

January 17, 1961

Memorandum for:

Mr. David Bell  
Mr. Frederick Dutton



As you possibly know, I chaired an Ad Hoc Committee of Federal officials from agencies which had programs affecting Metropolitan areas. Among other things, this Committee, with staff from the Bureau of the Budget, prepared a series of papers dealing with problems of coordinating Federal activities affecting Metropolitan areas.

It occurred to me that this paper might be of interest to you, and accordingly I am attaching hereto a copy of the report as a transition memorandum, for whatever use you care to make of it. Most of the suggestions involve future action, although the last proposal -- the pooling of urban moneys available to the Bureau of Public Roads and the Housing and Home Finance Agency -- has already been put into effect.

Robert E. Merriam  
Deputy Assistant  
to the President

Enclosure

December 19, 1960

Subject: Coordination of Federal Metropolitan Area Development  
Activities

Origin and Scope of Study



This project stems from the decisions reached at the third meeting of the Ad Hoc Interagency Committee on Metropolitan Problems held at the White House on June 16, 1960. At that meeting, the Chairman, Mr. Robert E. Merriam, Deputy Assistant to the President for Intergovernmental Relations, requested that a study be undertaken to develop recommendations with respect to the coordination of Federal metropolitan area activities at a high level in the executive branch.

This paper explores the following questions:

- (a) What Federal programs have a major impact on metropolitan area development?
- (b) What issues and problems result from the present pattern of Federal-local relations?
- (c) What arrangements now exist for coordinating Federal programs in metropolitan areas?
- (d) What kinds of functions need to be performed to meet national goals and improve coordination?
- (e) What alternatives for organization are available to achieve better coordination of Federal metropolitan area development activities and avoid conflicts with local planning and development programs?

Fact-gathering consisted of a review of current literature on metropolitan area problems, analysis of appropriate Federal programs and review of current recommendations for Executive Office organization. Interviews were held with each member of the Ad Hoc Committee and with persons outside the Federal Government who are knowledgeable in the field of metropolitan area activities. (See Attachment A for list of persons interviewed.)

### Background of Problem

The many Federal programs affecting metropolitan areas today are initiated from various sources and generally without reference to each other or to their impact on the areas to which they are directed. Each is planned, administered, and reviewed separately. The Federal programs are directed to limited functional objectives rather than community development per se. The diversity of programs administered by the Federal agencies, operative through different State, private and local agencies and with wide variations in terms, conditions and requirements, makes more difficult the coordination of Federal aids in an integrated approach to the development of the community.

Federal programs have tended to support rather than to help correct the basically inadequate structure of State and local governments. Federal programs have not encouraged restructuring of local government, more effective interjurisdictional coordination, or the development of metropolitan planning and development agencies, although the shortcomings in this general area are causes of the metropolitan area problem and are partially responsible for the need for Federal aids.

With the exception of the program for community improvement (workable program), required for the urban renewal, public housing and directly related FHA programs, there are no requirements for adequate local action toward community development objectives, in terms of planning, land use controls, housing controls, and program coordination.

There is considerable evidence of the need for means of developing over-all Federal policies on metropolitan areas, and for coordinating the policies and practices of the various agencies with important programs affecting the metropolitan areas. This need relates primarily to programs concerned with planning and physical development in metropolitan areas, and to a lesser extent with Federal services and aids. There is a complementary need to stimulate State and local leadership to work together and with the Federal agencies in resolving metropolitan problems.

The problem is not essentially one of reorganization but of policy development and coordination. All Federal urban activities cannot be placed in one department or agency. Whether a new department for urban affairs is created or not, unless the individual approach now taken by each Federal program is supplemented by strong coordination and recognition of the significance of the metropolitan area as the dominant new pattern of the country, an orderly and coherent Federal policy for metropolitan growth and development will not be achieved.

The general concept of a metropolitan area is one of an integrated economic and social unit with a recognized large population nucleus. As used in this paper, the term "metropolitan area problems" includes (1) central city problems, (2) suburban needs, and (3) area-wide problems which cannot be effectively solved separately by the individual municipalities within the area. The most difficult urban problems today are not those of the city alone but of the metropolitan area. It is primarily through a metropolitan approach that real progress can be made. Yet, the impact of Federal

"...programs has never been analyzed in terms of their effects on whole metropolitan areas. The result is that despite large expenditures of money and a great deal of activity by the Federal Government, no one is sure whether in the long run all this will be good or bad for metropolitan areas... Whereas intelligent use of land in the metropolitan area as a whole should be the goal, Federal programs are built upon individual functions of Government, which may or may not lead to better land use. Consequently, individual Federal programs may make things worse in particular areas. The tragic part of it all is that no one seems to be concerned about finding the answer." 1/

#### Some Recent Trends

The need for improvements in Federal policy development and coordinating machinery to provide more effective implementation of metropolitan area programs and to avoid unnecessary adverse effect on plans and programs of local communities has been brought about by many factors, of which the following are prominent:

1. Despite the fact that the nation's 215 metropolitan areas are social, cultural and economic units, they are not, with rare exceptions, legal or political entities. To use Brooke Graves' phrase, we are confronted with "a maze of governments." Further, not many of the metropolitan areas are likely to achieve integrated political status in the near future. In the last two years voters disapproved six proposals for metropolitan governments and approved only one -- in the Miami area. This creates pressure for more State and Federal participation in metropolitan affairs.

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1/ Connery and Leach, The Federal Government and Metropolitan Areas (Cambridge: Harvard University Press, 1960), p. 60.

2. Over 90 per cent of future U. S. population growth is projected to take place in metropolitan areas. Almost all of that growth will be outside the central city. This will put a greater burden on the Federal Government, State and local jurisdictions to make optimum use of their resources in dealing with metropolitan problems.

3. The number (upwards of 29), size, and impact of Federal programs significantly affecting metropolitan areas is large (though it is impossible under the present budget and reporting machinery to describe the exact dollar amount) and may be expected to increase. Yet, the existence of the metropolitan area is almost totally unrecognized in Federal law.

4. Large-scale Federal urban development programs are a recent phenomenon. The coordination problems created by these programs are only now becoming recognized and understood. Thus the machinery in the Federal executive branch concerned with metropolitan area development existing at this time is limited. Aside from one Presidential assistant in the White House assigned responsibility (on a part-time basis) for Federal-State-local relations with staff assistance by the Bureau of the Budget, an Ad Hoc Interagency Committee on Metropolitan Area Problems and certain activities in the Housing and Home Finance Agency (described below), no devices for over-all analysis and coordination of programs bearing on the problem exist.

5. Likewise, the Congress is not organized to take an integrated approach to metropolitan programs. Urban and metropolitan programs are divided among 18 standing committees in the two Houses and further subdivided among subcommittees.

### The Federal Interest

The Federal Government has an interest in coordinating its policies and practices affecting metropolitan areas. This interest should not raise questions of further Federal involvement in State or local affairs, nor does it necessarily imply the need for additional Federal expenditures. Rather, the Federal interest is in determining whether existing Federal programs in metropolitan areas can be better coordinated, whether national goals in metropolitan areas can be better defined and met, and whether the benefits received by the local areas from existing Federal programs can be increased. When, for example, the Federal Government loans or contributes funds for construction of a number of small sewage treatment facilities to individual jurisdictions rather than for a single facility adequate for the entire metropolitan area, both the Federal Government and the local jurisdictions have wasted funds.

Many of our largest metropolitan areas straddle State boundaries. Several important metropolitan communities cross international boundaries. The Federal Government itself creates some metropolitan problems (e.g., radiation, defense impact).

National statistics make plain that we are now an urban society and most of the Nation's productive capacity is located within the metropolitan areas. The manner in which metropolitan areas continue to grow and the pattern of their growth will have a critical bearing on national policies with respect to economic growth, transportation, military and civil defense, among others.

### Major Federal Programs Operating in Metropolitan Areas

Federal programs affecting the planning and development of metropolitan areas have lagged behind but have paralleled the growth of the metropolitan areas themselves. The Federal Government now finds itself through grants in aid, technical consultation, loans and repayable advances, research and development, and construction programs deeply involved in the Nation's metropolitan areas. The massive impact of Federal programs -- the Federal Aid Highway Act, large-scale public housing, urban renewal, water pollution control grants, and large-scale airport construction assistance -- is essentially a phenomenon of the last five to ten years. Thus, the problem of coordinating Federal programs is a relatively recent phenomenon.

