

**Fourth Year  
Block Grant Program**

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**Application Packet**

**September 9, 1977**



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139  
Tel. 876-6800

EXECUTIVE DEPARTMENT  
JAMES L. SULLIVAN  
City Manager

September 9, 1977

TO: City Manager's Block Grant Advisory Committee

FROM: James L. Sullivan, City Manager

SUBJECT: Fourth Year Block Grant Application Packet

I transmit herewith a packet of draft materials which marks the initiation of the Fourth Year Block Grant Program application process. I am pleased to announce that the City's fourth year allocation will be \$3,604,000 - a figure which reverses a three year decline and reflects, in part, the Carter Administration's increased committment to the nation's urban centers.

Again, let me express my gratitude to the members of the Advisory Committee, whose extensive participation in Block Grant Program development has made my job easier and has given the Cambridge Block Grant effort a reputation as one of the nation's most responsive programs.

The Fourth Year application process will differ significantly from those of previous years, in response to changing federal regulations. The process will in some ways be more demanding of your time and effort, but also, hopefully, more meaningful. The process will be structured in a manner which encourages in-depth citizen involvement in planning and program development.

I call your attention to the attached draft materials, listed below. Please review these materials in preparation for the initial hearings, scheduled for September 21 and 22. (If you are unable to comment on these materials, at either public hearing, your written comments are solicited).

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(PLEASE RETURN IMMEDIATELY)	

TENTATIVE SCHEDULE OF HEARINGS AND WORKSHOPS  
FOURTH YEAR BLOCK GRANT APPLICATION PROCESS

INITIAL HEARINGS

September 21, 1977 - Wednesday - 7:30 P.M. - City Council Chambers

September 22, 1977 - Thursday - 7:30 P.M. - City Council Chambers

(NOTE: These two hearings are duplicate. Citizens need only attend one).

HOUSING WORKSHOP SERIES

October 19, 1977 - Wednesday

October 26, 1977 - Wednesday

November 2, 1977 - Wednesday

November 9, 1977 - ~~Wednesday~~ (if necessary)

PUBLIC SERVICES WORKSHOP SERIES

October 19, 1977 - Wednesday

October 26, 1977 - Wednesday

November 2, 1977 - Wednesday

November 9, 1977 - Wednesday (if necessary)

COMMUNITY DEVELOPMENT WORKSHOP SERIES

October 19, 1977 - Wednesday

October 26, 1977 - Wednesday

November 2, 1977 - Wednesday

November 9, 1977 - Wednesday (if necessary)

HEARING ON DRAFT APPLICATION

December 14, 1977 - Wednesday



## CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139  
Tel. 876-6800

September 9, 1977

EXECUTIVE DEPARTMENT  
JAMES L. SULLIVAN  
City Manager

### CITY MANAGER'S STATEMENT ON THE FOURTH YEAR BLOCK GRANT APPLICATION PROCESS AND HIS TENTATIVE PRIORITIES

At the beginning of last year's Block Grant Application process, I stated my initial, tentative priorities for the allocation of funds among Block Grant categories (Housing Rehabilitation, Open Space Improvements, Human Services, etc.). This approach had been urged on me by the previous year's Advisory Committee as a general guide for citizens to be involved in the Third Year Application Process, and I believe their idea proved to be helpful and constructive. Further, I believe that my final allocation of the Third Year funds proved that the "going-in" priorities I provided at the citizens' request were, in fact, tentative, and that I remained both flexible and responsive as the application process proceeded.

It is in this spirit that I will again present my tentative thinking about the allocation of Block Grant funds in our application to be submitted next April (an application in the amount of \$3,604,000, if the "dual formula" funding is adopted by Congress in the forthcoming Housing and Community Development Act of 1977). This tentative approach will be mailed to the Advisory Committee on or about October 16th.

However, the "going-in" thinking I will provide this year will be considerably more detailed than last year, as it will include not only a tentative allocation of funds to the various functional categories of Block Grant activity but will also include as detailed a draft program as I can put together at this time (i. e. some specific projects, as well as some general ideas and concepts that will suggest the kinds of projects I will be looking for -- as Advisory Committee proposals -- within the major functional categories). The reason for this more-detailed "going-in" statement to the Advisory Committee is that the Carter Administration has brought about some major changes in the Block Grant Program that significantly reduce the flexibility we experienced -- and were able to pass through to our Advisory Committee -- in the first three applications. In making this important point, I do not mean to imply criticism of the new Carter Administration approach; we lose flexibility, but we will gain (bh HUD regulation) a sharper focus and concentrated effort with

regard to the problems of our lower-income residents. A brief overview of the new Federal approach to the Block Grant Program is as follows:

1. First and foremost, as a general rule every project must now predominantly benefit low-and moderate-income persons. As stated above, the strengthening of this requirement will reduce our flexibility to some extent. Though our Block Grant Program has, of course, always been basically geared to the needs of the City's disadvantaged population, under the new regulations a project which might benefit other residents equally with those of low and moderate incomes could very well fail to qualify. Since Cambridge has many legitimate community development needs that would conflict with this regulation, we must redouble our efforts to find and exploit alternative revenue sources.
  
2. The second major change in the Application Process is the new emphasis by the U. S. Department of Housing and Urban Development (HUD) on a Block Grant Program that derives specifically from a cohesive community development plan addressing the Block Grant related needs, long-and short-term objectives, and project-selection strategy directed toward improving the quality of life for low-and moderate (lower) income residents. In the past, the Cambridge Block Grant Program has been grounded in the basic objective of neighborhood stabilization, but, beyond this common denominator, projects developed more or less independently of each other and thereby could not necessarily achieve maximum coordinated impact. (Note: This sharply increased emphasis on an annual Block Grant Program that reflects a comprehensive community development plan, as well as a strategy for moving forward as effectively as possible with the plan, will result in several major changes in our citizen participation procedure -- including (a) replacement of the "voting on projects" approach with a "working toward a consensus", since we cannot possibly expect to produce the coordinated, plan-and-strategy-based set of projects HUD will require if we simply rely on selection by ballot; and (b) the introduction of program-planning workshops that will be at the heart of the citizen participation process and will address the full range of Block Grant-related concerns within the framework of three major categories -- Housing, Public Services, and Community Development.)

In moving ahead with the Fourth Year Application Process (for which the schedule is given in the Citizen Participation Plan section of this application packet), the Advisory Committee and general public are earnestly requested to keep the following points in mind as underpinnings to their project proposals and their workshop interaction and deliberations:

1. We must continue to emphasize the role of Block Grant funds in "leveraging" funds (i. e. producing additional funds) from other sources. The bank funds that have been attracted by our Housing Rehab grants, the Bureau of Outdoor Recreation funds that have matched our open space acquisition-and-development investments, the "Urgent Needs" dollars that we have attracted to the Wellington-Harrington Urban Renewal Project based on our annual "Entitlement" allocation to that project -- all are examples of successful leveraging. We must continue to seek out and make use of this kind of opportunity, wherever the leveraged dollars closely fit both our plan and our implementation strategy.
2. We must continue to bear in mind that the Block Grant Program as conceived of and established by Congress is predominantly a physical-environment-oriented effort. Block Grant's role in the Human Services area is being increasingly cut back on by HUD policy, and is best concentrated by us in two areas: (a) planning and coordination of Human Services; and (b) the meeting of particularly urgent or unique needs. All cities must press Congress to enact a companion Block Grant Program for providing localities with annual, flexible human service funds.
3. Our Block Grant Program is operating an unusually large number of projects compared to other cities with about the same level of funding (\$3.5 to \$4.0 million annually). Due to the increased complexity of justifying, implementing, monitoring and evaluating each project under the new regulations, we must begin to reduce our total number in each year's program or incur either (a) considerably higher administrative costs, or (b) the risk of failing to adequately meet all of the many HUD regulations that apply during project implementation and thus the possible loss of part of our funding. Our large number of projects (76 at this time, including carryover projects from previous years) has arisen from the best of intentions -- trying to meet a wide variety of needs of a broad range of groups, individuals, and interests, and has basically been productive for Cambridge. But in light of new circumstances we must begin a concerted effort to reduce the number of projects through both consolidation and the funding of larger projects.
4. Within the framework of Cambridge's strong neighborhood structure, it is perhaps inevitable that the Block Grant Program involve a certain amount of competitiveness. The challenge is to keep this competition at a constructive level, focussed on issues of city-wide significance. As the City gradually completes planning and programming studies in Block Grant-related functional areas, it is hoped that citizens will recognize and use these products as the ingredients of more-easily-arrived-at resolutions of the Block Grant funding issues. As an example, during the past year considerable planning effort has been directed to the areas of open space improvement, street and sidewalk rehabilitation, and upgrading of neigh-

borhood facilities. I believe that the conclusions of these studies are equitable, as well as sensitive, to relative needs, and I hope that the energies of the Advisory Committee can now be focussed on the numerous other unresolved issues rather than on altering the conclusions of these studies. In any event, I must necessarily rely heavily on the results of these studies (which are available from our Community Development Department) in developing my final Block Grant recommendations.

