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## The Community Development Block Grant Program : a local perspective.

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THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM:  
A LOCAL PERSPECTIVE

A Dissertation Presented

by

DEAN E. SHANKLE, JR.

Submitted to the Graduate School of the  
University of Massachusetts in partial fulfillment  
of the requirements for the degree of

DOCTOR OF PHILOSOPHY

May 1992

Political Science

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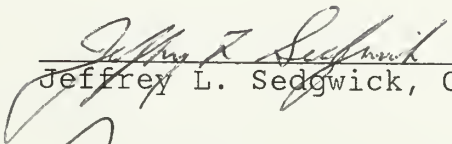
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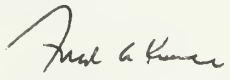
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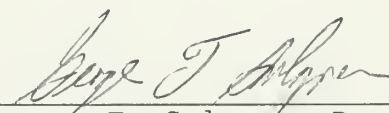
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TO JEAN, MY WIFE, WITH LOVE

ABSTRACT

THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM:  
A LOCAL PERSPECTIVE

MAY 1992

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In 1974, seven previously separate categorical grants were combined in the newly authorized Community Development Block Grant Program and placed under the administration of the Department of Housing and Urban Development. One component of this program became known as the Small Cities Program. It involved discretionary, non-entitlement funds that are awarded on a competitive basis to municipalities of fewer than 50,000 people.

The 1981 reauthorization included a provision allowing the states to administer the Small Cities Program. Beginning with the 1983 funding cycle, the New Hampshire Office of State Planning undertook this responsibility. The question that this dissertation set out to answer was whether this devolution has, as envisioned by its advocates, allowed for a more flexible, efficient and wide-spread disbursement of these funds. The focus has been on the effects on the program as administered at the local level.

The evaluation was done in four steps:

1. Data on each grant application and award in New Hampshire from 1975 to 1990 was gathered and analyzed.
2. Changes in the program's major design features under both HUD and OSP were summarized.
3. People who had participated in the program under both administrations were interviewed.
4. Conclusions were reached based on an analysis of all available data.

It was found that after the devolution:

1. A greater number and percentage of applications were funded.
2. The average size of municipalities receiving funds decreased significantly.
3. The types of activities funded changed, with a greater proportion of the money going toward economic development and public facilities projects rather than housing rehabilitation.

These findings, and the other data obtained, led to the following conclusions:

1. The devolution accomplished its major goal.
2. Human resource capacity-building on the state and local level is vital.
3. New Hampshire's program design succeeded because it was flexible, utilized a straight-forward scoring system and had clear objectives.



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## CHAPTER I

### INTRODUCTION

Ultimately, the question has to be asked: Who is this program for and what is it supposed to do for them? What are the roles for the states? Localities? The poor? Comprehensive neighborhood revitalization? Sewer and water lines? Entrepreneurs seeking subsidies from government? And job creation? Much of the struggle over the program is due to confusion over these issues. It may be more important to look not only at Congressional intent or executive implementation, but at who ultimately benefits from the program and how those benefits manifest themselves. States benefit from the staffing, visibility, and power that goes naturally with resource allocation. Certain localities benefit based on the project selection criteria and how much of the funding they can use locally to serve the interests of elected and appointed officials. Whether the poor really benefit from the program is, to us, the crucial question, and it remains largely unanswered at this time. (Jennings, et al, 1986, p. 248)

This is the final paragraph of From Nation to States: The Small Cities Community Development Block Grant Program, the most comprehensive analysis to date of the devolution of the CDBG program. It was clearly the editors' desire to set out a challenge to others to pick up where they left off. This essay will attempt to do that. As the title of their book suggests, they were concentrating on one component of the CDBG Program, the Small Cities portion. Basically, the Small Cities funding is allocated by an open competition in which interested local governmental units attempt to "win" funds by writing successful grant applications. The other major component of the CDBG program is the Entitlement portion, whereby all communities of a given size receive funds based on a complicated allocation formula. My essay



will also focus exclusively on the Small Cities Program because the states have no say over the disbursement of entitlement funds.

These components were developed with two different purposes in mind. Entitlement cities can do long-term planning. Their leadership is aware that every year a certain designated amount of money will be available for housing rehabilitation, public facility improvements and economic development activities. They can target a certain section for multi-year funding or decide to do housing rehabilitation projects in different neighborhoods on a rotating basis. The certainty of the funding greatly increases their flexibility.