The Federal contribution to metropolitan development is large and is still growing. The Budget Message of the President for fiscal year 1960 stated that:

"The Federal Government is helping local communities meet many of the major problems of community development created by increasing population and growing urbanization. Federal expenditures for grants and long-term loans to assist 14 major types of capital improvements alone will reach an estimated \$2.1 billion in 1960, or almost double the amount actually spent for these programs in 1958. By the close of fiscal 1960, commitments for future Federal expenditures for the same programs are estimated to be over \$6 billion.

"These totals show how rapidly direct Federal aid to communities is growing. They exclude many other Federal programs which indirectly assist development or redevelopment of communities, such as construction of river and harbor improvements and air navigation facilities, grants for intercity highways, purchases of general housing mortgages and guaranties of housing and business loans of many types. They also exclude Federal aid to communities for non-construction programs in such fields as health and welfare."

The impact on a typical municipal capital budget is striking. The capital program of the city of Philadelphia for the years 1959-1964 will require \$821 million, of which \$417 million will be Federal funds and only \$317 million local funds.

With respect to metropolitan areas, Federal programs may be classified as follows: (a) physical development activities taking place predominantly in metropolitan areas (examples: urban renewal, community facilities); (b) physical development activities performed in both urban and non-urban areas (examples: river and harbor development, interstate highways); and (c) services, including research, technical assistance and training generally serving urban and non-urban populations (examples: social security, disaster relief, law enforcement). The following table is based on an analysis by the Bureau of the Budget of the major programs of the Federal Government which are currently operating in metropolitan areas, classified in this manner.

Programs of the Federal Government  
Operating Primarily in Metropolitan Areas

<u>Agency and Program</u>	<u>Nature of Activity</u>		
	<u>Physical Development in</u>		<u>Services</u>
	<u>Metropolitan Areas</u>	<u>Metropolitan and Rural Areas</u>	
<u>Defense</u>			
Construction of military installations		X	
Flood control & prevention		X	
Improvement of rivers, harbors & waterways		X	
<u>HEW</u>			
Water & air pollution control		X	X
Control of communicable & environmental diseases			X
Services to crippled children			X
Health centers & clinics			X
School lunch program			X
Social Security			X
Hospital planning & construction		X	
General welfare (including medical) assistance			X

<u>Agency and Program</u>	<u>Nature of Activity</u>		
	<u>Physical Development in</u>		
	<u>Metropolitan Areas</u>	<u>Metropolitan and Rural Areas</u>	<u>Services</u>
<u>HEW (cont.)</u>			
Vocational rehabilitation			X
Assistance for schools in federally impacted areas		X	X
<u>Labor</u>			
Employment security			X
<u>OCDM</u>			
Disaster relief		X	X
Civil defense			X
<u>HHFA</u>			
Housing mortgage insurance	X		
Public housing	X		
Urban renewal	X		
Public facilities loans		X	
Urban and public works planning		X	
<u>FAA</u>			
Airports construction	X		
<u>Justice</u>			
Suppression of crime, enforce- ment of water pollution control, & legal services for Federal agencies			X
<u>VA</u>			
Hospitals, medical services & veterans' benefits		X	X
<u>GSA</u>			
Public buildings, surplus disposal		X	
<u>Post Office</u>			
Post Office location & services		X	





<u>Agency and Program</u>	<u>Nature of Activity</u>		
	<u>Physical Development in</u>		
	<u>Metropolitan Areas</u>	<u>Metropolitan and Rural Areas</u>	<u>Services</u>
<u>Commerce</u>			
Highway construction		X	X
Statistics for metropolitan areas			X
Area development			X

Thus, at least eleven Federal departments and agencies are sponsoring or are involved in some 29 construction or development programs or providing significant service or technical assistance, directly affecting the development of the metropolitan area itself.

Virtually every other Federal program has at least some effect, directly or indirectly, on metropolitan areas. Many of these programs are concerned with services to people, whether they live in metropolitan areas or not. Even these programs have an important effect on the size and nature of activities which the local governments will perform and on the economy of the areas. <sup>2/</sup>

The breadth of interest by local communities in Federal programs is indicated by the "Final Box Score -- 86th Congress, 2nd Session on Bills of Interest to Municipalities" compiled by the American Municipal Association. Subjects listed included: area assistance; air pollution control; exhaust fumes study; highway financing; housing and urban renewal; housing amendments of 1960; juvenile delinquency control; mass transit aid; metropolitan study commission; payments in lieu of taxes; saline water conversion expansion; small towns study commission; water pollution control expansion; and withholding city income taxes.

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<sup>2/</sup> For a more detailed description of the Federal Government's major programs in metropolitan areas see, Connery and Leach, op. cit., pp. 9-62. See also, U. S. Department of Commerce, Office of Area Development, Federal Activities Helpful to Communities (Washington: Government Printing Office, 1958), which lists and describes some 43 programs of community assistance administered by 14 Federal agencies.

The next section of this paper describes some of the currently identifiable problems under the present pattern of organization and policy for conducting Federal programs in metropolitan areas. This is followed by a description of the Federal coordinating functions and facilities now available for dealing with metropolitan area problems.

Problems under Present Pattern of  
Federal-Metropolitan Area Relations



Federal programs affecting metropolitan areas have been developed and administered independently of each other. In the absence of strong program review and coordinating mechanisms, conflicts between Federal programs have arisen. In addition, Federal statutes fail to recognize metropolitan areas. On the contrary, both in statute and administration the orientation of most Federal programs has been to the State, the rural area and, in some cases, the city, and only rarely the metropolitan area. The situation is further complicated by the fact that metropolitan problems are sometimes located in the central city, sometimes in the suburb, and sometimes are area-wide.

The following is a summary analysis of examples of (a) lack of recognition in either law or administration of metropolitan area needs, and (b) lack of coordination between Federal metropolitan area development activities.

Failure to Recognize Metropolitan Area Interests

A number of examples can be cited where metropolitan area needs are not taken sufficiently into account in carrying out Federal development programs. Almost no Federal funds are directed to research on metropolitan area development, such as central city-suburb relationships, preservation of open space, and urban fringe area problems. Although the Federal urban renewal program recognizes the need to relocate dispossessed persons, the highway program does not, despite the fact that probably as many people are displaced by highway construction as from urban renewal.

Present Federal financial aids offer insufficient flexibility for the efficient adjustment of resources to meet local needs. Thus, the Federal highway program deals with only one aspect of metropolitan area transportation. In some cases, better use of the highway funds could be made by local jurisdictions by applying the grants to construction of mass transportation facilities. Likewise, highway planning should be done as part of over-all comprehensive planning (including mass transportation) in metropolitan areas but in many instances it does not even conform to local land

use plans. Requirements involving functional program objectives, such as relating urban highway proposals to the interstate systems, however, are carefully observed.

Under the present Water Pollution Control Act, communities within metropolitan areas cannot pool Federal construction grants for joint sewage treatment facilities. These grants, which cannot exceed \$250,000, can be used for only one treatment facility no matter how large. The effect of this is to encourage construction of a number of small, federally assisted plants, rather than more economical, larger facilities. This results in an added expense to both the Federal Government and the individual jurisdictions.

The Federal civil defense program has been administered through Federal-State channels. Conflicts have arisen where Federal agencies have selected the same relocation sites that were desired by local government. These conflicts were caused by the lack of communication by either the Federal or State agency with the local jurisdiction. Decisions on location of federally supported airports, military installations, defense industries and Federal office buildings frequently handicap efforts of metropolitan planners.

Metropolitan area problems have been caused by the present laws and administration covering disposal of surplus lands for parks, education, and health purposes. The various Federal laws governing disposal sometimes result in lands desired by the metropolitan area for recreation or other purposes consistent with local development plans being put to other uses.

There is a need to re-examine our present water resource development programs to determine if storage for irrigation, flood control, and navigation has been given too high a priority relative to urban water needs, particularly in view of the substantially increased metropolitan requirements projected for the coming decades. Relation of military airports to civilian airports in metropolitan areas represents a continuing problem. There is only the beginnings of coordination of Federal assistance to labor surplus areas.

#### Conflicts between Federal Programs

A number of conflicts between Federal agencies, whereby one agency's activities impaired the effectiveness of the other's activities, have been identified. This number would be larger except that (1) the problem is not only conflict between Federal programs but of gaps between programs; (2) the Federal agencies tend to draw away from each other in the administering of their programs rather than overlap or duplicate activities; and (3) there is no existing policy framework against which to evaluate whether Federal programs

are working at cross purposes to each other or are achieving the most useful goals. Further, as metropolitan areas grow, the problem will be intensified.

