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BY THE U.S. GENERAL ACCOUNTING OFFICE
**Report To The Honorable
Thomas A. Luken
House Of Representatives**

**Assessment Of Certain Planning Activities Of
The Ohio-Kentucky-Indiana Regional
Council Of Governments**

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The Ohio-Kentucky-Indiana Regional Council of Governments is one of 671 multijurisdictional, multifunctional organizations whose purpose is to achieve local government cooperation. GAO reviewed four Council studies dealing with housing, economic development, environmental air quality, and transportation. Most persons interviewed expressed favorable comments on the studies' quality and the usefulness of the Council's work. However, the Council is an advisory organization which lacks the authority necessary to implement its recommendations. None of its recommendations have been implemented.

RELEASED

The future of the Council is uncertain. Three of the Council's nine member counties questioned whether the Council's efforts are worth the costs they incur as members. One county withdrew its membership on January 1, 1982, and two other counties are also considering withdrawing.



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

GENERAL GOVERNMENT
DIVISION

January 25, 1982

B-205204

The Honorable Thomas A. Luken
House of Representatives

Dear Mr. Luken:

This report is in response to your June 9, 1981, letter requesting that we review certain planning studies and activities undertaken by the Ohio-Kentucky-Indiana Regional Council of Governments, Cincinnati, Ohio.

No further distribution of the report will be made until 30 days from the date of the report unless you publicly release its contents earlier. At that time we will send copies to interested parties and make copies available to others upon request.

Sincerely yours,

A handwritten signature in cursive script that reads "W. J. Anderson".

William J. Anderson
Director

D I G E S T

The Ohio-Kentucky-Indiana Regional Council of Governments (OKI) is a planning agency which is governed by elected and appointed representatives from counties, townships, and municipalities, and other representatives for a nine-county area of the three States. At the request of Congressman Luken, GAO reviewed recent OKI studies on housing, economic development, environmental air quality, and transportation. Congressman Luken questioned the usefulness of the studies and whether the benefits and results were worth the Federal funds used to finance the studies. (See pp. 1 to 3.)

Most persons GAO interviewed expressed favorable comments on the studies' quality and the usefulness of the Council's work. On the other hand, there is cause for Congressman Luken's concern. Recommendations of one of the studies have not been implemented. The report of another study has been in draft since December 1980 and implementation of its concepts is uncertain. Of the two remaining studies, one is nearing completion and one was finished and approved a few months ago. Thus, sufficient time has not elapsed to consider the progress being made in implementing these two studies' recommendations. However, the recommendations of one may be difficult to implement.

PRESELECTION SITES PROCESS DID
NOT RESULT IN CONSTRUCTION OF
LOW-INCOME FAMILY HOUSING

GAO evaluated OKI's involvement in and the results obtained from the preselection sites process for Department of Housing and Urban Development (HUD) subsidized housing in the city of Cincinnati, Ohio.

OKI suggested that the city of Cincinnati participate in HUD's preselection sites process.

OKI's effort thereafter was minimal; it provided 1 member of a 28-member working group established to carry out the process. Although the working group identified 43 sites suitable for construction of low- and moderate-income single and multifamily housing in November 1980, 42 of the sites had not been acquired as of October 1981 and low-income housing was not to be built on the acquired site. The sites were not acquired for various reasons, including the owner's prices being higher than the city was willing to pay and residents objecting to the housing being located in their neighborhoods. Also, additional acceptable sites had to be submitted for HUD approval before it would fund the single-family scattered sites. (See pp. 4 to 12.)

REGIONAL DEVELOPMENT RECOMMENDATIONS
MAY BE DIFFICULT TO IMPLEMENT

A 35-member OKI task force held a 1-day Regional Development Symposium in March 1981 to obtain a greater range of public comment on regional economic development planning issues. The Symposium's results were used to formulate recommendations for OKI's draft Regional Development Framework Plan. The 11 task force members GAO interviewed expressed mixed views about the feasibility of implementing the plan's recommendations. Because of the recommendations' broad scope and the issues being addressed, the recommendations may be difficult to implement.

A previous effort, OKI's 1971 Regional Development Plan, identified policy concepts as opposed to specific recommendations. OKI stated that the 1971 plan was the region's initial planning effort which formed the basis for more specific, functional, regional plans such as environmental, housing, and transportation plans. (See pp. 13 to 19.)

THE "BALANCING ECONOMIC DEVELOPMENT
AND CLEANER AIR" REPORT WAS NOT A
DUPLICATIVE EFFORT

Environmental Protection Agency (EPA) officials said that OKI's study report, "Balancing Economic Development and Cleaner Air," is not duplicative of EPA's "Emission Reduction Banking Manual." In addition, EPA, State, and local officials believed OKI's study was necessary, original from

a planning perspective, and specifically related to the OKI region.

However, the study report has been in draft since December 1980 and implementation of its concepts is uncertain. The Clean Air Act's appropriations authority expires in 1982 and the program's future direction may change. Also, the Cincinnati Chamber of Commerce and the Southwestern Ohio Pollution Control Agency proposed that efforts be taken to encourage relaxation of clean air regulations. As a result, the OKI Executive Committee will not act on the report until after renewal of the program's appropriations authority. (See pp. 20 - 23.)

1981 TRANSPORTATION PLAN REPLACED EARLIER, OUTDATED PLAN

A major transportation planning effort since January 1978 was OKI's development of a long-range transportation plan, known as the T-2000 Plan. Approved in August 1981, the plan covers the 1980 to 2000 period, and cost an estimated \$1.2 million. The T-2000 Plan replaced a plan prepared from 1965 to 1971 at an estimated cost of \$2.2 million. According to OKI officials and the T-2000 Plan, events during the early 1970s, such as increasing energy and inflation costs and slowing of projected population growth, made the earlier plan invalid.

Local, State, and Federal officials generally said the T-2000 Plan was feasible and practical. However, State and Federal officials stated that in view of current efforts to reduce the Federal budget deficit, the plan to build a mass transit light rail system is probably no longer practical. OKI officials disagreed; they stated that the city of Cincinnati is negotiating to purchase the right-of-way for one of the three planned rail systems.

OKI also spent an estimated \$25,000 to advertise a summarized proposal of the T-2000 Plan and a public meeting schedule in a single edition of a May 1981 newspaper. OKI's advertisement was approved in advance by the State, and was consistent with State citizen participation requirements and the Federal Highway Administration's recommended practice. (See pp. 24 to 30.)

OKI MUST RELY ON PUBLIC AND
PRIVATE SECTOR TO IMPLEMENT
ITS RECOMMENDATIONS

Whether OKI's accomplishments and achievements were worth the Federal funds used to finance the studies reviewed is a complex question; it does not lend itself to a simple answer.

OKI, like the other councils of government nationwide, is an advisory organization which does not have the necessary authority to implement its report recommendations. OKI must depend on its member local governments and the private sector to act on its reports and studies. By their very nature, regional issues are broad, often controversial, costly to correct, and require the attention and cooperative efforts of many governments and/or private sector entities. It is not unusual then, that councils of governments' study recommendations often are not implemented. GAO and others, however, have consistently supported the need for areawide planning as a means of more effectively addressing problems that a single city or county cannot adequately handle alone.

However, three of OKI's nine member counties have questioned whether OKI's efforts are worth the cost they incur as members. One county withdrew from OKI on January 1, 1982, because of dissatisfaction with OKI; two other counties are also considering withdrawing. In addition, the current Federal budget reductions have already led to the termination of HUD's 701 planning program which provided about 11 percent of OKI's total funding in calendar year 1980 and additional program terminations are not unlikely. (See pp. 36 to 40.)

OTHER MATTERS

GAO also reviewed other OKI-related matters:

- Cost and sources of OKI's funding. OKI's actual expenditures totaled \$1.8 million in calendar year 1980 and \$1 million for the first 6 months in 1981. The Federal Government provided 69 and 77 percent, respectively, of OKI's funds. (See p. 31.)
- Effects of the termination of the HUD 701 program on OKI's operations. Although

the impact is unknown at this time, the termination will cause some OKI adjustments. OKI's member governments will have to decide if the lost 701 funds are to be replaced with local funds and/or by reductions in OKI's activities. (See pp. 32 and 33.)

--Specific statutes and legislative mandates authorizing OKI to conduct planning studies. State laws authorized OKI's creation. In addition, there are 10 Federal programs which encourage or require planning or review activities by organizations such as OKI. (See pp. 34 and 35.)

AGENCY COMMENTS

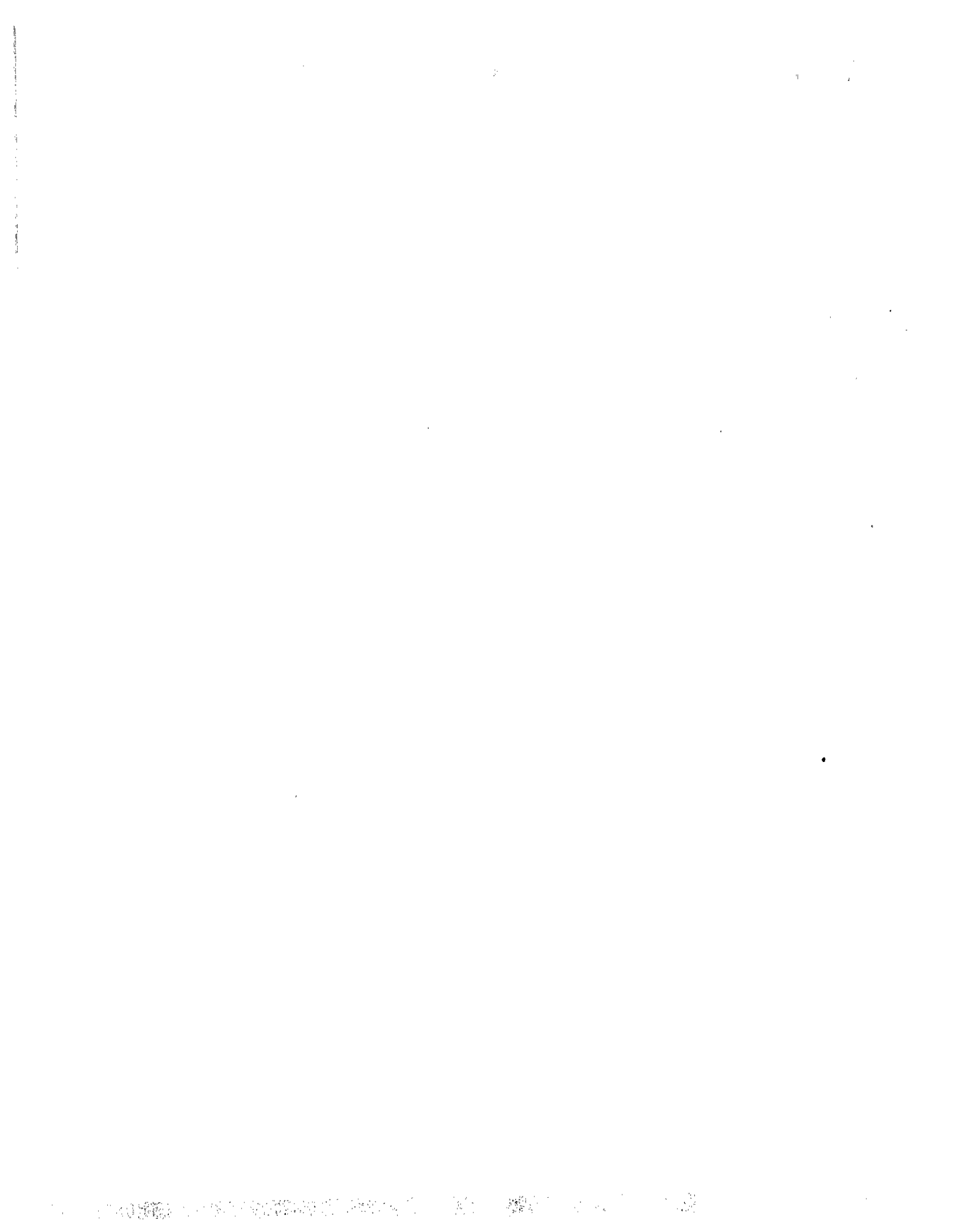
OKI objected to the report digest's observation that there is cause for Congressman Luken's concern regarding implementation of the studies. OKI stated that two studies will be implemented; implementation of another depends on the outcome of congressional action to be taken in 1982, and the fourth--preselection housing sites process--was not an OKI study. OKI suggested that the report digest be revised to reflect the information in the full text of the report.

GAO believes the digest accurately portrays OKI's role in the studies and the reasons for their not being implemented at the time of GAO's review.

OKI stated further that the report fails to consider OKI's past and overall performance and that, occasionally, member governments become dissatisfied with OKI. Such dissatisfaction relates to the nature of regional agencies which bear the brunt of controversy and resentment for unpopular Federal programs.

OKI is correct; GAO's review was limited primarily to four specific studies of concern to Congressman Luken. Also, OKI may well be correct in its assessment of why member governments become dissatisfied with its efforts. However, officials from the withdrawing county told GAO that they were dissatisfied because OKI lacked technical expertise, was not responsive to the county's needs, engaged in too much paperwork and planning, and performed duplicative services. (See p. 40.)

GAO also discussed the report with appropriate Federal regional officials and their comments were incorporated as appropriate. (See p. 41.)



