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Introduction

The October issue of the Review summarized the major community development provisions of the Housing and Community Development Act of 1974, which was signed into law by President Ford August 22, 1974. This article supplements that earlier Review Article by providing information on the funds expected to be available under the Act for community development in cities and towns under 50,000 population and non-urban counties which may not have participated in community development programs previously. It also describes application procedures and requirements, and the Department of Housing and Urban Development's proposed criteria for evaluating applications from such jurisdictions.

Anticipated Funds

At this writing Congress has passed and sent to the President for signature an appropriation of $2.45 billion for community development in Fiscal Year 1975. Of this amount the Act specifies that 20 percent, or approximately $500 million, shall be earmarked for cities and towns under 50,000 population and non-urban counties outside metropolitan areas (Standard Metropolitan Statistical Areas). In addition, approximately $50 million is earmarked for cities and towns under 50,000 population and non-urban counties within metropolitan areas.

The accompanying Table gives the projected fund allocations (referred to in the Act as “discretionary balances”) through Fiscal Year 1980 for Nebraska cities and towns of under 50,000 population and non-urban counties. The Table also includes the discretionary balances for the Iowa portions of the Omaha and Sioux City metropolitan areas in order to give a complete picture for these bi-state metropolitan areas. These allocations were made by the Sub-Committee on Housing of the House Committee on Banking and Currency according to the allocation formula set forth in the Act itself. This formula gives population and overcrowded housing equal weight and the extent of poverty double weight in determining the allocation of the funds. The amounts given in the Table for Fiscal Year 1975 are based on the assumption that the FY 1975 appropriation would be $2.5 billion. Since the actual appropriation as passed by Congress was $2.45 billion, the amounts in the Table for FY 1975 are over-stated by about two percent.

The Act gives specific formula entitlement to cities over 50,000 population such as Lincoln and Omaha, Nebraska; and Council Bluffs and Sioux City, Iowa. Unlike cities over 50,000 population and urban counties, cities and towns under 50,000 population and non-urban counties have no individual entitlement except with respect to the “hold harmless” provisions of the Act as explained below. Smaller communities, therefore, must compete against each other for the available Community Development funds. Smaller communities in each state outside metropolitan areas compete for the non-metropolitan discretionary funds shown in the Table, while those in each state portion of the metropolitan areas compete for the metropolitan discretionary funds.
The Act also contains a "hold harmless" provision to insure that through Fiscal Year 1978 no city or other community, regardless of size, which has previously participated in the old community development programs will receive less funds than the average of what they received during the five fiscal years prior to FY 1973. Council Bluffs and Sioux City, Iowa; and Grand Island and North Platte, Nebraska have "hold harmless" entitlements due to their participation in the old HUD programs. This provision is not attached to any other approval or project application in the new programs. However, notice that because cities under 50,000 population and non-urban counties have "hold harmless" entitlements, the activities proposed to be undertaken must be included in a common plan of action. This will allow HUD to review their request and ensure that the activities proposed are consistent with the community development needs of the area.

Table 1

<table>
<thead>
<tr>
<th>METROPOLITAN AREAS</th>
<th>NON-METROPOLITAN AREAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lincoln, Nebraska SMSA</td>
<td>City of Grand Island, Neb.</td>
</tr>
<tr>
<td>Council Bluffs, Iowa</td>
<td>City of North Platte, Neb.</td>
</tr>
<tr>
<td>Omaha, Nebraska SMSA</td>
<td>Discretionary Balance, Neb.</td>
</tr>
<tr>
<td>Sioux City, Iowa SMSA</td>
<td>Discretionary Balance, Neb.</td>
</tr>
<tr>
<td>总计</td>
<td>总计</td>
</tr>
<tr>
<td>FY 1975</td>
<td>FY 1978</td>
</tr>
<tr>
<td>116</td>
<td>203</td>
</tr>
<tr>
<td>16</td>
<td>32</td>
</tr>
<tr>
<td>580</td>
<td>914</td>
</tr>
<tr>
<td>730</td>
<td>763</td>
</tr>
<tr>
<td>368</td>
<td>146</td>
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<tr>
<td>305</td>
<td>609</td>
</tr>
<tr>
<td>211</td>
<td>264</td>
</tr>
<tr>
<td>1,015</td>
<td>1,600</td>
</tr>
<tr>
<td>1,150</td>
<td>1,560</td>
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<tr>
<td>1,177</td>
<td>1,229</td>
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<tr>
<td>1,545</td>
<td>1,923</td>
</tr>
<tr>
<td>1,277</td>
<td>1,888</td>
</tr>
<tr>
<td>3,549</td>
<td>3,566</td>
</tr>
<tr>
<td>609</td>
<td>305</td>
</tr>
<tr>
<td>717</td>
<td>539</td>
</tr>
<tr>
<td>288</td>
<td>203</td>
</tr>
<tr>
<td>360</td>
<td>1,500</td>
</tr>
<tr>
<td>5,945</td>
<td>203</td>
</tr>
</tbody>
</table>


