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FM GEORGE CREEL DIR OF PUBLIC AFFAIRS DHUD WASH DC/HHFA/
TO RUEVDDAA/1/ REGL ADMIN DHUD ATLANTA GA ATTN: SPECIAL ASST FOR
PUBLIC AFFAIRS & ARA'S FOR MODEL CITIES

BT

THE FOLLOWING STATEMENT WAS ISSUED BY SECRETARY ROMNEY TO NEWS MEDIA AT 4:00 PM APRIL 28. ASSISTANT SECRETARY HYDE WILL BE TELEPHONING EACH OF THE REGIONAL ADMINISTRATORS TO DISCUSS THE IMPLICATIONS OF THIS STATEMENT WITHIN THE NEXT FEW DAYS.

"SECRETARY ROMNEY'S STATEMENT ON MODEL CITIES"

THE MODEL CITIES PROGRAM IS AN AMBITIOUS EFFORT. IT SEEKS TO COORDINATE A VAST ARRAY OF FEDERAL PROGRAMS, TO CONCENTRATE THEIR IMPACT ON SPECIFIC DEPRESSED URBAN NEIGHBORHOODS, AND TO MAKE LOCAL GOVERNMENTS STRONGER AND MORE FLEXIBLE. MY COMMITTEE ON MODEL CITIES OF THE COUNCIL FOR URBAN AFFAIRS HAS BEEN INTENSIVELY EXAMINING THE PROGRAM. ITS STUDY HAS SHOWN THAT THE PROGRAM'S GOALS ARE SOUND, BUT THAT THERE HAVE BEEN CRITICAL DEFICIENCIES IN ITS ADMINISTRATION WHICH CALL FOR IMMEDIATE CORRECTION. AMONG THEM:

- FEDERAL AGENCIES HAVE NOT BEEN SUFFICIENTLY RESPONSIVE TO LOCAL PROPOSALS REFLECTING SPECIFIC LOCAL CONDITIONS.
- IN DEVELOPING THEIR PROPOSALS, LOCAL AUTHORITIES HAVE BEEN HINDERED BY UNCERTAINTY AS TO THE AMOUNTS OF FUNDS THAT WOULD BE AVAILABLE FROM THE FEDERAL DEPARTMENTS.
- FEW EFFECTIVE ATTEMPTS HAVE BEEN MADE TO SECURE THE INVOLVEMENT OF STATE GOVERNMENTS.
- FEDERAL GUIDELINES HAVE FORCED CITIES TO SET "MODEL NEIGHBORHOOD" BOUNDARIES THAT OFTEN HAVE BEEN ARBITRARY, AND THAT HAVE CREATED UNNECESSARY DIVISIONS AMONG MODEL CITIES RESIDENTS.

THE PRESIDENT HAS APPROVED THE RECOMMENDATIONS OF THE URBAN AFFAIRS COUNCIL THAT THE MODEL CITIES PROGRAM BE REVISED IN THE FOLLOWING IMPORTANT RESPECTS:

1. THE COUNCIL FOR URBAN AFFAIRS WILL ASSUME DIRECT RESPONSIBILITY FOR INTER-DEPARTMENTAL POLICY AFFECTING MODEL CITIES.
2. SECRETARIES OF THE DEPARTMENTS INVOLVED WILL HAVE PERSONAL SUPERVISION OF THEIR DEPARTMENTS' FUNDING OF MODEL CITIES PROPOSALS, AND WILL RESERVE PROGRAM FUNDS SPECIFICALLY FOR THAT PURPOSE. THIS WILL ENSURE THE AVAILABILITY OF DEPARTMENTAL FUNDS FOR MODEL CITIES, AND WILL GIVE LOCAL AUTHORITIES A BETTER IDEA OF THE AMOUNT AND KIND OF FUNDS THEY CAN EXPECT FROM THE VARIOUS DEPARTMENTS FOR THEIR MODEL CITIES PLANS.