The most commonly cited conflict is that of the relationship between the interstate highway program and urban renewal activities. Considerable criticism has been raised because the location of highways has, in many cases, adversely affected communities and newly developed areas. Ideally, the Federal highway program should be programmed as an integral part of comprehensive metropolitan planning. Properly administered, the Federal highway program should be closely geared with other Federal aid programs such as urban renewal, public housing, development of recreational facilities, airport construction, civil defense, and others. Coordination is needed both at the Federal and local level. The Housing and Home Finance Agency and the Department of Commerce are now developing procedures to help encourage joint planning of transportation programs in metropolitan areas.

Other examples may be cited. In addition to some slum clearance, a valuable aid to redevelopment of the city is the rehabilitation of existing housing. A representative of the American Committee to Improve Our Neighborhoods (ACTION) has reported that the Small Business Administration has not assisted companies in carrying out such rehabilitation work, finding that their activities are "speculative" in nature.

Despite the fact that the majority of American people live in metropolitan areas, most Federal recreation projects are located far from centers of population. There has been little recognition to date, for example, of the role that the national parks can play in meeting urban recreation needs. It is hoped that the President's Outdoor Recreation Resources Review Commission will deal effectively with the problem in its report to the President and Congress, due in September 1961.

A problem of growing importance which involves conflicts in Federal programs affecting urban areas is that of flood protection. Since 1936 the Department of the Army has constructed local protection projects, largely in urban areas. In 1954, the Department of Agriculture was authorized to carry out a program of small watershed development mainly for flood protection. While most watershed projects throughout the nation are designed to protect rural and agricultural lands, in the Northeastern States and California most of the proposed projects have been to protect urban areas. The existence of two agencies empowered by law to plan flood protection projects creates problems of avoiding piecemeal flood protection to specific localities which may jeopardize the economic feasibility

of flood control plans for larger areas and of resolving confusing differences in agency standards of cost sharing, degree of protection, and structure safety.

It must not be assumed that, although several programs are organizationally located within one Federal agency, they will necessarily be coordinated with respect to metropolitan areas. HHFA's Federal Housing Administration program encourages the construction, on a vast scale, of single-family, private houses in the suburban areas surrounding our central cities, while its insurance of mortgages on in-city rental housing has been of more modest proportions. At the same time, the Urban Renewal Administration and the Public Housing Administration are trying, with FHA assistance, to rehabilitate the now decaying central cities whose former (mostly stable middle-income) residents have moved to suburban areas.

At least a partial solution at the field level to the problem of coordination in the execution of Federal programs and to better recognize metropolitan area interests would be a substantial improvement in planning operations and the development of State and local organizations and governmental machinery adequate to assure a unified approach to the development of the metropolitan region. The primary contribution the Federal Government could make to a solution would be the establishment of policies and procedures for Federal programs most conducive to favorable developments toward these two objectives. The major Federal impact on these areas comes from Federal aid programs administered by State and city agencies. These aids could be provided under policies which require or encourage more effective coordination and the development of local comprehensive plans and the integration of Federal, State and local activities into the locally adopted plan to the extent possible.

The States too can take action to obtain effective integration of planning and coordination of development activities and programs in metropolitan areas. Several approaches by the Federal agencies are possible: (1) continue urban development program operations through present State and local agencies but require necessary State action as a condition for grants; (2) try to encourage State action and provide incentives through grants to the States for planning and technical assistance aimed at the development of effective means for metropolitan area program coordination.

Federal Efforts to Coordinate Metropolitan Area Programs

History of Federal Concern with Metropolitan Area Development

Considering the extent to which the United States is now predominantly an urban society, there has been surprisingly little previous Federal action concerned with development of national policies for metropolitan area development, and for coordination of Federal programs affecting metropolitan areas. The first serious analysis by the Federal Government concerning the significance of metropolitan areas to the Nation's future growth and development was the publication of Our Cities, Their Role in the National Economy by the National Resources Committee (later, National Resources Planning Board) in 1937. That study recommended that a unit be set up in an appropriate Federal agency to conduct urban research and perform functions for urban communities comparable to those performed for rural communities by the Department of Agriculture. Likewise, it called for creation of a clearing house of urban information in the Bureau of the Census. More directly it recommended that:

"...immediate consideration should be given to the urgent necessity of coordinating both at Washington and in the field the related services and activities operating in urban areas. A prompt and thorough study should, therefore, be undertaken by a division of administrative research in the Bureau of the Budget of the best methods and administrative techniques for bringing about the closer coordination of Federal activities in urban communities and for improving and facilitating collaboration between the cities and the Federal Government." 3/

No significant action was taken to implement these recommendations.

The National Resources Planning Board itself set up eleven regional offices, which were largely oriented around State planning agencies and organizations. In addition, they did make a real attempt to deal with regional and sub-regional planning in terms of problem areas rather than solely on a political unit basis. The National Resources Planning Board and its regional offices were abolished in 1943.

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3/ U. S. National Resources Committee, Our Cities, Their Role in the National Economy (Washington, Government Printing Office, 1937), p. x.

About this time the Bureau of the Budget Field Service was established. From 1943 to 1952 the Bureau of the Budget established four regional offices located in Dallas, San Francisco, Denver and Chicago. Its predecessors in field offices organization included the Federal Coordinating Service and Federal Business Associations, The National Emergency Council and the Office of Government Reports. Bureau of the Budget field offices were planned for each of the major regions of the country but such expansion was never approved by Congress. In addition to other functions, the Bureau of the Budget Field Service was assigned responsibility for promoting coordination of Federal field programs, consulting with State and local officials with respect to Federal programs affecting them and appraising the effect of Federal fiscal policies on State and local governments.

Some notable successes were achieved in the field of Federal-State-local relations. The San Francisco representative was instrumental in developing the Pacific Coast Board of Intergovernmental Relations which provided an effective forum for exchange of information about the region. Observers of the Board's operation concluded that the effectiveness of Federal programs was enhanced through the mutual understanding of Federal, State and local officials "who must consult across governmental lines on official business. Perhaps the organization and work of the board offers a pattern for intergovernmental cooperation in other regions." <sup>4/</sup> These regional offices, which never exceeded four in number, were closed in 1953.

Federal programs for dealing with the physical development of metropolitan areas and communities have been centered primarily in the Housing and Home Finance Agency. A unified housing agency was first established in 1942, designed to coordinate housing programs for special purposes during the war period. The Housing and Home Finance Agency was put on a permanent basis by Reorganization Plan No. 3 of 1947. Through a series of actions on the part of the Chief Executive and the Congress, the original mission of the Agency was rounded out; its supervisory functions were strengthened; general responsibilities with respect to such matters as research, economic analysis and policy and program advice were assigned to the Administrator; and a major program of slum clearance and urban renewal was instituted in 1949. Programs of grants for city and metropolitan planning, loans for local public facilities, and advances for planning of non-Federal public works were authorized by the Housing Act of 1954.

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<sup>4/</sup> S. K. Crook, "The Pacific Coast Board of Intergovernmental Relations," Public Administration Review (Spring 1951), p. 108.

Beginning in 1955, hearings were held in Congress to give department status to the Housing and Home Finance Agency. Various of the bills introduced would provide for the later transfer of other urban related programs, not specified, and direct the new department to play a leadership and coordination role within the Federal Government for urban development including metropolitan areas. Consideration has also been given in recent years to creating a Commission on Metropolitan Problems. Among the functions of the proposed temporary study commission would be determination of the needs of the Nation's metropolitan areas, the capabilities of the different levels of government to meet such needs, and means for improving the coordination of Federal, State and local policies. The 86th Congress held hearings on bills to create a Department of Housing and Community Development (reported favorably out of committee in the Senate) and a Commission on Metropolitan Problems but adjourned without taking final action on either proposal.

In one form or another, proposals have been made for coordination of Federal metropolitan area activities by a number of individuals and groups. This support and interest will insure continuing consideration of the subject until action is taken.