For the metropolitan area discretionary balances, eligible applications are cities with estimated populations of less than 50,000 and non-urban counties and the state government for community development projects within the metropolitan area. For the non-metropolitan area discretionary balances, eligible applicants are cities and towns of under 50,000 population and non-urban counties. The metropolitan area discretionary balances are not large during the first three fiscal years of the program, during the last two years when the "hold harmless" provision of the Act are phased out these balances (from FY 1978 on) begin to mount up to sizeable amounts. The discretionary balances for Nebraska's non-metropolitan areas, on the other hand, start at a rather high level of approximately $2.7 million in FY 1975 and more than double to almost $6.9 million by FY 1980.

Another important feature of the new Act is that these Federal community development funds do not require any sort of match by local funds, and in fact can be used as the non-Federal match required by other Federal community development grant programs. These discretionary balances, therefore, represent significant opportunities for smaller cities, towns, and counties in Nebraska's metropolitan and non-metropolitan areas to meet their pressing community development needs.

Application Procedures and Requirements

The Department of Housing and Urban Development (HUD) has not yet issued its final rules and regulations governing applications for metropolitan and non-metropolitan discretionary funds. However, its Notice of Proposed Rulemaking dated November 27, 1974 indicates the Department intends to establish a two-step, preapplication-full application, procedure to be followed by cities and towns of under 50,000 population and non-urban counties in making application for these metropolitan and non-metropolitan discretionary balances.

Preapplications. Cities and towns of under 50,000 population and non-urban counties wishing to apply for either the metropolitan or non-metropolitan discretionary funds should receive the appropriate HUD community Development pre-application forms from the HUD Omaha Area Office, and submit the completed forms back to the HUD Area Office by March 1, 1978. In order before or concurrently with submission of the preapplication to the HUD Area Office, the preapplication should be submitted to the Regional and State A-95 Clearinghouses for review and comment.

A preapplication proposal needs to be nothing more than a brief description of the applicant's community development needs and development objectives, the activities proposed to meet those needs, and the general location and estimated cost of the proposed activities for which Community Development funds are being requested.

The purpose of the preapplication is, first, to give HUD an indication of how well the application compares with similar applications from other jurisdictions and, second, to discourage applications which have little or no chance for Community Development funding before applicants incur significant expenditures in their preparation. In their preapplications, therefore, applicant jurisdictions should take care to make a clear and convincing case with respect to the nature and extent of their community development needs and their ability to carry out a comprehensive program to meet those needs. It is also suggested that applicant jurisdictions be as comprehensive as possible in preparing their preapplications and list all of their significant community development needs and proposed projects and activities meeting those needs irrespective of whether or not they intend to request Community Development funds for them. At the same time, however, applicants should clearly identify within that list those projects and activities for which they are requesting Community Development funds. This will give HUD reviewers a clear picture of the applicant's total community development needs and how the projects and activities for which Community Development funding is requested fits into the applicant's overall program.

As soon as possible after receiving a preapplication, HUD will review it and advise the preapplication jurisdiction on its suitability and appropriateness for Community Development funding. This will give HUD reviewers a clear picture of the applicant's total community development needs and how the projects and activities for which Community Development funding is requested fits into the applicant's overall program.