I earnestly hope that the above statement about the new directions of the Block Grant Program will serve as a useful foundation for the participation of the Advisory Committee and the general public in the Fourth Year Application Process. However, it is important that all other sections of this Application Packet also be reviewed, as no one section is adequate by itself to provide a full understanding of the Fourth Year Process. Questions or criticisms will be welcomed, and should be directed to our Block Grant staff.



## CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139  
Tel. 876-6800

EXECUTIVE DEPARTMENT  
JAMES L. SULLIVAN  
City Manager

### CITIZEN PARTICIPATION PLAN

### FOURTH YEAR COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

### CITY OF CAMBRIDGE, MASSACHUSETTS

The Citizen Participation Plan for the development of the Fourth Year (F78-79) Block Grant Application and for implementation of the Third and Fourth Year program has several objectives: (1) maximize opportunities for participation of and contributions by the citizens of Cambridge, particularly those of low-and moderate-income; (2) build constructively on the extensive participation processes of the past two years; and (3) focus effort on the development of programs and projects which respond effectively and innovatively to the needs of low-and moderate-income persons and physical blight and deterioration in low-and moderate-income neighborhoods.

### THE FOURTH YEAR PROGRAM

Anticipated funding level for the Fourth Year Block Grant Program is \$3,604,000. This is an increase of about \$150,000 over current year's funding, and results from a revised allocation formula scheduled for enactment by Congress in September. The addition of another formula option, now under consideration by Congress could increase the City's Fourth Year allocation to \$4,402,000; however, approval by Congress is by no means certain, and in any case final approval may not occur until October. Nevertheless, the potential of increased funding should be kept in mind during the application process, in order that appropriate adjustments can be made on short notice if necessary.

### COMMUNITY DEVELOPMENT STRATEGY

The new Secretary of the U. S. Department of Housing and Urban Development, (HUD), Patricia Harris, has stated that the Block Grant program will undergo several important administrative changes. Although these changes are alter-

ations in HUD administrative policy rather than in the basic legislation, they will have significant impact on both the application process and the types of projects eligible. While new application regulations have not yet been finalized by HUD, these new policy directions have been made clear to us in scope and content.

First, the statutory objectives of the Block Grant program have been strongly reaffirmed. In particular every project must benefit predominantly persons of low and moderate income, and/or be directly aimed at the "elimination of slums or blight"; or a project can address a need of "particular urgency." Numerical criteria may or may not be promulgated by HUD -- i. e., a target neighborhood may require a specified proportion of lower-income persons -- but, in any case, HUD has made it clear that the application evaluation will include detailed examination of project proposals for compliance with these statutory objectives.

Secondly, the City must include a comprehensive, cohesive community development plan and strategy as part of the application. All proposed projects must not only derive from and conform with the plan and strategy, and the underlying objectives, but must also constitute the most effective means of achieving those objective.

Despite the significance of the community development strategy in the Fourth Year application process, time is not available for a "ground-up" (citizen task force) development of the strategy. But this is not really necessary, since both the comprehensive planning process and the Block Grant application processes of the past two years have involved hundreds of citizens, through neighborhood and city-wide meetings, in a process of assessing community needs, developing community development objectives, and proposing action strategies and specific projects. These deliberations have formed the basis of a draft community development strategy which the City's Department of Community Development

has prepared and which is included in this application packet.

While careful review of and comment on the Community Development plan and strategy drafts will be earnestly solicited by the City, most discussion during this fall's meetings and hearings must be directed at assessment and development of project and program proposals in order that application deadlines can be met. A framework will be established for formal citizen involvement in refining and revising the community development strategy over the winter and spring of 1978 in preparation for the Fifth Year process in the fall of 1978.

AN OVERVIEW OF THE APPLICATION TIMETABLE

- a. Early September - Mail out of materials to Block Grant Advisory Committee, including draft of Community Development Strategy, draft Citizen Participation Plan, Application Schedule, Manager's Statement on Priorities. Initiate project solicitation and development process.
- b. Mid-September - Two public hearings covering: Block Grant Program generally; Fourth Year Application process; testimony on draft of Community Development Strategy and draft of Citizen Participation Plan.
- c. Mid-September to Mid-October - Project proposal development.
- d. Mid-October to Mid-November - Workshops weekly for three or four weeks on three basic functional areas of Block Grant Activity -- Housing, Public Services, Community Development -- to develop consensus on short-term objectives and project proposals.
- e. November - December - Prepare First Draft of Application.
- f. Mid-December - Public Hearing on First Draft of Application
- g. Mid-January - Prepare Second Draft of Application. Send to City Council for review.
- h. Early February - Finalize Application. Send to Office of State Planning and to Metropolitan Area Planning Council for required A-95 (State and Regional Clearinghouse) Review.
- i. Early April - Revise application per A-95 Review results.
- j. Mid-April - Submit application to HUD for 75-day Federal review.
- k. April-May - Commence environmental clearance procedures per Federal requirements.

### BLOCK GRANT ADVISORY COMMITTEE

The Block Grant Advisory Committee is composed of all citizens who wish to participate in the application process and/or who desire to keep informed of Block Grant activities through receipt of all materials. At the beginning of the Fourth Year application process, the Advisory Group will consist of all persons who participated in last year's application process -- over 400 persons. Any citizen not a member will be added through his or her request. Last year's members wishing to continue participating will be able to so indicate via a mail-back form.

Committee membership is also available to one representative of each organization or agency which demonstrates that its orientation is predominantly toward serving the needs of the City's low- and moderate-income residents.

### GENERAL ADVERTISING AND NOTIFICATION PROCEDURES

Initial Block Grant hearings in September will be advertised in the Cambridge Chronicle and the Boston Herald American during the preceding week. All other scheduled meetings and hearings will be advertised in the Cambridge Chronicle in the preceding week.

All Block Grant Advisory Committee members will receive notification of hearings and meetings by mail. Organized community and neighborhood groups and appropriate public officials will be similarly notified.

Meeting notices will be posted in the City Clerk's office and other public bulletin boards in City Hall, City Hall Annex and 51 Inman Street Municipal Building.

The formal notification procedures above will be supplemented if necessary through the use of other media such as radio spots and posters.

An abbreviated Citizen Participation Plan will be published in the Cambridge Chronicle in early September and will advise the general public of the availability of the complete Citizen Participation Plan.

If a particular hearing or meeting concludes with a consensus on the part of participants or staff that a follow-up meeting or hearing is desirable, but within a time period which precludes formal newspaper advertising or mail notification, staff will make a maximum effort to notify by telephone as many Advisory Committee members as possible.

#### AVAILABILITY OF TECHNICAL ASSISTANCE

Block Grant staff will be available to respond to any inquiries concerning the Block Grant Program generally, the Fourth Year Application process, or any other Block Grant matter. Further, staff will provide assistance in the development of any project proposal, by any group or individual, including cost estimation, conformance with eligibility requirements, and technical issues. Staff assistance will be provided in accordance with the following guidelines:

- a. Inquiries related to a particular type of project or a particular neighborhood should be addressed to the appropriate Lead Person or Neighborhood Planner. (See attached listing of Block Grant staff)
- b. Inquiries concerning Block Grant program or application process generally should be addressed to the Deputy Block Grant Coordinator.
- c. All Block Grant materials prepared for public distribution are available at any time, between 8:30 a.m. and 5:00 p.m. at the Department of Community Development, third floor, City Hall Annex, 57 Inman Street.
- d. Citizens desiring to meet with a particular staff person should telephone prior to the visit to insure the availability of that staff member.
- e. Staff members will participate to the fullest possible extent in neighborhood and organization meetings involving Block Grant matters. However, availability of staff for these purposes is necessarily limited by the unusually high demands on Block Grant staff during the application process, and will be determined by such factors as the timing of the meeting, availability of the particular staff person at a particular time, the objectives of the

meeting, and anticipated attendance. In any case, responsibility for organizing the meeting and notifying potential participants must generally be assumed by the particular individual or group initiating the meeting. Requests for staff participation should be made in conformance with paragraphs a. and b. above, and any staff commitment pursuant thereto must be approved by the Deputy Block Grant Coordinator.

