

Grants may be made to cities, counties, or other political subdivisions having authority, under State or local law, to acquire or construct neighborhood facilities. Nonprofit organizations—such as community action agencies—having the legal, financial, and technical capacity to carry out the project may contract with the public body applicant to own or operate the facilities. However, the municipality must retain control over the use of the facilities. It is responsible for assuring that the facility is used for the purposes proposed in the application for assistance and that no conversion to other uses occurs for a period of 20 years. All neighborhood facilities developed under section 703 must be consistent with comprehensive planning for the development of the community.

The statute provides that a priority should be given to projects designed primarily to benefit members of low-income families or otherwise substantially the objectives of a community action program. It is expected that most of the applications approved will qualify for priority consideration.

3. History

The neighborhood facilities program was authorized by the Housing and Urban Development Act of 1965.

4. Level of operations. (See table 1.)

Program: Neighborhood facilities.
Department or agency, and office or bureau: Department of Housing and Urban Development; Office of Urban Neighborhood Services [formerly in Urban Renewal Administration].

TABLE 1.—Level of operations or performance, fiscal years 1966–67¹

[Dollar amounts in millions]

Measure	Fiscal year 1966 estimate	Fiscal year 1967 estimate
(a) Magnitude of program:		
Amount of grant approvals in year.....	\$12	\$25
Number of facilities approved.....	80	170
Number of participants: ² Local communities.....	80	125
(b) Applicants or participants: ² Local communities.....	\$12	\$25
(c) Federal finances:		
Unobligated appropriations available.....	\$12	\$25
Obligations incurred.....	\$12	\$25
Commitments made.....	\$5.1	\$10.7
(d) Matching expenditures ³	73	78
(e) Number of Federal Government employees.....		
(f) Non-Federal personnel ⁴		

¹ The program was not in operation in fiscal 1964 and 1965.

² The term "local communities" does not necessarily imply that the community involved will itself be the formal applicant or participant. In some cases, other bodies may apply with the consent of the local governing body.

³ Based on Federal grant ratios of 66% and 75 percent.

⁴ Estimates not available.

5. Estimated magnitude of program in 1970

Experience under the neighborhood facilities program is still too limited to justify any valid estimates of performance several years into the future.

6. Prospective changes in program orientation

(a) Pending legislative proposals.—None.

(b) Proposed administrative or organizational changes.—The Urban Renewal Administration has been incorporated as a part of the new