The Act requires that full applications contain three principal things:

(1) A summary of a three-year community development plan which identifies community development needs, demonstrates a comprehensive strategy for meeting those needs, and specifies both short- and long-term community development objectives which have been developed in accordance with area-wide development planning and national growth policies.

For cities and towns of under 50,000 population and non-urban counties, this summary does not need to be long and complicated. It should, however, be comprehensive in identifying community development needs and in describing the applicant's jurisdiction's short- and long-term objectives and program for meeting those needs. In effect it is an elaboration of the needs and objectives statement in the preapplication. If a community has had a comprehensive plan prepared recently with assistance from the HUD "701", Comprehensive Planning Assistance Program, this should be an adequate base from which to prepare the summary, provided the needs, objectives and community development recommendations identified therein are still accurately reflect the current situation and conditions in the community.

In addition, applicant jurisdictions should consult with their area-wide planning agencies (A-95 Clearinghouse Agency) to insure that their community development objectives and programs are consistent with area-wide development policies. And last, applicant jurisdictions should take care that their community development objectives and program are consistent with and supportive of national growth objectives as expressed in the preamble of the Act.

The development of urban and non-urban areas, this summary does not need to be comprehensive in identifying community development needs and in describing the applicant's jurisdiction's short- and long-term objectives and program for meeting those needs.

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(1) A summary of a three-year community development plan which identifies community development needs, demonstrates a comprehensive strategy for meeting those needs, and specifies both short- and long-term community development objectives which have been developed in accordance with area-wide development planning and national growth policies.
or moderate-income should their prescribed by HUD providing assurances that:

OMB Circular A-95.

regulations with respect to the management and accounting of Federal funds to avoid undue concentrations of assisted housing in lower-income areas; and (iii) to assure the public demonstration that the housing assistance from which to prepare the housing assistance

(2) Prior to submission of its application the applicant

The Act gives the Secretary of HUD specific authority to

Orders of activities with respect to what to emphasize and what to
domestic cities wishing to apply

U.S. Department of Housing and Urban Development

PUBLIC OPINION

February 4 7:30 p.m. Norfolk, Nebraska City Auditorium, 127 N. 1st Street Local contact: Mr. Ray Lundy

February 5 7:30 p.m. Syracuse, Nebraska Veto Club 6th & Main Street Local contact: Mr. Lowell Rochausen

The NEBRASKA and IOWA STATE OFFICES OF PLANNING AND PROGR UAMMING are also key sources of information and assistance which small communities may find very helpful. Their addresses are:

Nebraska State Office of Planning and Programming
State Capitol
Box 94601
Lincoln, Nebraska 68509
A.C. 402 471-2414

Iowa State Office of Planning and Programming
523 East 12th Street
Des Moines, Iowa 50319
A.C. 515 281-3585

Another source of information and assistance for small communities in Nebraska is the State Department of Economic Development, whose address is:

Hud sets nebraska meetings on housing and community development act of 1974

The Omaha Area Office of the U.S. Department of Housing and Urban Development has scheduled a series of five meetings for local elected officials in the State of Nebraska to acquaint them with the Department's new and revised Housing Assistance programs and the new Community Development Block Grant program. The range of eligible community development activities will be explained, as well as the application procedures for the Community Development and Housing Assistance programs. The meetings will be held in cooperation with the Nebraska Association of Counties Officials, Nebraska League of Municipalities, Nebraska Department of Economic Development, and the Nebraska Department of Economic Development.
The meetings are being held at five different locations over the State. Local officials interested in learning more about these programs are urged to attend the meeting most convenient to their localities.