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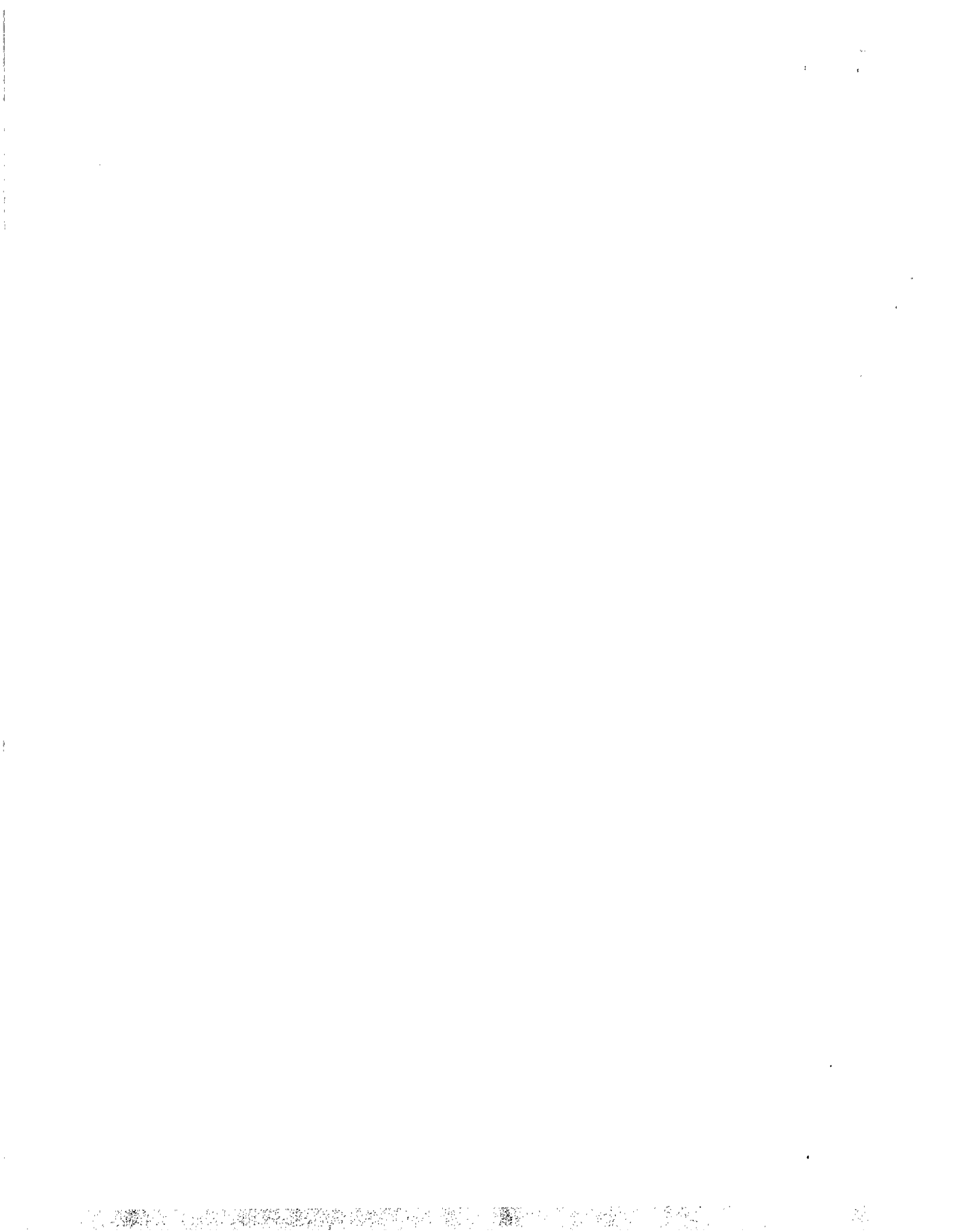
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ABBREVIATIONS

EPA	Environmental Protection Agency
FHWA	Federal Highway Administration
GAO	General Accounting Office
HUD	Department of Housing and Urban Development
OKI	Ohio-Kentucky-Indiana Regional Council of Governments
OMB	Office of Management and Budget
UMTA	Urban Mass Transportation Administration



CHAPTER 1

INTRODUCTION

In 1980, as reported by the National Association of Regional Councils, there were 671 regional councils of governments nationwide. Regional councils of governments are voluntary areawide organizations below the State level but above the level of any single unit of municipal or county government. In general, regional councils share similar basic characteristics.

- They are multijurisdictional in scope. Most often, councils are multicounty operations, although some councils are composed of a single county and several cities.
- Their prime purpose is to achieve local government cooperation across legal jurisdictional boundary lines in order to deal with mutual problems that a single city or county cannot adequately handle alone.
- Their programs are multifunctional. Rather than approaching a single program, regional councils deal with a variety of issues, such as transportation, health, public safety, and environmental quality.
- Regional councils are advisory in nature and, with few exceptions, lack the normal governmental powers of taxation, regulation, and direct operation of public facilities.
- They have legal status and exist through the agreement of member local governments.
- They are highly dependent on Federal programs and funds.

THE STRUCTURE OF OKI

From an initial start in January 1964 to coordinate transportation planning, the Ohio-Kentucky-Indiana Regional Council of Governments (OKI) expanded its planning activities to evolve into a regional council of governments in September 1973. Membership in OKI is voluntary. Unlike States or cities, OKI does not have taxation powers or legal authority, nor is it an additional level of government. However, OKI interacts with all levels of government in the development of regional plans and the review and coordination of projects undertaken with Federal and State funds.

The OKI region is a nine county tri-state area covering 2,717 square miles with a population of over 1.6 million persons. The area includes the Ohio counties of Butler, Clermont, Hamilton, and Warren; the Kentucky counties of Boone, Campbell, and Kenton; and the Indiana counties of Dearborn and Ohio. Within the member counties, there are over 190 separate political jurisdictions.

Some are highly populated urban centers while others are smaller cities, villages, townships, and rural communities.

A 103-member Board of Trustees governs OKI. The board includes elected and appointed representatives from the counties, townships, and municipalities. In addition, representatives from planning commissions, State departments of transportation, and citizens sit on the board. Elected by the Board of Trustees, a 27-member Executive Committee is responsible for establishing OKI policies, adopting OKI plans, and resolving major issues.

A number of advisory boards, subcommittees, and task forces assisted by 56 OKI staff members conduct OKI's planning work. Areas of primary emphasis include transportation, water quality, air quality, housing, land use, and economic development as well as "Project: Rideshare," a regional program to promote and encourage carpooling and vanpooling.

OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Congressman Luken's request (see app. I), our objectives were to determine

- OKI's involvement in the preselection sites process for the Department of Housing and Urban Development (HUD) subsidized housing and the results obtained from that effort in Cincinnati;
- the benefits and results obtained from OKI's Regional Development Symposium, including specific actions to implement these recommendations, and what implementation actions were taken on previous economic development studies;
- if OKI's report entitled "Balancing Economic Development and Cleaner Air," December 1980, is duplicative of the Environmental Protection Agency's (EPA) "Emission Reduction Banking Manual," dated September 1980;
- OKI's transportation planning activities since 1977, including an assessment of the circumstances surrounding OKI's newspaper advertising of its transportation plan;
- if OKI avails itself of studies and reports already done by other agencies or organizations when undertaking various planning projects;
- the mechanisms for implementing OKI plans;
- the cost and sources of funding for each of the OKI planning efforts or studies, and for the agency as a whole including how much State funding is Federal passthrough funds;

- OKI's uses of HUD 701 planning funds and how the Administration's proposal to terminate the program will affect OKI's operations; and
- the specific statutes and legislative mandates which authorize OKI to conduct planning studies.

To accomplish our objectives, we selectively interviewed or obtained data from 88 public officials and private sector individuals whom we judged to be knowledgeable sources for reasonably accurate information. As shown in appendix II, those 88 officials included

- 25 Federal officials from the Urban Mass Transportation Administration, Federal Highway Administration, EPA, and HUD;
- 8 State officials from the Ohio Department of Transportation, Kentucky Department of Transportation, and Ohio Environmental Protection Agency;
- 37 local government officials including county commissioners, county planners and engineers, housing officials, community development officials, and air pollution control officials;
- 12 OKI officials including the Executive Director, Finance Officer, Assistant Directors for Transportation and Environmental Planning, engineers, and planners; and
- 6 persons from the private sector.

We obtained and analyzed pertinent documentation, including published and draft planning documents, evaluation reports, contract files, public and internal memorandums, and accounting records and reports. In addressing the specific planning issue questions, we focused our analysis on determining the chronology of events, participants, data sources, reasons why significant events occurred, results of those events, and opinions of persons involved with or affected by the events or results of those events. We did not specifically address the broad policy questions concerning the value of regional planning activities or OKI's overall usefulness because of our review's limited time frame.

CHAPTER 2

PRESELECTION SITES PROCESS DID NOT

RESULT IN CONSTRUCTION OF LOW

INCOME FAMILY HOUSING

OKI's involvement in HUD's preselection sites process for subsidized housing was minimal. OKI suggested that the city of Cincinnati participate in HUD's preselection sites process; thereafter it provided 1 member of a 28-member working group established to carry out the process. Although the working group identified 43 sites suitable for construction of low- and moderate-income single- and multifamily housing in November 1980, 42 of the sites had not been acquired as of October 1981 and housing was not to be built on the acquired site. The sites were not acquired for various reasons, including the owner's prices being higher than the city was willing to pay and residents objecting to the housing being located in their neighborhoods. Also, additional acceptable sites had to be submitted for HUD approval before it would fund the single-family scattered sites.

OKI SUGGESTED USE OF PRESELECTION SITES PROCESS

OKI entered into an interagency agreement with the Cincinnati Planning Commission to carry out a preselection sites process for the city of Cincinnati, Ohio. The process started in March 1980 and cost about \$18,000 by its completion in November 1980. In addition to suggesting that the city participate in the process, OKI served as a conduit for HUD funding of the process and provided 1 member of the 28-member working group established to carry out the agreement.

HUD established a preselection sites process for its Section 8 low- and moderate-income housing program to more easily process developers' proposals. The process enables local governments to obtain HUD preapproval of housing sites for the program. Developers submitting proposals for preselected sites know in advance that HUD has determined land is available at a reasonable price and capable of supporting housing. Also, affected neighborhoods will have been informed of possible low income housing being built. Locally, the advantage of the preselection sites process is that neighborhoods can work with local governments to recommend potential sites for HUD preapproval.

According to HUD and Cincinnati Planning Commission officials, OKI approached the city with the suggestion that Cincinnati should use the preselected sites process to identify low- and moderate-income family housing sites. They said that an OKI

senior planner pointed out that the city was falling far behind in providing suitable sites for such housing and that the city would benefit most if it entered into a cooperative effort with HUD. From that effort, the city could influence the selection of appropriate site locations and better achieve its own housing assistance plan objectives as approved by HUD.

OKI subsequently entered into an interagency agreement on March 28, 1980, with the Cincinnati Planning Commission to conduct a preselection sites process for the city of Cincinnati, Ohio. The agreement required:

- The Cincinnati Planning Commission to organize a task force made up of one representative each from the Cincinnati Planning Commission (chairperson); Cincinnati Building and Inspection Department; Cincinnati Metropolitan Housing Authority; OKI; and HUD.
- The identification of potential sites for family new construction in nonimpacted areas. 1/
- A comparative ranking of identified sites.
- A report issued by August 31, 1980, recommending sufficient sites for assisted new construction of up to 633 family units.

From a separate but directly related OKI proposal, OKI also entered into an undated cooperative agreement among HUD, the Cincinnati Planning Commission, and the Cincinnati Metropolitan Housing Authority to identify and rank housing sites suitable for Section 8 new construction and Cincinnati Metropolitan Housing Authority activities. The cooperative agreement called for the identification and ranking of scattered sites of 5,000 to 10,000 square feet to accommodate single or two unit family structures. Also, the Planning Commission was to recommend at least five prime sites for new construction and large family buildings. The cooperative agreement was not a contractually funded activity.

To carry out the preselection process under the terms of the interagency agreement, OKI provided \$10,000 of HUD-701 program funds and the Cincinnati Planning Commission contributed \$5,000 of in-kind services. The HUD 701 funds were passed through OKI to the Planning Commission. The Commission provided staff support and printing services as in-kind contributions.

The interagency agreement budgeted \$11,550 for salaries, \$250 for fringe benefits, \$200 for printing expenses, and \$3,000 for

1/Areas with no or small concentrations of low-income persons.

indirect expenses. According to Commission records, the cost to complete the agreement amounted to \$18,679. The Commission absorbed the additional \$3,679 above the agreement amount of \$15,000.

A 28-member working group was established to carry out the interagency agreement. Since the Commission did not document time spent on the process by all working group members, we could not determine the project's total cost. The Planning Commission used the interagency agreement funds for its own staff support and printing services to carry out the process. According to a Commission official, other departments and agencies paid the salaries and expenses for their own employees appointed to the working group. For some working group members, however, an unknown amount of Federal funds probably paid for their salaries in part. For example, HUD-701 funds and local government contributions support the OKI official's regional planning department. The OKI official spent an estimated 100 hours on the project at a cost of about \$845 for salary expense. As another example, the Housing Opportunities Made Equal agency also receives HUD funds.

As shown in the table on page 8, several local government officials and community representatives served on the 28-member working group tasked to carry out the preselection sites process.

To involve community leaders in the process, the working group held 11 separate meetings in local neighborhoods between July 1980, and December 1980. Community leaders were informed of the preselection sites process and were given the opportunity to help choose potential new construction housing sites. As shown on page 9, attendance at those meetings ranged from 12 to 96 community members.

MAJORITY OF RECOMMENDED HOUSING SITES HAVE NOT BEEN ACQUIRED

The preselection sites process resulted in the working group identifying 43 sites suitable for Section 8 new construction multifamily and scattered site single and two family public housing units. However, as of October 1981, 42 of the sites had not been acquired for various reasons, including the owners' prices being higher than the city was willing to pay and residents objecting to the housing being located in their neighborhoods. Also, additional acceptable sites had to be submitted for HUD approval before it would fund the single-family sites.

Recommendations to acquire multi-family sites were not implemented

The preselection sites process resulted in the working group recommending Cincinnati's formal acquisition of 21 sites which were suitable for construction of low- and moderate-income multifamily housing. Eighteen of the sites were subsequently rejected

by the city's Real Estate Division either because the owners would not sell the land or their selling prices were higher than the Division was willing to pay. HUD rejected one of the remaining sites and the city relinquished its acquisition option on one of the other two sites because residents objected that additional construction would concentrate too many low-income housing units in the area.

Preselection Sites Process
Working Group Membership

<u>Participants</u>	<u>Members</u>
Cincinnati Planning Commission Chairperson of Working Group Project Planner Technical Assistant	3
Housing Development Staff Commissioner Housing Development Officer Housing Specialist	3
Community representatives (1 each) East End Hyde Park Mount Airy Hartwell Avondale Price Hill Millvale English Woods Westwood At Large Representative Walnut Hills Redevelopment Corporation BH/PH Development Corporation Congress of Neighborhood Groups	13
Ohio-Kentucky-Indiana Regional Council of Governments Regional Planner	1
Community Assistance Team Coordinator Quadrant 1 Staff Member Quadrant 2 Staff Member Quadrant 3 Staff Member	4
Housing Opportunities Made Equal Fair Housing Specialist	1
Human Relations Commission Field Services Staff	1
Cincinnati Metropolitan Housing Authority Assistant Director	1
Housing for Older Americans Project Coordinator	<u>1</u>
Total members	<u>28</u>

Meetings With Community Representatives

<u>Location</u>	<u>Date</u>	<u>Community Members Present</u>
Quadrant 3 (west side)	7/29/80	19
Quadrant 2 (east side)	7/30/80	21
Quadrant 1 (north side)	7/31/80	25
East Price Hill	8/18/80	34
East Price Hill	9/11/80	40
Sayler Park	10/06/80	96
Mount Washington	10/23/80	85
Mount Lookout Civic Association	11/04/80	12
Hyde Park Community Council Board	11/11/80	20
Pleasant Ridge Council	11/18/80	50
Clifton Town Meeting	12/80	25

To accomplish the major task of the interagency agreement, the working group identified sites to accommodate up to 200 units of Section 8 multifamily new construction of no more than 50 units per site to meet the HUD recommended allocation target. The working group reviewed the Cincinnati Planning Commission's land use maps showing vacant land zoned to permit residential construction. The group compiled a listing of sites in non-impacted areas capable of supporting 10 or more housing units each. For areas eligible for assisted housing under Cincinnati's Housing Assistance Plan and Housing Allocation Policy, the working group listed sites for the city's north side, east side, and west side. The group did not consider the city's inner city because they did not want to add to the already large concentrations of low-income families living there.