#### Current Arrangements for Coordination of Policy and Administration

At present there are no major organizational or procedural devices for directing, coordinating, or reviewing the existing Federal programs dealing with metropolitan problems. A number of activities within the Federal establishment, though limited in scope or practice, have as their purpose the easing of interagency conflicts and coordination of effort and approach. At the Federal level these include the part-time efforts of a deputy assistant to the President, an ad hoc committee, with no full-time staff, the Commission on Intergovernmental Relations concerned with the distribution of functions among the several levels of government rather than the coordinated direction of Federal programs in metropolitan areas, staff in HHFA largely concerned with data collection on housing matters and review of their own agency programs, and an interagency committee which has served almost wholly as an educational device.

Several Federal programs, by promoting urban planning, have contributed to the coordination of Federal and local activities within individual metropolitan areas. These are limited largely to a relatively small Federal urban planning grant program, a requirement that comprehensive planning be initiated before certain Federal programs are approved, an extremely small staff providing assistance in conducting local area economic and industrial studies and a highway research grant program.



The following is a summary of current efforts to coordinate activities by the Executive Office of the President, by the departments and agencies and a description of a few of the more successful techniques for relating Federal field activities to State and local programs in metropolitan areas.

Coordination within the Executive Office of the President

1. Deputy Assistant to the President for Intergovernmental Relations.

The 1955 report of the Commission on Intergovernmental Relations criticized the lack of a central point in the executive branch for over-all analysis and attention to intergovernmental relations, including Federal-local relations. As a result of this recommendation, a Cabinet Paper on Federal-State-local relations was approved in June 1956 which broadened the responsibilities of the Deputy Assistant to the President for Intergovernmental Relations, then Governor Pyle. Specific responsibilities were assigned to (1) act as the focal point within the executive branch on intergovernmental matters, (2) maintain liaison with organizations concerned with State and local affairs, (3) form ad hoc interagency committees, (4) explore the setting-up of regional machinery to improve cooperation between Federal field activities and State and local authorities, and (5) review Federal actions affecting State and local governments. A counterpart position was established in the Bureau of the Budget to provide staff assistance. The general orientation of assignments was that of Federal-State relations as opposed to concern with metropolitan areas or local governments. The assignment was a dual one -- staff assistant to the President in advising him with respect to Federal policy and coordinator with respect to Federal policy and programs affecting State and local governments. The latter function, requiring continuing study was not, except in individual instances, implemented. An Ad Hoc Interagency Committee on Metropolitan Area Problems was first convened by the Deputy Assistant in 1957. Governor Pyle resigned in February 1959. Mr. Merriam, Deputy Assistant to the President for Interdepartmental Relations, has been assigned Governor Pyle's former duties in addition to his existing responsibilities. At present, no full-time staff is assigned to assist Mr. Merriam in carrying out responsibilities for intergovernmental relations.

2. Ad Hoc Interagency Committee on Metropolitan Area Problems.

The Ad Hoc Committee on Metropolitan Area Problems was established by the Deputy Assistant to the President for Intergovernmental Relations at the direction of the 1956 Cabinet Paper. The first meeting was called in October 1957. The following agencies were represented by persons generally at the assistant secretary level: Treasury; Justice; Defense; Commerce; Health, Education, and Welfare;



Office of Civil and Defense Mobilization; General Services Administration; Housing and Home Finance Agency; and staff of the Bureau of the Budget and White House Office of Public Works Planning. The minutes of the first meeting indicate that the Ad Hoc Committee was formed to further coordination of Federal efforts affecting metropolitan areas. Other purposes cited were the need to anticipate growing problems and to serve as an interpretative channel to give agency heads the Administration's policy and views as developed at the White House level.

The next meeting of the Ad Hoc Committee was called in May 1959. The meeting now chaired by Mr. Merriam, Deputy Assistant to the President, grew out of the need to develop an Administration position on proposals within the Congress to set up a study commission on metropolitan problems and creation of a Department of Urban Affairs. Members were requested to advise the Deputy Assistant's office when broad policy questions affecting metropolitan areas arise. It was agreed that future meetings of the committee would be called from time to time to discuss such emerging issues and to insure that the impact of various Federal programs upon other levels of Government is a beneficial one.

The most recent meeting was held in June 1960. Its purpose was to stimulate discussion and establish a project or projects for development of constructive ideas in the next several months. A desire was expressed to develop and leave as a legacy a clear-cut pattern of the Federal Government's responsibilities and duties in metropolitan areas. In addition to this paper, the following projects were agreed to: (a) coordination of Federal aid highway with Federal urban planning programs and possible Federal assistance for mass transit; (b) extension, if possible, of the "workable program" (described below) presently required for Federal-urban renewal and public housing projects to other Federal agency programs of assistance for community development. These projects were undertaken by Bureau of the Budget staff working with the Office of Public Works Planning and appropriate agency representatives.

#### Coordination by the Departments and Agencies

1. Advisory Commission on Intergovernmental Relations. The Advisory Commission on Intergovernmental Relations was set up as a permanent Federal agency in 1959. It is a twenty-six-member commission, composed of officers of the executive branch, private citizens, members of Congress and public officials from State and local governments appointed by the President from panels of names submitted by the Governors' Conference, the Council of State Governments, the American Municipal Association, the U. S. Conference of Mayors, and the National Association of County Officials.

The Commission has as its continuing responsibility: (a) bringing together representatives of Federal, State and local governments to consider common problems; (b) assisting the executive and legislative branches in reviewing existing and proposed legislation to determine their effect on the Federal system; and (c) recommending the most desirable allocation of governmental functions, responsibilities, and revenues among the three levels of government.

The Commission's activities to date have been modest. Its first budget request for a full-year's operation was considerably reduced by the Congress. It is not a member of the Ad Hoc Interagency Committee on Metropolitan Area Problems. The Commission staff is small in size, totaling, at present, nine positions. A limited amount of staff time will be devoted to metropolitan area problems. The staff director has indicated that the Commission will have no direct interest in the organization of the executive branch for metropolitan affairs except insofar as the lack of Federal coordination impinges upon other levels of government.

## 2. Housing and Home Finance Agency

(a) National Housing Council. The National Housing Council was established by Reorganization Plan No. 3 of 1947. The Housing Administrator serves as chairman of this Federal interagency committee. The agencies represented are the Departments of Defense, Agriculture, Commerce, Labor, and Health, Education, and Welfare, the Veterans Administration, and the Federal Home Loan Bank Board, the Federal Housing Administration, and the Public Housing Administration. Representatives of the Executive Office of the President and other agencies are also invited to attend Council meetings.

The purposes of the Council are to foster the most effective use of the programs administered by HHFA and other Federal agencies in the furtherance of the housing policies and objectives established by law, to facilitate consistency between these programs and the general economic and fiscal policies of the Government, and to avoid duplication or overlapping of functions and activities.

The National Housing Council was used during most of its early history as a device to discuss interagency differences on housing programs with the coordination of VA and FHA activities the outstanding problem. After it had been inactive for several years, Housing Administrator Mason convened the Council last year, stating that it was his intention that it serve as a forum for discussions of the metropolitan problems of America. Through the use of outside speakers familiar with development planning in some of the major metropolitan areas and through increasing involvement in the problem,

the level of recognition and understanding of metropolitan problems has greatly increased. While the Council is still an educational device, it has played a useful role in getting the participating agencies used to the idea that eventually some over-all demands might be made upon them for program coordination in metropolitan areas.

(b) Staff Aids to the Administrator. The Office of Program Policy has the major responsibility within the Office of the Administrator, HHFA, for assisting the Administrator in analyzing the type and magnitude of metropolitan development problems which exist or are likely to occur; evaluating agency program accomplishments; participating in the development and review of legislative proposals and program policies designed to meet these objectives and goals; and making economic and statistical studies in the fields of housing, urban development and community facilities.

At the request of the Administrator, the Office of Program Policy identified problems requiring coordination between HHFA and other Federal agencies. This office took the lead within HHFA in working out recent arrangements between HHFA and the Department of Commerce for a coordinated metropolitan area planning program for redevelopment and highways.

Staff assistance on program development and coordination by the Office of Program Policy and other parts of the Office of the Administrator can at best be only as effective as the Administrator is willing to have it be. Previous Administrators have not provided much evidence that they were interested in a stronger operation on the part of this office. The Office of the Administrator has been able to perform only a limited role on problems involving the Federal Housing Authority and the Public Housing Authority and its activities have been primarily directed to economic and statistical studies. In recent months there have been signs of increasing concern for program development and interagency coordination.