The Small Cities funding is different. The project-specific nature of these grants necessarily results in projects that are not merely one piece in an overall community development strategy. The competitive nature of these awards forces both the states and communities to look closely at the needs of the people and design projects which meet those needs. The focus becomes much more "people-oriented"; community development is not as important. Since Small Cities projects are rarely funded for more than one year, long-term planning is not paramount; short-term results are. The Small Cities component is especially important in a state like New Hampshire where it is not unusual to find rural pockets of poverty in otherwise affluent bedroom communities.

The goal of the devolution from the nation to the states was, as we shall see, to improve the program's ability to achieve this purpose --- to allow CDBG funds to be used to meet more effectively the needs of people in the program areas it covers. My thesis is that by providing for a wider disbursement of the funds, by fostering a more efficient administration of the program, and by encouraging a more careful selection of projects for funding, devolution has accomplished that goal in New Hampshire. This essay will develop these themes.

#### A. Purpose

When undertaking a study of this nature and magnitude, it would seem reasonable to outline the reasons why this should be done. There are two distinctly different reasons I have chosen this subject: the first, strictly academic; the second, more personal.

In his classic work, Understanding Public Policy, Thomas Dye stated that Americans "assume that when Congress adopts a policy... the effects of the policy will be felt by society and will be those intended by the policy." In his next sentence he concludes the obvious: "Unfortunately, these assumptions are not always warranted." (Dye, 1975, p. 327) Considering the amount of resources being allocated to this program, it would seem worthwhile to test this assumption on this program. This paper will be an attempt to determine whether the devolution of the CDBG from the federal government to the states achieved its stated goals.

The approach this paper will take, therefore, will be that of a classic public policy evaluation.<sup>1</sup>

James E. Anderson, in Cases in Public Policy-Making, explains that, in general, policy evaluation is the "assessment of policy... to determine whether it is accomplishing its goals..." (Anderson, 1982, p. 209) To do an effective evaluation, says Anderson, the researcher must undertake a "systematic examination and explanation of the formation... (of the program), its substantive content, and its impact and consequences." (Anderson, 1982, vii.)

He further details various approaches that can be taken when doing an evaluation. First, an analysis can be done which will determine whether a particular policy is feasible. He suggests that agencies regularly do this sort of analysis both before policy adoption and during its implementation.

Next, he describes a type of policy evaluation which concentrates

"on the administration or operation of particular policies and programs... Evaluations conducted along these lines can help tell us whether programs are honestly or efficiently operated and who receives their immediate benefits. They will tell us relatively little, however, concerning the societal effects of a program or policy, whether it's achieving its purposes, or whether it has other consequences." (Anderson, 1982, p. 210)

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<sup>1</sup> The literature on public policy analysis generally recognizes five steps in the process: Agenda setting, formulation, adoption, implementation, and evaluation (which is sometimes split into evaluation of outputs and the evaluation of outcomes).

I have chosen not to use either of these methods. My concern, as I stated earlier, is to see if the devolution has allowed the funds to be more effectively distributed to meet needs in ways that were previously not possible. Therefore, I have chosen to approach this evaluation in the third manner discussed by Anderson. I have undertaken a "systematic, objective, rigorous examination" of the policy in order to determine whether it is accomplishing its intended goal. (Anderson, 1982, p. 210) I trust the reader will agree that I accomplished this objective.

One final observation regarding why I have used this approach: in some areas there is a lack of information which would have been needed to do a more detailed comparative study. It would have been interesting to delve more deeply into how the devolution changed administrative structures and financial management practices. However, much of this information is not available. It was neither collected by the granting agencies nor saved by the grant recipients. Any aspect of the program in which changes could not be thoroughly studied and documented were not included in this study.

Rossi and Freeman, in their book on research methods, Evaluation: A Systematic Approach, point out that

the prerequisites of assessing the impact of an intervention are as follows: First, ... the project should have its objectives sufficiently well articulated to make it possible to identify measures of goal achievement... Second, the intervention should have been sufficiently well implemented for there to be no question that its



critical elements have been delivered to appropriate targets. It is obvious that it would be a waste of time, effort, and resources to estimate the impact of a program that lacks measurable goals and has not been implemented properly. (Rossi, Freeman, 1983, p. 187)

I have attempted to design and carry out this impact analysis with this advice in mind.

As I stated earlier, the academic aspect of this study was only one of two reasons I undertook it. The other is my long-term personal involvement; I began working with the CDBG program in a number of capacities in 1983. I have written and been project director on grants and have supervised others in all aspects of these programs.

While working in the field I regularly found that very few of those working directly on these programs (and even fewer of those working most closely with the final recipients of the funds) ever consider the legal, political, or philosophical background of these grants. The intake people, who determine whether an applicants are eligible for assistance in making their dwelling "decent, safe, and sanitary," is not concerned with "congressional intent." A new housing inspector, determining what work needs to be done to accomplish a rehabilitation, cares little for changes in statewide scoring procedures. A project manager, responsible for overall program compliance, has probably not considered the implications of the choice of the state agency that administers the program.