CITIZEN PARTICIPATION IN THE DEVELOPMENT OF PROJECT PROPOSALS AND THE APPLICATION

The proposal development process will begin with the initial mail-out in early September. Any individual or organization may propose a project, utilizing the standard format provided and staff technical assistance as necessary. Proposals may be mailed to the appropriate Lead Person of the Community Development Department, or delivered in person. Those making proposals should adhere carefully to eligibility requirements, and proposals must conform to the community development strategy.

In order to both streamline the application process and insure that citizen and staff effort will be focussed most constructively, an internal Eligibility Committee composed of Block Grant staff members will review all proposals for conformance with HUD eligibility requirements and the community development strategy. Projects found deficient in these respects will be rejected from further consideration. Proposers will be so notified and may, if possible, resubmit a revised proposal that meets eligibility and strategy requirements.

Formal submittal of project proposals will be closed on October 11. Proposals will be organized, packaged and mailed to committee members in preparation for the workshop series covering Housing, Public Services, and Community Development.

The workshop series will begin in mid-October. Each workshop will meet weekly for three or four weeks maximum. The workshops are open to all committee

members, as well as other interested persons. Members are encouraged to focus upon and attend the workshops in the functional area in which they have the greatest interest. (Workshops in different functional areas may be scheduled concurrently.) Stricter eligibility requirements and limitations imposed by the community development strategy will necessitate both more "homework" and a conscientious effort to understand as much as possible about the particular functional area. In the workshops themselves, staff and participants will jointly: (1) develop short-term objectives, review, evaluate and revise project proposals (2) develop new project proposals where appropriate; and (3) produce a complete program package recommendation for that functional area.

Following the workshop, the program recommendations in the three functional areas will be aggregated and submitted for review by the City Manager. Where citizen and staff recommendations differ, both positions will be submitted to the Manager. Project proposals will be revised in accordance with the Manager's review. A draft application will then be prepared. Advisory Committee members will be mailed copies of the draft application prior to a public hearing on it in mid-December. A newspaper advertisement will notify the general public of the availability of the draft application.

Final revisions will be made based on the hearing testimony. The final draft application will be submitted to City Council for comment in mid-January.

#### BILINGUAL SERVICES

The abbreviated Citizen Participation Plan will be printed in Portuguese and Spanish. Effort will be made to provide translation services on request for both hearing and printed material.

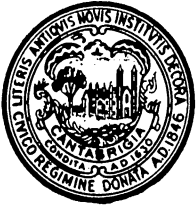
CONTINUING CITIZEN PARTICIPATION DURING IMPLEMENTATION OF THIRD AND FOURTH YEAR PROGRAM

- a. Members of the Advisory Committee will receive bi-monthly a status report on Block Grant activities including implementation progress, reprogramming of funds, and the commitment of contingency funds. Questions and comments on Block Grant activities are encouraged on a year round basis.
- b. Prior to the funding of new Block Grant Projects through use of contingency or reprogrammed funds, notice of such proposed projects will be mailed to the Advisory Committee for review and comment.
- c. A formal Advisory Committee meeting on any issue will be convened upon the request of five Advisory Committee members. All members will receive notice of the meeting by mail and the meeting will be advertised in the Cambridge Chronicle. The Block Grant staff may also convene a meeting or series of meetings of the Advisory Committee if it is deemed necessary to address a particular problem or finalize a particular project. For example, meetings will likely be convened to review and refine the community development strategy in preparation for the Fifth Year application process.
- d. During Fourth Year Program implementation, Environmental Reviews will be conducted on all projects, exclusive of several types of projects which are exempt. Notice of the availability of the reviews will be published in the Cambridge Chronicle. Citizens will then have 15 days to file comments with the Department; these comments will be attached to the reviews for forwarding to HUD. After the 15 day period a second notice will be published in the Cambridge Chronicle announcing a 15-day period in which citizens may file comments with HUD, prior to action by HUD on the City's "Request for Release of Funds". Members of the Advisory Committee will be notified by mail as each project in the environmental clearance process reaches the point of first advertisement.

- e. In accordance with paragraph c. above the Advisory Committee may be convened on its own initiative or that of the staff to deal with detailed project planning as required. Committee members will be kept informed of project planning activities through the bi-monthly Block Grant status report.
- f. In accordance with paragraph c. above the Advisory Committee may be convened on its own initiative or that of the staff to deal with matters of project evaluation. In any case the committee will convene at least once toward the end of the Third and Fourth program years for an evaluation discussion of that year's projects. Members are encouraged to monitor projects in progress in their neighborhoods on a continual basis and report their opinions to the Block Grant staff.

#### CITIZEN PARTICIPATION IN PLANNING OF FIFTH YEAR APPLICATION PROCESS

The Fifth Year Application Process will commence in September 1978 and follow the general format and time table of the Fourth Year Application Process. Alterations in the Fifth Year process will be made based on experience and citizen feedback on the Fourth Year process. The evaluation meeting of the Advisory Committee which will be held toward the end of the Third Year program year (see above) will include discussion of the Fifth Year Application Process.



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EXTENSION 344

**CITY OF CAMBRIDGE**  
**COMMUNITY DEVELOPMENT DEPARTMENT**  
City Hall Annex - Inman & Broadway - Cambridge, Mass. 02139

DRAFT

September 9, 1977

COMMUNITY DEVELOPMENT PLAN/LONG-TERM OBJECTIVES  
FOURTH YEAR COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
CITY OF CAMBRIDGE, MASSACHUSETTS

The following five Community Development Plan Long-Term Objectives for the City of Cambridge are based on the City's community development needs as developed by the Comprehensive Plan Program of 1975-76. Although the objectives apply to the entire city, they are applicable for Block Grant Program purposes, since the entire city consists predominately of low-and moderate-income persons (the Block Grant target population). As documented by the 1970 Census, among 100 cities in the Boston SMSA (Standard Metropolitan Statistical Area) Cambridge ranked near the bottom (98th) in median family income. These long-term objectives are intended to serve as Cambridge goals for a ten-to twenty-year period. Short-term (one-to-three-year) objectives on which specific Block Grant fourth, fifth and sixth-year proposals will be based are to be developed during the Fourth-Year Application Process. The long-term objectives are:

1. Stabilize the City's Population

In many ways, "stabilizing the city's population" summarized the overriding challenge facing Cambridge. All the City's Block Grant goals, policies and programs should relate directly or indirectly to preserving the diversity of population the city now enjoys. If Cambridge cannot effectively counter the popu-

lation trends of the past twenty years, the city of, say, 1990, will be socially and economically unreconizable to a resident of today; it will be, in a real sense, a different city. But aside from the issue of what type of city Cambridge will become, the recent rate of population change elicits a cost in social stability: sense of neighborhood declines as more neighbors become unfamiliar; crime increases; and fewer persons participate in the political process.

The last 25 years have seen profound shifts in population. The number of family households has decreased by 25% since 1950. During the same period, non-family households have increased from 8,000 to 18,000. The proportion of children and those over 35 has declined significantly, while the 18 to 34 age bracket has increased dramatically, in parallel with the large increase in the city's student population. In terms of income, the city's population is becoming both richer and poorer, as the moderate to middle income groups are leaving the city, either by force of economics or by choice. In sume, Cambridge's population is increasingly young, single or childless, student or professional.

In concrete terms, stabilizing the city's population means preserving a place for low-, moderate-income families, as well as making Cambridge an attractive living environment for middle to upper income families who have the resources to exercise a variety of choices on where they live. Families are the population group which continues to leave Cambridge and the loss of which continues to undermine the social stability of the community.

Thus "stabilizing the City's population" translates in large part, into "preserving and enhancing the city as a family environment." "A family environment" includes the whole range of physical, social, economic, and political elements which together constitute a supportive living framework for families with children -- decent, reasonably priced housing; adequate employment opportunities; good public services, particularly education, recreation and public safety; socially and physically cohesive neighborhoods; environmental amenities; and effective, efficient city government.

In seeking to improve the city's attractiveness for families, however, Cambridge faces a particular challenge. Because Cambridge is already a magnet for certain population groups, improving the quality of life in the city can only reinforce its attractiveness for outsiders. As community development activities proceed, Cambridge must be doubly concerned about the economic pressures which can potentially increase for the city's low- and moderate-income population.

## 2. Enhance the Quality of the City's Physical Environment

Cambridge is an old city, and shows its age in many ways. The housing stock is deteriorated and -- aside from the issue of the living quality of the interior -- collectivity paints an unpleasant picture in many areas of the city. Most sidewalks and many streets are in need of repair. Street trees have only recently been replaced at a rate greater than their removal. Open space is in short supply, which affects not only recreational opportunity, but also the overall visual image of the city.