#### Coordination at the Field Level

1. Urban Planning Assistance Program. Under the Urban Planning Assistance Program, the Urban Renewal Administration makes matching grants for planning assistance for (1) municipalities and counties with a population of less than 50,000; (2) groups of adjacent communities having a total population of less than 50,000 and having common or related planning problems resulting from rapid urbanization; (3) metropolitan and regional planning; (4) municipalities and counties that have suffered substantial damage as a result of a catastrophe; (5) areas in which Federal installations have brought about rapid urbanization; and (6) State planning agencies for State or interstate comprehensive planning and related research and coordination.



By stimulating the initiation of State, regional, metropolitan and local comprehensive planning activity and staffs, this program helps the political jurisdictions at each of these levels to view specific programs and projects for urban renewal, public facilities, and public works -- including schools, airports, transportation, sewers, water supply systems, and the like, whether federally assisted or not -- against an over-all plan for the future development of the community. Similarly, any Federal agency considering applications for assistance in these kinds of areas, can review them in the light of the comprehensive plan for the jurisdiction involved.

The Urban Planning Assistance Program has encouraged a comprehensive community-wide approach to planning problems, particularly in smaller cities and to a somewhat lesser extent in metropolitan areas. The planning agencies are, however, relatively detached from local and metropolitan area decision-making processes, and the extent to which this program provides education in the need for metropolitan area or urban area consolidation or coordination of other functions is limited.

2. HHFA Program for Community Improvement (Workable Program). A Program for Community Improvement, certified by the Housing Administrator, is a prerequisite for participation in certain HHFA programs specified in section 101(c) of the Housing Act of 1949, as amended. The Program is the community's own plan for using both public and private resources to eliminate and prevent slums and blight. It involves comprehensive community planning, the adoption and enforcement of modern building and housing codes, the analysis of slum and blight problems, and effective administrative organization and adequate financing, a program for relocating families displaced by all types of governmental action, and citizen participation and support.

In carrying out a Program for Community Improvement the locality develops and keeps up to date the plans needed to direct its future development. Both the community and Federal agencies can use these plans to assess the need for, and the impact upon the area of, Federal programs, as well as the relationship of specific projects to established community objectives.

Bureau of the Budget staff have prepared a discussion paper for the Ad Hoc Committee on Metropolitan Problems the extension of the workable program requirement to other Federal programs having an impact on community development. The paper concludes that the workable program requirement should be substantially broadened and applied as rapidly as feasible to most Federal programs of assistance to community development. Such broadening and extension would help to (a) coordinate at the local level various Federal aids to community

development, (b) achieve more comprehensive local planning, and (c) promote coordination of both Federal and local programs on a metropolitan area basis. This is a complex matter involving many Federal agencies and legislative proposals must be developed and perfected. (See attached paper "Extension of Workable Program Requirement.")

3. Field Work of the Office of Area Development, Department of Commerce. Direct contact with local communities and comprehensive community development is an important working principle of the Office of Area Development, which is in the Business and Defense Services Administration, Department of Commerce.

When a request from a local community on conducting an economic development study is received by the Office of Area Development, an analysis is made by a development expert of the local situation. Records and reports of various agencies (Office of Area Development's Regional Files, Departmental Field Office, BDSA Industry Divisions, Bureau of Employment Security of the Department of Labor, the Departments of Interior and Agriculture, HHFA, etc.) are examined and tentative conclusions on a suggested program are put down.

Other Federal agencies are consulted for possible contributions to the local program (Defense procurement, highway programs, urban renewal, Corps of Engineers, Office of Technical Services, etc.). If necessary, other agency personnel are requested for participation in the field consultations. This coordination has been facilitated at the Washington level by the establishment of an interdepartmental committee on Federal Area Assistance Programs chaired by the Under Secretary of Commerce.

After a visit a report is prepared which covers the important points made in conference and which emphasizes the suggested steps agreed to by the local people. It also includes the suggestions following conferences with other experts in the office and in other Federal agencies, including the use of Federal programs and other sources of assistance.

A serious difficulty is that because of insufficiency of program funds there is a lack of adequate and continuing follow-up in the community program of the Office of Area Development. Experience shows that most local programs do not have adequate momentum to follow through on the suggestions included in the reports.

4. Highway Research Grant Program. Federal-aid highway laws permit the use of not to exceed one and one-half per cent of Federal-aid grants apportioned to the States to provide, among other things,



for engineering and economic surveys to plan future highway programs and for research required in the planning and design of highway systems.

The growing impact of highway development in urban areas has resulted in greater utilization of these funds by the States for urban transportation planning in recent years. Urban arterial highway development, to be most effective, must not only be adequate for future traffic needs but must also be in harmony with and an integral part of over-all urban planning.

Since many factors of community planning must first be considered before adequate urban transportation plans (including highways) can be developed, in certain instances one and one-half per cent funds have been utilized to study these broader aspects of urban development. Such studies take into account future land use patterns; residential, commercial and industrial development; social and recreational improvements; and other similar factors which are major components of community development. The Penn-Jersey Transportation study and the Chicago Area Transportation study, which were sponsored in part with one and one-half per cent funds are examples where consideration of comprehensive planning was required as the basis for developing an adequate transportation plan.

Agreement has just been reached between the Secretary of Commerce and the Housing Administrator whereby planning money now available to local communities from both of these agencies (specifically the Bureau of Public Roads and the Urban Renewal Administration) will be made available to jointly financed planning required for a cooperative and comprehensive approach to metropolitan area development. State and/or local agencies desiring to engage in unified planning of an urbanized area may request and be granted pooled planning money from the Federal Government if they can demonstrate that a pooled comprehensive planning effort will be made by the appropriate local agencies.

The purpose of this undertaking is to stimulate a continuing process of planning and development coordination which will:

- (a) give consideration to all forces, public and private, shaping the physical development of the total community;
- (b) cover land uses and controls as well as plans for physical development and combine all elements of urban development and redevelopment into a clear-cut, comprehensive plan of what the citizens want their community to become;
- (c) cover the entire urban area within which the forces of development are interrelated;
- (d) involve in the planning process the political jurisdictions and agencies which make

decisions affecting development of the metropolitan area; and (e) link the process of planning to action programs. (See attached paper "Joint Policy and Procedural Statements in Improved Coordination of Highway and General Urban Planning.")

### Conclusions

The above analysis indicates a number of conflicts between Federal programs and primary concern by the Federal agencies with carrying out their specific legislative authorities rather than giving attention to the over-all effect on metropolitan areas of their activities. Even more important is the finding that the major problem is not one of coordinating existing programs. The primary need is to develop a national policy toward metropolitan areas within which general framework gaps in programs can be filled and individual programs related and coordinated. Present procedural or organizational mechanisms for development and coordination of policy and administration are, at best, minimal, probably less than for any other major area of Federal activity involving a number of agencies. Unless new approaches are developed, the projected population increases of 50 to 100 per cent in the population of most of the already congested metropolitan areas in the next several decades and the effective demand for new Federal programs will compound existing problems.

There are set forth below a number of policy, program, and coordination functions which should be performed or strengthened, if the Federal Government is to play a more effective and positive role with respect to metropolitan areas. These functions may be classified under the following headings:

- (1) Formulation of policy on metropolitan areas.
- (2) Development of programs to implement these policies.
- (3) Coordination of the Federal programs having an impact on metropolitan areas.

Some of the functions, such as staff assistance to the President and appraisal of agency programs, are general and typical of those provided in other program areas, e.g., science and national economic policy which cut across agency lines of responsibility. Other more specific functions would be designed to deal with the particular substantive issues raised by the present programs and organization of the Federal Government. In addition to assisting and advising the President with respect to metropolitan area problems, the following functions should be performed:





### Policy Formulation

1. Develop and recommend to the President a national policy with respect to fostering and promoting sound development and preservation of the Nation's metropolitan areas, including strengthening State and local governments to accomplish this purpose.
2. Gather timely and authoritative information and statistics concerning developments, trends and research findings with respect to metropolitan areas and interpret such information in the light of current national policy for the purpose of determining the need to modify such policy.
3. Conduct or have conducted studies and reports on metropolitan area problems and make recommendations with respect to matters of Federal metropolitan area policy and legislation as the President may request.

### Program Development

1. Explore possibility of having Federal programs offer incentives to States and metropolitan areas to deal with particular problems on a metropolitan area basis. Also, continue work on possible extension of the "workable program" concept (see description above) to other Federal development programs in metropolitan areas.
2. Identify metropolitan area research needs, including areas of research requiring additional emphasis and recommend actions to the Federal agencies to insure that new devices and techniques developed within the executive branch or elsewhere will be utilized wherever feasible.