But these are the types of issues on which virtually all of the present studies focus. There is no doubt that these are important issues which must be studied if the background and framework within which these programs must operate is to be understood. But, in order to determine if devolution has been successful, a closer analysis of the program must be undertaken.

There is a need to assess how the people at the local level are carrying out their responsibilities. Who is writing the grants and why? How are localities interpreting the priorities and scoring set by the state and how is their interpretation affecting the quantity and type of applications being written? By taking this study that one more step and looking at the impact at the community level, the answers to these questions should become clearer.

But why bother? What good is having such information? Will such a study have implications which are no broader than just to encompass a handful of communities in a small, rural state? If so, it is, despite some local interest, not worth the effort a study of this sort requires.

To avoid irrelevancy, I will attempt to use the information gathered to determine whether the national measurements being used are really accomplishing the purposes for which they were enacted. Do they allow the money to be disbursed as widely as it could be, thus maximizing the number of potential recipients? Is the requirement that CDBG funds would "principally benefit" low- and moderate-

income<sup>2</sup> people both specific and flexible enough to allow the other national and local objectives of the program to be met? I believe the results of this study will be useful in program design in a wider geographical area.

#### B. Objectives and Methodology

Although implicit in the above discussion, it seems appropriate to specify the objectives of this study. Knowing the methodology to be used to meet these objectives and the general organization of this essay should help the reader evaluate the conclusions.

##### Objective #1

The first objective of this outcome analysis is to determine the changes at the state level which have been caused by devolution. In order to do this, background on the program has been provided. How was the money being distributed among non-entitlement cities by HUD? What type of projects were being emphasized under HUD and what criteria were being used to choose the grantees of the funds? Primary source data is available to answer these questions and analysis of that data contained herein will make clear what the national administration was emphasizing in New Hampshire.

Then came the "Reagan Revolution" and his "Federalism Initiative." Washington made it possible for the states to

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<sup>2</sup> This phrase has been changed in the last couple of years to "low and very low." Because all of the documents and records that will be used in this paper use the older formulation, this paper will do the same.

take over administration of the program; and New Hampshire (along with 35 other states and Puerto Rico), true to its independent streak, welcomed the opportunity. The program was given to the Office of State Planning to administer, the implications of which will be discussed; and a Community Development Advisory Committee was established to develop policies and rules. In developing these policies and rules, the Committee made a number of implicit and explicit policy decisions which were later ratified by the Governor and Council and by the Legislature. Discovering the results of these decisions is the first objective.

#### Objective #2

After outlining the changes which have occurred since the state took over, this analysis will then proceed to the second objective: determining how these changes have affected local communities. This is the heart of this analysis and has been approached using both quantitative analysis and interviews.

There is a multitude of primary source data that has been used to establish statistical patterns. These patterns should provide a snapshot of the program on a year by year basis in a number of areas. First, we should be able to determine how the changes in policies affected the grants awarded. Have dollar amounts per grant increased or decreased? Are multi-year grants still possible? Is housing being emphasized more under the state's program than it had been under HUD? The answers to these questions, and



others, will help us begin to understand the results of the changes which occurred.

Next, this analysis has focussed more specifically on the local response to the changes. How have the changes affected the type of grants for which communities apply? Are different communities applying? Have there been any significant changes in the administration of the grants? Is more of the administration being contracted out to consulting firms or non-profit agencies (i.e., regional planning agencies)? The answer to these questions have long- as well as short-term implications.

After analyzing this hard data it was then possible to interview people who have been involved with the program since HUD was administering it. These interviews accomplished two things:

1. Extracted reactions to the statistical data developed. Do the people who have been involved throughout the years think that the statistics accurately reflect what they have seen happening? And, in those areas where changes have occurred, what do they perceive to be the reasons? These interviews help identify the "whys" of the indicated changes.

2. Extracted suggestions from these long-time practitioners regarding improvements in program design and implementation. These people have worked with the program for over seven years, primarily on the local level, and their insights and suggestions should be instructive.

### Objective #3

Lastly, the data has been compiled and analyzed to determine whether the central question of this essay, "Has the devolution of the Small Cities Program been successful; has it improved the program?" can be answered.

#### C. Review of the Literature

Existing writing on the Community Development Block Grant Program generally falls into one of three basic categories: 1) General overviews of changes which have occurred using the explicit policy statements of state programs; 2) use of data from one or more states to suggest general changes which have taken place since the states have taken over, and 3) effects of the devolution on the political decisions made within entitlement cities.