This variety of environmental deterioration or deficiency has a serious impact on the overall quality of living in the city. No one aspect is necessarily more significant than another. What is required is a gradual, but concerted, across-the-board effort which attacks all major elements of environmental deficiency.

A separate, but no less important, aspect of environmental quality involves the scale of buildings. The predominant physical pattern in Cambridge of small structures, three stories high, is a characteristic valued by almost all Cantabrigians. Such a scale is termed "human" because it is one which people feel comfortable with and can relate to without feeling overwhelmed. Although the economics and technology of development today require generally larger structures, (Cambridge does not need the very large buildings which have been almost typical of development during the past twenty years.)

Cambridge residents sense that the many new larger structures altering the basic physical nature of Cambridge and they have vociferously and consistently voiced their disapproval. Yet, with the exception of residential neighborhoods, most of the city is affected by zoning regulations which permit -- indeed, encourage -- large, high-rise structures. The city needs precise definition of where larger structures are acceptable and/or desirable, and adequate protection in remaining areas.

3. Preserve the City's Diversified Employment Base

Cambridge's extremely diversified employment base plays an important positive role maintaining the city's social, economic, and fiscal health. It provides a variety of job opportunities

for the city's diverse population; it cushions Cambridge against fluctuations in the regional and national economies; it provides the City with a strong tax base; and it adds to the vitality and variety which are uniquely Cambridge.

But, the employment base has been undergoing changes which parallel those in the population: exodus of manufacturing and blue collar jobs; the growth of mostly white collar and professional jobs, overall decline in jobs; and high unemployment. There are, however, heartening indications that these trends have slowed or leveled off during the last several years. Nevertheless, the city is left with a shortage of low-and semi-skilled jobs, skill deficiencies within the labor force which must be addressed through retaining, and a stubbornly persistent high unemployment rate, currently estimated at about 10%.

Cambridge required a commitment on the part of government to an active economic development effort. First on the agenda should be the provision of a supportive governmental, zoning, and service framework for the city's existing industrial base. This older industrial base employs a higher proportion of Cambridge workers, at appropriate skill levels, than the higher technology industry that would replace it.

#### 4. Improve the Quality of Public Services

Not only is the quality of public services and facilities probably the principal determinant of low "livable" a city is, but families with children are more dependent on public services than most population groups. The quality of public services is not usually considered in a "community development" context. In fact, if a major objective of the city is to retain and attract families,

improving the quality of public services and facilities should be among the most important strategies for achieving that objective. While Cambridge provides a wide variety of services and facilities, three in particular stand out as vital to the creation of a viable family environment: education, public safety, and recreation. Given finite resources, concentrating on upgrading in these three areas is likely to produce maximum city-wide benefit in the short run. But the improvement of other basic services is also important: trash collection, street cleaning, maintenance of public facilities, etc. At the same time, however, no city can afford to permit the deterioration of its basic physical infrastructure -- streets, sidewalks, sewers, parks and playgrounds, water system -- on which the city depends for its day-to-day functioning. In an old city like Cambridge, continuous effort and monies must be expended to modernize such facilities.

In addition to basic services and facilities, the city is involved in the provision, directly or indirectly, of a variety of specialized human services to Cambridge residents. Such services as health services, family life counseling, child care, employment services, and elderly services are crucial to the day-to-day survival of many disadvantaged persons and serve to contribute greatly to a dignified, healthful, and enjoyable existence for many among the city's low-and moderate-income population. The city must strive to maximize the availability of these specialized services to those who need them, within the limitations imposed by limited resources.

Indeed, community development activities which upgrade the physical environment for the lower income population are of little use to people whose basic human needs are not being adequately addressed.

The provision of necessary human services is a vital component of the "community development" concept.

5. Strengthen the City's Fiscal Base

The extent and quality of services and facilities Cambridge government provides are in large part dependent on the strength of the city's fiscal base. While Cambridge enjoys a relatively strong tax base, the city has been subject to a variety of fiscal pressures common to local government generally, and older north-eastern and midwestern cities in particular: escalating costs, inflation, slow or no-growth tax base, shrinking state and federal aid. Cambridge in particular carries the burden of extensive private, tax exempt property.

While the property tax rate has been stable for three years, the trend for the last decade is steeply upward. High property taxes are regressive, discourage investment, discourage family resident, and over-burden the poor, disadvantaged, and those on fixed incomes.

Augmenting Cambridge's financial resources should be a multi-faceted effort. First, the tax structure should be broadened to reduce reliance on the property tax (now 60% of local revenues). This push must be at the state level. Secondly, irrespective of changes in the tax structure the property tax will remain a major source of revenue; the best prospects for strengthening the real estate tax base lie in sensible and desirable commercial development. Thirdly, the burden of tax exempt property on the city must be lessened.



**CITY OF CAMBRIDGE**  
**COMMUNITY DEVELOPMENT DEPARTMENT**  
City Hall Annex - Inman & Broadway - Cambridge, Mass. 02139

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EXTENSION 344

COMMUNITY DEVELOPMENT STRATEGY  
FOURTH YEAR COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
CITY OF CAMBRIDGE, MASSACHUSETTS

The following seven elements of the City of Cambridge strategy for use of its Federal Block Grant funds proceed from the City's community development long-term objectives as set forth in other statements accompanying this one. Together, these seven strategy elements are geared to improving the quality of life for the City's low-and moderate- (lower) income families and individuals, who constitute the preponderance of the Cambridge population. These seven elements of a Block Grant Program strategy are:

1. Maintain a City-wide Approach

The city's principal community development objective is the stabilization of the city's population. From a social standpoint, this objective means a strengthening of the city's neighborhoods. Cambridge enjoys a strong neighborhood structure, one born of the city's social and developmental history, but maintained, and in some cases, strengthened up to the present day. The city's neighborhood structure contributes to social cohesiveness and to the city's vitality and diversity.

With due recognition of the fact that the ultimate result of the city's community development efforts should be stronger, more stable neighborhoods, the city's Block Grant effort will maintain a city-wide perspective. The reasons are several. First, the city's population as a whole is predominantly lower income. In 1975, about 55% of Cambridge families were lower income, according to the HUD definition. Indeed, the city's median family income is only 73% of that for the Boston metropolitan area. Further, nearly 13% of Cambridge families fell below the poverty level. And 50% of individuals not living in families earned less than \$5,000.

Secondly, Cambridge's lower income population is quite dispersed throughout the city with significant numbers in all neighborhoods. In four neighborhoods lower income families constitute over 60% of all families; the figure is over 50% for three additional neighborhoods, and over 40% for three other neighborhoods. Even in the city's wealthiest neighborhood, one-third of the families are lower income. Clearly, the concentration of Block Grant resources must relate directly to the concentrations of the city's lower income population, but this approach necessarily involves most neighborhoods.

Finally, while of course the nature and extent of blight and deterioration differs in each neighborhood, the problems in each are not qualitatively different. Community development activities would be generally similar irrespective of neighborhood. Fortunately, no neighborhood suffers from an extreme of poverty, deprivation, and blight which demands a unique approach to the solution of its problems. In sum, the community development strategies enumerated below are generally applicable to nearly all neighborhoods.

A city-wide perspective for Block Grant activity, however, does not impinge on the City's commitment to direct Block Grant resources exclusively to areas and individuals of demonstratable and evident need or to the preponderant benefit of the city's lower income population.

2. Upgrade the Existing Housing Stock

Most of the housing stock in the city consists of wood frame, two- and three-unit structures constructed prior to 1920. Further, absentee ownership is prevalent; well over 60% of the units in many neighborhoods are in absentee-owned structures. Age, wear and tear, and disinvestment have all taken their toll, resulting in serious problems of deterioration in nearly all the city's neighborhoods.

The strategy for combatting the problem of housing deterioration must be multifaceted. It should reinforce and expand homeownership opportunities whenever possible. It must provide the variety of techniques necessary to reach the maximum number of owners -- including grants and loans, high-risk loan opportunities, financial counselling, technical services, program outreach. Further, situations where concentrated rehabilitation effort will stabilize area or block-wide deterioration should be exploited. An effective effort to upgrade the city's housing stock must include an effective yet sensitive code-compliance function. Finally, the rehab program must tackle the problems of deterioration in absentee-owned buildings no less vigorously than those with owner occupants.

The housing rehabilitation strategy includes as a major component rehabilitation and upgrading of public housing. Unlike the leverage available to public funds in private sector rehabilitation, public housing modernization depends entirely on public funds. The availability of and aggressive solicitation of state and federal funds will govern the pace and extent of the rehab effort.