### Coordination

1. Appraise various programs and activities of the Federal Government in the light of over-all national policy to be developed and to determine the extent to which such programs and activities are contributing to the achievement of such policy and to make recommendations to the President. Review existing metropolitan area programs to minimize cumbersome procedures and requirements.
2. Study the total impact of the many Federal construction, grant and other assistance programs upon the individual major metropolitan areas.

3. Promote recognition of the metropolitan area, wherever appropriate, by all Federal agencies in the development and execution of their programs with a view to coordinating both Federal and local activities, including extension of the requirement for a local program of community improvement (workable program), more applicable to communities participating in urban renewal and related programs, to other Federal programs affecting urban areas.
4. Resolve issues where Federal agencies are duplicating or conflicting with each others' activities. Form, as needed, ad hoc committees of department and agency representatives to work out specific interdepartmental problems.
5. Promote the establishment and strengthening of area development planning at the State and metropolitan area level; provide technical education and information services to assist local land use and economic planning on a metropolitan area basis.
6. Improve coordination and cooperation among Federal field establishments with the State and local governments represented in each of the major metropolitan areas; establish procedures for the coordinated review for Federal and federally supported projects in the regions and major metropolitan areas; provide a focal point for advice and assistance to local and metropolitan area officials with respect to Federal programs.
7. Encourage State and local administrators and officials to develop better techniques, organization and other machinery through which Federal services can be furnished.
8. Follow up on implementation of recommendations in the Report of the Commission on Intergovernmental Relations, including State reform to assist in solving local and metropolitan area problems and specific recommendations on various Federal programs of direct concern to metropolitan areas.

#### Recommendations

The growth of metropolitan areas affects many Federal, State and local programs; the basic system of federalism of the American Government; and the very nature of American society. Given this complex situation, no one device, unit, or "man" can by itself adequately deal with the problems and challenges presented to the Federal Government by the Nation's metropolitan areas, or perform the functions enumerated above. The functions must be carried out



at several levels within the Federal Government. Therefore, several approaches and assignments of responsibility are recommended. Consistency of approach can be achieved as long as these devices and assignments are thought of and established as part of an over-all plan rather than being created independently of each other.

Our current knowledge on the dynamic subject of metropolitan area development is limited. Therefore, the proposals for assignment or responsibilities for formulation of national policy, program development and coordination and the carrying out of Federal programs in metropolitan areas are tentative and flexible in nature. Large-scale active Federal participation of metropolitan area development has been maturing in recent years. Only now are we reaching an understanding of the scope of the problems involved and the effect and interrelationship of Federal programs. It is only in the last decade that the Federal Government has undertaken major spending programs in the Nation's metropolitan areas. Thus, the problems of setting Federal goals and policy and coordinating Federal programs is a recent phenomenon.

Having now undertaken programs of large-scale assistance to growing metropolitan areas, it is necessary to determine future Federal goals on a more comprehensive basis. Presidential leadership is required to determine future policy and the development and modification of programs to implement that policy. Individual Federal programs may or may not bring about a long-term beneficial effect, and there is insufficient knowledge and attention paid to the effect of our existing programs on whole metropolitan areas. A number of examples were identified above of conflicts among Federal programs and failure to recognize metropolitan interests. Thus, a massive highway program may contribute to creating a local transit problem. Yet, current highway law and administration is so rigid as to prevent use of highway funds for local mass transit purposes or ordinarily even the provision of median strips on federally operated urban highways.

The scope of this study has precluded exploration of the problems relating to the granting of department status for Federal activities related to housing and community development. The question of department status for such activities will have to be examined by the next Administration in the perspective of existing Government organization and other proposals for reorganization of the executive branch. Many Federal programs which have a major impact on metropolitan area land use and development will not be transferred to a new department. Many important issues of policy development, coordination of administration and Federal-State-local relations cannot be effectively dealt with by a single agency head or department

head. Regardless of whether a Department of Housing and Community Development is established there will be a need to coordinate the programs of that agency with those of other Federal programs. Other mechanisms will be needed to pull these programs, and Federal policy generally, together in a meaningful manner. It is therefore recommended that a focal point of regularized staff assistance be provided the President on Federal activities affecting metropolitan areas. It is also proposed that new responsibilities be assigned the Housing and Home Finance Agency, or a new counterpart department and the Advisory Commission on Intergovernmental Relations.



Executive Office Organization

Recommendation 1: That a focal point be established at the top structure of the Government for dealing with and providing staff assistance to the President on Federal activities affecting metropolitan areas.

There was unanimity among the Federal members of the Ad Hoc Committee on Metropolitan Area Problems and of the private individuals interviewed on the need to establish a focal point at the top structure of the Government for dealing with and providing staff assistance to the President on Federal activities affecting metropolitan areas. Such staff assistance would make available to the President information he would need in exercising leadership with respect to the Nation's metropolitan areas, as well as other problems of inter-governmental relations, and permit him to build a balanced Federal policy and program of action.

The full-time staff assigned these responsibilities must be alert to the problems of metropolitan area growth and its relationship to the local, State and Federal structure of government, work closely with the policy-making levels in the executive departments, and have close liaison with the President. Assistance would be provided in performing the following functions: (1) carry out assignments referred by the President; (2) develop consistent national policies with respect to metropolitan areas and identify emerging problems which are not the responsibility of existing agencies; (3) measure current Federal activities against national policy goals; (4) resolve interagency conflicts; (5) identify metropolitan area research needs and see that necessary studies are conducted, including analysis of the impact of Federal programs to assure that they meet local needs to the greatest extent possible; (6) encourage agencies to recognize metropolitan areas in their program development and to administer their programs in a flexible manner, adapting Federal programs to local needs to the extent possible, including development of plans for extending the urban renewal requirement for a

local program of community development to other Federal programs affecting metropolitan areas; (7) coordinate Federal activities affecting the National Capital region; and (8) perform the functions currently assigned to the Deputy Assistant to the President for Intergovernmental Relations.

Until a future determination on Executive Office structure is made, a detailed decision cannot be reached on the organizational location of the metropolitan affairs staff. As we have seen, the initial task is to develop a national policy toward metropolitan areas against which current and proposed Federal activities can be measured. The other functions to be performed at the Executive Office level -- appraising Federal activities, resolving interagency conflicts, promoting the consciousness of metropolitan area needs, directing necessary studies to be conducted -- are continuing in nature. The President will require regularized staff support in providing direction and review for programs which cut across agency lines. This need will be a continuing one with respect to metropolitan areas, given the organization of the executive branch along functional lines, e.g., roads, airports, hospitals, housing, etc.

Consideration should be given to institutionalizing in the Executive Office of the President the continuing staff responsibilities for Federal metropolitan area activities. Such staff should be the President's main resource for this work complementing and supplementing the work of the other Executive Office units and that of the departments and agencies and should have the resources to undertake the development, coordination and review functions enumerated above.

Responsibility for developing initial policy proposals should be assigned to an appropriate official within the Executive Office of the President. He would utilize all the available resources within the executive branch as well as outside advisers for necessary staff work.

A maximum of flexibility should be sought in mobilizing staff resources to conduct needed policy development studies and evaluations. To the fullest extent possible, the services, facilities and information available in the Executive Office of the President and other Government agencies, as well as private research agencies, should be utilized in order to avoid the necessity of carrying on operating programs and possible duplication of effort. While no permanent interagency committee on metropolitan areas should be established, the present Ad Hoc Interagency Committee on Metropolitan Areas could continue to be convened when problems appropriate to its interests arise, and ad hoc groups of affected agency representatives to work out specific interdepartmental problems would be formed as needed.

If proposals for creation of an Office of Executive Management within the Executive Office of the President are adopted, these functions could be assigned to it. They might most appropriately be assigned to the proposed Office of Special Projects.

Regional offices of the Executive Office of the President comparable to those formerly maintained by the Bureau of the Budget, if established, would contribute to the staff facilities available to the President in promoting coordination of Federal activities and rendering assistance to State and local officials in the larger metropolitan areas. The field office activity would complement the Executive Office organization for coordinating policy and administration of Federal programs.