This last category is of limited use in this study, but these works do help clarify some of the general parameters of the political in-fighting which can be expected. Sander and Stone (1987), Wong and Peterson (1986) and Steger (1984) are all particularly helpful in this regard. Dommel and Rich (1987) take a broader view and highlight some changes in the program which have led, according to their analysis, to less needy cities receiving entitlement funding.

The literature that gives a general overview from the perspective of the stated goals of various programs is helpful for establishing background. Both Nanno (1983) and Hershey (1983) wrote their articles before a significant amount of hard statistical data was available and both take

a more traditional political science approach to the problem. Hershey provided an even-handed assessment of the changes being proposed by the states; Nanno provided insight into concerns that were then being expressed by those who were not enthralled with the "Reagan Revolution" in the area of housing.

The other category of articles are essentially compilations of hard data gathered from the experiences in the states. One of the most influential of these has been The State CDBG Program: The First Year's Experience, produced by the U.S. Department of Housing and Urban Development. Other studies which followed generally imitate the format and statistical analysis used in this work. In this study HUD provided the statistical data on each of the 36 state which chose to take over the program in 1983.

Herzik (1986) also takes a large cross section of states and attempts to determine the effects of decentralization. Morgan and England (1984) and Fossett (1987) are both more limited in scope, focussing on one and four states, respectively. In each instance the concern is on the overall state perspective; no attempt is made to consider the community impact.

This evaluation will delve into the central issue of program beneficiaries and the major focus will be on the local experience. Devolution had a significant impact on non-entitlement cities; this analysis looks at that impact.

## CHAPTER II

### THE EVOLUTION OF THE CDBG PROGRAM

#### A. The Early Years

In 1974 Congress authorized three years of funding for the Community Development Block Grant Program. Although the legislative maneuvering which brought this about is fascinating, any reader who desires more information can find myriad articles and books written on the subject, and its inclusion would add nothing of value to this paper. The intent of the program, however, is significant.

The Community Development Block Grant (CDBG) Program, as established in the Housing and Community Development Act of 1974, was a major policy shift away from the centralizing effects of the Great Society Programs of the 1960s. One of the basic tenets of political science is that "power follows money." Federal grant programs represent large sums of money and, therefore, large reservoirs of power.

A major shift in the manner in which this money was distributed was bound to have profound influence throughout the political system. The CDBG Program did just that and did it by design. President Ford said that the intention of the program was to

...help return power from the banks of the Potomac to the people in their own communities. Decisions will be made at the local level. And responsibility will be put squarely where it belongs --- at the local level." (Weekly Compilation of Presidential Documents, Vol.10, No.34, p.1060.)



Although such high goals for a program seem like political rhetoric, in fact the 1974 block grant program represented a major shift in the way the national government approached community development. The new program folded seven previously separate categorical grant programs together into the newly developed block grant.<sup>3</sup> The purpose, as President Ford implied, was to give local communities more flexibility to handle their problems in a way in which they felt was most appropriate. Since notions of "community development" and what makes for a positive environment vary widely, not only among regions of the nation, but even within states, this approach seemed reasonable. This was especially true since by the mid-1970s it was widely perceived that most of the "social engineering" programs of the 1960s had not met their original (possibly overly-) high expectations.

This is not to imply that the national government intended to send buckets of money to the states to do with as they pleased. The idea was to give some local discretion and simplify the federal grant process to a degree, not totally. The 1974 Act declares that "the future welfare of

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<sup>3</sup> These previous grants were: Urban Renewal under Title I of the Housing Act of 1949; Model Cities under Title I of the Demonstration Cities and Metropolitan Development Act of 1966; Water and Sewer Facilities Grants under Section 702 of the Housing and Development Act of 1965, Neighborhood Facilities grants under Section 703 of the Housing and Development Act of 1965; Public Facilities Loans under Title II of the Housing Act of 1961; Open Space Grants under Title VI of the Housing Act of 1961; Rehabilitation Loans under Section 312 of the Housing Assistance Act of 1964.

the nation and the well-being of its citizens depend on the establishment of viable urban communities as social, economic and political entities..." The stated main goal of this Act was to foster "the creation of viable urban communities." The Act was designed to achieve this policy goal by incorporation of a number of specific requirements. The central requirement, found in Section 104(b)(2), was that communities must give "maximum feasible priority" to three specific "Major Activities": Low- and moderate-income benefit; the elimination of slums and blight; or the meeting of an urgent community need.

