



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

To Dan Sneed

John Johnson

OFFICE OF THE ASSISTANT SECRETARY
FOR MODEL CITIES AND GOVERNMENTAL RELATIONS

IN REPLY REFER TO:

Honorable Ivan Allen, Jr.
Mayor of Atlanta
Atlanta, Georgia 30303

JUN 11 1969

Dear Mayor Allen:

In his press conference of April 28, 1969, Secretary Romney made the following statement:

"The 10% population restriction on the size of the target neighborhoods will be dropped. . . . [T]his . . . does not mean that the program will be expanded city wide within each city. Its purpose will remain that of focusing resources on particularly poor and blighted neighborhoods, but local officials will be given greater latitude in drawing program boundaries that conform to local conditions."

The Secretary's comments have been given widely differing interpretations in newspapers and periodicals around the country. In order to avoid any confusion I would like to expand a bit on the Secretary's remarks.

Cities are certainly not required to expand their model neighborhood boundaries. They will be permitted to do so in order to remove arbitrary geographic limitations that prevent logical and effective program development. For example, in one city a small geographic area was eliminated from the model neighborhood in order to meet the population limitation. This area is contiguous to the model neighborhood, is a blighted area, with essentially the same kind of population mix as the model neighborhood, and contains only a few thousand residents. Expansion to include this contiguous area would not materially affect the capacity of this city to mount a program that will have substantial impact on the neighborhood problems. This represents an artificial constraint which may be removed, if the city seeks to initiate such a change.

Any addition to the model neighborhood must still meet all statutory requirements. The additional area must be a blighted one. The program for the expanded area must meet all the statutory criteria, including the requirement that the program achieve a substantial impact on the neighborhood's problems.

No additional supplemental funds will be available for the expanded areas. For most first round cities, this means that new projects or extended projects in the new areas would depend on funds from other than Model Cities supplemental grant funds. All cities may find it difficult to assure the program impact required by the statute if the model neighborhood is greatly expanded unless substantial additional resources are available. In most situations, however, as CDA's develop their capabilities to plan, coordinate, and evaluate the program in their first target area, much benefit could be derived from expanding these activities of the CDA to those resources and programs presently going into poverty areas of the city other than the present model neighborhood.

This expanding role of the CDA as the program continues would enable the cities to be in a position to better utilize additional resources in the future as they may become available.

Any request for area expansion should set forth the reasons therefore and demonstrate that the city has the capacity to administer the program in the expanded areas in accordance with the foregoing considerations.

Very truly yours,



Floyd H. Hyde