programs. However, federal legislation provides no clearly defined role for State government in the program, and the problems of coordination among the federal departments involved remained unsolved.

The States continue to be concerned about the lack of communication between HUD, model city applicants, and the Governor's office. The States have repeatedly said that state budgets and programs cannot be suddenly changed at some indefinite future date when the model city applicant comes to the state for approval of project elements that are part of long-range state development programs.

At the state level, the Governor's office should assume authority under federal legislation to coordinate the program as it operates through line agencies, to synchronize local Model Cities plans with state plans, and (either directly or through an agency for community affairs) to provide financial and technical assistance to the Model Cities.

Either through administrative change or by amending the Demonstration Cities Act, supplemental federal funds should be made available to states which appropriate funds for financial or technical assistance to Model Cities. This, in turn, would provide the incentive of the "multiplier effect" to State Legislatures and would encourage large appropriations. Where possible, both federal and state flexible funds should be earmarked for priority use in Model Cities, as has been done with federal urban renewal funds.

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