#### Low- and Moderate-Income Benefit

The low- and-moderate income benefit objective was the objective which was to have the most significant impact on the design of projects under this program. Although many of the categorical grants being folded in, because of the intent of their programs, tended to serve a low- and moderate-income clientele, the inclusion of this as a major national objective would control program design in ways unknown under the earlier grants. In the original Act, Section 101(c) mandated that any projects supported by CDBG funds would benefit "principally persons of low- and moderate-income." Later, as we shall see, HUD during the Carter Administration did its best to see that at least 51% of the funds would be used to benefit low- and moderate-income individuals. This essentially eliminated any project which had a community-wide direct benefit unless 51% of the

entire population of the community were demonstrably low- and moderate-income households. Because of the impact this change would have on the program, HUD was never able to convince Congress to change the legislation and had to rely on their rules (which many area offices were willing to "bend") to attempt to have this policy implemented.

### National Objectives

In addition to these Major Activity areas, the Act outlined seven National Objectives. These were supposedly the means to achieving the goals. These seven stated objectives were:

1. The elimination of slums and blight and the prevention of blighting influences and the deterioration of property and neighborhood and community facilities of importance to the welfare of the community, principally persons of low- and moderate-income;

2. The elimination of conditions which are detrimental to health, safety, and public welfare, through code enforcement, demolition, interim rehabilitation assistance, and related activities;

3. The conservation and expansion of the nation's housing stock in order to provide a decent home and a suitable living environment for all persons, but principally those of low- and moderate-income;

4. The expansion and improvement of the quantity and quality of community services, principally for persons of low- and moderate-income, which are essential for sound

community development and for the development of viable urban communities;

5. A more rational utilization of land and other natural resources and the better arrangement of residential, commercial, industrial recreational, and other needed activity centers;

6. The reduction of the isolation of income groups within communities and geographical areas and the promotion of an increase in the diversity and vitality of neighborhoods through the spatial deconcentration of housing opportunities for persons of lower income and revitalization of deteriorating or deteriorated neighborhoods to attract persons of higher income; and

7. The restoration and preservation of properties of special value for historic, architectural, or aesthetic reasons.

These national goals and objectives had a tremendous impact on the Discretionary Grant (Non-entitlement) portion of the CDBG program. Since these discretionary grants (restructured and renamed the Small Cities Program in 1978) were awarded by HUD to communities on a competitive basis, it was essential that an acceptable application be developed. In entitlement cities, the city officials could negotiate with HUD officials over how funds which had already been granted to them (on a formula basis) would be used; non-entitlement communities had no negotiating leverage. If HUD officials didn't think the project adequately

met the national objectives the community received no funding --- period.

Even in this brief introduction to the CDBG program the origins of many of the issues which this paper will address begin to emerge. From community to community it is evident that different decision-making processes will produce different answers to community development questions. These different processes will also likely result in different distribution of program benefits. The amount of mandated requirements from above would seem to be a significant factor in the eventual project design. This will become clear as the reactions to the changes in mandated requirements occur.

## B. The Carter Years

### General Changes

The changes which occurred under the Carter administration were significant and affected nearly every aspect of the program from project selection to implementation. Every study on the program which deals with this time period agrees with the assessment that in the 1977 - 1980 time period "HUD became increasingly involved in various aspects of local execution of the CDBG program." (Brookings, 1981, p. 7)

There is nearly universal agreement on the cause as well. Local discretion diminished as a result of "an explicit decision by top HUD officials in early 1977, just after the Carter administration took office..." (Brookings,



1981, p. 183) This loss of discretion had an impact on many areas and with the 1977 Reauthorization of the program many of these changes became law.

One of the concerns that had been expressed about the program since its inception was that, as a result of various compromises under the original, the focus of the program was "fuzzy." The Carter Administration sought to clarify this focus by targeting the benefits to very specific constituencies.

On the national level, the allocation formula that had been used for the entitlement portion of the grant was joined by a second formula. This formula took into account a different set of criteria (e.g., age of housing stock) and so suggested a different resource allocation. This second formula was weighted so that older, eastern cities scored better. Politics being what it is, however, the second system did not replace the first. Rather, a dual allocation system was used and cities received an allocation based on their highest score under the two systems.