From a variety of information sources, including 11 local area meetings, the working group initially identified 48 sites but subsequently reduced that listing to 30 sites. Eighteen sites were rejected because they were too close to existing Section 8 housing or inconsistent with the city's Housing Assistance Plan. Of the remaining 30 sites, 21 were ranked first priority, 4 as second priority, and 5 as third priority.

On September 16, 1980, the working group forwarded the first priority list to the Cincinnati Buildings and Inspection Department for action. That department then submitted the recommended sites to the city's Real Estate Division, on September 24, 1980, to initiate formal acquisition procedures. The Real Estate Division communicated with all owners of the 21 sites. Owners of 18 sites either would not sell their property or their selling prices were higher than the Division was willing to pay. As a result, the Division obtained options to purchase only three sites identified as Saylor Park, Terry-Enright, and Phillips-Considine. For those three sites, HUD did not pre-approve the sites before developers submitted proposals as the preselection process calls for. HUD waited until developers submitted proposals because the city was late in filing required paperwork.

In November 1980, about 2 months after its due date, the working group issued a report on the results of the preselection process. According to a HUD official, after reviewing the report, HUD officials concluded that the Cincinnati Planning Commission had fulfilled its interagency agreement.

On May 22, 1981, HUD sent developers' proposals for the three sites to the Cincinnati Department of Buildings and Inspection and notified the Department that the Terry-Enright and Phillips-Considine sites were approved for development but that the Saylor Park site was rejected because part of that site was in a flood fringe and it sloped. On June 1, 1981, the city notified HUD's Cincinnati Office of its choice of developers for the two approved sites. However, HUD took no action to fund the developers the city selected because the availability of housing funds was uncertain at that time.

However, the city subsequently decided not to build low-income housing on the Phillips-Considine and Terry-Enright sites. The city purchased the Phillips-Considine site on July 21, 1981. On August 19, 1981, the Cincinnati city manager recommended that the city relinquish its acquisition options on the Terry-Enright site.

According to a city housing official, the city manager made the recommendation after considering residents' objections to the two sites. Independent of the preselection sites working groups' efforts, the Cincinnati Metropolitan Housing Authority had purchased a 144-unit apartment complex for rehabilitation as low-income public housing. Area residents believed the Authority's acquisition of the 144-unit Grandview Apartment Rehabilitation Public Housing Project along with the proposed 50-unit Terry-Enright and 16-unit Phillips-Considine new construction projects would concentrate too many low-income housing units in the immediate area. According to city officials, the Authority purchased the 144-unit apartment complex because it was immediately available.

Recommendations to acquire single- and two-family low-income housing units have not been implemented

The November 1980 preselection sites process report identified 22 sites suitable for Section 8 scattered site single- and two-family public housing units. As of October 1, 1981, the city had not acquired the sites nor had HUD funded housing projects for any of those sites.

In addition to fulfilling its interagency agreement requirements, the working group addressed the Cincinnati Metropolitan Housing Authority's request to identify and recommend scattered sites for 40 units of new construction public housing. The working group subsequently identified 100 possible sites from the city's land use maps. Working group members and Housing Authority staff visited each site and reduced the list to about 40 sites. The officials rejected 60 of the initially identified 100 sites for various reasons, including the land being on the edge of a cliff, sharply sloping, or having permanent standing water problems. A detailed examination of the remaining 40 sites by Housing Authority staff further reduced, by 18, the list of suitable sites. Authority staff rejected the 18 sites because site owners would not sell or asked higher prices than the Authority was willing to pay or because development costs to make the sites suitable for building were high.

The Housing Authority submitted the remaining 22 sites along with 2 others to HUD for approval. On September 1, 1981, HUD rejected 6 of the 24 sites but tentatively agreed to fund housing for 24 sites when the Authority submitted an additional 6 sites acceptable to HUD. HUD's reasons for rejecting the six sites included:

- Site too near an existing industrial plant.
- Limited access to a very busy highway.
- Site too small for proposed housing structure.
- Uncompacted land fill.
- Site too near a railroad.
- Removal of too many trees required.

As of October 1, 1981, the Housing Authority had not submitted any additional sites to HUD for approval.

CHAPTER 3

REGIONAL DEVELOPMENT RECOMMENDATIONS

MAY BE DIFFICULT TO IMPLEMENT

To obtain a greater range of public comment on regional economic development planning issues, a 35-member OKI task force held a 1-day Regional Development Symposium in March 1981. The Symposium's results were used to formulate recommendations for OKI's draft Regional Development Framework Plan. The 11 task force members we interviewed expressed mixed views about the feasibility of implementing the Plan recommendations. Because of the recommendations' broad scope and the issues being addressed, the recommendations may be difficult to implement.

A previous effort, OKI's 1971 Regional Development Plan, identified policy concepts as opposed to specific recommendations. OKI stated that the 1971 plan formed the basis for the development of more specific, functional, regional plans such as environmental, housing, and transportation plans.

SYMPOSIUM RECOMMENDATIONS WERE USED IN DRAFTING CURRENT REGIONAL DEVELOPMENT PLAN

To incorporate public input into economic development planning, a 35-member OKI Regional Development Task Force held a 1-day Regional Development Symposium at a cost of about \$1,050. Subsequently, the task force incorporated the Symposium's discussion ideas and resulting recommendations into OKI's Regional Development Framework Plan--a regional development plan for the 1980s. As of October 1, 1981, the Regional Development Framework Plan was in a draft stage with final approval expected by late November or early December 1981.

In 1971 OKI began regional development planning as a result of language in Section 701 of the Housing Act of 1954. Section 701, called Comprehensive Planning Assistance, encouraged cooperative planning among municipalities, political subdivisions, and public agencies to achieve coordinated development of entire areas. In addition, Section 701 authorized grants to organizations representative of political jurisdictions such as metropolitan planning agencies. Those grants assisted planning agencies in the solution of developmental concerns and in the general improvement of living environments. Consequently, OKI as a regional metropolitan planning agency began regional development planning to satisfy the Federal objective. (See ch. 7 for a further discussion on HUD 701 Program funds.)

In September 1980, a Regional Development Task Force was established to discuss economic development concerns in the region and to propose possible solutions. The task force consisted of 35 members which included elected officials, and business and community representatives. The task force met monthly.

On March 7, 1981, the task force held a Regional Development Symposium to obtain public comment and input on development issues identified by OKI and task force members. Held about midway in OKI's regional development planning effort, the Symposium represented a small part of that effort. The costs incurred for the Symposium and its funding sources were:

<u>Expenditures</u> (note a)	<u>Amount</u>
Speaker's Fee and Travel Expense	\$1,125
Hall rental	228
Printing	304
	<u>\$1,657</u>
Less registration fees	613
Net cost	<u>\$1,044</u>
 <u>Funding sources</u>	
HUD 701 funds	\$ 696
County contributions	348
	<u>\$1,044</u>

a/OKI staff costs are allocated into the Regional Planning Element and therefore are not included above.

In February 1981, HUD preapproved OKI's estimated expenditures for the Symposium speaker. According to OKI officials, the Symposium was fairly effective in providing public input into regional development planning.

Primary activities during the Symposium were a keynote speech by a senior economist from the Stanford Research Institute, and workshops in the areas of urban service, economic development, fiscal management, and energy. The speaker discussed regional development and emerging opportunities in the 1980s. He had previously conducted a month's research concerning Ohio's economic development and related problems. In addition, he analyzed regional growth patterns in the U.S. and the primary driving forces of energy, industrial change, and government policy behind regional growth. Workshop participants reviewed a list of task force objectives, added objectives to the list, suggested strategies for accomplishing objectives, and prioritized the list of strategies.

Seventy-nine persons attended the Symposium. Those persons were area residents, elected officials, and representatives of business and community organizations. Examples of specific comments provided by participants included:

- Strengthen the public-private partnership for economic development. Identify and publicize problems and campaign for people to work on solutions thereby creating a unified force.
- Form a mechanism for intergovernmental cooperation for economic development to be workable on a county basis and involve cities.
- Survey and evaluate special incentives needed by existing industries.
- Encourage expansion of local industry. For example, establish a foreign trade zone, expand tourism and conventions, and improve exports as part of existing industries.
- Encourage the incubation of new firms in the region, particularly in central cities.
- Increase community education programs through cooperation with industry to increase skills needed to provide the requisite work forces.
- Increase awareness of the short-term and long-term fiscal impacts of development including the use of public incentives.

A report entitled "Results of the Regional Development Symposium" included the above ideas and other recommendations. The 35-member task force and OKI staff subsequently incorporated the Symposium's discussion ideas and recommendations into a Regional Development Framework Plan--OKI's regional development plan for the 1980s.

Addressing economic development issues for the 1980s, OKI's Regional Development Task Force substantially completed a draft Regional Development Framework Plan in August 1981 with final approval expected by late November or early December 1981. The Plan addresses regional issues of energy, urban services, economic development, fiscal management, growth trends, tax abatement, and other concerns related to the 1980s. As of October 1, 1981, OKI spent about \$110,000 developing the Regional Development Framework Plan.

MIXED VIEWS EXPRESSED ABOUT
OKI'S REGIONAL DEVELOPMENT PLANNING

The 11 task force members we interviewed expressed mixed views about the feasibility of implementing the Regional Development Framework Plan's recommendations.

The draft Plan contains the following six recommendations.

- Organize a Regional Development Authority (mechanism) to promote, support, and encourage the retention and expansion of existing industries as well as the attraction of new firms. Funding support should issue jointly from local governments and the private sector.
- Simplify and streamline local regulatory processes on the basis of cost effectiveness in order to improve the climate for business retention, expansion, and the immigration of new firms.
- Establish a venture capital fund to encourage the start up of new firms (birth) in the region by assisting entrepreneurs in moving ideas to the market place. Special emphasis should be placed on creation of new firms in areas of high unemployment.
- Explore the possibility of establishing a form of tax base sharing on future development which results in an equitable distribution of public revenues. A portion of the increase in tax revenues resulting from new development should be devoted to economic development which will further expand the regional tax base.
- Institutionalize a closer working relationship between the secondary, vocational, and university education establishment and the private sector to effect a better match of education and training programs with the skill needs, work attitudes, and labor requirements of the private sector.
- Make a careful, unbiased evaluation of the need for public tax incentives to ensure the economic viability of specific economic development programs.

Before the plan can be finalized, OKI staff must complete the drafting of potential implementation measures, with subsequent task force and OKI's Executive Committee approval of the entire plan. The potential implementation measures were not available for our review.

Of the 11 task force members interviewed:

- Two public sector and two private sector persons said the Plan recommendations could be implemented.
- One public sector individual and one private sector individual believed the recommendations could not be implemented. Of these, one said the recommendations are not worth implementing and the other said the recommendations do not apply and many agencies will react unfavorably to OKI-directed implementation efforts.
- One private sector person said OKI will not play a part in implementing the Plan's recommendations.
- One public sector individual said there could be a conflict between OKI and the Chamber of Commerce if both agencies attempt implementation activities. Another public sector individual stated that implementation activities could be accomplished if the involved agencies cooperate with each other.
- One person from the private sector stated that some recommendations do not apply to the OKI region.
- One private sector individual said that the recommendations are similar to regional development recommendations generated previously by the Cincinnati Chamber of Commerce.

In addition, all 11 task force members interviewed said that they believed a regional agency, such as OKI, is necessary. However, 5 of the 11 stated that OKI's regional development planning efforts are somewhat duplicative of such agencies as the Cincinnati Chamber of Commerce.

Also, a HUD official said that OKI is taking a good approach to regional economic development. He commended OKI on several points:

- Development of the Areawide Housing Opportunity Plan. OKI was one of only three regional councils of government in the State of Ohio to develop such a plan.
- Encouragement of citizen participation activities.
- The cooperative housing selection agreement between OKI and the city of Cincinnati. OKI is one of the few councils of government to develop such an agreement.

In our opinion, the Regional Development Framework Plan's recommendations will be difficult to implement. For example, our 1981 assessment of the feasibility of tax base sharing on future development to provide equitable distribution of public revenues

revealed that local governments undergoing economic growth and development generally dislike tax base sharing arrangements. They resent tax sharing arrangements because they would contribute more revenues into the common revenue pool than they would receive. As a result, it is extremely difficult for proponents of tax base sharing programs to muster sufficient political support to establish such programs. To our knowledge, there are only two tax base sharing programs of consequence nationwide--in the States of Minnesota and New Jersey.

Another draft plan recommendation would require funding from the local governments and the private sector for the establishment of a Regional Development Authority to promote, support, and encourage the retention and expansion of existing industries as well as the attraction of new firms. It would appear particularly difficult at this time for local governments to fund such an effort. The Administration's current efforts to reduce the Federal budget will lead to reductions of about \$9 billion in Federal assistance to State and local governments in fiscal year 1982 from 1981 levels depending on final congressional action on this year's appropriations. Additional reductions in such assistance are being considered for fiscal year 1983; further reductions appear likely. It would appear that the local governments are going to be hard pressed to minimize the impact of such reductions on their activities and delivery of services without providing funding for new programs.

PREVIOUS REGIONAL DEVELOPMENT PLAN LED TO PREPARATION OF OTHER PLANS

OKI's 1971 Regional Development Plan identified policy concepts as opposed to specific recommendations. OKI stated that the Plan formed the basis for the development of more specific, functional, regional plans, such as environmental, housing, and transportation plans.

On October 1, 1971, OKI issued a Regional Development Plan representing OKI's initial product from its early economic development planning efforts. The 1971 Plan reported the status of regional planning as of October 1, 1971. In addition, the Plan outlined the magnitude, character, and extent of urban development for the region by the year 1990.

The Plan did not contain specific recommendations. Rather, policy concepts were integrated throughout the Plan's narrative discussion of the issues in question. For example, the Plan pointed out the need for the 179 governing bodies in the six Ohio and Indiana counties making up the region to cooperate and unify their actions for the Plan to succeed and the need to improve land use regulations.

OKI recognized that implementing the 1971 Plan would be difficult. The following language was included in the Plan:

"Implementing the Regional Development Plan will be difficult. Regional planning, without strong legislative grounding at either the state or county levels and with only weak controls stemming from the Federal legislation, lacks the zoning and other police powers established by state legislation for county and municipal planning agencies. That the OKI Region covers parts of three states complicates implementation still further."

In addition to being used as a source of information to develop the 1981 Regional Development Framework Plan, the 1971 Plan formed the basis for the development of the following regional plans:

- Regional Water System and Sewer System Plans.
- Air quality plans.
- Areawide Housing Opportunity Plan.
- Regional Open Space Utilization Plan.
- Transportation plans.
- Regional Water Quality Management Plan.

CHAPTER 4
THE "BALANCING ECONOMIC DEVELOPMENT
AND CLEANER AIR" REPORT
WAS NOT A DUPLICATIVE EFFORT

EPA officials said that OKI's study report is not duplicative of the EPA Manual. In addition, EPA and State and local officials said they believed OKI's study was necessary, original from a planning perspective, and specifically related to the OKI region. However, the study report has been in draft status since December 1980 and implementation of its concepts is uncertain. The Clean Air Act's appropriations authority expires in 1982 and the program's future direction may change at that time. As a result, the OKI Executive Committee will not act on the report until after renewal of the program's appropriations authority.

