



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
Tel. 876-6800

EXECUTIVE DEPARTMENT
JOHN H. CORCORAN
City Manager

October 29, 1973

To The Honorable, The City Council:

For your information the following is provided as a report on the status of the Model Cities Administration and the Agencies it partially or totally funds. Last Winter when the U. S. Office of Housing and Urban Development, Community Development Section, announced that operations funded under Metropolitan Cities and Development Act (Model Cities) would be phased out prior to the projected expiration date, the Cambridge program, exercising the prerogative of local decision-making, chose to fully fund all programs as delineated in the approved Fourth Year Plan.

Other cities, which at the time were in the middle of their fiscal year, opted to handle the situation by an early phase-out of operations or total project elimination within certain categorical areas, thus, in some cases, providing funds for limited operation through June of 1974. Some cities were placed under extreme hardship by the untimeliness of the announcement and at HUD discretion received limited additional funding. Because Cambridge had just then received its Fourth Year grant no additional monies were awarded. A hardship statement was subsequently filed for Cambridge given the fact that many Fourth Year activities were contingent upon a Fifth Year. However, no additional monies have been awarded to this City, nor are such imminent at this time.

For most of this year and on into the reconvening of Congress in September, there were indications that both the Senate and House would act to appropriate additional funds for an orderly phase-out of Model Cities programs and to fund limited program activities. As of this date such action seems unlikely. The Office of Management and Budget is opposed to a substantial appropriation which is under consideration by the Congressional Conference Committee reviewing the Model Cities question. OMB has suggested that Congress should appropriate only enough money to conduct the management and fiscal close-out of all Model Cities programs. This recommendation is in accord with the Administration's stance that suggests impoundment if monies are voted for needs in excess of managerial close-out, or for community development activities underway as interim measures for the proposed Better Communities Act.

There is no reason to expect a significant departure from the situation described above. Thus Model Cities funding and funding for its projects

will cease on December 31, 1973 or where negotiated, prior to that time.

It is our feeling that we have pursued the best option of those open to us. By exercising fiscal restraint we have not had to cease programs midstream and in so doing have provided for full employment through December 31, 1973.

At this point in time, and with regard to the position of MCA outlined above, it is appropriate to briefly examine the future funding position of projects and activities operated through the Model Cities Program.

1. Cambridge Spanish Council, Inc.
Model Cities Allocation - \$31,000 / Total Agency Budget - \$42,500
Cambridge Spanish Council has submitted funding proposals to a variety of Foundations and governmental funding sources, but as yet has not received adequate commitments to operate a staffed social service agency after Model Cities funding expires.
2. Cambridge Organization of Portuguese Americans, Inc.
Model Cities Allocation - \$31,000 / Total Agency Budget - \$41,200
COPA is actively seeking private funding, but as yet has not received adequate grant assistance to operate a staffed social service agency after Model Cities termination.
3. Concerned Black Parents, Inc.
Model Cities Allocation - \$31,000 / Total Agency Budget - \$31,000
As of this date, Concerned Black Parents, Inc. has not received any commitment to fund the program after December 31, 1973.
4. Neighborhood Family Care Center, Inc.
Model Cities Allocation - \$117,988 / Total Agency Budget - \$190,858
NFCC should be able to continue full operation under some mix of Third Party Payments, in-kind service and private foundation funding in the foreseeable future.
5. Community Learning Center
Model Cities Allocation - \$80,000 / Total Agency Budget - \$891,925
The operational responsibility for the Learning Center has been transferred to the Cambridge School Department and there is considerable optimism that funding for continued operation can be procured from the State Department of Education.
6. Instructional Aides Program
Model Cities Allocation - \$34,927 / Total Agency Budget - \$100,000
The Cambridge School Department presently assumes 65% of the operating expenses for the aide program and it is hoped that the Department will be willing to assume the total responsibility.

7. Children's Day Care Center

Model Cities Allocation - \$30,000 / Total Agency Budget - \$154,000

The \$40 per child per week rate for Title IV-A funding from the Department of Welfare has remained constant for the last four years. With inflation of costs, it has been difficult for the Center to operate even with the additional Model Cities support. However, steps are being taken at the State level to increase the rate. Present projections guarantee operation of the Center through June 30, 1973, and, with minimal City support, beyond that date.

8. Recreational Services

Model Cities Allocation - \$130,000 / Total Program Budget - \$130,000

There has been no attempt made within Community Schools, which administers Recreational Services, to secure permanent alternative funding for the MCA recreational component; rather efforts are directed at identifying more effective utilization of City resources available for recreation programming.

9. Home Improvement / Work Equity

Homeowners Rehab., Inc.

Model Cities Allocation - \$168,000 / Total Program Budget - \$674,400

While both programs could eventually be self-sustaining, staff has prepared several funding proposals and is negotiating with several local banks for an interim administration funding continuation of the programs beyond calendar 1973.

I have enclosed a copy of my letter of September 18, 1973 to the Model Cities Board of Directors. This letter addresses certain City requirements regarding the Model Cities Program and insures an orderly procedure for a possible early close-out. In the event that additional funds are forthcoming from the Department of Housing and Urban Development to the City of Cambridge for Model Cities program activities, or in the form of Community Development Revenue Sharing, I have further advised the Model Cities Board of Directors of additional City requirements which allow the City to best utilize the programmatic and project success of the Model Cities Program.

Very truly yours,



John H. Corcoran
City Manager

James L. Farrell
Executive Director

Cal # ~~8~~ Agenda # ~~16~~ #1290

Status report relative to the Model Cities
Administration.

12/26/73

Placed on File

File - Linder

In City Council,

October 29, 1973

Calendar for 11/5/73