Another major change which had the same aim as the dual formula allocation system, aiding the most severely distressed cities, was the development of the Urban Development Action Grant (UDAG) Program. This program set aside a certain amount of CDBG funds for the purpose of encouraging the development of large projects in severely distressed cities. Many office parks, hotels and waterfront rehabili-

tation projects were undertaken with UDAG funds.<sup>4</sup>

The third major change, and the one most germane to this study, was the development of the Small Cities Program. This was really the first major restructuring of the non-entitlement portion of the CDBG program since its inception. The Discretionary Grant Program was finally coming into its own through this restructuring. And, as one study explained, "As a result of these changes, the program developed a more standardized, quantitative selection procedure and saw its funding allocation increase dramatically from \$438 million in 1977 to \$926 million in 1981." (Bleakly et al., 1983, p.249)

In addition to these major program developments there were explicit decisions to target benefits in two ways: geographically and socially. In order to do this effectively, administrative changes needed to be made. These were especially important to the non-entitlement communities for, as we've seen, the necessity of competing for funds required them to design their applications according to HUD standards.

In fact, under the Small Cities program a municipality might not even reach the "application" stage; a "pre-application" was required of any community that wanted to be considered for funding. The purpose of this was to save both the communities and the HUD officials the bother of

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<sup>4</sup> The 1977 allocations were CDBG, \$3.5 billion; UDAG, \$400 million.

dealing with the fairly long, complex application form. In the pre-application stage, a community would find out if there was any reason to go through the application process.

In the pre-application stage HUD looked at the size of the community, the needs outlined and the type of project being proposed. They then scored these pre-applications using four specific sub-competition areas: Metropolitan-single purpose; metropolitan-comprehensive; non-metropolitan-single purpose; and non-metropolitan-comprehensive. Applications within each of these categories were selected, and then HUD personnel solicited final applications from those which they felt were most likely to score well under their application procedure.

This screening process, although potentially unfair, was a blessing in disguise to those communities which, for whatever reasons, had no chance of receiving funding. The actual application was complex and took considerable expertise to prepare. Many consulting firms were born and many regional planning agencies found a new source of available funds because of these applications. Briefly, the applications asked for the following information:

1. A three-year community development and housing plan. This needed to be sufficiently detailed to allow HUD to compare the local plan with national objectives and to determine how the community's request for funding would fit within this three-year plan.

2. A listing of program activities by neighborhood

rather than by activity. This was to make communities address the issue of "geographic targeting" and make them supply information on what share of the benefits would go to these specific neighborhoods.

3. An explanation of how the program would benefit low- and moderate-income households and what percentage of the funds would go for that purpose. This was an attempt to encourage municipalities to consider the "social targeting" aspect of the program.

4. A detailed description of how public participation requirements would be satisfied. The need for citizen participation had been expanded with the reauthorization and the application had to state clearly how these new requirements would be met.

In order to help communities deal with this process, HUD produced two handbooks for the first time. These handbooks, one essentially an internal document, the other for general distribution, made it ever more clear that HUD was going to keep a closer eye on how the funds were being disbursed. For external distribution, HUD produced "Handbook 6503.1, Reviewing and Processing Community Development Block Grant Entitlement Applications." For internal purposes, HUD distributed "Handbook 6509.2 Rev., Community Planning Development Monitoring Handbook." Both of these handbooks were released in March of 1979.

The application handbook essentially outlines the way that various HUD regulations should be interpreted, although

it provided little practical guidance for communities not already familiar with the program. It did, however, give specific examples of how to follow targeting guidelines and what HUD would be expecting of communities when it came to implementing this particular policy shift. The importance of this handbook is that it demonstrates that HUD, by the 5th year of the program, was elaborating on the general guidelines that had been given earlier. This, of course, led to more centralized control.

This handbook required a yearly site visit to each jurisdiction.<sup>5</sup> These visits would require the municipality to sit down with the monitoring team and go, step by step, over its program and its progress. These visits were not only to determine whether all national objectives were being met, but whether the projects were being carried out in a "timely" and "efficient" manner. These looked at management systems, financial recording keeping and general filing. The effect of this handbook was to impose a specific standardized system that municipalities needed to adopt if they wanted to avoid monitoring "findings." The interference of HUD in administrative prerogatives irritated local officials. But it was the use of these monitoring visits to determine whether communities were achieving HUD's targeting priorities that had the most impact on the communities.

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<sup>5</sup> This "requirement" was apparently loosely applied. Each of the people interviewed for this paper claimed that HUD only monitored the projects at the very end. This was one of the major problems many communities had under HUD.



## Social Targeting

We will expect communities to direct development and housing programs toward low- and moderate-income citizens. I do not consider this to be just an objective of the block grant program, it is the highest priority of the program. (Dommel et al., 1980, p. 1)

So stated new HUD Secretary Patricia R. Harris to a House subcommittee in March 1977, one month after taking office. This turned out to be more than rhetoric. Over and over this priority - social targeting - became the standard by which programs were judged.