3. Expand Housing Opportunities for Lower Income Persons

Families in need of (and eligible for) housing assistance in Cambridge still exceed the available supply of publicly assisted housing. The economics of new construction in Cambridge, the shortage and/or cost of land, the dearth of federal and state funds for subsidized housing construction, and the high densities already prevailing in the city -- all mitigate against meeting housing needs of lower-income persons through the construction of new housing. The city should, however, explore the potential of recycling existing non-residential buildings. But most importantly, the city must seek the expansion of assisted housing opportunities within the existing housing stock. The Section 8 program remains the principal -- and nearly the only -- means by which this can be accomplished.

However, the use of Section 8 in the Cambridge housing market faces several obstacles: The very low vacancy rate (1%) in the city means relatively few units are available on the market at a given time. Secondly, rent control, coupled with the low vacancy rate, results in a system in which many units are passed from person to person, outside of the normal market mechanism; thus the pool of potential Section 8 units is further reduced. Thirdly, the high cost of housing in the city generally places many units beyond Section 8 cost limits. Finally, widespread deterioration means that many units might not qualify for Section 8 because of housing code violations.

A strategy to expand publicly-assisted housing opportunities through Section 8 must be designed to work around, if not overcome, these obstacles. The situation demands activism on the part of the city<sup>and Housing Authority</sup> in the unit selection process; the obstacles are too great for most individuals to overcome by themselves. The city must inevitably assume a strong "brokerage" role. Further, this strategy -- because of the shortage of opportunities -- must utilize all opportunities in tandem: market units, rehab, new construction, etc.

While Section 8 in existing market units must be viewed as the primary source of additional publicly-assisted units, new construction and substantial rehab (using Section 8 or other subsidy programs) provide more limited, but nevertheless important opportunities that must be pursued.

Effective rent control must be considered a central feature of the city's efforts to maintain affordable housing for its lower income population.

Whatever program or combination of approaches is utilized, expansion of housing opportunities for low income persons should be guided by the following policies:

- a. Maximize ownership opportunities
- b. Explore the potential benefits of tenant management in public housing
- c. Actively strive for the dispersion of excessive concentrations of low-income persons by providing housing opportunities for them in all sections of the city
- d. Require ethnic and economic diversity within existing and new publicly assisted housing
- e. Focus new construction on the provision of family-sized units, in low density structures, on scattered sites

4. Provide a Human-Service Framework Which Supports the City's Community Development Objectives

Provision of adequate, reasonably-priced housing and public improvements in the physical environment of neighborhoods contributes much to the well being of lower-income persons. Yet by themselves they will do little to strengthen either family or neighborhood social structure or to attack root causes of poverty, particularly employment, or to provide for the particular health, social, recreational, or economic needs of lower-income persons. Population stabilization is a hollow term if it excludes the provision of adequate human and social services on which the city's lower-income persons depend for either day-to-day survival or the beginnings of improvement in their lives.

Historically, involvement of local government in the provision of human services has been minimal. The expansion of human-service activities has fallen within the province of the state and federal government because, among other reasons, the fiscal constraints on local government have prevented its involvement. And, the involvement of private non-profit, charitable organizations in the provision of human services has continued -- often as a contractor to government. But demands for increased human services and a recognition of their importance to community stability are now beginning to bear down on local government.

In such a context, the City's human services strategy is grounded in four premises: (1) Provision of a high level of human services is a necessary central part of the city's community development strategy. (2) The human service delivery system must be rationalized -- i.e., needs must be systematically assessed; resources must be directed where they are most needed; services must be coordinated so they can reinforce positively the impact of each other. (3) Human service provision should, whenever possible, adopt a preventative perspective -- the avoidance of potential future human problems. (4) The most constructive role for the city in human service delivery is to provide the overall planning and coordination function, and to direct local funds where they can be leveraged to the maximum extent, in both financial and control terms. However, this approach does not necessarily exclude the funding of innovative programs on a pilot basis or funding programs which meet a very specific unmet need.

An important example of a particular need in the case of Cambridge, derives from the City's position as a port of entry for a certain immigrant groups. Large numbers of Spanish speaking and Portuguese people live in Cambridge. These groups are faced with imposing language and cultural barriers which the city must assist in overcoming.

5. Upgrade and/or Modernize Public Services and Facilities

The provision of adequate basic services and facilities is an important ingredient in people's perception of (and the reality of) both quality of life in their neighborhood and the effectiveness of government. Some types of facilities, such as sidewalks and tree planting, new public buildings, well maintained parks have perceptible impact on the visual quality of the environment. Others, like water and sewer improvements, present less immediate returns to residents, but are critical to the long-term health of the city. Improvements like new or improved recreation or library facilities provide direct improvement in the quality of life because they imply increased services. All facility improvements are important symbols of the city's commitment to a neighborhood.

Most Cambridge neighborhoods suffer deficiencies in most of the types of facilities cited above. But the costs involved in redressing completely any particular deficiency are almost overwhelming, and no one facility is necessarily more "important" than the others. Consequently the city's strategy must comprise a broad-based, long-term commitment to facility upgrading and modernization that recognizes both the most serious deficiencies and the uniformity of need generally in nearly all neighborhoods.

Street and sidewalk improvement, water, and sewer modernization, expansion of open space and recreation facilities, fire station modernization and equipment replacement -- all require sustained annual commitment. Underlying such efforts must be a corresponding planning commitment to overcome yearly "competition" among neighborhoods, agencies, and user groups, for public improvements funds. The city's annual and five-year public investment programs are the appropriate vehicles for planning and implementing rational public facilities improvement programs.

6. Develop a Land Use Control Framework Which Will Reinforce the City's Community Development Program

The City's zoning ordinance was last revised completely during the late 1950's, an era when the idea of "community development" revolved around massive urban renewal projects and the construction of urban expressways. The set of assumptions underlying the "desirable future" for the city has changed drastically since then, yet the city's principal development control mechanism remains conceptually and operationally oriented toward the late 1950's perspective. While a rash of amendments have, in recent years, improved the ordinance somewhat, its essentially high density commercial/residential bias remains. The worst aspect of the ordinance involves the zoning of the city's industrial land for high density commercial, as well as industrial use. Such zoning raises land values, encourages speculation, and consequently contributes directly to the exodus of the city's blue collar industrial base. The loss of such jobs undermines the city's stated commitment to stabilize neighborhoods through increased employment opportunities for the lower income population.

Other counterproductive elements of the ordinance involve: the encouragement of construction of small housing units in apartment buildings at the expense of larger units needed by families; poor transition provisions which result in uses and densities that impair the livability of residential neighborhoods; excessive permitted densities that encourage speculation and high land costs; and disincentives for acceptable and desirable commercial development which could contribute significantly to the city's tax base.

The city's community development strategy must include the development of a zoning ordinance which contributes to achieving the city's community development objectives: stabilizing neighborhoods, preserving the existing housing stock, discouraging real estate speculation; encouraging the retention and expansion of the city's industrial base. Further, the city must take advantage of all potentially-useful land use control mechanisms, including wetland regulations, conservation restrictions, and historic district provisions.

7. Target Community Development Expenditures to Reinforce One Another  
Community Development expenditures should be targeted geographically and over time in a manner in which various types of projects reinforce one another and provide a total impact greater than the sum of its parts. One example noted elsewhere is public housing, where environmental improvements, rehabilitation of units, and coordination of social services are intended to focus action on a concentration of social and physical problems.

Housing rehab programs should seek opportunities to concentrate rehab effort in small geographical areas. Similarly street and sidewalk improvements, tree planting, etc., should, when appropriate, supplement areas of rehabilitation concentration.

The Wellington-Harrington urban renewal project is perhaps the extreme example of funnelling community development resources into a concentrated

area. Comprehensive community facility improvement, extensive housing rehabilitation, new housing, selected redevelopment have all been employed to achieve a broad and fundamental upgrading of the neighborhood. Unfortunately, the extensive financial resources which supported the urban renewal era are no longer available. While the city will maintain its overall long-term commitment to the Wellington-Harrington neighborhood, it must necessarily be at a scaled-down annual level, as resources are spread among all target neighborhoods. Nevertheless, Wellington-Harrington constitutes a model upon which other targeting efforts can be developed.

