

MAINTENANCE OF EFFORT

The special—supplemental—assistance to cities provided by the demonstration cities bill is not to replace local funds already being used to rebuild and restore slum and blighted areas and provide community facilities and services to their residents. Accordingly, it will be required, as a condition to receiving assistance for an approved comprehensive city demonstration program, that the city not reduce, during the period an approved program is carried out, its prior level of aggregate expenditures for projects or activities similar to those being assisted under the demonstration program. In addition, a city will not be permitted to use grant funds provided under the demonstration cities bill as a substitute for local dollars committed, prior to the application for the planning of the demonstration program, to be spent for a project or activity for which Federal financial assistance is being provided under an existing Federal grant-in-aid program.

PREPARING A COMPREHENSIVE CITY DEMONSTRATION PROGRAM

A. City demonstration agency

The Federal assistance authorized by the demonstration cities bill will be provided to a city demonstration agency. The city demonstration agency may be the city or any local public agency established or designated by the local governing body to administer the comprehensive city demonstration program.

The city demonstration agency, therefore, may be a public agency created expressly for the purpose of administering the demonstration program or it may be an existing local public agency assigned this responsibility. A very wide range of administrative organizations are permissible so long as the structure serving as the city demonstration agency constitutes a public body which is subject to the control of the local governing body.

Whatever the administrative organization of the city demonstration agency, it must have the endorsement and support of the elected officials of the city and the agency must have sufficient power and authority to undertake the overall administration of the demonstration program.

This does not mean that the city demonstration agency would have to assume operational control of all projects and activities which are a part of the local demonstration program. For example, to the extent urban renewal activities are a part of the demonstration, the existing urban renewal agency would carry out such projects. School boards would continue to direct educational activities in the demonstration area.

The function of the city demonstration agency would be to obtain the cooperation of all participants and obtain their agreement to a concentrated and coordinated effort. The agency would have a strong tool for obtaining such cooperation in its capacity to use demonstration grant funds to supplement existing efforts.

The city demonstration agency could establish, in some appropriate way, an advisory body composed of both public officials and private citizens who are representative of the various public and private interests whose coordinated activities will constitute the demonstration. Independent or semi-independent local government units such as school boards, redevelopment agencies, housing authorities, and community action agencies could also be represented. It may be desirable to have private citizens represent the views of private agencies and business interests. Citizens of the area may be represented by the chairmen or directors of representative neighborhood organizations serving as members.

B. Planning and developing the city demonstration program

The city demonstration agency will apply to the Secretary of Housing and Urban Development for a grant to pay 90 percent of the cost of planning and developing the comprehensive city demonstration program. The application for this grant would have the approval of the local governing body of the city. Before he makes a grant to plan a comprehensive city demonstration program, the Secretary of Housing and Urban Development must determine that there exist (1) administrative machinery through which coordination of all related planning activities of local agencies can be achieved, and (2) evidence that necessary cooperation of agencies engaged in related local planning can be obtained.

Applications for assistance to plan and develop a comprehensive city demonstration program will be required to set out in broad and general terms what the city intends to do and how it intends to go about it. This initial proposal will be tested and refined during the planning and development process and usually