3. ADMINISTRATION OF THE PROGRAM WILL BE FED INTO THE REORGANIZATION OF THE REGIONAL FEDERAL OFFICES, NOW UNDERWAY. ONE EFFECT OF THIS WILL BE TO FACILITATE INTER-DEPARTMENTAL COORDINATION AT THE REGIONAL LEVEL. IN THE PAST, VARIATIONS AMONG THE FEDERAL OFFICES IN PROGRAM PROCEDURES, HEADQUARTERS LOCATIONS, AND STRUCTURES OF AUTHORITY, HAVE HANDICAPPED WELL-INTENTIONED FEDERAL OFFICIALS AND CONFUSED LOCAL OFFICIALS, THUS SERIOUSLY COMPROMISING THE MODEL CITIES PROGRAM AT THE CITY LEVEL.
4. GREATER EFFORTS WILL BE MADE TO INVOLVE THE STATE GOVERNMENTS IN THE MODEL CITIES PROGRAM. LACK OF STATE INVOLVEMENT HAS PROVEN A CRITICAL DEFICIENCY BECAUSE MANY OF THE FEDERAL FUNDS NEEDED FOR MODEL CITIES ARE ADMINISTERED THROUGH STATE AGENCIES. OUR AIM WILL NOT BE TO ADD ANOTHER ADMINISTRATIVE LAYER BETWEEN THE CITIES AND THE FEDERAL GOVERNMENT, BUT TO MAKE BETTER USE OF THE STATES' RESOURCES, EXPERIENCE AND PERSPECTIVE. MODEL CITIES IS INTENDED TO BE AND WILL REMAIN A LOCAL GOVERNMENT PROGRAM CENTERED UPON THE MAYOR'S OFFICE WITH A CONTINUED REQUIREMENT FOR ADEQUATE CITIZEN INVOLVEMENT.
5. THE 10% POPULATION RESTRICTION ON THE SIZE OF THE TARGET NEIGHBORHOODS WILL BE DROPPED. THIS GUIDELINE HAS BEEN ADMINISTERED HAPHAZARDLY IN THE PAST AND HAS HINDERED PROGRESS AT THE LOCAL LEVEL. ELIMINATING THIS GUIDELINE DOES NOT MEAN THAT THE PROGRAM WILL BE EXPANDED CITYWIDE 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.
6. PRIORITY CONSIDERATION WILL BE GIVEN TO THOSE CITIES THAT SUCCESSFULLY ENLIST THE PARTICIPATION OF PRIVATE AND VOLUNTARY ORGANIZATIONS IN THEIR MODEL CITIES PLANS. THE INCREASED FLEXIBILITY IN ESTABLISHING PROGRAM BOUNDARIES WILL MAKE IT EASIER FOR THESE ORGANIZATIONS TO CONTRIBUTE.
7. LOCAL GOVERNMENTS WILL BE ASKED TO ESTABLISH CLEAR PRIORITIES IN DEVELOPING THEIR MODEL CITIES PROPOSALS, AND TO STRIVE FOR "COMPREHENSIVENESS" ONLY IN THE PROGRAMS' FIVE-YEAR PLANNING CYCLE. MANY CITIES HAVE INTERPRETED MODEL CITIES LEGISLATION AND ADMINISTRATIVE GUIDELINES REQUIRING A LOCAL "COMPREHENSIVE" PLAN OF ATTACK ON BLIGHT AND POVERTY IN THEIR TARGET NEIGHBORHOOD AS REQUIRING PROPOSALS TO IMMEDIATELY ATTACK EVERY CONCEIVABLE PROBLEM WITHIN THESE NEIGHBORHOODS. THIS OBVIOUSLY WOULD BE UNWORKABLE: WHAT IS IMPORTANT IS THAT CITY GOVERNMENTS SET CLEAR PRIORITIES FOR ATTACKING THEIR PROBLEMS SO THAT THEY CAN MAKE RAPID AND SUBSTANTIAL PROGRESS TOWARD SOLVING THEIR MOST URGENT RATHER THAN DISSIPATING THEIR RESOURCES IN A VAIN EFFORT TO SOLVE ALL. THIS ADMINISTRATION WILL COMPLETELY SCRUTINIZE APPLICATIONS TO ELIMINATE UNWISE OR UNNECESSARY PROPOSALS.

WITH THESE REVISIONS, I FEEL THAT THE MODEL CITIES PROGRAM CAN HELP US TO ACHIEVE TWO IMPORTANT GOALS--A MORE RATIONAL AND CREATIVE FEDERAL-STATE-LOCAL SYSTEM, AND CITY GOVERNMENTS THAT ARE MORE FLEXIBLE AND RESPONSIVE TO THE NEEDS OF THEIR CITIZENS. WE MUST REALIZE THAT ELIMINATION OF BLIGHT AND POVERTY IN OUR CENTRAL CITIES CANNOT BE ACCOMPLISHED OVERNIGHT. IT WILL BE A HARD AND OFTEN FRUSTRATING STRUGGLE, BUT MODEL CITIES DOES OFFER US THE MEANS OF BETTER USING OUR PRESENT RESOURCES, AND THUS TAKING AN IMPORTANT STEP IN THAT DIRECTION."

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