STUDY UNDERTAKEN AS A PART OF
AIR QUALITY PLANNING EFFORTS

The Balancing Economic Development and Cleaner Air study report addresses the complexities of banking and trading emission credits in the OKI region. Emission credits result when firms reduce emissions below EPA ambient air quality standards. The difference between the standards and actual emissions become available for banking or trading by the applicable firms. Banking establishes accounting and administrative procedures for the creation and certification of emission reductions resulting in credits which can be banked or stored by the firm for future use when needed (i.e., when it exceeds emission standards) or traded from one legally entitled firm to another.

An emission reduction banking system offers communities and industry a means of reducing the burden of meeting air quality goals. By providing both new and existing firms with increased flexibility in meeting pollution control requirements, a banking system works to reduce both the direct and indirect costs of compliance with the Clean Air Act. A banking system enables firms to receive credit for reducing their emissions beyond required levels of control, therefore providing an incentive for additional investment in pollution abatement. A banking system also provides a mechanism for communities to encourage economic development without compromising efforts to improve air quality.

The major focus of OKI's air quality planning was input into the 1979 and 1982 State Implementation Plans. As mandated by the Clean Air Act Amendments of 1977, the plans addressed the resolution of transportation-related pollution. The State plans did not specifically include the emission banking and trading concept.

However, OKI environmental planners believed that it was of paramount importance to address the concept because banking and trading represented a means of simultaneously enacting air pollution controls and achieving a degree of economic growth. OKI's decision was also influenced by EPA, which encouraged air quality planners to view banking and trading as an alternative planning tool to prepare comprehensive air quality plans.

STUDY NOT DUPLICATIVE BUT
IMPLEMENTATION IS UNCERTAIN

Generally EPA and State and local air pollution control officials supported OKI's study effort. They said the report represents quality work and it was not duplicative of the EPA manual. However, the study report has been in draft since December 1980 and implementation of its concepts is uncertain.

One OKI environmental planner was primarily responsible for preparing the Balancing Economic and Cleaner Air study report. He began the study in August 1979 and prepared a draft report in December 1980. The planner used about 78 different sources of information, including the EPA Emission Reduction Banking Manual. The OKI planner consulted with EPA Headquarters and regional office officials and officials at the local air pollution control agency. In addition, the planner communicated with several persons throughout the country who were knowledgeable of the emission banking and trading concept.

EPA allocated \$35,000 for the study. As of June 30, 1981, OKI had spent \$29,478. EPA also provided headquarters assistance throughout OKI's study effort. EPA's involvement included technical assistance, clarification of EPA policies and procedures, and editing of the draft report. According to the OKI planner, the chief EPA banking and trading expert maintained almost continuous communication with him during the study.

State agencies did not participate in OKI's study. Officials of the Ohio Environmental Protection Agency and Ohio Department of Transportation said they were aware of the study but not actively involved. The State agencies' roles do not require approval of, or provide for a high degree of communication with, planning organizations during preparation of specific studies other than State Implementation Plans. The Southwestern Ohio Air Pollution Control Agency provided some technical monitoring data used to cite specific examples of banking applications.

The OKI planner consulted with officials of air pollution control agencies in Los Angeles, California; Louisville, Kentucky; and Seattle, Washington. In addition, the planner used available information from many studies and reports pertaining to the emission banking and trading system in preparing the OKI study report.

According to EPA officials, the OKI study report was not duplicative of the EPA Emission Reduction Banking Manual but rather represented an original piece of work. They said the study relates specifically to the Cincinnati area, is written in layman's terms, and represents a feasible basis for implementing the banking concept. The EPA officials further stated the study was a necessary part of air quality planning within an urban perspective.

Ohio Department of Transportation personnel were not familiar enough with OKI's study report to express an opinion about the technical aspects. However, an Ohio Environmental Protection Agency official said OKI's report was not duplicative of the EPA Manual and represented a good planning effort that is relatively feasible to implement. The Ohio official believed OKI's study may serve as an example for other planning organizations if reauthorization of the Clean Air Act warrants the use of an emission banking and trading system.

Southwestern Ohio Air Pollution Control Agency officials believed OKI's study report is worthwhile as a planning tool. However, those officials said that implementing an emission banking and trading system in the area is not practical because it would lead to the creation of a bureaucracy to account for, verify, and trade emission credits. The officials stated the banking concept could be implemented with less paperwork than suggested by the OKI study report. They also said that the future of the concept is not certain.

The Southwestern Ohio Air Pollution Control Agency opposes a banking and trading system in favor of a relaxation of air quality attainment standards. Relaxation of standards would preclude the need for banking and trading emission credits. In the opinion of agency officials, relaxation of standards is a more practical approach to take in dealing with the air pollution issue.

The Cincinnati Chamber of Commerce also expressed reservations about the banking concept. The Chamber believed efforts should be taken to encourage relaxation of clean air regulations. The Chamber does not favor alternatives such as banking and trading which attempt to achieve economic growth within the present highly regulatory environment. In response to the Chamber's position, the OKI Executive Committee issued a resolution. The OKI resolution stated that reauthorization of the Clean Air Act with fewer constraints would allow less costly and more expedient air pollution control and facilitate economic growth. The chief OKI environmental planner stated that relaxation of clean air laws might make it unnecessary to proceed with the OKI study report.

In addition, the State of Ohio has not finalized New Source Review regulations and Prevention of Significant Deterioration guidelines which affect the emission reduction and banking concept.

As a result, the study report has been in draft status since December 1980, and implementation of its concepts is uncertain. The Clean Air Act's appropriations authority expires in 1982 and the program's future direction may change at that time. OKI officials said that the OKI Executive Committee will not act on the report until after renewal of the program's appropriations authority and until uncertainties about the future direction of air pollution control regulations are resolved.

CHAPTER 5

1981 TRANSPORTATION PLAN REPLACED

EARLIER, OUTDATED PLAN

A major transportation planning effort since January 1978 has been OKI's development of a long-range plan known as the T-2000 Plan. Approved in August 1981, the plan covers the 20-year period between 1980 and 2000 and cost an estimated \$1.2 million to develop--34 percent of the \$3.6 million spent directly by OKI on transportation planning since January 1977.

The T-2000 plan was prepared to replace a plan prepared during the 1965 through 1971 period at an estimated cost of \$2.2 million. Events during the early 1970s, such as increasing energy and inflation costs and slowing of projected population growth, made the earlier plan invalid.

Most local, State, and Federal officials interviewed said the T-2000 plan was feasible and practical. However, State and Federal officials stated that in view of current efforts to reduce the Federal budget deficit, the plan to build a mass transit light rail system is probably no longer practical. OKI officials disagreed; they stated that the city of Cincinnati is negotiating to purchase the right-of-way for one of the three planned rail systems.

OKI also spent an estimated \$25,000 to advertise a summarized proposal of the T-2000 Plan and a public meeting schedule in a single edition of a May 1981 newspaper. OKI's advertisement was preapproved by the State, and was consistent with State citizen participation requirements and the Federal Highway Administration's recommended practice.

TRANSPORTATION PLANNING--A MANDATED PROCESS FOR URBANIZED AREAS

In meeting its transportation planning responsibilities, OKI directly spent over \$3.6 million for various planning activities between January 1977 and June 1981.

The 1962 Federal-Aid Highway Act, as amended, requires urban areas with over 50,000 population to have a cooperative, comprehensive, and continuing urban transportation planning process. Joint Federal Highway Administration and Urban Mass Transportation Administration regulations require each urbanized area to have a transportation plan that contains highway and transit improvements. Federal funding for certain transportation projects are contingent on a continuing comprehensive transportation planning process.

Within the region, OKI conducts a transportation planning process for seven of the nine member counties--three Kentucky counties and four Ohio counties. The two Indiana counties of Dearborn and Ohio are not within the urbanized area and, therefore, are not participants in the transportation planning process.

As a process, OKI conducts a cooperative, comprehensive, and continuing urban transportation planning effort. The basic elements of the process include

- consideration of alternatives;
- identification and consideration of social, economic, and environmental effects;
- early involvement of citizens, public officials, and other agencies; and
- application of a systematic interdisciplinary approach.

Three products result from the transportation planning process:

- A long-range transportation plan.
- A Transportation Systems Management element considered as a short-range plan.
- A 1-year or annual element, and a 5-year Transportation Improvement Program updated annually.

A long-range transportation plan sets forth capital projects for a transportation system serving a projected demand for a 20-year time period. Since 1965, OKI has produced two long-range transportation plans. (See p. 27.)

The Transportation Systems Management element, known as the short-range plan, describes short-range transportation needs by making use of system improvements and existing transportation resources. Examples of Transportation Systems Management projects include

- conducting a comprehensive survey of transit users and non-users throughout the region,
- identifying and analyzing problems and opportunities regarding urban goods movement, and
- identifying strategies appropriate for regional application in response to sudden reductions in transportation fuel availability.

The long-range plan and the Transportation Systems Management element are developed by various committees and subcommittees of OKI. Citizens, county engineers, traffic engineers, transit operators, county commissioners, county planning officers, and Ohio and Kentucky Departments of Transportation planners represent a sample of committee members assisted by the OKI staff.

The long-range plan and Transportation Systems Management element are used to create a 5-year Transportation Improvement Program. The Program is a staged multiyear program of transportation improvements including an annual element. The annual element is a prioritized projects listing within the fiscal constraints of a specified year. Through required annual updates, OKI endorses the Transportation Improvement Program, and submits the Program to the Governors of Kentucky and Ohio, the Federal Highway Administration through the States' Departments of Transportation, and the Urban Mass Transportation Administration for approval. Once adopted by the OKI Executive Committee and approved by the Ohio and Kentucky Departments of Transportation, the Program becomes a policy document.

Between January 1, 1977, and June 30, 1981, OKI spent over \$3.6 million for various transportation planning activities. In addition to completing a long range transportation plan for 1980 through 2000, OKI conducted studies and surveys, provided transportation-related technical assistance to localities, interpreted Federal regulations, coordinated regional responses to Federal and State requirements, and served as a focal point for many regional programs. Specific examples of OKI's transportation planning activities since 1977 include:

- Published Transportation Annual Summaries. The Ohio Department of Transportation requires an annual report detailing significant transportation accomplishments for the past year and on-going regional projects.
- Completed A-95 reviews for transportation planning. Projects submitted for the annual element of the plan must go through the A-95 review process before inclusion in the annual element. 1/
- Coordinated and contracted for the Greater Cincinnati Metropolitan Aviation System Plan. The goal of the plan was to provide a compatible system of publicly owned airports capable of accommodating aviation demands of the OKI region through the year 2000.

1/See page 38 for further discussion of A-95 review process.

- Reported on the movement of goods within the OKI region. This report identified the types of transfer and terminal facilities, major routes and modes used, and nature and direction of major goods movement.
- Coordinated the Elderly and Handicapped Public Transportation Plan. The Rehabilitation Act of 1973 requires transportation facilities be made available to handicapped and elderly persons. Five of the region's largest transit operators each prepared transition reports for their systems. These reports detailed what the systems would do to comply with the Federal mandate. By combining those reports, OKI prepared an executive summary and responded to the Urban Mass Transportation Administration.
- Served as the focal point for the regional ridesharing program. The ridesharing program is promoted and operated by OKI. Promotional tools used were roadway signs, brochures, posters, and public service announcements. For car/vanpool matching and record keeping, OKI designed a computer program.

T-2000 PLAN REPLACED
1972 LONG-RANGE PLAN

OKI's current long-range transportation plan, known as the T-2000 Plan, replaced an earlier, outdated plan. Local, State, and Federal officials generally said the T-2000 plan was feasible and practical. However, State and Federal officials said that, in view of current efforts to reduce the Federal budget deficit, the plan to build a mass transit light rail system is probably no longer practical. OKI officials disagreed; they stated that the city of Cincinnati is negotiating to purchase the right-of-way for one of the three planned rail systems.

In 1965, OKI contracted with Wilbur Smith and Associates, Consulting Engineers, to develop and prepare a regional long-range transportation plan for the period 1970 through 1990. The Federal Highway Administration, Kentucky and Ohio Departments of Transportation, and OKI's member counties funded the 6-year project at a cost exceeding \$2.2 million.

The approved plan consisted of two elements. The first element identified a need for 803 miles of new highways and improved highway facilities at a cost of \$1.7 billion. The second element identified a need for 57 miles of rapid transit with five major lines at a cost of \$461.3 million. In June 1972, OKI adopted the Wilbur Smith Plan.

According to OKI officials and the T-2000 Plan, events of the early 1970s invalidated the Wilbur Smith Plan. These events included:

- A slowed population growth rate.
- Increased energy costs.
- Increased visibility of environmental impacts.
- Increased transit usage.
- Elderly and handicapped persons lobbied for special transit services.
- Citizens voiced strenuous opposition to highway construction dividing neighborhoods.
- Inflation spiralled, driving the planned construction costs out of the feasible and practical range.

As a result, OKI started development of the T-2000 Plan in January 1978 with the Plan receiving final Executive Committee approval on August 13, 1981. The estimated cost to develop the T-2000 Plan exceeded \$1.2 million--34 percent of the \$3.6 million spent directly by OKI on transportation planning between January 1, 1977, and June 30, 1981. In developing the Plan, OKI used funds provided by the Federal Highway Administration, Urban Mass Transportation Administration, the States of Kentucky and Ohio, and local member governments.

OKI officials said that, for many of the major new capital improvements in the T-2000 Plan, OKI brought forth recommendations from the Wilbur Smith Plan. Also, OKI updated the survey data in the Wilbur Smith Plan and used the information in developing the T-2000 Plan.

In 1980 dollars, the total estimated 20-year cost to implement the T-2000 Plan amounts to \$5.7 billion. Of that amount, \$4.4 billion is for operating and maintaining existing transportation facilities and services, and \$1.3 billion is for capital investment and operation of new and expanded facilities and services. The specific T-2000 Plan recommendations and estimated costs include:

- Transportation Centers in six areas. Cost--\$50 million.
- Roadways. Maintenance and improvement of existing roads and bridges, improved traffic flow, and 49 miles of new roads and 11 new interchanges. Cost--\$4 billion.
- Ridesharing. Continued marketing promotion and assistance, and support facilities for carpools and vanpools. Cost--\$10 million.
- Park and Ride. Park and Ride lots recommended for 55 areas in the region utilizing existing lots at shopping centers, churches, and theaters as much as possible. Cost--\$5 million.

- Transit. Increased bus service; construction of exclusive guideway systems; and expansion, continuation, and coordination of special transit service for the elderly and handicapped. Cost--\$1.1 billion.
- Exclusive Guideways. Routes used by light rail or buses with recommended new construction of 15 miles for two routes--the Western Hills line and the University/Norwood line. Cost--\$400 million.
- Bicycles. Planning and construction of bikeways, exclusive of roadways shared with motored vehicles. Cost--\$10 million.
- Variable Schedules. Increased emphasis on voluntary expansion by industry, business, and schools to adjust work and school schedules to reduce the number of vehicles during peak periods and increase the number of vehicles during non-peak periods. Cost--\$5 million.
- Miscellaneous. Rural transit, corridors requiring further study, and other contingencies. Cost--\$70 million.