Field staff functions would include providing leadership in promoting cooperation among the Federal field installations in the metropolitan area and with the State and local governments concerned. They would work with local planning officials and encourage metropolitan area-wide planning. Where metropolitan area planning exists, the field representative could promote establishment of procedures making available information on development plans of all affected governments. From a Federal as well as local point of view, this would facilitate coordinated review of Federal and federally supported projects planned for the area. Problems resulting from proposed Federal activities could be identified and, if possible, resolved, before actual construction is begun.

The director of the "Penn-Jersey" Transportation Study has remarked, "There is no one in the Federal Government concerned with the Philadelphia-Camden area." The Executive Office representative could serve this function and provide a focal point for advice and assistance to State and local officials with respect to all Federal programs. If field offices are not established, White House staff or Bureau staff could be temporarily assigned to specific field projects.

A possible supplementary action with respect to field organization would be the establishment of Regional Metropolitan Area Committees made up of the top regional officials of the various affected Federal agencies. Committees of this kind would serve the need for effective interchange of information among Federal programs and a source of information on Federal activities for the interest of State and local officials in the various metropolitan areas.

Several other organizational alternatives for Executive Office organization were also explored. The Bureau of the Budget, an over-all coordinating agency, could perform the function by setting



up a unit for this purpose. The Bureau's primary responsibilities are those of Government-wide budget development, legislative and organization review. The most important aspect of the job to be done is the development of policy. The Bureau of the Budget could provide staff services and assistance in performing these important functions. The Bureau of the Budget would also be able to assist in appraising current programs in the light of national policy and resolving interagency conflicts.

A large unit comparable to the Council of Economic Advisers performing continuing operations, to be established by statute, was also rejected. We do not yet know enough about the problem of metropolitan areas and how to deal with it to set up such an organization. The Council of Economic Advisers has relatively clear objectives, e.g., low unemployment, stable prices, and a growing economy. The Council has the benefit of a strong foundation of reliable statistical data, and there is considerable public understanding with respect to economic problems. None of these characteristics hold for metropolitan problems today.

Consolidation of the functions to be performed with the work of the Office of Public Works Planning was not recommended since that office is concerned primarily with Federal, State and regional planning with respect to the development of natural resources, public works activities of the Federal agencies whether in or outside metropolitan areas, and the coordination of Federal public works activities with State and local development. These staffs could serve each other and complement rather than overlap each other's activities.

HHFA has some general responsibility for community development activities and, as discussed below, can play an important role in coordinating Federal activities affecting metropolitan areas. However, it could not adequately perform many of the functions to be assigned. It could not properly or effectively evaluate the programs of the other Federal agencies. The other departments and agencies would not accept assumption by this non-Cabinet agency of such central responsibilities as policy formulation and coordination. Inevitably only the President can, with any real authority, resolve differences of opinion or approach between the departments or determine national policy relating to metropolitan areas. Likewise, although it could perform valuable functions (see below), an inter-agency committee, even one operating on a continuing basis, with secretariat of its own, could not hope to perform the staff functions for the President which could be assigned at the top structure of the Government.

Strengthened Housing and Home Finance Agency

Recommendation 2: That the Housing and Home Finance Agency be given additional responsibilities with respect to research and information on metropolitan activities, that its internal structure be strengthened to vest full operating and policy-making authority in the Administrator, and that it increase its leadership function among the Federal agencies with respect to metropolitan activities.

The HHFA even under its present statutory authority has the main operating responsibility within the executive branch with respect to metropolitan areas and community development. HHFA could perform many useful functions, complementing the policy development work performed elsewhere. Regardless of whether or not HHFA functions are transferred to a new department, the agency should be assigned the following additional responsibilities: (1) assisting in development of national policy with respect to metropolitan areas; (2) gathering information and research findings with respect to metropolitan areas; (3) serving as a clearinghouse for information and consultation on metropolitan area problems; (4) encouraging other Federal agencies to recognize metropolitan area needs in administering their programs; (5) promote local and metropolitan area development planning; and (6) study the impact of Federal activities on metropolitan areas. This would require significant expansion of the program planning facilities available to the Housing and Home Finance Administrator.

The National Housing Council established by Reorganization Plan No. 3 of 1947 is an interagency committee chaired by the Housing Administrator, and it is designed to foster more effective administration of the Federal programs in metropolitan areas. The title of this body should be changed to acknowledge the broadened scope of its responsibilities. Its activities should be stepped up to promote knowledge and understanding on the part of the agencies of the relationship of their programs to metropolitan area development. It could identify and resolve conflicts between agencies. Those issues which could not be resolved at this level could be referred to the Presidential level for resolution.

Necessary action should be taken to vest full operating and policy-making authority over HHFA in the Administrator. This will permit him to more effectively exercise leadership in day-to-day Federal interagency coordination with respect to metropolitan area activities. A strengthened HHFA field office structure would permit the Agency to play a more positive role in working with other Federal and local officials to coordinate their development programs in metropolitan areas.





Role for the Advisory Commission on Intergovernmental Relations

Recommendation 3: That the Advisory Commission on Intergovernmental Relations conduct an active program designed to encourage States and local jurisdictions to deal with metropolitan problems and explore the intergovernmental questions raised by the growth of metropolitan areas.

Among the functions assigned to the Advisory Commission on Intergovernmental Relations by the 86th Congress are the (1) bringing together of Federal, State and local representatives for consideration of common problems, (2) encouraging discussion of emerging public problems requiring intergovernmental cooperation, and (3) recommending the allocation of governmental functions among the several levels of government.

An important responsibility of the permanent Advisory Commission on Intergovernmental Relations stemming from these statutory directives should be to follow up on the recommendations of the original Kestnbaum Commission report. A significant number of recommendations in the Report of the Commission on Intergovernmental Relations dealt with the need for States to take action to meet metropolitan area problems and at the Federal level to modify certain Federal programs of direct concern to metropolitan areas. A number of specific recommendations were made, including the need for prompt and equitable reapportionment in the State legislatures, broadening of home rule authority to local jurisdictions to give them greater discretion in organizing their governmental machinery and assumption by the States of leadership in seeking solutions to metropolitan problems. The new Commission is in a unique position to promote such long overdue State reform.

From their unique vantage point, the Advisory Commission could also take the lead in encouraging State and local officials to develop better devices and organization through which Federal services can be rendered, identify research needs, and assist in conducting studies of emerging problems.

Finally, the Commission could play a major role in increasing public understanding of metropolitan area problems. The current situation with respect to metropolitan areas lends itself to study by the Advisory Commission on Intergovernmental Relations. Although we are now predominantly an urban and suburban nation, there is little practical recognition of this fact. Little serious public consideration is being given to such important subjects as consolidation of governmental jurisdictions and area-wide development. Population growth, costs of community facilities, and other factors

may require drastic and radical proposals. Public hearings and reports by the Commission would increase public understanding of a national policy problem and improve prospects of action to deal with it.



The Advisory Commission on Intergovernmental Relations is composed of members of Congress, the Federal, Executive, and State, county and local officials. This permits the Commission to represent diverse interests and points of view. Its recommendations will receive respectful consideration. Persons of national reputation and competence could be recruited for a relatively short time who otherwise might not be obtained. The Commission would have the ability to collect and publish important information and conclusions on this complex and neglected subject. It could help clarify the proper role of the various levels of government in such emerging programs as mass transportation, regional planning participation or assistance, depressed areas assistance, and payments in lieu of taxes. The President could exercise leadership by directly requesting the Commission to undertake the necessary studies.

