

of project benefits are likely to be higher for the residents of the demonstration area.

Section 6(d) of the proposed legislation provides that if the supplementary grants made available by the legislation are used for projects or activities assisted under a Federal grant-in-aid program which are undertaken as part of such demonstration program, the special grants "shall be credited as part or all of the required non-Federal contribution to such projects or activities." In the case of the public and social services in the demonstration area, \$3.6 million of the \$9.9 million shown in the summary table under B represent special grants that would augment local funds to finance the non-Federal contributions required under the categorical Federal grant-in-aid programs.

As shown under B of the summary table, the non-Federal shares under the various Federal grant-in-aid programs that are part of the model city demonstration program are calculated at \$19.6 million, and 80 percent of this figure results in a supplementary grant entitlement of almost \$15.7 million on an annual basis, or about \$78 million over a 5-year period.

3. *Urban rehabilitation*

For a city with a population of between 500,000 and 1 million, it is estimated that between 8,000 and 16,000 dwelling units will need rehabilitation assistance via writedowns of property at an average net cost of \$5,000 per unit. This will involve outlays of \$40 to \$80 million over a 5-year period, or \$8 to \$16 million per year. This would be financed in large part through urban renewal funds for projects in the demonstration area, but also in part through the supplementary 80 percent grant funds.

4. *Other uses of supplementary grants*

Part of the remaining supplementary grant funds, it is assumed, would be allocated to various public works projects which could not be accommodated under existing Federal assistance programs because of the limitations on program funds, the low priority for these projects in the respective State plans, or because the intended purpose is not eligible for Federal assistance under the existing programs. These funds would be spent on such public works as (a) school facilities for low-income families; (b) health clinics and other outpatient facilities; and (c) various recreational facilities such as children's playgrounds.

Of the remaining supplementary grant funds, it is assumed that they would be used in part to increase the city's participation in Federal grant-in-aid programs, such as the Economic Opportunity Act; to reduce caseloads in categorical welfare assistance programs; to increase training under the Manpower Development and Training Act, Vocational Rehabilitation Act and Vocational Education Act; and to increase participation in various health, education, and welfare programs.

The balance of the supplementary grant funds would be used for new or supplemental municipal services within the demonstration area, such as increased refuse and rodent control, street repair and lighting, police protection, zoning administration, recreation services and in increased staff of courts, corrections, and parole. They would also be used for new types of activities, such as establishment of programs to combat chronic alcoholism and narcotics; to provide citizens consumer advice; a program of job transportation assistance; and community relations services.