Two Federal, one State, and three local government officials said that the T-2000 Plan is feasible and practical. On the other hand, one local county commissioner stated that he thought the Plan's recommendations were too expensive and officials from the Kentucky and Ohio Departments of Transportation and Urban Mass Transportation Administration said that in light of the current efforts to reduce the Federal budget deficit, the light rail plan segment is no longer feasible or practical. OKI officials disagreed; on December 14, 1981, they told us that the city of Cincinnati is negotiating to purchase the right-of-way for one of the three planned rail systems.

ADVERTISEMENT OF T-2000 PLAN WAS
CONSISTENT WITH STATE REQUIREMENTS

The Federal Department of Transportation's published regulations require that citizen participation be an element of the comprehensive transportation planning process. The Federal Highway Administration and the Ohio Department of Transportation recommend the newspaper as the medium to reach the greatest number of citizens. Other suggested media include public service announcements, flyers, announcements on public transit vehicles, and direct mailing.

On April 9, 1981, the OKI Executive Committee authorized OKI to enter into a printing agreement with the Cincinnati Enquirer, a local newspaper, for the printing and distribution of OKI's Transportation Annual Summary report for fiscal year 1980 in an amount not to exceed \$14,000. On April 30, 1981, the Kentucky Department of Transportation approved OKI's advertisement with suggested modifications. On May 12, 1981, the Ohio Department of Transportation

also approved OKI's proposed advertisement and formally authorized printing in the Cincinnati Enquirer at an estimated cost of \$10,549. Although OKI requested review and comment by the Urban Mass Transportation Administration on April 22, 1981, the Federal agency did not respond.

Following a 4-year practice, OKI advertised its fiscal year 1980 transportation planning activities in the newspaper. The May 14, 1981, publication served three purposes:

- To publish the Transportation Annual Summary as required by the Ohio Department of Transportation.
- To present the proposed T-2000 Plan for citizen review and comment.
- To publicize a schedule of citizen participation meetings for the T-2000 Plan.

The May 14, 1981, advertisement cost an estimated \$25,044. The Cincinnati Enquirer's circulation is about 184,000 households.

--Estimated cost of OKI staff time to develop the concept, technical specifications, and layout work	\$14,648
--Actual cost for newspaper advertisement	<u>10,396</u>
Total estimated cost	<u>\$25,044</u>

CHAPTER 6

PLANNING ACTIVITIES SUPPORTED BY A VARIETY OF FUNDING SOURCES

In support of its many planning activities, OKI received funds from the Federal, State, and local governments. To present a current perspective, OKI's actual expenditures and funding sources were analyzed for calendar year 1980 and the first 6 months of 1981. OKI's actual expenditures totaled \$1.8 million in 1980 and \$1 million for the 6 months in 1981.

Transportation planning expenditures represented almost 50 percent of all OKI expenditures. Other expenditures ranged from 2 percent for a Hamilton County economic study effort during both periods to 18 percent for regional planning activities in 1980. As could be expected of a planning agency, the majority of OKI's expenditures were for direct personnel and fringe benefits' costs--over \$900,000 or 51 percent of all expenditures in 1980 and about \$500,000 or 50 percent of all expenditures between January 1, 1981, and June 30, 1981. (For specific details on OKI expenditures, see apps. III, IV, and V.)

The Federal Government provided most of OKI's funds. Of the total \$1.8 million received by OKI in calendar year 1980, about \$1.3 million or 69 percent was federally funded. For the first 6 months in 1981, the Federal Government provided 77 percent of the total funds received by OKI. The funds were provided by HUD, EPA, Federal Highway Administration, and Urban Mass Transportation Administration. State funds represented only 7 percent of the total funds received by OKI for both 1980 and the first 6 months of 1981. (For specific details on OKI receipts, see apps. VI, VII, VIII, and IX.)

CHAPTER 7

TERMINATION OF THE HUD 701 PROGRAM HAS UNCERTAIN IMPACT ON OKI

As of October 1, 1981, the impact of the HUD 701 program's termination on OKI's operations was unknown. Although the Congress terminated the HUD 701 program effective October 1, 1981, the Congress also appropriated 1981 Federal grant year funds to allow planning agencies a transition period to secure other funding sources. For the 1981 Federal grant year, HUD obligated over \$145,000 in HUD 701 funds to OKI to carry out comprehensive planning activities and a work study program.

Although its impact is unknown at this time, the funding termination will cause some adjustments by OKI. HUD 701 funds, including funds passed through the State to OKI, represented 11 percent of all funds OKI received in calendar year 1980. OKI's member governments will have to decide if the lost 701 funds are to be replaced with local funds and/or by reductions in OKI activities.

OKI TO RECEIVE HUD 701 FUNDS THROUGH JUNE 30, 1982

Effective October 1, 1981, the Congress terminated the HUD 701 program. As enacted by the Congress, the purpose of Section 701 of the Housing Act of 1954 was to facilitate comprehensive planning and management activities including development and implementation of comprehensive plans. Section 701 authorized planning grants to organizations representative of political jurisdictions such as metropolitan planning agencies.

To allow areawide planning organizations to make a transition to other funding sources, the Congress appropriated \$17 million and \$2 million in HUD 701 funds to carry out comprehensive planning and work study programs, respectively, for the 1981 Federal grant year. The 1981 Federal grant year covers the period between July 1, 1981, and June 30, 1982. On September 9, 1981, HUD obligated \$145,753 in 701 planning funds to OKI for its share of the 1981 Federal grant year transition funds. Of the total \$145,753 grant, HUD allocated \$108,253 for OKI's comprehensive planning program and \$37,500 for its work study program. As budgeted by OKI, the local funding match was \$54,127.

For the comprehensive planning program, OKI plans to complete three major tasks:

--Direct community assistance.

Objective: To augment local communities' capacity to respond to distressed conditions, particularly those communities which lack sufficient resources and personnel. Since demand for planning projects exceeds available resources, priority will be given to those projects slated for implementation.

--Housing policy implementation.

Objective: To implement comprehensive areawide plans, specifically the Regional Housing Policy, Site Selection Criteria, and areawide Housing Opportunity Plan; and to implement strategies in support of those objectives.

--Support activities for regional development.

Objective: To carry out program activities outlined in the Regional Development Framework and conduct regional economic forecasting.

For the work study program, OKI in conjunction with the University of Cincinnati's Department of Planning proposed to carry out a work study program. Working with various employers, the program is to place five graduate students into a practical learning environment.

IMPACT OF PROGRAM'S
TERMINATION UNCERTAIN

As of October 1, 1981, the impact of the terminated HUD 701 program on OKI's operations was unknown. According to OKI's Executive Director, the member counties' representatives will have to decide what regional development planning activities OKI will carry out with local funding. OKI directly received \$167,450 in HUD 701 funds representing 13 percent of all Federal funds and 9 percent of all funds received by OKI in calendar year 1980.

In addition to receiving direct HUD 701 funds, OKI received passthrough HUD 701 funds from the State of Ohio's Department of Economic and Community Development. Those passthrough funds, including State matching funds, were for OKI's use to provide planning assistance to small Ohio communities and to expand OKI's service to local governments. OKI received \$27,702 in HUD 701 passthrough and State matching funds from the Ohio Department of Economic and Community Development in calendar year 1980. Those funds represented 2 percent of all funds received by OKI in 1980.

CHAPTER 8

FEDERAL LEGISLATION AUTHORIZING REGIONAL PLANNING ACTIVITIES

State laws authorized the creation of OKI to provide coordinated regional planning and review services. In addition, there are 10 separate Federal programs which encourage or require planning and review activities by organizations such as OKI. Currently, OKI is involved in carrying out activities for nine Federal programs.

In September 1973, nine counties created OKI pursuant to Chapter 167 of the Ohio Revised Code. The nine member counties adopted the OKI Articles of Agreement pursuant to Chapter 167 of the Ohio Revised Code, Section 65.210 et. seq. of the Kentucky Revised Statutes, and Section 53-1101 et. seq. of the Indiana Statutes. The Articles of Agreement allow OKI to pursue comprehensive regional planning and review activities as agreed to by OKI's Board of Trustees or Executive Committee.

Of the 10 Federal programs governing OKI's planning and review activities, 9 authorize funding support as shown in the table on page 35. The A-95 program is the only nonfunded Federal program activity. In addition, OKI does not currently receive Federal funding support for water quality or solid waste management planning.

For water quality planning, OKI is proceeding with a maintenance level of planning effort to keep the OKI established Water Quality Plan up to date. Since 1979, OKI has used local contributions to fund water quality planning. Before 1979, OKI used EPA Section 208 water quality planning funds.

On May 19, 1978, the Governor of Ohio designated OKI as a Solid Waste Management Planning Agency for the region's four Ohio counties. However, OKI has not established an active solid waste management planning effort because Federal planning funds have not been available. Although Federal planning funds were authorized for the EPA solid waste management program, the State of Ohio allocated its share of those planning funds before it received OKI's request for funding support.

Federal Programs Affecting OKI's Planning Activities

<u>Federal program</u>	<u>Legislative base</u>	<u>United States Code (USC) reference</u>	<u>Catalog of Federal Domestic Assistance (CFDA) reference number</u>	<u>Funding program</u>	<u>Program purpose</u>
EPA Air Quality (Section 175)	Added by P.L. 95-95, title I, sec. 129(b), Aug. 7, 1977, 91 Stat. 749 (Clean Air Act Amendments of 1977).	42 USC 7505	66.001	Yes	To develop State Implementation Plan revisions relating to attainment and maintenance of national ambient air quality standards nonattainment areas.
EPA Solid Waste Management (Planning)	Added by P.L. 94-580, sec. 2, Oct. 21, 1976, 90 Stat. 2813, (Solid Waste Disposal Act); as amended.	42 USC 6941-6949	66.451	Yes	To develop and implement solid waste planning and management programs.
EPA Water Quality (Section 208)	Added by P.L. 92-500, sec. 2, Oct. 18, 1972, 86 Stat. 839, (Federal Water Pollution Control Act Amendments of 1972); as amended.	33 USC 1288	66.426	Yes	To provide for areawide water quality planning and management.
HUD (Section 701)	Aug. 2, 1954, ch. 649, title VII, sec. 701, 68 Stat. 640, (Housing Act of 1954); as amended.	40 USC 461	14.203	Yes	To facilitate comprehensive planning and management activities including development and implementation of comprehensive plans.
HUD (CD-- Discretionary)	P.L. 93-383, title I, sec. 107, Aug. 22, 1974, 88 Stat. 647, (Housing and Community Development Act of 1974); as amended.	42 USC 5307	14.227	Yes	To provide technical assistance in planning developing and administering assistance.
FHWA (Federal-Aid Highways-- Transportation Planning in Certain Urban Areas)	Added by P.L. 87-866, secs. 912 and 101(a), Oct. 23, 1962, 76 Stat. 1148, (Federal-Aid Highway Act of 1962); as amended.	23 USC 104(f) and 134	20.205	Yes	To develop coordinated transportation plans and programs.
FHWA (Federal-Aid Highways-- Carpool and Vanpool Projects)	P.L. 93-87, title I, sec. 125(a), Aug. 13, 1973, 87 Stat. 262, (Federal-Aid Highway Act of 1973); repealed by P.L. 94-280, title I, sec. 128(a), May 5, 1976, 90 Stat. 440, (Federal-Aid Highway Act of 1976); added by P.L. 95-599, title I, sec. 126(a), Nov. 6, 1978, 92 Stat. 2705, (Federal-Aid Highway Act of 1978).	23 USC 146	20.205	Yes	To fund projects for purposes of encouraging the use of carpools and vanpools.
UMTA (Section 6)	P.L. 88-365, sec. 6, Jul. 9, 1964, 78 Stat. 305, (Urban Mass Transportation Act of 1964); as amended.	49 USC 1605	20.505	Yes	To undertake research, development, and demonstration projects in all phases of urban mass transportation.
UMTA (Section 8)	P.L. 88-365, sec. 8, Jul. 9, 1964, 78 Stat. 306, (Urban Mass Transportation Act of 1964); as amended; repealed by P.L. 95-599, title III, sec. 305(a), Nov. 6, 1978, 92 Stat. 2743, (Federal Public Transportation Act of 1978); added by P.L. 95-599, title III, sec. 305(b), Nov. 6, 1978, 92 Stat. 2743, (Federal Public Transportation Act of 1978).	49 USC 1607	20.505	Yes	To plan and evaluate urban mass transportation projects and to unify the plan with other comprehensive planning components.
OMB Circular No. A-95	(1) P.L. 89-754, title II, sec. 204, Nov. 3, 1966, 80 Stat. 1262, (Demonstration Cities and Metropolitan Development Act of 1966); as amended. (2) P.L. 90-577, title IV, secs. 401 through 403, Oct. 16, 1968, 82 Stat. 1103 and 1104, (Intergovernmental Cooperation Act of 1968).	(1) 42 USC 3334 (2) 42 USC 4231-4233	N/A	No	To promote maximum coordination of Federal and Federally assisted programs and projects with each other, and with State, areawide, and local plans and programs.

CHAPTER 9

OKI MUST RELY ON PUBLIC AND PRIVATE SECTORS TO IMPLEMENT ITS RECOMMENDATIONS

The question of whether OKI's accomplishments and achievements were worth the Federal funds used to finance the studies reviewed is a complex one; it does not lend itself to a simple answer. OKI, like the other councils of government nationwide, is an advisory organization which does not have the authority necessary to implement its report recommendations. OKI must depend on its member local governments and the private sector to act on its reports and studies. By their very nature, regional issues are broad, often controversial, costly to correct, and require the attention and cooperative efforts by many governments and/or private sector entities. It is not unusual then, that councils of governments' study recommendations often are not implemented. We and others, however, have consistently supported the need for areawide planning as a means of more effectively addressing problems that a single city or county cannot adequately handle alone.

However, three of OKI's nine member counties have questioned whether OKI's efforts are worth the costs they incur as members. One of OKI's nine member counties withdrew from OKI on January 1, 1982, and two other counties are also considering withdrawing.

PUBLIC AND PRIVATE SECTORS IMPLEMENT PLANNING PROJECTS

Because OKI is an advisory planning organization, OKI must depend on various governmental entities and private organizations to act on its recommendations.

Implementation of OKI's Regional Development Framework Plan recommendations will certainly require local government and private enterprise action. (See Chapter 3 for a discussion on OKI's Regional Development Framework Plan.) To implement the Plan's recommendations, local governments will have to provide funding support, change regulatory processes which could also involve State government action, and possibly participate in a form of tax base sharing. From the private sector, funding support and a closer working relationship with local governments will be needed to implement the Plan's recommendations.