As has been discussed, the CDBG program was designed to give localities as much flexibility as possible in the design of their programs. President Ford had stated that flexibility was the REASON for the block grant. It was a premise of the program that local officials had a good idea what was needed in their communities to improve the quality of life. Social targeting forced a change in the types of applications generated.

One study's observation summarized the results of this new highest priority. "Generally issues concerning benefits to lower income groups, social targeting, dominated HUD-local relations on substantive issues during the 3rd and 4th years" (1977, 1978). (Dommel, et al., 1980, p.49) This had a tremendous impact on the types of applications funded in New Hampshire, as will become evident later.

## Geographic Targeting

The idea of geographic targeting was, essentially, to get "the most bang for the buck." This was to be done by concentrating benefits in the smallest geographic area possible, given the scope of the project. Applications were to include "target areas" and these areas were to be as compact and contiguous as possible. Identifiable and natural neighborhood groupings were encouraged.

The Federal Register explains the concept of a target area. It states that each area had to be primarily residential and must meet the following criteria:

...a slum or blighted area which is designated by the applicant for concentrated treatment; such area shall be of manageable size and condition, physical and otherwise, so that block grant and other resources to be committed to the area can substantially meet the identified physical development and housing needs with a three to five year period. (Federal Register, Vol.42, no.205, October 25, 1977, p. 56465, sec. 570.301(a)(1)).

The same section of the Federal Register goes on to explain the reason for this targeting:

It is HUD policy to encourage the use of block grant funds in a concentrated manner in order to produce substantial long-term improvements in the community. The applicant is specifically encouraged to carry out a strategy for comprehensive neighborhood revitalization which concentrates sufficient resources to stabilize and upgrade residential areas affected by blight and deterioration. (Ibid, sec. 570.301(a)(3)).

The intent was clear, and when coupled with the fact that low- and moderate-income benefit was to be the highest priority, the program's focus on poor neighborhoods and

"pockets of poverty" was obvious. For larger cities, those with such neighborhoods, this made some sense; for rural New Hampshire, where a dilapidated mobile home is likely to be situated in an otherwise middle-class neighborhood, difficulties developed. Once again, this will be addressed later.

#### Other Significant Changes

There were two other changes made when the program was reauthorized in 1977. Both of these related to program focus and eligible activities. These changes were in the areas of economic development and housing rehabilitation.

In the area of economic development, the 1977 amendments essentially took the CDBG program into a new area. Since the beginning of the program the expansion of economic opportunities was one goal of the block grant, but interestingly, the original legislation did not include economic development as one of the national objectives and did not include economic development projects in the list of eligible activities. In the 1977 reauthorization both of these areas were addressed. The "expansion of economic development" became the eighth national objective; it became a separate "Major Activity" (along with Public Facilities and Housing Rehabilitation) and a list of eligible economic development activities was included.

By the same token, housing rehabilitation became an activity, fully able to be funded on its own. Until this time, housing rehabilitation could be done as part of a

comprehensive grant which addressed other community needs as well. Although many of the grants in the first two years were mainly housing rehab, the reauthorization now made it possible for applications to apply for money solely for housing rehabilitation.

These changes, unlike social and geographic targeting, did give communities somewhat more flexibility in developing their applications.

### Summary

The first six years of the program was a time of many changes in the CDBG program. This is not surprising since it was conceived under the Nixon administration and reauthorized under Carter. Most of the conclusions will, therefore, need to be modified; yet, some patterns emerge.

In general, the original intent of the program was basically sound and being realized. Even after the Carter administration tightened up, municipalities still had more flexibility to design community development programs than they did when the various grants were separate. This flexibility allowed "comprehensive grants" to be used to fold together a number of projects which, although part of an overall community development strategy, were of various types. This was especially true in entitlement cities but worked in the Discretionary (Small Cities) program as well.

An important corollary to this flexibility is the increase in local control of the funds. They were allowed to design their own administrative structures. This was

very important to small rural communities. Some did not have and could not afford, the personnel required under previous grants. The design of the CDBG program allowed them to hire consultants or contract with Regional Planning Agencies for administration. This was not as easy under the older grants.

Although this flexibility was diminished under the Carter administration, the basic ability of communities to decide how the guidelines would be met remained. In some way, the stricter guidelines, and especially the monitoring handbook, gave local officials some idea of what HUD expected from them.

In the period after the 1977 reauthorization, targeting, both social and geographical, played a major role in the program. This targeting strategy certainly achieved its stated purpose: it forced grant recipients to focus their efforts on low- and moderate-income neighborhoods. To do this, communities needed to develop very specific neighborhood revitalization strategies.

Generally, during the early years of the program, most of the funds in non-metropolitan areas were spent on two categories of activities: housing rehabilitation and neighborhood conservation.<sup>6</sup> But the changing distribution of the funds between the two areas reveal an interesting trend.

