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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

RESOURCES AND ECONOMIC
DEVELOPMENT DIVISION

February 20, 1974

The Honorable David O. Meeker, Jr.
Assistant Secretary for Community
Planning and Development
Department of Housing and Urban
Development



Dear Mr. Meeker:

The General Accounting Office made a survey of the Department of Housing and Urban Development's (HUD) 701 Comprehensive Planning Grants program to evaluate the use made of grant funds by recipients and HUD's overall administration of the program.

The survey was performed at HUD headquarters, Chicago and Kansas City regional offices; Columbus, Louisville, and St. Louis area offices; and at 13 selected grantees in Ohio, Kentucky, and Missouri.

Our survey showed that coordination between State and Interstate regional planning agencies needs to be reemphasized, and unnecessary updating of housing studies has occurred in Missouri. Details of our observations are presented below.

NEED TO REEMPHASIZE COORDINATION REQUIREMENTS

The Ohio-Kentucky-Indiana Regional Planning Authority (OKI) is an interstate agency responsible for 701 planning for the Cincinnati Standard Metropolitan Statistical Area. This area includes three counties in northern Kentucky--Campbell, Kenton, and Boone. With its 1972 fiscal year 701 funds, OKI contracted with a consultant to perform a housing study of Campbell and Kenton and performed internally a housing study of Boone.

During the same time period, the State of Kentucky spent about \$3,300 of Federal funds on a housing study for the same three counties. According to the OKI consultant, the Kentucky study duplicated, in various degrees, the housing study made by the consultant of Campbell and Kenton counties.

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The duplication of effort resulted because Kentucky failed to coordinate its 701 planning with OKI. According to HUD regulations, Kentucky should have provided OKI with a copy of its Overall Program Design (OPD). The OPD is the multiyear work program statement which all 701 applicants must submit to HUD as part of their application for funding. It includes all major planning and management objectives to be undertaken by the applicant.

OKI officials had requested Kentucky to submit its fiscal year 1972 and 1973 OPD's for their review, but Kentucky did not comply with either request. The HUD Louisville Area Office was aware of OKI's request for the 1973 OPD but it did not require Kentucky to coordinate its efforts with OKI.

Following our discussion of this matter with the Louisville Area Office, Kentucky was directed to submit all future OPD's to OKI for its review and comment.

HUD Region V and Columbus Area Office officials advised us that the duplication of planning between States and interstate regional planning agencies is a national problem which has received limited attention from HUD.

Recommendation

We recommend that the Assistant Secretary for Community Planning and Development reemphasize to HUD field offices the importance of complying with HUD requirements on coordination between States and interstate regional planning agencies so as to minimize duplication of planning efforts.

NEED FOR CLARIFYING GUIDELINES ON UPDATING HOUSING STUDIES

The HUD Act of 1968 amended Section 701 of the Housing Act of 1954 to require that planning include a housing element as part of the preparation of comprehensive land use plans. HUD guidelines require recipients under the 701 program to have a housing element in their plans. The guidelines do not state how frequently the housing element should be updated.

The Missouri State planning agency annually subgrants 701 funds to its 15 nonmetropolitan regions and requires them to perform an initial housing study or update their existing housing studies.

Except for one, all the regions had completed their initial housing studies prior to receiving their 1972 701 funds. We noted that a number of the regions had updated their housing studies in prior years. For example, the Southeast Missouri Regional Planning Commission published its initial housing report in September 1971 (64 pages), updated it in June 1972 (131 pages) and again in June 1973 (61 pages).

We compared the initial and updated housing studies prepared by two regions and found no appreciable changes to warrant the additional effort and expense of preparing and publishing the updated studies. Much of the information in the initial studies was repeated in the updated studies although, in some instances, the form of presentation was changed. For example, the same information appeared in one publication as a table, and in another as a narrative.

HUD central office officials informed us that housing studies should be updated "as needed." Area office personnel stated that, in their opinion, the Missouri State planning agency and the regions had misinterpreted the HUD requirement. They stated that the guidelines do not require that housing studies be updated by a formal study each year.

Recommendation

We recommend that the Assistant Secretary for Community Planning and Development revise the HUD guidelines to indicate how often a grantee or subgrantee must update its housing study. We recommend also that consideration be given to ascertaining whether other State planning agencies are unnecessarily requiring housing studies to be updated and published annually.

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We appreciate the cooperation extended to us by your staff during our survey. We would be pleased to discuss with you or members of your staff the above matters and would appreciate your comments on any action taken or planned with regard to the matters discussed in this report.

We are sending copies of this report to the Secretary and to the Inspector General.

Sincerely yours,


Wilbur D. Campbell
Associate Director