Attachments

Interviews Conducted  
PROJECT: COORDINATION OF FEDERAL METROPOLITAN AREA ACTIVITIES

<u>Name of Person Interviewed</u>	<u>Title of Official &amp; Agency</u>	<u>Date - 1960</u>
<u>Federal Officials</u>		
Mr. Charles B. Brownson	Assistant Administrator (Public Affairs and Congressional Liaison), Housing and Home Finance Agency	September 27
Mr. William Colman	Staff Director, Advisory Commission on Intergovernmental Relations	October 7
Mr. Jarold A. Kieffer	Assistant to Secretary (for Program Analysis) Dept/Health, Education, and Welfare	September 29
Mr. George T. Moore	Assistant Secretary of Commerce for Administration, Dept/Commerce	September 30
Mr. Oscar H. Nielson	Director, Office of Budget and Management Dept/Commerce	September 30
Mr. Perry W. Morton	Assistant Attorney General, Lands Division Dept/Justice	September 29
Mr. John S. Patterson	Deputy Director, Office of Civil and Defense Mobilization	October 4
Mr. Floyd Peterson	Special Assistant to the President for Public Works Planning	September 15
Mr. Laurence B. Robbins	Assistant Secretary of the Treasury	October 5
Mr. Jack Stempler	Deputy General Counsel, Dept/Defense	October 7



<u>Name of Person Interviewed</u>	<u>Title of Official &amp; Agency</u>	<u>Date - 1960</u>
<u>Private Individuals</u>		
Mr. John Bebout	National Municipal League	September 23
Mr. George Deming	Director, Conference on Metropolitan Area Problems	September 22
Mr. W. C. Dutton, Jr.	Executive Director, American Institute of Planning Officials	September 16
Mr. Lyle Fitch	City Administrator, New York City	September 15
Mr. William Frederick	Northeast Representative, Council of State Governments	September 23
Mr. Luther Gulick and Mr. McKim Norton	President, Institute of Public Administration Regional Plan Association	September 22
Mr. Joseph Intermaggio	Washington Center for Metropolitan Problems	September 13
Mr. Don R. Larson and Mr. Emery Wine	Municipal Manpower Commission	September 20
Mr. James Lash	American Committee to Improve Our Neighborhood (ACTION)	September 27
Mr. John H. Nixon	Director of the Area Development Staff, Committee for Economic Development	September 23
Mr. Harvey Perloff	Resources for the Future	September 14

Revised  
November 23, 1960

JOINT POLICY AND PROCEDURAL STATEMENTS ON IMPROVED  
COORDINATION OF HIGHWAY AND GENERAL URBAN PLANNING

HHFA - Department of Commerce



I. Policy statement.

The Federal Government is vitally interested in encouraging and assisting the sound growth and redevelopment of our cities and their surrounding urban areas. More and more of our rapidly growing population will live in urban areas, particularly in metropolitan areas. Future changes in the physical characteristics of these urban complexes will profoundly influence the health, happiness and prosperity of all our people and the strength of the nation.

The States also have substantial and even more immediate interest in the sound future growth of their metropolitan areas. State highway departments and planning agencies are already concerned with municipal planning. The highway departments are spending substantial Federal and State funds for both planning and construction in urban areas and are legally responsible for initiation and execution of Federal-aid highway projects. State interest has been expressed by the Conference of State Governors which has recognized that better coordination of State activities is needed both to assure economical use of State and Federal funds and to enable metropolitan planning and development programs to be fully effective.

Local people must reach a working agreement upon what they want their communities to become since they should be the ones to initiate and carry out the plans. Many urban areas are making progress in this direction and a few are on the way to outstanding success. Successful planning in the larger metropolitan areas, however, is heavily dependent upon the active cooperation of almost all the political jurisdictions involved and of most private individuals and groups whose decisions will influence the pattern of future development and redevelopment.

The Federal Government assists various types of development which contribute significantly to the physical character of the urban environment, and it has a responsibility to see that these aids are used efficiently and economically.

The Federal-aid highway program is the largest program of Federal aid for capital improvement in urban areas and often constitutes the most crucial single factor in community development. The impact upon the community of the highways constructed under this program is direct, widespread, and often of massive proportions.

Federal and State highway officials have recognized this problem and have encouraged planning which meets both the objectives of sound community development and the purposes of the Federal-aid highway program. The availability under Federal highway legislation since 1934 of  $1\frac{1}{2}$  per cent of total program funds for planning and research has been invaluable. These funds have facilitated

planning aimed at assuring a highway system compatible with sound community development.

The various programs administered by HHFA have a continuing major impact on the character and direction of urban development. Urban renewal operations are beginning to transform our cities. The recently authorized program of grants for community renewal programming will help cities assess their total urban renewal needs and determine the best ways to satisfy them over a period of years, taking into account local land use objectives, prospective financial capacity, and other community development programs such as water, sewer and transportation systems. The FHA system of mortgage insurance, the public housing program, and advances and loans for the planning and construction of community facilities also directly influence the shape and quality of urban development.

The HHFA also provides matching grants for comprehensive planning of metropolitan areas in their entirety and of smaller cities and towns. The program authority is very broad. It is helping localities to look at their over-all development problems and possibilities. It assists them to do the necessary planning and programming for future development.

While much has been done by both agencies, much more needs to be done by them and by other Federal agencies administering programs of Federal aid for community development. It is of the greatest importance that the impact on the community of all federally-assisted programs be harmonious and that the timing, character and location of all federally-assisted improvements be compatible with desirable community development goals.

To assist in meeting these requirements, the Secretary of Commerce and the HHFA Administrator are establishing an experimental procedure for the joint financing, through Federal-aid highway planning funds and urban planning grants, of the planning required for a cooperative and comprehensive approach to metropolitan area development. The purpose of this undertaking is to stimulate a continuing process of planning and development coordination which will:

- (a) Give consideration to all forces, public and private, shaping the physical development of the total community.
- (b) Cover land uses and controls as well as plans for physical development and combine all elements of urban development and redevelopment into a clear-cut, comprehensive plan of what the citizens want their community to become.
- (c) Cover the entire urban area within which the forces of development are interrelated.
- (d) Involve in the planning process the political jurisdictions and agencies which make decisions affecting development of the metropolitan area.
- (e) Link the process of planning to action programs.

The objective, then, is not merely a planning process but the development of effective cooperation and coordination both among the local governments within a metropolitan area, and between these governments and the State and Federal agencies involved in area development activities. This process must be continuing if it is to serve its purpose effectively as the areas grow and change. In the beginning, this joint activity may be limited to metropolitan areas where the need is greatest and the prospects for significant accomplishment are most promising. If local interest warrants, this effort will be extended as quickly as staff and funds permit.

II. Procedure for coordinating joint financing of comprehensive planning in metropolitan areas.



1. Joint Steering Committee. The Secretary of Commerce and the Housing and Home Finance Administrator shall appoint a Joint Steering Committee consisting of equal representation from both agencies to supervise and review this experimental program for coordination of the use of HHFA urban planning grants and  $1\frac{1}{2}$  per cent highway planning funds. The Joint Committee will have responsibility for (a) developing procedures, (b) putting these procedures into effect, (c) evaluating the effectiveness of this experimental program, and (d) recommending modifications based on experience.

2. Regional Joint Committee. The Joint Steering Committee, in cooperation with the heads of the Regional Offices of HHFA and the Bureau of Public Roads, shall appoint Regional Joint Committees consisting of an equal number of persons from each agency who have responsibility for urban planning and highway planning activities, respectively. The duties of these committees shall be to (a) explore the interest and the capacity of agencies in any metropolitan area to carry on comprehensive planning for the entire area; (b) encourage the joint financing procedure in areas where it offers the greatest promise of constructive results; (c) advise and assist State and local planning agencies and State highway departments in the development of proposals for jointly financed planning projects; (d) review and make recommendations with respect to applications for such assistance; and (e) provide advice and assistance during the operation of an approved planning project.

3. Project Initiation. Any State or local agency may initiate a proposal for a jointly financed planning project, but such a project must be jointly sponsored by a State, metropolitan, or regional planning agency eligible for urban planning grants, and a State highway department. The Regional Joint Committees will provide advice and assistance to any agency wishing to initiate such a project, and will work with the sponsoring agencies to develop an approvable project.

Proposals for coordinated planning will be approved for joint financial assistance only when the following conditions are met:

- (1) The proposal aims at achieving a unified process of planning covering all relevant aspects of development and land use;
- (2) Planning will cover the entire urbanized area involved;

- (3) There are prospective problems in planning or locating Federal-aid highways in the area;
- (4) Planning is to be conducted under the policy guidance of a metropolitan coordinating committee broadly representative of the governing officials of the local jurisdictions within the area and including representatives of major State planning and development agencies.



4. Project Review. The Regional offices of the respective agencies shall review applications for either type of project to determine the possible need for and feasibility of coordinated planning under joint financial assistance. When such a need is believed to exist, the application should be referred to the Regional Joint Committee for consideration.

This procedure is a supplement to rather than a substitute for existing procedures for initiating comprehensive urban planning projects or federally-aided highway planning projects for metropolitan areas.

Cost sharing arrangements will be developed by agreement among the sponsoring agencies on the basis of the planning project prospectus, subject to the approval of the HHFA and the Bureau of Public Roads. The regular eligibility requirements of the urban planning grants and highway planning programs will continue to apply.