The USE OF HOUSING AND COMMUNITY DEVELOPMENT FUNDS: A SURVEY OF PUBLIC OPINION

This Article, of course, is not a complete guide for small communities wishing to apply for Community Development Discretionary funds, and is not intended as such. Cities and towns of under $20,000 population and non-urban counties in Nebraska and Iowa wishing to apply for these funds should first of all seek advice and assistance from the HUD Omaha Area Office, whose address is:

U.S. Department of Housing and Urban Development
Linvac Building
7100 West Center Road
Omaha, Nebraska 68106
A.C. 402 221-9301

The October issue of the Review provided both a summary of the eligible community development program activities and the requirements for citizen participation under the new Housing and Community Development Act of 1974. The list of eligible community development activities set forth in Section 105 of Title 1 of the Act is an "inclusive" list. This means that any activity proposed by a community for assistance must fall within the boundaries of the statutory list. Basically, all activities previously eligible under the separate categorical programs will continue to be eligible under this consolidated program. This means the classic redevelopment tools of acquisition and disposition of real property, acquisition, or construction of certain public facilities and improvements, clearance, housing rehabilitation and code enforcement are permissible.

Also, as part of the application process, the Act requires that each community certify that it has taken steps to assure citizen involvement in community development. Under this requirement, the locality must have made available to citizens substantial information on the block grant program, including the amount of funds available for both community development and housing and the range of activities that are eligible under the block grant. During the locality's process of establishing its needs, public hearings must be held to obtain citizen views. It must also provide citizens with an opportunity to participate in the development of the actual application. It was with this background that the staff at the Center
Over Male Female

The purchase of underdeveloped or deteriorated property in downtown Omaha for redevelopment, (2) the construction of a downtown park mall, and (3) the acquisition, construction or reconstruction of historic properties. Of these, construction of a downtown park mall was disapproved by a decisive two to one vote. 

Attributes varied by age, location, and sex of respondent (see Table 2). With respect to age, respondents under 35 had higher approval rates for eight of the nine eligible community development program activities (the only exception being the use of funds to acquire or construct historic properties). The greatest difference between age groups was for the use of funds to acquire or construct parks and playgrounds (8 percent approval rate for those under 35 years of age compared to 67 percent for those over 55). 

The three activities receiving less than a majority approval (downtown mall, downtown Omaha redevelopment, and historic properties) were consistently rated low in each of the six geographic areas of the City of Omaha.2 Responses from Northwest, Southwest, and Northeast Omaha were particularly unfavorable towards the use of funds to construct a downtown mall. To determine if people were more likely to approve of expenditures in parks and sewerage facilities, received an approval rating of 83 percent. The activities not receiving a majority vote were the purchase of underdeveloped or deteriorated property, and the construction of a downtown mall.

findings

Of the nine selected activities listed in Table 1, the first six pertaining directly or indirectly to housing received the enforcement in deteriorated or deteriorating areas of the City. The activities not receiving a majority vote were (1) the construction of a downtown mall, (2) the acquisition, construct or reconstruct historic properties, and (3) the acquisition, construct or reconstruct buildings and properties.

There currently exists a clearly unfavorable opinion towards the use of Community Development funds for downtown redevelopment. This unfavorable general attitude suggests that the setting of downtown redevelopment as a high priority in the use of Community Development funds will not be passed off lightly by skeptics in the community who question local motivation and capacity in attempting to solve the housing and community development problems of Omaha. If downtown redevelopment efforts are to be successful a skeptical general public must be convinced of the benefits. On the other hand, the survey indicates a strongly favorable public opinion towards the use of Community Development funds for residential redevelopment. This favorable opinion as shown by the survey is sufficiently strong to indicate that a vigorous housing and community development program with focus on residential redevelopment will have the enthusiastic support of the Omaha community at large.