PROJECT DEVELOPMENT PROCEDURES  
FOURTH YEAR BLOCK GRANT APPLICATION PROCESS

- A. TIME AVAILABLE - Individuals or groups interested in submitting a project proposal for the Fourth Year Block Grant Program should begin work as soon as possible after receipt of the Fourth Year Block Grant Application Packet. The final proposals must be received no later than 5 p.m. Tuesday, October 11.
- B. WHERE TO SEND PROPOSAL - Please send project proposals to Jean Ahonen, Block Grant Administrative Assistant, Community Development Department, City Hall Annex, Cambridge, Mass. 02139 -- or deliver by hand.
- C. TECHNICAL ASSISTANCE - Call the appropriate Lead Person directly for technical assistance. (See list of Block Grant staff -- Attachment in the Application Packet. If you cannot determine appropriate Lead Person, contact Peter Helwig, Deputy Block Grant Coordinator, at the Community Development Department (876-6800, ext. 348). Within the limits of time available, your Lead Person will make a maximum effort to help with the development of the strongest possible project proposal, and will help with the preparation of the description in writing (i. e. per the 15-point format provided below).
- D. ELIGIBILITY - Under HUD Secretary Patricia Harris, eligibility of projects will be more difficult to establish in the Fourth Year Program than in past years. This is because in addition to the existing eligibility yardsticks provided in HUD's \$570,200 series regulations (see attachment # 6 to City Manager's application packet) HUD will now require that each project principally benefit low- and moderate-income persons.

HUD will require that each project be consistent with the City's "Community Development Plan" element of the Fourth Year Application -- on element which will include statements on Community development needs, long-term objectives, strategy, and short-term objectives. As stated above, a more detailed presentation of eligibility regulations is given in Attachment #6 .

E. HOW PROJECT PROPOSAL WILL BE PROCESSED - As soon as received, the proposal will be copied and distributed to an "Eligibility Committee" within the Community Development Department. If this Committee finds the project eligible, it will then be summarized and included in a report on project proposals received. In the event that the Eligibility Committee cannot approve a project at the initial checkpoint, the individual or group responsible for the project will be notified in writing, and the Lead Person involved will be prepared to help rework the project to achieve eligibility. The report will be reviewed at the workshop meetings (October-November) covering the applicable Block Grant category (i. e. Housing; Public Services; Community Development). The workshop will review, amend, and alter project proposals as appropriate, or develop new project proposals as necessary. Workshops will also accept and consider written opinions on project proposals. At the conclusion of the workshops, the project will be reported on to the City Manager by the Block Grant staff. This report will cover the consensus (or differing opinions) of the workshop participants and the staff.

F. PROJECT PROPOSAL FORMAT - The 9-point format given below should be used in presenting projects. Information under each of the nine headings can include as much detail as considered helpful to understand the project. Information should be submitted in typed form. Attachments may be used where this will eliminate extensive retyping. The nine points to be covered are as follows:

1. Project Title
2. Project Proposed by -----(include address and telephone number)
3. Project would be executed by -----(name of organization)
4. Project Description
5. How does the project principally benefit low-and moderate-income persons?
6. How does project respond to the City's draft Community Development Strategy Statement?
7. Project Budget - submit as much detail as possible, but including, if applicable, all non-Block Grant funding and anticipated sources.
8. If project is to render a service (including Human Services), is the service to be provided:
  - A - An entirely new one?
  - B - A new element of an existing service?
  - C - An existing service?
  - D - If an existing service, how is it being funded in current year?
9. Other information on project that will assist the Eligibility Committee in evaluating it

September 9, 1977

ELIGIBLE ACTIVITIES

FOURTH YEAR BLOCK GRANT APPLICATION PROCESS

The following eligibility information consists of direct copy of HUD regulations guidelines. These are, in most cases, clear and specific:

- (a) 570.200 Eligible Activities
- (b) 570.201 Ineligible Activities
- (c) Statutory Objectives - Interpretive guidelines for the objectives stated in the Community Development legislation.

SUBPART C--ELIGIBLE ACTIVITIES

§570.200 ELIGIBLE ACTIVITIES.

(a) Grant assistance for a community development program may be used only for the following activities:

(1) Acquisition in whole or in part by purchase, lease, donation, or otherwise, of real property (including air rights, water rights, and other interests therein), which is -

(i) Blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed from the standpoint of sound community development and growth, as determined by the recipient pursuant to State and local laws;

(ii) Appropriate for rehabilitation or conservation activities;

(iii) Appropriate for the preservation or restoration of historic sites, the beautification of urban land, the conservation of open spaces, natural resources, and scenic areas, the provision of recreational opportunities, or the guidance of urban development;

(iv) To be used for the provision of public works, facilities, and improvements eligible for assistance under paragraph (a)(2) of this section; or

(v) To be used for other public purposes, including the conversion of land to other uses where necessary or appropriate to the community development program.

(2) Acquisition, construction, reconstruction, rehabilitation, or installation of only the following public works, public facilities, and site or other improvements:

(i) Neighborhood facilities which (A) are designed to serve a particular neighborhood and provide services for that area, except that such facilities may serve an entire community of under 10,000 population; (B) provide health, recreational, social, or similar community services; (C) may either be single purpose or multipurpose in nature.

(ii) Senior centers.

(iii) Historic properties, (including privately owned properties for which there is public access).

(iv) Utilities.

(v) Streets, street lights, traffic signals, signs, street furniture, trees, and other normal appurtenances to streets, but excluding expressways and other limited access ways.

(vi) Water and sewer facilities, except for sewage treatment works which are described as ineligible in 570.201(a).

(vii) Foundations and platforms for air rights sites.

(viii) Pedestrian malls and walkways.

(ix) Parks, playgrounds, and other facilities for recreational participation.

(x) Flood and drainage facilities in cases where assistance for such facilities has been determined to be unavailable under other Federal laws or programs pursuant to the provisions of §570.607.

(xi) Parking facilities, solid waste disposal facilities (including permanent onsite equipment integral to the operation of a sanitary landfill), and fire protection equipment and facilities which are located in or serve areas in which other activities included in the community development program described in §570.303(b) are to be carried out.

(xii) Centers for the handicapped. For the purpose of this paragraph, the term "center for the handicapped" shall mean any single or multipurpose facility which seeks to assist persons with physical, mental, developmental and/or emotional impairments to become more functional members of the community by providing programs or services which may include, but are not limited to, recreation, education, health care, social development, independent living, physical rehabilitation and vocational rehabilitation; but excluding any facility, the primary function of which is, to provide residential care on a 24-hour day basis (such as group home or halfway house). For example, a sheltered work

shop would be a single purpose center for the handicapped, and a facility providing several services for the handicapped would be a multipurpose center for the handicapped, both of which are eligible for assistance.

(3) Code enforcement in delineated areas which are deteriorated or deteriorating and in which such enforcement, together with public improvements and services to be provided, may be expected to arrest the decline of the area.

(4) Clearance, demolition, removal, and rehabilitation of buildings and improvements, including (1) interim assistance to alleviate harmful conditions in which immediate public action is needed; (ii) rehabilitation of acquired properties for use or resale in the provision of housing; (iii) demolition and modernization (but not new construction) of publicly owned low-income housing; and (iv) financing rehabilitation of privately owned properties through the direct use of funds in the provision of grants, loans, loan guarantees, and interest supplements when provided in connection with other physical development activities described in the community development program which are eligible for assistance under this Part. Loans for the rehabilitation of residential property may include an amount to refinance existing indebtedness secured by such property if such refinancing is necessary to enable the loan recipient to amortize, with a monthly payment of not more than 20 per centum of the average monthly income of the loan recipient, such loan and any other indebtedness secured by the property of the loan recipient.

(5) Special projects directed to the removal of material and architectural barriers which restrict the mobility and accessibility of elderly and handicapped persons.

(6) Payments to housing owners for losses of rental income incurred in holding for temporary periods housing units to be utilized for the relocation of individuals and families displaced by program activities assisted under this Part.

(7) Disposition, through sale, lease, donation, or otherwise of any real property acquired pursuant to this Part or its retention for public purposes, provided that the proceeds from any such disposition shall be expended only for activities in accordance with this Part.

(8) Provision of public services which are directed toward improving the community's public services and facilities, including those concerned with employment, economic development, crime prevention, child care, health, drug abuse, education, welfare, or recreational needs, and which are directed toward coordinating public and private development programs. Such services may be provided by State or local governments, quasi-public, private, or nonprofit agencies selected by the applicant for funds provided under this Part. Public services must meet the following criteria:

(i) Public services must principally serve residents of those areas identified, by census tracts or enumeration districts, on the maps and in the Community Development Program submitted pursuant to §570.303(b) in which physical development activities are to be carried out with assistance provided under this Part. Such services must be directed toward meeting the needs of residents of such areas and funds available under this Part for such services may only incidentally be used to serve other residents of the applicant jurisdiction.