Implementing OKI's environmental plans will also require action by the public and private sectors. For example, OKI's Balancing Economic Development and Cleaner Air report suggests that the OKI region can take action to promote economic development, while achieving the required air quality standards, by laying the foundation of an emission reduction credit banking system. (See ch. 4 for a discussion of OKI's Balancing Economic Development and Cleaner Air report.)

The initial step suggested is formulation of an Economic Management Advisory Committee comprised of all sectors of the community. The advisory committee would undertake tasks to

- make a determination of the demand for new growth in the region's airshed,
- set goals for the credit and banking system,
- design a regional management system, and
- outline regulations and agency rules within the banking and trading system.

At this time, the above features are presented conceptually. A precise implementation methodology has not been defined pending renewal of the clean air program's appropriations authority.

In addition to the Balancing Economic Development and Clean Air report, other OKI air quality plans address transportation-related pollutants and are incorporated into the mandated State Implementation Plan. The OKI input into the State Implementation Plan represents a compilation of features which could reduce air pollution if implemented. Those Transportation Control Measure features rely essentially upon the public and private sectors for implementation. As a promoter, OKI serves primarily to encourage and stimulate the public sectors to use transportation control measures within the region. In coordination with other agencies, OKI attempts to sell transportation control measures on the basis of the projected pollution reduction to be achieved.

In addition to local government involvement in implementing OKI's regional development and environmental plans, transportation projects are directly based upon plans derived from OKI's transportation planning process. (See ch. 5 for a discussion of OKI's transportation planning process.) For example, Department of Transportation funding for certain transportation projects must be based on a continuing comprehensive transportation planning process in urban areas of more than 50,000 population.

OKI'S A-95 REVIEW COMMENTS
ARE ADVISORY

One of OKI's functions is to act as the region's areawide Metropolitan A-95 Clearinghouse. In its capacity as an A-95 Clearinghouse, OKI provides advisory review comments on proposed projects to the Federal funding agencies. Those review comments are based on regional plans.

The Office of Management and Budget's (OMB) Circular No. A-95 is the basis for OKI's A-95 Clearinghouse activity. The Circular itself implements Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 and Title IV of the Intergovernmental Cooperation Act of 1968.

The design of A-95 was to create a climate for intergovernmental cooperation in which coordination is more likely to come about. The A-95 program sets forth procedures under which Federal agencies and applicants for Federal assistance must give State and local governments, through State and areawide clearinghouses, an opportunity to assess the relationship of their proposals to State, areawide, and local plans and programs.

As listed in the 1980 Catalog of Federal Domestic Assistance, the Part I, A-95 review requirements cover projects under 275 Federal programs. In addition, a number of States extended A-95 review requirements to a broader range of programs.

OMB is currently considering whether changes to the A-95 process are needed. Three options under consideration are (1) abolition of A-95, (2) continuing it in its present form, and (3) revising it to bring it "more in line" with the tenets of the President's new federalism. The third option would mean setting up a process that would give States and local governments complete latitude in deciding which programs would be examined under A-95.

ARE OKI'S ACCOMPLISHMENTS WORTH
THE FEDERAL COSTS?

Like some 670 other councils of governments nationwide, OKI exists to a large extent as a result of Federal policies and programs which encourage, and sometimes require, regional and areawide planning and coordination. This encouragement has been backed by Federal dollars; councils of governments are financed primarily by Federal funds.

Because regional issues are quite broad, often controversial, costly to correct, and require the attention and cooperative efforts and approval of many governments and/or private sector entities, it is not unusual that councils of governments' study recommendations are often not implemented.

We have previously reported instances of ineffective planning implementation. For example, in 1978 we reported that regional water quality planning had not been very effective. One of the reasons for the ineffectiveness was that many planning agencies had not been able to develop adequate institutional arrangements to carry out the water quality plans they had prepared; the agencies lacked the authority to implement their plans. 1/ A more recent study of the Washington, D.C., metropolitan area's attempts to clean the Potomac River revealed that \$5.3 million used for planning has resulted in recommendations which were not implemented. 2/

We and others, however, have consistently supported the need for areawide planning as a means of more effectively addressing problems which are regional in scope; problems which overlap the boundaries of the political jurisdictions who cannot alone adequately cope with solving those problems.

One strong indication of whether OKI's efforts are worth the costs would surface if Federal funding for OKI, and other councils of governments, was terminated. That is, would OKI continue to exist if its member local governments had to pay its total operating costs or would OKI's member governments be willing to pay OKI's total operating costs for the services it provides to them? In this regard, one of OKI's nine member counties withdrew from OKI and two other counties are also considering withdrawing.

On September 14, 1981, Clermont County, Ohio, commissioners formally notified OKI that they unanimously passed a resolution on September 10, 1981, to withdraw from OKI effective January 1, 1982. The county's withdrawal will certainly effect an OKI organizational change because of the loss of local representation and funding support. For the county, its withdrawal from OKI could possibly result in the loss of planning services and Federal funds--particularly for transportation-related projects. Two of the three Clermont County Commissioners stated OKI lacks technical expertise, is not responsive to the county's needs, engages in too much paperwork and planning, and performs duplicative services. Although the other county commissioner expressed no opinions on OKI, it was he who introduced the resolution to withdraw from OKI at the commissioners' meeting on September 10, 1981.

For Hamilton County, Ohio, two of the three county commissioners proposed withdrawing from OKI or at least insisting that

1/"Water Quality Management Planning Is Not Comprehensive and May Not Be Effective for Many Years" (CED-78-167, December 11, 1978).

2/"Environmental, Economic, and Political Issues Impede Potomac River Cleanup Efforts" (GGD-82-7, January 6, 1982).

local governments within the county pay their share of the county's funding support for OKI starting in 1982. One county commissioner stated that OKI's expansion into planning areas outside of transportation planning is questionable. However, he also said that OKI is not duplicating county efforts and that the staff is professional and competent. Another commissioner said that although it is important to have a mechanism for regional planning, OKI over-stepped the bounds of political accountability and will have to change its operating policies and procedures. The other county commissioner had not taken a position on the OKI issue.

One of the three Warren County, Ohio, commissioners said that he plans to strongly pursue withdrawing Warren County's membership in OKI during the county's 1982 budget sessions. He said that although OKI has a good and competent staff, he believed OKI is not needed because of the decrease in categorical grants. Another commissioner said he has a negative attitude concerning the bureaucratic role of OKI and views the agency as a necessary evil. The other county commissioner did not express an opinion on the county withdrawing from OKI.

Local governments may have to face the question we posed, to some degree, in the near future. The current budget reductions have already led to the termination of one Federal program--HUD's 701 planning program--which provided a sizable amount of funds for councils of governments' activities, and additional program terminations are not unlikely.

AGENCY COMMENTS

We discussed a draft of this report with OKI and its comments were incorporated as we considered appropriate. OKI's remaining concerns were provided to us on December 22, 1981. (See app. X.)

OKI objected to the report digest's observation that there is cause for Congressman Luken's concern regarding implementation of the studies. OKI stated that two studies will be implemented; implementation of another depends on the outcome of congressional action to be taken in 1982, and the fourth--preselection housing sites process--was not an OKI study. OKI suggested that the report digest be revised to reflect the information in the full text of the report.

We believe the digest accurately portrays OKI's role in the studies and the reasons for their not being implemented at the time of our review.

OKI stated further that the report fails to consider OKI's past and overall performance and that, occasionally, member governments become dissatisfied with OKI. Such dissatisfaction relates to the nature of regional agencies which bear the brunt of controversy and resentment for unpopular Federal programs.

OKI is correct; our review was limited primarily to four specific studies of concern to Congressman Luken. Also, OKI may well be correct in its assessment of why member governments become dissatisfied with its efforts. However, officials from the withdrawing county told us that they were dissatisfied because OKI lacked technical expertise, was not responsive to the county's needs, engaged in too much paperwork and planning, and performed duplicative services.

We also discussed appropriate segments of the draft report with officials of the following four Federal departments and agencies, and one local government agency.

--Department of Housing and Urban Development offices,
Columbus and Cincinnati, Ohio.

--Department of Transportation, Urban Mass
Transportation Administration, Chicago,
Illinois.

--Department of Transportation, Federal Highway
Administration, Chicago, Illinois.

--Environmental Protection Agency, Chicago,
Illinois.

--Cincinnati Planning Commission, City of
Cincinnati, Ohio.

Comments received from officials of the above listed departments and agencies were incorporated in the report as appropriate.

THOMAS A. LUKEN
20 DISTRICT, OHIO

WASHINGTON OFFICE:
ROOM 240
CANNON HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
(202) 225-2216

DISTRICT OFFICE:
3409 FEDERAL OFFICE BUILDING
CINCINNATI, OHIO 45202
(513) 684-2723

Congress of the United States
House of Representatives
Washington, D.C. 20515

June 9, 1981

Mr. Milton J. Socolar
Acting Comptroller General
General Accounting Office
411 G Street, NW
Washington, D.C. 20548

Dear Mr. Socolar:

I have long been critical of the usefulness of the planning being done by regional councils of government, particularly the Ohio-Kentucky-Indiana Council of Government of my district, since their activities are primarily financed with Federal funds. Recently I became aware of OKI's preparation of several apparently wasteful and duplicative studies and I am concerned over such misuse of Federal funds.

Therefore, I am requesting the General Accounting Office to undertake a review of the OKI Council of Governments to address the following specific issues.

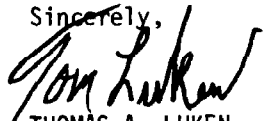
1. What are the mechanisms for implementation of OKI plans (i.e. housing, transportation, environment and other plans).
2. Identify OKI's involvement in the pre-site selection process for HUD subsidized housing and the results obtained from its efforts in Cincinnati.
3. Identify the benefits and results obtained from OKI's Regional Development Symposium, including the specific actions which have been taken to implement the recommendations contained in the Symposium's report. In addition, what specific actions have been taken to implement previous economic development studies done by OKI.
4. Determine whether OKI's report entitled "Balancing Economic Development and Cleaner Air," December 1980, is duplicative of EPA's "Emission Reduction Banking Manual," dated September 1980.
5. Identify the cost and sources of funding for each of these planning efforts or studies.
6. Identify the sources of funding for OKI, including how much of the State-funded share is Federally funded.

COMMITTEE:
SMALL BUSINESS
CHAIRMAN, SUBCOMMITTEE ON
ANTITRUST AND RESTRAINT OF TRADE
ACTIVITIES AFFECTING SMALL BUSINESS
SUBCOMMITTEE ON
GENERAL OVERSIGHT
ENERGY AND COMMERCE
SUBCOMMITTEE ON HEALTH AND
THE ENVIRONMENT
SUBCOMMITTEE ON
TELECOMMUNICATIONS, CONSUMER
PROTECTION, AND FINANCE
SUBCOMMITTEE ON OVERSIGHT AND
INVESTIGATIONS
SELECT COMMITTEE ON AGING
SUBCOMMITTEE ON
HEALTH AND LONG TERM CARE

7. Identify OKI's uses of HUD 701 planning funds and the probable impacts on OKI's operations of the Administration's proposals to terminate the program.
8. In undertaking various planning projects, does OKI avail itself of studies and reports already done by other agencies or organizations.
9. What are the specific statutes and legislative mandates which authorize OKI to conduct the studies mentioned above.

I would like to have a report on these matters no later than December 31, 1981. Mr. Al Guida of my staff is available to provide further details on these issues.

With kind regards,

Sincerely,

THOMAS A. LUKEN
Member of Congress

TAL/ag

GAO Note: Mr. Luken subsequently asked us to identify OKI's transportation planning since 1977, including an assessment of the circumstances surrounding OKI's newspaper advertising of its transportation plan.

PERSONS CONTACTED DURING OUR REVIEW
(JUNE 1981 THROUGH SEPTEMBER 1981)

<u>Name</u>	<u>Title</u>	<u>City/State</u>
<u>Department of Transportation,</u> <u>Urban Mass Transportation Administration</u>		
James Ryan	Community Planner	Washington, D.C.
Douglas Gerleman	Director, Operations & Planning	Chicago, IL
Harold Crane	Community Planner	Chicago, IL
<u>Department of Transportation,</u> <u>Federal Highway Administration</u>		
Sam Rea	Chief, Interagency Review Board	Washington, D.C.
Don Trull	Regional Administrator	Chicago, IL
A. L. Frank	Deputy Regional Administrator	Chicago, IL
J. A. Walsh	Associate Regional Administrator for Planning/Program Development	Chicago, IL
Douglas Head	Urban Planning Program Manager	Chicago, IL
John Broadhurst	Financial Manager	Chicago, IL
Thomas Watohla	Planning Engineer	Columbus, OH
<u>Department of Housing</u> <u>and Urban Development</u>		
Sylvester Angel	Director	Columbus, OH
Dean Clark	A-95 Coordinator	Columbus, OH
Norman Deas	Supervisor Cincinnati Office	Cincinnati, OH
Herb Talabere	Program Manager	Columbus, OH
Bill Cusack	Community Planning and Development Representative	Columbus, OH
Richard Barbone	Community Planning and Development Representative	Columbus, OH
Woody Rudolph	Housing Representative	Columbus, OH

APPENDIX II

APPENDIX II

<u>Name</u>	<u>Title</u>	<u>City/State</u>
<u>Department of Housing and Urban Development (cont'd.)</u>		
Randolph Wilson	Acting Chief of Programs	Cincinnati, OH
<u>Environmental Protection Agency</u>		
George Bonina	Transportation Engineer	Washington, D.C.
Brian McLean	Transportation Engineer	Washington, D.C.
Steve Siedel	National Office of Emission Reduction, Division of Policy Planning, Office of Planning and Evaluations	Washington, D.C.
Ivan Theter	Assistant to Steve Siedel	Washington, D.C.
Steve Rothblatt	Chief, Air Program Branch	Chicago, IL
Mary Ryan	Chief, Air Planning Section	Chicago, IL
John Perricone	Acting Chief, Transportation Planning Unit	Chicago, IL
<u>Ohio Department of Transportation</u>		
William J. Cunningham	Director, Planning Department	Columbus, OH
Bob Zack	Metropolitan Planning Engineer	Columbus, OH
William Brayshaw	District Deputy Director	Lebanon, OH
George Cundy	District Planning Coordinator	Lebanon, OH
Hans Jindal	OKI/ODOT Liaison	Cincinnati, OH
<u>Kentucky Department of Transportation</u>		
Bruce Siria	Director of Mass Transportation	Frankfort, KY
Joseph Kearns	Project Development Engineer	Florence, KY
<u>Ohio Environmental Protection Agency</u>		
Harry Judson	Chief of Strategic Planning	Columbus, OH

