



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

CIVIL DIVISION

AUG 11 1970

Dear Mr. Watson:

The General Accounting Office has made a review of certain aspects of the administration and coordination of loans and grants approved under federally assisted programs established in the metropolitan area of Los Angeles, California. Our review included activities that were financially assisted under Department of Housing and Urban Development (HUD) programs. This review--performed at the offices of several Federal, State and local agencies--was directed primarily toward an examination of the cooperation and coordination that exists between these agencies in initiating and administering--in a specific metropolitan area--their respective programs.

In our review, we noted certain matters which we believe demonstrate the need for improved communications and coordination between agencies performing and/or sponsoring studies--including those partially funded by HUD--for the purpose of locating suitable housing for individuals to be relocated under federally assisted programs.

We are bringing this matter to your attention because of the Department's interest in improving local relocation plans and the congressional interest in relocation activities as demonstrated by section 209 of the Housing and Urban Development Act of 1969 which requires that HUD periodically review each locality's relocation plan and its effectiveness in carrying out the plan.

During our review, we visited the local public agency (LPA)--the Community Redevelopment Agency of Los Angeles--responsible for the administration of certain urban renewal and neighborhood development activities in the Los Angeles area. Our review of pertinent information relative to neighborhood development projects showed that the LPA entered into a contract--in May 1969--for the purpose of (1) determining the number of "rehousing resources" available within a reasonable distance of two neighborhood development program (NDP) areas, and (2) relating such housing as was available to the number and characteristics of homes in the NDP areas. This study was to include determining the types, sizes and price range of homes in the potential relocation area. The study was prepared in connection with the Normandie and Pico-Union NDP relocation projects and was completed in July 1969 at a cost of \$17,500.

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We also visited--as part of this review--the office of the California State Division of Highways in Los Angeles. In discussions with relocation officials of the Division of Highways concerning federally assisted programs, we were advised that a housing relocation study was performed in connection with the development of the proposed Century Freeway in central Los Angeles. Our review of records pertaining to this study which was initiated in January 1969, indicated that the study was undertaken primarily for the purpose of determining the amount and type of housing facilities that could be used for individuals who would have to relocate as a result of the building of the freeway.

We noted that this study included about 50 percent of the geographical area covered under the relocation study performed in behalf of the LPA program. A review of the available information showed that the study sponsored by the highway department included--as did the LPA study--determining sales and rental data and the price range of homes in the same potential relocation area.

In a discussion with LPA officials, we were advised that they were not aware of the housing relocation study that was initiated under the auspices of the California Department of Highways.

On the basis of the available information and discussions with LPA officials, we believe that coordination between the two agencies--the LPA and the California Department of Highways--could have resulted in certain savings of effort and a resultant reduction in costs incurred in performing the studies financed--in part--with Federal funds.

We were unable to determine the amount of reduction in the costs of performing the LPA study that would have resulted through the use of the data that was gathered under the study performed by the California Department of Highways. However, a review of the stated objectives of the studies and an analysis of the description of the information obtained under both studies indicates that there apparently was a certain amount of duplication in the data gathering efforts.

We discussed this matter with HUD headquarters relocation officials who stated that situations in which there apparently had been a lack of coordination and communication--such as the one we noted--occur frequently. These officials added that the Department is aware of some of the shortcomings that presently exist relative to coordination between agencies--Federal, State, and local--involved in relocation activities. We were advised also that these matters are of major concern to the Department.

In this regard, a special task force has recently been established--consisting of HUD and Department of Transportation officials--for the purpose of (1) examining into the problems that exist relative to relocation plans

and activities carried out under programs funded by these agencies and (2) making suggestions and recommendations directed to improving communications between the two agencies. We were further advised that guidelines for the use of HUD regional offices--in their reviews of relocation activities--have been approved at the headquarters level and soon will be issued.

With respect to the need for coordination, we noted that the NDP handbook--Renewal Housing Assistance 7384.1--states, in part, that local public agencies' relocation policies and procedures should--as a minimum--provide for coordination of relocation activities with other project activities and other related governmental actions.

We believe that the actions taken or planned by the Department clearly indicate an awareness of the need for certain improvements in coordination between agencies concerned with the carrying out of effective relocation plans. We further believe that the proposed guidelines--if properly implemented--will serve to improve the administration of the NDP and urban renewal programs with respect to relocation activities.

We further believe, however, that consideration should be given to including in the guidelines to be issued, specific information to help ensure that the regional offices, in their reviews of relocation plans, take appropriate steps to examine into the extent and nature of coordination between governmental agencies relative to the relocation of individuals. Depending upon the results of their reviews, the HUD regional officials should take such measures as appear to be appropriate under the circumstances, in order to ensure that such coordination exists between the interested parties.

We appreciate the cooperation and courtesies extended to our representatives during this review. A copy of this report is being sent to the Assistant Secretary for Administration, Department of Housing and Urban Development.

We shall appreciate your comments and advice as to any action taken or planned on the matters discussed in this letter.

Sincerely yours,


for Max Hirschhorn
Associate Director

Mr. Norman V. Watson
Acting Assistant Secretary
for Renewal and Housing Management
Department of Housing and Urban Development