(ii) The applicant's Community Development Program must indicate that within the areas referred to in paragraph (a)(8)(i) of this section, other physical development activities under this Part shall be carried out in a concentrated manner. Such physical development activities include only those described in §570.200(a)(1)-(5), (7), and (9)-(10). The phrase "concentrated manner" shall mean that the physical development activities are being carried out in a coordinated manner to serve a common objective or purpose pursuant to a locally developed plan or strategy in a geographically delineated area, such as an urban renewal area, a concentrated code enforcement and rehabilitation area, or similar area with a comprehensive, physical development program for neighborhood improvement, conservation, or preservation.

(iii) Public services assisted under this Part must not be otherwise available. For the purpose of this paragraph, "not be otherwise available" means a new service is being assisted or that there is a quantifiable increase in the level of a service above that currently being provided from local sources. Also, Federal assistance in providing or securing such services must have been applied for and denied or not made available pursuant to the provisions of §570.607.

(iv) Such services must be determined first by the applicant to be necessary or appropriate to support the physical development activities identified within the same delineated areas set forth in the Community Development Program. The specific determination of support for each proposed public service in an application for assistance under this Part is not required to be included in the application. Rather, having determined that each public service to be included in an application complies with the support requirement, the applicant shall indicate the appropriate relationship within the description of short-term objectives in the Community Development Plan Summary pursuant to §570.303(a). The Secretary will accept the applicant's determination unless there is substantial evidence to the contrary, as described in §570.306(b)(1), in which case additional information or assurances may be requested from the applicant prior to a determination of eligibility by the Secretary.

(v) Effective date: (A) This amendment to §570.200(a)(8) becomes effective as to all applicants for entitlement of discretionary funds pursuant to Subpart D and Subpart E, respectively, of this Part, to be granted from appropriations for Fiscal Year 1977 and thereafter and for mid-program year amendments pursuant to §570.305(a) to ongoing community development block grant programs received by HUD on or after October 1, 1976. (B) All applications for entitlement and discretionary funds pursuant to Subpart E, respectively, of this Part, to be granted from appropriations for Fiscal Year 1976, regardless of actual date of receipt by HUD, and all mid-program year amendments pursuant to §570.305(a) received by HUD on or before September 30, 1976, shall be subject to the provisions of §570.200(a)(8) as published on January 19, 1976, in the FEDERAL REGISTER (41 FR 2766).

(9) Payment of the non-Federal share required in connection with a Federal grant-in-aid program undertaken as part of the community development program pursuant to §570.303(b), Provided, That such payments shall be limited to activities otherwise eligible under this section.

(10) Payment of the cost of completing a project funded under Title I of the Housing Act of 1949 as amended, including an urban renewal project pursuant to the provisions of §570.801(b), (c), and (d).

(11) Relocation payments and assistance for individuals, families, businesses, nonprofit organizations, and farm operations displaced by activities assisted under this Part.

(12) Activities necessary (i) to develop a comprehensive community development plan addressing the needs, strategy, and objectives to be summarized in the application pursuant to §570.303(a), including but not limited to land use planning, development of codes and ordinances related to housing and community development programs, and functional planning of activities eligible for assistance under this subpart, but including only such public services as are necessary or appropriate to support activities meeting such needs and objectives, and (ii) to develop a policy-planning-management capacity so that the recipient may more rationally and effectively (A) determine its community development and housing needs, (B) set long-term goals and short-term objectives related to these needs, (C) devise programs and activities to meet the goals and objectives, (D) evaluate the progress of such programs in accomplishing these goals and objectives, and (E) carry out management, coordination, and monitoring of activities necessary for effective planning implementation.

(13) Payment of reasonable administrative costs and carrying charges related to the planning and execution of community development and housing activities, including but not limited to (i) housing counseling and other activities designed to further the fair housing provisions of §570.303(e)(1) and the housing objectives of §570.303(c)(4)(ii), and (ii) the provision of information and, at the discretion of the recipient, of resources to residents of areas in which other community development activities described in §570.303(b) and the housing activities covered in the Housing Assistance Plan described in §570.303(c) are to be concentrated with respect to the planning and execution of such activities.

(b) Notwithstanding anything to the contrary in this section or in §570.201, any ongoing activity being carried out in a model cities program shall be eligible for funding under this Part from that portion of the hold-harmless amount attributable to such model cities program until the applicant has received five years of funding for such activities as calculated pursuant to §570.103(c)(2)(iii). For the purpose of this paragraph, the term "ongoing activity" means any model cities activity underway as of January 1, 1975, that was approved and funded by HUD on or before June 30, 1974.

(c) Costs incurred in carrying out the program, whether charged to the program on a direct or an indirect basis, must be in conformance with the requirements of Federal Management Circular 74-4, "Cost Principles Applicable to Grants and Contracts with State and Local Governments." All items of cost listed in Attachment B, Section C of that Circular (except Item 6, preagreement costs, which are eligible only to the extent authorized in §570.302) are allowable without prior approval to the extent they constitute reasonable costs and are otherwise eligible under this Subpart.

#### §570.201 INELIGIBLE ACTIVITIES.

Any type of activity not described in §570.200 is ineligible. The following list of examples of ineligible activities is merely illustrative, and does not constitute a list of all ineligible activities.

(a) Public works, facilities, and site or other improvements. The general rule is that public works, facilities, and site or other improvements are ineligible to be acquired, constructed, reconstructed, rehabilitated, or installed unless they are specifically mentioned in §570.200(a)(2), or were previously eligible under any of the programs consolidated by the Act (except the public facilities loan program, the model cities program, and as an urban renewal local grant-in-aid eligible under section 110(d)(3) of the Housing Act of 1949) and cited in §570.1(c). Where acquisition of real property includes an existing improvement which is to be utilized in the provision of an ineligible public facility, the portion of the acquisition cost attributable to such improvement, as well as the cost of any rehabilitation or conversion undertaken to adapt or make the property suitable for such use, shall be ineligible. Examples of facilities which cannot be provided with these funds include the following:

(1) Buildings and facilities for the general conduct of government, such as city halls and other headquarters of government (where the governing body meets regularly), of the recipient and which are predominantly used for municipal purposes, courthouses, police stations, and other municipal office buildings;

(2) Stadiums, sports arenas, auditoriums, concert halls, cultural and art centers, convention centers, museums, central libraries, and similar facilities, but excluding:

(i) A neighborhood library, and

(ii) cultural, art, museum, and similar facilities included as part of a neighborhood facility;

(3) Any facility whose service is communitywide, or whose function is by its nature communitywide, unless it serves an entire community of under 10,000 population or is expressly authorized other than as a neighborhood facility by §570.200(a)(2). Examples of facilities which would ordinarily be considered as being communitywide are central social service facilities, group homes, and halfway houses.

(4) Schools and educational facilities (including elementary, secondary, college and university facilities). For the purpose of this paragraph,

(i) A neighborhood facility, senior center or center for the handicapped in which classes in practical and vocational activities (such as first aid, homemaking, crafts, independent living, etc.) are among the services provided, is not considered as a school or educational facility; and

(ii) [Reserved]

(5) Airports, subways, trolley lines, bus or other transit terminals, or stations, and other transportation facilities;

(6) Hospitals, nursing homes, and other medical facilities. For the purpose of this paragraph, a neighborhood facility, senior center, or center for the handicapped which provides general health services is not considered to be a medical facility.

(7) Treatment works for sewage or industrial wastes of a liquid nature.

(b) Purchase of equipment. Except for construction equipment described in §570.200(a)(2)(xi), the purchase of construction equipment is ineligible, but compensation for the use of such equipment through depreciation or use allowances pursuant to Attachment B of Federal Management Circular 74-7 for an otherwise eligible activity is an eligible cost. The purchase of furnishings or other personalty not an integral structural fixture is ineligible unless (1) eligible under §570.200(a)(8), (2) specifically

mentioned in §570.200(a), or (3) necessary for use by the recipient in the administration of its community development program pursuant to §570.200(a)(13).

(c) Operating and maintenance expenses. Except for the public services described in §570.200(a)(8), and the interim assistance authorized under §570.200(a)(4), operating and maintenance expenses in connection with community services and facilities are not eligible. Examples include maintenance and repairs of water and sewer and parking facilities, and salaries of staff operating such facilities.

(d) General government expenses. Except for the provisions of §570.200(c), expenses required to carry out the regular responsibilities of the unit of general local government are not eligible. Examples include all ordinary general government expenditures not related to the community development program described pursuant to §570.303(b) and not related to activities eligible under §570.200.

(e) Political activities. No expenditure may be made for the use of equipment or premises for political purposes, sponsoring or conducting candidates' meetings, engaging in voter registration activity or voter transportation, or other partisan political activities.