<u>Name</u>	<u>Title</u>	<u>City/State</u>
<u>Southwestern Ohio Air Pollution Control Agency</u>		
Charles Schuman	Deputy Director	Cincinnati, OH
Robert Shaw	Chemical Lab Supervisor	Cincinnati, OH
S. E. Kozdemba	Environmental Engineer	Cincinnati, OH
<u>Hamilton County, Ohio</u>		
Robert Wood	Hamilton County Commissioner	Cincinnati, OH
Norman A. Murdock	Hamilton County Commissioner	Cincinnati, OH
Donald Schramm	Hamilton County Engineer	Cincinnati, OH
James R. Lowry	Director, Department of Community Development	Cincinnati, OH
<u>City of Cincinnati, Ohio</u>		
H. W. Stevens	Director, Cincinnati Planning Commission	Cincinnati, OH
Charlotte Birdsall	Senior Planner, Cincinnati Planning Commission	Cincinnati, OH
Kenneth Robinson	City Planner, Cincinnati Planning Commission	Cincinnati, OH
Paul Zisla	Transit Project Coordinator, Cincinnati Planning Commission	Cincinnati, OH
Henry Stefanik	Director, Cincinnati Metropolitan Housing Authority	Cincinnati, OH
Neil Blunt	Administrative Assistant, Cincinnati Metropolitan Housing Authority	Cincinnati, OH
Charles Walter	Housing Specialist, Cincinnati Department of Buildings and Inspection	Cincinnati, OH
<u>Clermont County, Ohio</u>		
Jerry Carlier	Clermont County Commissioner	Batavia, OH
Dale Romohr	Clermont County Commissioner	Batavia, OH
Robert Crosswell	Clermont County Commissioner	Batavia, OH

<u>Name</u>	<u>Title</u>	<u>City/State</u>
<u>Clermont County, Ohio (cont'd.)</u>		
Donald Buckley	Planning Commission, Clermont County	Batavia, OH
George Pattersons	Prosecuting Attorney for Clermont County	Batavia, OH
<u>Butler County, Ohio</u>		
Donald Schirmer	Butler County Commissioner	Hamilton, OH
William Foster	Butler County Engineer	Hamilton, OH
Francis Kosobud	Director, Butler County Planning Commission	Hamilton, OH
<u>City of Middletown, Ohio</u>		
Dale Helsel	City Manager and Regional Development Task Force Member	Middletown, OH
Donald Hill	Traffic and Transportation Engineer	Middletown, OH
<u>Warren County, Ohio</u>		
Arch Hildebrant	Warren County Commissioner	Lebanon, OH
David Smith	Warren County Commissioner	Lebanon, OH
George Terwilleger	Warren County Commissioner	Lebanon, OH
Robert Price	Executive Director, Warren County Planning Commission	Lebanon, OH
<u>Campbell County, Kentucky</u>		
William Eggemeier	Assistant to County Judge Executive (County Commissioner)	Newport, KY
<u>Kenton County, Kentucky</u>		
James A. Dressman	County Judge Executive (County Commissioner)	Covington, KY
<u>Boone County, Kentucky</u>		
Bruce Ferguson	County Judge Executive (County Commissioner)	Burlington, KY

<u>Name</u>	<u>Title</u>	<u>City/State</u>
<u>Dearborn County, Indiana</u>		
Robert Schroder	Dearborn County Commissioner	Lawrenceburg, IN
<u>Ohio County, Indiana</u>		
Robert Brown	Ohio County Commissioner	Rising Sun, IN
<u>OKI</u>		
A. H. Hessling	Executive Director	Cincinnati, OH
D. Montazemi	Assistant Director, Environmental Planning	Cincinnati, OH
Marvin Overway	Assistant Director, Transportation Planning	Cincinnati, OH
Barry Blank	Finance Officer	Cincinnati, OH
T. Andres	Assistant Finance Officer	Cincinnati, OH
Rick Bailey	Transportation Engineer	Cincinnati, OH
Mary Bradford	Regional Development Planner	Cincinnati, OH
Jay Lask	Regional Development Planner	Cincinnati, OH
Mary Zuccarelli	A-95 Coordinator	Cincinnati, OH
Kathy Gibbons	Housing Planner	Cincinnati, OH
Jane Wittke	Environmental Communication Coordinator	Cincinnati, OH
Greg Rowe	Environmental Planner	Cincinnati, OH
<u>Regional Development Task Force Members</u>		
<u>Public Sector</u>		
Mary Anne Christie	Maderia City Council	Maderia, OH
Bruce Ferguson	Boone County Judge Executive	Burlington, KY
Tom Beehan	Covington City Commission	Covington, KY
Robert Dorsey	Anderson Township Trustee	Cincinnati, OH
Ralph Griene	Northern Kentucky Area Planning Commission	Cincinnati, OH

<u>Name</u>	<u>Title</u>	<u>City/State</u>
<u>Regional Development Task Force Members (cont'd.)</u>		
<u>Private Sector</u>		
Gerald Gendell	Proctor & Gamble Company	Cincinnati, OH
Orville Brown	Home Builders Association	Cincinnati, OH
Joan Hammond	Eagle Savings Association	Cincinnati, OH
Herman Schottenfels	Cincinnati Insurance Board	Cincinnati, OH
Stephen Lake	Cincinnati Chamber of Commerce	Cincinnati, OH
<u>Other Private Sector</u>		
Bruce Karlson	Account Executive, Cincinnati Enquirer	Cincinnati, OH

OKI ACTUAL EXPENDITURES BY MAJOR BUDGET CATEGORIES
JANUARY 1, 1980, THROUGH JUNE 30, 1981
 (note a)

<u>Major Budget Categories</u>	<u>Actual:</u> <u>1/1/80 - 12/31/80</u>		<u>Actual:</u> <u>1/1/81 - 6/30/81</u>	
	<u>Amount</u>	<u>Percent of total</u>	<u>Amount</u>	<u>Percent of total</u>
Transportation planning	\$ 901,049	49.6%	\$451,423	47.1%
Ridesharing activities	132,645	7.3	111,294	11.6
Environmental planning (air)	270,111	14.9	163,826	17.1
Environment planning (water) <u>a/</u>	51,484	2.8	21,160	2.2
Regional planning	327,245	18.0	156,661	16.4
Hamilton County economic study	33,631	1.9	16,428	1.7
General administrative	<u>99,473</u>	<u>5.5</u>	<u>37,505</u>	<u>3.9</u>
Totals	<u>\$1,815,638</u>	<u>100.0%</u>	<u>\$958,297</u>	<u>100.0%</u>

a/Excludes passthrough grants shown below. Federal funding agencies routinely specify that OKI pass grant funds to certain units of local government. Such subgrant arrangements have no direct budget ramifications per se to OKI and, therefore, are not included in OKI's overall operational budgets.

Passthrough Grants

<u>Major budget categories</u>	<u>1/1/80 - 12/31/80</u>	<u>1/1/81 - 6/30/81</u>
Transportation planning	\$188,744	\$ 83,699
Environmental planning (air)	141,363	18,985
Regional planning	<u>55,509</u>	<u>7,590</u>
Totals	<u>\$385,616</u>	<u>\$110,274</u>

OKI ACTUAL EXPENDITURES
BY MAJOR BUDGET CATEGORIES AND ITEMS
JANUARY 1, 1980, THROUGH DECEMBER 31, 1980
(note a)

Budget Items	Major Budget Categories							Totals	
	Transportation planning	Ridesharing activities	Environmental planning (air)	Environmental planning (water)	Regional planning	Hamilton County economic study	General administrative	Amount	Percent of all totals
	Direct personnel	\$383,186	\$ 46,868	\$ 84,689	\$24,728	\$135,776	\$25,575	\$ 9,165	\$ 709,987
Direct fringe benefits	120,704	14,763	26,677	7,789	42,769	8,056	2,887	223,645	12.3
Direct travel	8,732	1,930	2,428	601	4,840	—	7,913	26,444	1.5
Consultants & contractors	62,532	17,498	91,584	—	8,623	—	—	180,237	9.9
Other direct expenses	53,451	18,263	4,519	783	38,702	—	50,542	166,260	9.2
Indirect	<u>272,444</u>	<u>33,323</u>	<u>60,214</u>	<u>17,583</u>	<u>96,535</u>	<u>—</u>	<u>28,966</u>	<u>509,065</u>	<u>28.0</u>
Totals	<u>\$901,049</u>	<u>\$132,645</u>	<u>\$270,111</u>	<u>\$51,484</u>	<u>\$327,245</u>	<u>\$33,631</u>	<u>\$99,473</u>	<u>\$1,815,638</u>	<u>100.0%</u>

a/Excludes passthrough grants shown below. It is routinely specified by Federal funding agencies that OKI pass grant funds to certain units of local government. Such subgrant arrangements have no direct budget ramifications per se to OKI and, therefore, are not included in OKI's overall operational budgets.

Passthrough Grants

Major budget categories	1/1/80 - 12/31/80
Transportation planning	\$188,744
Environmental planning (air)	141,363
Regional planning	<u>55,509</u>
Totals	<u>\$385,616</u>

OKI ACTUAL EXPENDITURES
BY MAJOR BUDGET CATEGORIES AND ITEMS
JANUARY 1, 1981, THROUGH JUNE 30, 1981
 (note a)

Budget Items	Major Budget Categories							Totals	
	Transportation planning	Ridesharing activities	Environmental planning (air)	Environmental planning (water)	Regional planning	Hamilton County economic study	General administrative	Amount	Percent of all totals
	Direct personnel	\$188,482	\$ 40,683	\$ 46,939	\$10,181	\$ 61,168	\$12,358	\$ 2,971	\$ 362,782
Direct fringe benefits	62,432	13,494	15,476	3,352	20,259	4,070	978	120,061	12.5
Direct travel	4,207	1,451	1,258	39	2,719	—	3,087	12,761	1.3
Consultants & contractors	12,731	14,858	62,711	—	17,633	—	—	107,933	11.3
Other direct expenses	41,611	9,874	1,833	207	8,807	—	28,315	90,647	9.5
Indirect	<u>141,960</u>	<u>30,934</u>	<u>35,609</u>	<u>7,381</u>	<u>46,075</u>	<u>—</u>	<u>2,154</u>	<u>264,113</u>	<u>27.6</u>
Totals	<u>\$451,423</u>	<u>\$111,294</u>	<u>\$163,826</u>	<u>\$21,160</u>	<u>\$156,661</u>	<u>\$16,428</u>	<u>\$37,505</u>	<u>\$958,297</u>	<u>100.0%</u>

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a/Excludes passthrough grants shown below. It is routinely specified by Federal funding agencies that OKI pass grant funds to certain units of local government. Such subgrant arrangements have no direct budget ramifications per se to OKI and, therefore, are not included in OKI's overall operational budgets.

<u>Passthrough Grants</u>	
<u>Major budget categories</u>	<u>1/1/81 - 6/30/81</u>
Transportation planning	\$ 83,699
Environmental planning (air)	18,985
Regional planning	<u>7,590</u>
Totals	<u>\$110,274</u>

OKI ACTUAL RECEIPTS
BY MAJOR BUDGET CATEGORIES AND FUNDING SOURCES
JANUARY 1, 1980 THROUGH DECEMBER 31, 1980
(note a)

Funding sources	Major Budget Categories							Totals		
	Transportation planning	Ridesharing activities	Environmental planning (air)	Environmental planning (water)	Regional planning	Hamilton County economic study	General administrative	Amount	Percent of all sources (note b)	
Federal										
Amount	(\$)	693,944	80,941	270,111	—	207,990	—	—	\$1,252,986	
Percent of all sources	(%)	38.2	4.5	14.9	—	11.5	—	—		69.0%
State										
Amount	(\$)	76,451	22,951	—	—	19,550	—	—	118,952	
Percent of all sources	(%)	4.2	1.3	—	—	1.1	—	—		6.6
Local contributions										
Amount	(\$)	108,115	28,753	—	51,484	98,630	—	17,716	304,698	
Percent of all sources	(%)	6.0	1.6	—	2.8	5.4	—	1.0		16.8
Other										
Amount	(\$)	22,539	—	—	—	1,075	33,631	81,757	139,002	
Percent of all sources	(%)	1.2	—	—	—	0.1	1.9	4.5		7.7
Totals										
Amount	(\$)	\$901,049	\$132,645	\$270,111	\$51,484	\$327,245	\$33,631	\$99,473	\$1,815,638	
Percent of all sources	(%)	49.6%	7.3%	14.9%	2.8%	18.0%	1.9%	5.5%		100.0%

a/Excludes passthrough grants shown below. It is routinely specified by Federal funding agencies that OKI pass grant funds to certain units of local government. Such subgrant arrangements have no direct budget ramifications per se to OKI and, therefore, are not included in OKI's overall operational budgets.

Passthrough Grants by Funding Source

Major budget categories	Federal	1/1/80 - 12/31/80	
		Passthrough recipients local cost sharing	Totals
Transportation planning	\$150,996	\$37,748	\$188,744
Environmental planning (air)	141,363	--	141,363
Regional planning	37,006	18,503	55,509
Totals	\$329,365	\$56,251	\$385,616

b/Figures may not add to totals because of rounding.

OKI ACTUAL RECEIPTS
BY MAJOR BUDGET CATEGORIES AND FUNDING SOURCES
JANUARY 1, 1981 THROUGH JUNE 30, 1981
(note a)

Funding sources	Major Budget Categories							Totals	
	Transportation planning	Ridesharing activities	Environmental planning (air)	Environmental planning (water)	Regional planning	Hamilton County economic study	General administrative	Amount	Percent of all sources (note b)
<u>Federal</u>									
Amount (\$)	389,652	82,119	163,826	—	102,478	—	—	738,075	
Percent of all sources (%)	40.7	8.6	17.1	—	10.7	—	—		77.0%
<u>State</u>									
Amount (\$)	47,785	14,905	—	—	4,775	—	—	67,465	
Percent of all sources (%)	5.0	1.6	—	—	0.5	—	—		7.0
<u>Local contributions</u>									
Amount (\$)	13,986	14,270	—	21,160	49,408	—	10,111	108,935	
Percent of all sources (%)	1.5	1.5	—	2.2	5.2	—	1.1		11.4
<u>Other</u>									
Amount (\$)	—	—	—	—	—	16,428	27,394	43,822	
Percent of all sources (%)	—	—	—	—	—	1.7	2.9		4.6
<u>Totals</u>									
Amount (\$)	\$451,423	\$111,294	\$163,826	\$21,160	\$156,661	\$16,428	\$37,505	\$958,297	
Percent of all sources (%) (note b)	47.1%	11.6%	17.1%	2.2%	16.3%	1.7%	3.9%		100.0%

a/Excludes passthrough grants shown below. It is routinely specified by Federal funding agencies that OKI pass grant funds to certain units of local government. Such subgrant arrangements have no direct budget ramifications per se to OKI and, therefore, are not included in OKI's overall operational budgets.

Passthrough Grants by Funding Source 1/1/81 - 6/30/81	
Major budget categories	Federal
Transportation planning	\$ 83,699
Environmental planning (air)	18,985
Regional planning	7,590
Total	<u>\$110,274</u>

b/Figures may not add to totals because of rounding.