Ralph Todd

TABLE 1

<table>
<thead>
<tr>
<th>PROGRAM ACTIVITY</th>
<th>YES</th>
<th>NO</th>
<th>KNOW</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Percent of Respondents)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special projects to remove restrictive material and architectural barriers for elderly and handicapped</td>
<td>96</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Enforcement of housing standards in deteriorated areas of the City</td>
<td>83</td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td>Acquire underdeveloped, blighted or deteriorated property in Northwest and Southwest Omaha for residential redevelopment</td>
<td>78</td>
<td>19</td>
<td>3</td>
</tr>
<tr>
<td>Acquire, construct or reconstruct parks and playgrounds</td>
<td>75</td>
<td>24</td>
<td>1</td>
</tr>
<tr>
<td>Rehabilitate deteriorated housing east of 42nd Street</td>
<td>74</td>
<td>21</td>
<td>5</td>
</tr>
<tr>
<td>Acquire, construct, or reconstruct utilities, water and sewer facilities</td>
<td>58</td>
<td>36</td>
<td>3</td>
</tr>
<tr>
<td>Acquire underdeveloped or deteriorated property in downtown Omaha for redevelopment</td>
<td>45</td>
<td>51</td>
<td>4</td>
</tr>
<tr>
<td>Acquire, construct or reconstruct historic properties</td>
<td>43</td>
<td>53</td>
<td>4</td>
</tr>
<tr>
<td>For development of a downtown park mall</td>
<td>93</td>
<td>65</td>
<td>2</td>
</tr>
</tbody>
</table>

1 Respondents were selected from the Omaha Telephone Directory, using E. S. Pearson's Table of Random Sampling Numbers. True values are within ±1.5 percent of calculated values at the 90 percent confidence level.
2 Omaha was divided into six geographic areas with 43rd and 72nd Street serving as east-west boundaries and Dodge Street serving as the north-south boundary.

The City of Omaha will be the meeting place for the 1975 Annual Conference of the Mid-Continent Research and Development Council. The membership of the Council is composed of persons in eleven states: Colorado, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, Oklahoma, North Dakota, South Dakota and Wyoming. The purpose of the Council is to provide a medium for encouraging the orderly, rational, and complete development of the human and material resources of the Mid-Continent Region and in so doing to serve as a deliberative rather than an action or policy-making body. Its principal activity is sponsorship of an annual conference devoted to:

(1) discussion of the various conditions and forces bearing upon the economic and social advancement of the region;
(2) interchange of ideas and information on methods, techniques, and practices of interest to persons and organizations concerned with the conduct and administration of research and development activities; and
(3) encouragement of cooperative and coordinated pro-grams, on a voluntary basis, among research and development organizations in the region.

The 22nd Annual Conference will focus on Coordination and Integration of Multi-Functional Regional Planning and Development.

Tentatively, the first day will be devoted to the Missouri Riverfront Development Program, A Case Study in Federal, State, Local and Private Enterprise Cooperation in Regional Planning and Development. The remainder of the Conference will be devoted to discussions on problems and prospects of Regionalism.

The membership in the Council is open to any person or organization inside or outside the region desiring to be associated with the Council's purpose and activities.

Anyone wishing to participate in the Conference should request a copy of the preliminary agenda and related material from the Center for Applied Urban Research.
## NEW RESEARCH AND REFERENCE MATERIALS

**CRIME IN NEBRASKA, 1973,** Uniform Crime Reports.  
Commission on Law Enforcement and Criminal Justice.

**ESTIMATES AND PROJECTIONS OF CURRENT NEEDS AND FUTURE REQUIREMENTS FOR RECREATIONAL ACTIVITIES IN THE RIVERFRONT DEVELOPMENT PROJECT AREA: 1974 AND 1990.**  
Center for Applied Urban Research.

**LOW INCOME NEIGHBORHOODS IN LARGE CITIES: 1970 OMAHA, NE.**  
U.S. Bureau of the Census.

**NEBRASKA ECONOMIC PROJECTIONS: 1975-2000**  
Bureau of Business Research, UNL.

**NEBRASKA STATISTICAL HANDBOOK, 1974-75.**  
Nebraska Department of Economic Development.

**POPULATION BY AREA-SARPY COUNTY SPECIAL CENSUS AS OF JULY 15, 1974.**  
U.S. Bureau of the Census.

**TOWARD EFFECTIVE CITIZEN PARTICIPATION IN URBAN RENEWAL.** Final report of the National Urban League. Urban Renewal Demonstration Project.


### REVIEW OF APPLIED URBAN RESEARCH

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<th>Vol. 3</th>
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Hubert G. Locke, **Dean**

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