(f) New housing construction. The use of assistance provided under this Part for the construction of new permanent residential structures or facilities (such as dormitories, group homes and halfway houses), or for any program to subsidize or finance such new construction is not permitted, except as provided under the last resort housing provisions set forth in 24 CFR Part 43. For the purpose of this paragraph, activities in support of the development of low- or moderate-income housing which may include clearance, site assemblage, and provision of site and public improvements (but may not include housing preconstruction costs such as payment of architectural fees and payment of costs associated with processing of FHA insured loan commitments), are not considered as programs to subsidize or finance new residential construction.

(g) Income payments. Except as authorized under §570.200, funds may not be expended for income payments for housing or for any other purpose. Examples include payments for income maintenance, housing allowances, down payments, and mortgage subsidies.

#### Maximum Feasible Priority

In accordance with statutory objectives, applicants for block grant funds are required to certify that their Community Development Programs have "been developed so as to give maximum feasible priority to activities which will benefit low- or moderate-income families or aid in the prevention or elimination of slums or blight." The Act also permits approval of activities "which the applicant certifies and the Secretary determines are designed to meet other community development needs having a particular urgency." Although localities have broad discretion in establishing priorities and selecting activities, their programs must be designed to meet these statutory objectives.

A clarification of these requirements was included in the interim regulation promulgated on February 2, 1977. Section 570.303(b)(5) of that regulation states that "Each activity contained in a Community Development Program must: (1) Benefit low- or moderate-income persons; or (2) Aid in the prevention or elimination of slums or blight; or (3) Meet other community development needs having a particular urgency as specifically described in the application." If a proposed activity cannot be shown to meet one of these objectives, it should not be approved. The following general principles should guide your review.

Activities which benefit low- or moderate-income persons are defined as activities which are so designed or so located as to principally benefit lower-income persons. Thus, activities of general benefit, such as street and park improvements, must serve areas a majority of whose residents are lower income. Activities which provide direct benefits to individuals are those designed to meet identified needs of lower income persons who are required to be the principal beneficiaries. These could include a public service activity the majority of whose clients are lower income persons, or a rehabilitation loan program under which the majority of the residents whose housing is to be improved are lower income.

An exception to this definition may be made for applicants whose lower income populations are small and so dispersed that they do not constitute the majority of any census tract, neighborhood, or area. In such cases an activity may be deemed to benefit low- or moderate-income persons if it meets the following conditions: the activity must be located in or serve those areas having the largest proportion of lower income residents; it must be clearly designed to meet identified needs of lower income persons; and, it must benefit such persons at least in proportion to their share of the population of the area. Examples of activities which would meet this definition are construction of sewer lines and recreational facilities in an area thirty percent of whose population is lower income, as compared to twenty percent of the total city population, where the facilities are needed by the lower income residents, and at least thirty percent of the beneficiaries are expected to be lower income persons.

A considerable measure of judgment will have to be exercised by Area Offices in reviewing activities coming under this exception. You should ask applicants to explain the basis for proposing such activities whenever their justification is not clear. Also, you should question such activities where there are concentrations of lower income persons with serious needs which could be directly met with block grant funds but which are not addressed in the application. For example, if a census tract has thirty percent lower income residents, but most of them are concentrated in one quadrant of the tract, an activity which serves the entire tract could not be deemed to benefit lower income persons unless it meets the test of the exception given above. Close attention should be given by Area Offices to unreasonable administrative costs since these can divert funds from activities which principally benefit low- or moderate-income persons or eliminate slums or blight.

In your review of activities to determine whether they conform to the maximum feasible priority requirements, a judgment should be made whether it is necessary to look beyond mere general census tract location to determine who actually would benefit from proposed activities. Activities may be designed or located to benefit only limited part of the census tract or area in which it is located and serve only a limited part of the resident population in that area. This is particularly likely with respect to communitywide development activities or activities in large and economically varied individual census tracts. Conversely, certain activities, especially those which generate employment for lower income persons, may be located outside neighborhoods or census tracts containing a large number of low or moderate-income persons. In addition, even if an activity is located in a lower income area, the nature of the activity may be such that it does not directly benefit the lower income residents. An example of this is acquisition of land for provision of a civic center to be located in a lower income area. Therefore, whenever it is unclear that lower income persons will be the principal beneficiaries of a proposed activity, you should obtain more detailed information about the geographic area or segment of the population benefitting from the activity or service.

Activities which aid in the prevention or elimination of slums or blight are activities designed to alleviate or eliminate specific conditions of physical decay where they now exist, or where there are current objectively determinable signs of deterioration, economic decline or disinvestment. Examples of activities which would meet this definition are construction of playgrounds or streets in a neighborhood where building code violations have been increasing. Examples of activities which would not meet this definition are construction of parking lots in business districts which are not manifesting clear signs of deterioration, economic decline, or disinvestment, or construction of recreation facilities on a vacant lot in an affluent area on the basis that the lot constitutes a blighting influence. The blighting influences proposed to be removed should clearly constitute the kind of conditions the Act intended to ameliorate. Thus, acquisition of vacant land would generally not be considered an activity designed to aid in prevention or elimination of slums or blight unless it is located in an area which is generally deteriorated; acquisition of vacant land in undeteriorated areas could only be justified if it directly benefits low- and moderate-income persons.

Activities designed to meet other urgent community development needs are activities designed to alleviate a serious threat to health or welfare which requires prompt resolution and for which other sources of funding are not available. This means that funding should not be available from other public sources and should be beyond the fiscal capacity of the community to provide with its own resources. Such needs must be of recent origin, since extended failure to remedy certain conditions would tend to raise questions regarding their urgency. Opportunity acquisition and similar activities would not be eligible solely under this definition; such activities would have to meet one of the other tests.

#### Comprehensive Strategy

Next year the Department will require that the comprehensive strategy for community development required by Section 104(a)(1) of the act be specifically described in the application for block grant funds. Grantees should therefore be advised that in developing subsequent applications, consulting with citizens, and selecting priorities they should work within the context of a comprehensive strategy and be prepared to describe that strategy in the application. Moreover, they should program activities which are consistent with that strategy and therefore appropriate to meeting the needs and objectives addressed by the Community Development Plan.

COMMUNITY DEVELOPMENT STAFF MEMBERS  
PARTICIPATING IN  
FOURTH YEAR BLOCK GRANT APPLICATION PROCESS

NEIGHBORHOOD PLANNERS:

Jim Minuto:	East Cambridge, Neighborhood 2, North Cambridge, Cambridge Highlands	348
Ellen Beatrice:	Neighborhood 3, Neighborhood 4	355
Peter Helwig:	Riverside, Cambridgeport	348
Peter Hahn:	Mid-Cambridge, Agassiz, Neighborhood 13	348
Alan Zimlicki:	Neighborhood 9, Neighborhood 10	355

LEAD PERSONS:

Jim Minuto:	Economic Development	348
Charles Sullivan:	Historic Preservation	344
Walter Little:	Housing Rehab - Private Sector	355
Betty Hepner:	Public Housing Rehab	348
Linda Broderick:	Human Services	355
Allanah Shoner:	Human Services	355
Dick Lockhart:	Open Space/Streets, Sidewalks, Trees	355
Alan Zimlicki:	Neighborhood Facilities	355
Dick Easler:	Transportation	355
Ellen Beatrice:	Planning/Zoning	355

MANAGEMENT STAFF:

Ned Handy:	Block Grant Coordinator	355
Peter Helwig:	Deputy Block Grant Coordinator	348
Jean Ahonen:	Block Grant Administrative Assistant	355

AGENDA

Public Hearings

Fourth Year Block Grant Application Process

Wednesday, Sept. 21, 1977 7:30 pm

Thursday, Sept. 22, 1977 7:30 pm

City Council Chambers

- 7:30-7:40      1. Introductory Statement  
                  - David Vickery, Ass't city mgr. for comm. dev.
- 7:40-8:00      2. Review of current block grant program
- 8:00-8:45      3. Overview of fourth year application process
- 8:45-9:00      Break
- 9:00-9:30      4. Testimony on draft citizen participation plan
- 9:30-10:00     5. Testimony on draft community development
- 10:00-10:30    6. Testimony, questions on other block grant matters

PLEASE NOTE: These two hearings are duplicate hearings. Citizens need only to attend one of them.

53.

S-459

Comm. from the City Clerk transmitting the Fourth Year Block Grant Program Application Packet with the schedule of public hearings to be held on Wednesday, Sept. 21 and Thursday, Sept. 22, 1977.

S-459

In City Council,  
Sept. 12, 1977

9/12/77

Placed on File.