OKI ACTUAL RECEIPTS
BY MAJOR BUDGET CATEGORIES AND SPECIFIC FEDERAL FUNDING SOURCES
JANUARY 1, 1980 THROUGH DECEMBER 31, 1980
(note a)

Major Budget Categories	UMTA (Section 8) b/	EPA Air Quality (Section 175) c/	HUD (Section 701) d/	HUD (CD - Discretionary) e/	Hamilton County economic study	General administrative	Totals
Transportation planning	\$384,004	270,111	—	—	—	—	\$654,115
Ride-sharing activities	—	—	—	—	—	—	—
Environmental planning (air)	—	—	—	—	—	—	—
Environmental planning (water)	—	—	—	—	—	—	—
Regional planning	—	—	—	—	—	—	—
General administrative	—	—	—	—	—	—	—
Totals	\$384,004	\$270,111	\$199,838	\$32,388	\$167,450	\$32,388	\$1,088,069
	30.6	21.6	13.4	2.6	13.4	2.6	100.0
	\$384,004	\$270,111	\$199,838	\$32,388	\$167,450	\$32,388	\$1,088,069

Major Budget Categories	UMTA (Section 8) b/	EPA Air Quality (Section 175) c/	HUD (Section 701) d/	HUD (CD - Discretionary) e/	Hamilton County economic study	General administrative	Totals
Transportation planning in certain urban areas f/	260,675	—	—	—	—	—	260,675
FHMA (Federal-Aid Highways - certain urban areas) f/	—	—	—	—	—	—	—
FHMA (Federal-Aid Highways - certain urban areas) f/	—	—	—	—	—	—	—
Carpool and Vanpool projects g/	60,331	—	—	—	—	—	60,331
UMTA (Section 8) h/	—	—	—	—	—	—	—
HUD (Section 701) d/	—	—	—	—	—	—	—
Subtotals	\$260,675	\$70,189	\$8,152	—	—	—	\$339,016
	20.8	4.8	0.8	0.7	—	—	27.1
	\$260,675	\$70,189	\$8,152	—	—	—	\$339,016
FHMA (Federal-Aid Highways - certain urban areas) f/	49,265	—	—	—	—	—	49,265
Transportation planning in certain urban areas f/	—	—	—	—	—	—	—
Environmental planning (air)	—	—	—	—	—	—	—
Regional planning	—	—	—	—	—	—	—
Totals	\$49,265	\$10,752	—	—	—	—	\$60,017
	3.9	4.8	—	—	—	—	8.7
	\$49,265	\$10,752	—	—	—	—	\$60,017

a/Excludes passthrough grants shown below. It is routinely specified by federal funding agencies that OKI pass grant funds to certain units of local governments. Such sub-grant arrangements have no direct budget ramifications per se to OKI and, therefore, are not included in OKI's overall operational budgets.

Passthrough grants by specific federal funding sources

Major Budget Categories	HUD (Section 701)	UMTA (Section 8)	EPA Air Quality (Section 175)	Totals
Transportation planning	—	\$150,996	—	\$150,996
Environmental planning (air)	—	—	\$141,363	\$141,363
Regional planning	\$37,006	—	—	\$37,006
Totals	\$37,006	\$150,996	\$141,363	\$329,365

c/EPA Air Quality (Section 175), Office of Air, Noise, and Radiation, Environmental Protection Agency (EPA), Air Pollution Control Program grants.

d/HUD (Section 701), Department of Housing and Urban Development (HUD), Comprehensive Planning Assistance ("701") grants.

e/UMTA (CD - Discretionary), Department of Housing and Urban Development (HUD), Secretary's Discretionary Fund, Community Development Technical Assistance (Technical Assistance) grants.

f/FHMA (Federal-Aid Highways - Transportation Planning in Certain Urban Areas), Department of Transportation, Federal Highway Administration (FHMA), Highway Research, Planning and Construction (Federal-Aid Highway Program) grants.

g/FHMA (Federal-Aid Highways - Carpool and Vanpool projects), Department of Transportation, Federal Highway Administration (FHMA), Highway Research, Planning and Construction (Federal-Aid Highway Program) grants.

h/UMTA (Section 8), Department of Transportation, Urban Mass Transportation Administration (UMTA), Urban Mass Transportation Technical Studies (Tech Studies) grants.

i/figures may not add to totals because of rounding.



OKI ACTUAL RECEIPTS
BY MAJOR BUDGET CATEGORIES AND SPECIFIC FEDERAL FUNDING SOURCES
JANUARY 1, 1980, THROUGH DECEMBER 31, 1980
 (note a)

Federal Funding Sources	Major Budget Categories							Totals	
	Transportation planning	Ridesharing activities	Environmental planning (air)	Environmental planning (water)	Regional planning	Hamilton County economic study	General administrative	Amount	Percent of all sources j/
Direct to OKI									
UMTA (Section 8) b/	\$384,004	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$384,004	30.6
EPA Air Quality (Section 175) c/	--	--	270,111	--	--	--	--	270,111	21.6
HUD (Section 701) d/	--	--	--	--	167,450	--	--	167,450	13.4
HUD (CD - Discretionary) e/	--	--	--	--	32,388	--	--	32,388	2.6
Subtotals	\$384,004	--	\$270,111	--	\$199,838	--	--	\$853,953	68.2*
Passthrough from State of Ohio									
FHWA (Federal-Aid Highways - Transportation planning in certain urban areas) f/	260,675	--	--	--	--	--	--	260,675	20.8
FHWA (Federal-Aid Highways - Carpool and Vanpool Projects) g/	--	60,331	--	--	--	--	--	60,331	4.8
UMTA (Section 6) h/	--	9,858	--	--	--	--	--	9,858	0.8
HUD (Section 701) d/	--	--	--	--	8,152	--	--	8,152	0.7
Subtotals	\$260,675	\$70,189	--	--	\$ 8,152	--	--	\$339,016	27.1*
Passthrough from State of Kentucky									
FHWA (Federal-Aid Highways - Transportation planning in certain urban areas) f/	49,265	--	--	--	--	--	--	49,265	3.9
FHWA Federal-Aid Highways - Carpool and Vanpool Projects) g/	--	10,752	--	--	--	--	--	10,752	0.9
Subtotals	\$ 49,265	\$10,752	\$ --	--	\$ --	--	--	\$60,017	4.8*
Totals	\$693,944	\$80,941	\$270,111	--	\$207,990	--	--	\$1,252,986	100.0*

a/Excludes passthrough grants shown below. It is routinely specified by federal funding agencies that OKI pass grant funds to certain units of local governments. Such sub-grant arrangements have no direct budget ramifications per se to OKI and, therefore, are not included in OKI's overall operational budgets.

Passthrough Grants by Specific Federal Funding Sources

Major Budget Categories	1/1/80-12/31/80			Totals
	HUD (Section 701)	UMTA (Section 8)	EPA Air Quality (Section 175)	
Transportation planning	--	\$150,996	--	\$150,996
Environmental planning (air)	--	--	\$141,363	141,363
Regional planning	\$37,006	--	--	37,006
Totals	\$37,006	\$150,996	\$141,363	\$329,365

b/UMTA (Section 8), Department of Transportation, Urban Mass Transportation Administration (UMTA), Urban Mass Transportation Technical Studies (Tech Studies) grants.

c/EPA Air Quality (Section 175), Office of Air, Noise, and Radiation, Environmental Protection Agency (EPA), Air Pollution Control Program grants.

d/HUD (Section 701), Department of Housing and Urban Development (HUD), Comprehensive Planning Assistance ("701") grants.

e/HUD (CD - Discretionary), Department of Housing and Urban Development (HUD), Secretary's Discretionary Fund, Community Development Technical Assistance (Technical Assistance) grants.

f/FHWA (Federal-Aid Highways - Transportation Planning in Certain Urban Areas), Department of Transportation, Federal Highway Administration (FHWA), Highway Research, Planning and Construction (Federal-Aid Highway Program) grants.

g/FHWA (Federal-Aid Highways - Carpool and Vanpool Projects), Department of Transportation, Federal Highway Administration (FHWA), Highway Research, Planning and Construction (Federal-Aid Highway Program) grants.

h/UMTA (Section 6), Department of Transportation, Urban Mass Transportation Administration (UMTA), Urban Mass Transportation Technical Studies (Tech Studies) grants.

j/Figures may not add to totals because of rounding.



OKI ACTUAL RECEIPTS
BY MAJOR BUDGET CATEGORIES AND SPECIFIC FEDERAL FUNDING SOURCES
JANUARY 1, 1981 THROUGH JUNE 30, 1981
 (note a)

Federal Funding Sources	Major Budget Categories							Totals	
	Transportation planning	Ridesharing activities	Environmental planning (air)	Environmental planning (water)	Regional planning	Hamilton County economic study	General administrative	Amount	Percent of j/ all sources
Direct to OKI									
UMTA (Section 8) b/	\$193,907	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$193,907	26.3
EPA Air Quality (Section 175) c/	--	--	163,826	--	--	--	--	163,826	22.2
HUD (Section 701) d/	--	--	--	--	73,616	--	--	73,616	10.0
HUD (CD - Discretionary) e/	--	--	--	--	28,086	--	--	28,086	3.8
Subtotals	\$193,907	--	\$163,826	--	\$101,702	--	--	\$459,435	62.2%
Passthrough from State of Ohio									
FHWA (Federal-Aid Highways - Transportation planning in certain urban areas) f/	164,694	--	--	--	--	--	--	164,694	22.3
FHWA (Federal-Aid Highways - Carpool and Vanpool Projects) g/	--	49,412	--	--	--	--	--	49,412	6.7
UMTA (Section 6) h/	--	23,901	--	--	--	--	--	23,901	3.2
HUD (Section 701) d/	--	--	--	--	776	--	--	776	0.1
Subtotals	\$164,694	\$73,313	--	--	\$ 776	--	--	\$238,783	32.4%
Passthrough from State of Kentucky									
FHWA (Federal-Aid Highways - Transportation planning in certain urban areas) f/	31,051	--	--	--	--	--	--	31,051	4.2
FHWA Federal-Aid Highways - Carpool and Vanpool Projects) g/	--	8,806	--	--	--	--	--	8,806	1.2
Subtotals	\$ 31,051	\$ 8,806	\$ --	--	\$ --	--	--	\$ 39,857	5.4
Totals	\$389,652	\$82,119	\$163,826	--	\$102,478	--	--	\$738,075	100.0%

a/Excludes passthrough grants shown below. It is routinely specified by Federal funding agencies that OKI pass grant funds to certain units of local governments. Such sub-grant arrangements have no direct budget ramifications per se to OKI and, therefore, are not included in OKI's overall operational budgets.

Passthrough Grants by Specific Federal Funding Sources

Major Budget Categories	1/1/81 - 6/30/81			Totals
	HUD (Section 701)	UMTA (Section 8)	EPA Air Quality (Section 175)	
Transportation planning	--	\$83,699	--	\$ 83,699
Environmental planning (air)	--	--	\$18,985	18,985
Regional planning	\$7,590	--	--	7,590
Totals	\$7,590	\$83,699	\$18,985	\$110,274

b/UMTA (Section 8), Department of Transportation, Urban Mass Transportation Administration (UMTA), Urban Mass Transportation Technical Studies (Tech Studies) grants.

c/EPA Air Quality (Section 175), Office of Air, Noise, and Radiation, Environmental Protection Agency (EPA), Air Pollution Control Program grants.

d/HUD (Section 701), Department of Housing and Urban Development (HUD), Comprehensive Planning Assistance ("701") grants.

e/HUD (CD - Discretionary), Department of Housing and Urban Development (HUD), Secretary's Discretionary Fund, Community Development Technical Assistance (Technical Assistance) grants.

f/FHWA (Federal-Aid Highways - Transportation Planning in Certain Urban Areas), Department of Transportation, Federal Highway Administration (FHWA), Highway Research, Planning and Construction (Federal-Aid Highway Program) grants.

g/FHWA (Federal-Aid Highways - Carpool and Vanpool Projects), Department of Transportation, Federal Highway Administration (FHWA), Highway Research, Planning and Construction (Federal-Aid Highway Program) grants.

h/UMTA (Section 6), Department of Transportation, Urban Mass Transportation Administration (UMTA), Urban Mass Transportation Technical Studies (Tech Studies) grants.

j/Figures may not add to totals because of rounding.

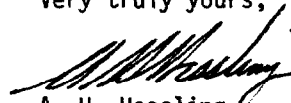
the site study for pre-selection of local housing is not an OKI study and OKI is not responsible for its implementation; that the clean air report's implementation depends on Congressional action in 1982; that the transportation report will be implemented; and that efforts to implement the key recommendations of the economic development report will get underway in February of 1982. We suggest that the digest be modified to reflect the information presented in the full text.

The assessment of the four reports and the interviews with local officials are the only kinds of information provided in the audit for evaluating OKI's worth. OKI's past and overall performance are not considered. Occasionally, member governments become dissatisfied with OKI. This dissatisfaction relates to the very nature of the agency and extends to a broad range of programs. Regional agencies such as OKI that provide a buffer between local and federal agencies bear the brunt of controversy and resentment for unpopular federal programs, as evident from OKI's involvement in reviewing the placement of federally-subsidized low-income housing.

As you review our concerns, we hope you consider the implications of your report for determining whether OKI's efforts are worth the cost. In spite of the problems that exist, there is a need to coordinate decisions that have regional implications and a need for some organization to evaluate regional options. With cutbacks in federal funding, the need for coordination will be even greater.

Again, thank you for providing us the opportunity to comment.

Very truly yours,



A. H. Hessling
Executive Director

AHH:mmb

(018541)



OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS

426 East Fourth St.
Cincinnati, Ohio 45202
(513) 621-7060

John Madoffori, President
A. H. Hessling, Executive Director

December 22, 1981

Mr. William J. Anderson, Director
General Government Division
United States General Accounting Office
Washington, D. C. 20548

Dear Mr. Anderson:

We would like to convey our appreciation for the opportunities you have provided for us to comment on GAO's initial and revised draft audit reports. We appreciate the revisions' responsiveness to some of our specific concerns with the initial draft. We have some remaining concerns, however, about the implications produced by the revised report.

In response to Congressman Luken's request, the audit investigates the "usefulness" and "implementability" of four studies prepared by OKI. The studies' usefulness are confirmed, but the discussion on implementation implies that OKI is responsible for producing reports that will not be implemented. A reading of the full report clears up part of this misconception. The full report explains that the study that has not been implemented (the study on pre-selected low-income housing sites) falls under the purview of the City of Cincinnati and not OKI, and it explains that the study in draft status for which implementation is uncertain ("Balancing Economic Development and Clean Air") is part of a larger study that will not be published until mid-1982 and for which implementation depends on the extent to which Congress modifies the Clean Air Act. The implementation progress of the other two studies is not evaluated because enough time has not elapsed since their publication to provide for an adequate assessment. In fact, however, the recommendations of one study (the transportation plan for year 2000) will most certainly be implemented since state and federal funding for transportation projects can be spent only for those projects consistent with the report. For the other report ("Regional Development Framework"), the difficulties anticipated in implementing its recommendations do not diminish the need or value of developing strategies to increase local employment.

In short, the digest's discussion of the implementation of OKI's reports states that there is cause for Congressman Luken's concern about implementation. Such concerns are not warranted, however, in light of the fact that

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