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<sup>6</sup> Neighborhood conservation consisted of such items as infrastructure improvements and historic preservation activities; typical "neighborhood revitalization" efforts.



As the table below shows, in 1976 37% of the program allocation in non-metropolitan areas went to housing rehabilitation activities; only 23% was used for neighborhood conservation. This shows very clearly the effect nationwide that targeting was having on the distribution of these funds.

TABLE 1  
PROGRAM ALLOCATIONS IN NON-METROPOLITAN AREAS (%)

YEAR	1975	1976	1977	1978
Housing Rehabilitation	28	37	37	22
Neighborhood Conservation	23	23	22	45
Social Services	18	10	6	7
General Improvements	10	4	3	2
Urban Renewal	4	14	22	11
Economic Development	1	4	4	2
Multiple Use	3	1	0	0

The changes which occurred during the first six years of the program reflected the political and social changes happening in America. The flexible nature of the CDBG structure encouraged just such an evolution. But the biggest changes were yet to come, for in 1980 Ronald Reagan defeated Jimmy Carter for the Presidency.

### C. The Reagan Revolution

#### The 1981 Reauthorization

Like the Carter administration before it, the Reagan people at HUD wasted no time in their efforts to reflect the new president's ideological stand on the CDBG program. On May 15, 1981, new HUD Secretary Samuel R. Pierce, Jr. had a notice issued to HUD staff members in Washington and all of

the HUD field offices. This notice changed the procedures governing the review of local applications and some of the more offensive (to local officials) review procedures were eliminated. But this was just the beginning: the Act needed to be reauthorized in 1981; that was where the big changes occurred.

These changes were for big stakes. The funding for the Small Cities portion of the CDBG program had increased from \$259 million in 1975 to \$926 million in 1981. Given the power that is tied to figures like that, it is no wonder that the idea of allowing the states to determine how the funds would be distributed met with some opposition in Washington, D.C.

Once again, the process by which these major changes occurred will not be analyzed here. It seems safe to say, however, that the overwhelming electoral victory of the new President gave the administration the ability to move forward on its agenda during this first year in office. The 1981 Omnibus Budget Reconciliation Act, which contained the block grant reauthorization, was a central piece in the administration plan.

This reauthorization was designed to reduce the role of the national government in the block grant program which had developed during the Carter administration, and to go beyond that to help implement Reagan's version of New Federalism.

The main aspects of this reauthorization included:

1. Elimination of the requirement that a municipality

develop a "written citizen participation plan."

2. Change of eligible activities as follows:

A. Allowed assistance to for-profit businesses.

B. Allowed funds to be used for comprehensive planning purposes.

C. Put a ten percent cap per grant award on public service spending.

3. Elimination of state application process in favor of a mandatory final statement. This eliminated HUD's ability to have major impact at the front end of the process, although they still needed to "formally award the annual grant."

A. States became much freer to develop purposes and procedures for distributing funds as state and local priorities dictated.

B. States, of course, did need to develop their final statement within certain federal guidelines.

Immediately implemented, these changes had a major effect on HUD's administration of the program. It was a small step by the administration toward allowing the localities more control over CDBG funds. The localities responded quickly. (Dommel, et al., 1983)

...the amount of change found so soon after the policy changes were instituted was surprising. This was most evident in the new interest in economic development in some cities, but occurred also in other aspects of local programming such as the decision in a few cities to spread activities across a wider geographic area." (Dommel, et al., 1983, p. 12)

But these changes applied to all grantees - entitlement and non-entitlement alike. The profoundly systemic change that occurred as a result of this reauthorization was the provision that allowed the states to begin administering the Small Cities program. This change covered all aspects of the administration, from setting priorities for the grants to the monitoring and evaluation. HUD's role would be to verify guidelines set by the legislation. They would do this at both the front end, by evaluating a state's "Final Statement" and, later, by evaluating their program performance.

The process for the yearly grant award changed much more than the annual monitoring. Prior to this reauthorization, the state needed to request its allocation by engaging in a lengthy and time consuming application process. It was through this process that HUD exerted its impact in the process, asking for a significant amount of data and requiring that the states show how they intended to comply with the myriad of program regulations.

The reauthorization eliminated the application process entirely. Instead, the states needed to provide a "Final Statement" which would describe in detail the objectives, projected use and method for allocating the funds.

This new process gave the states much more leeway in developing their own goals, priorities and procedures. They could focus much more specifically on what they knew to be the priorities within the municipalities in their states.

Still, the states did need to develop their final statements within certain national guidelines. Even within these guidelines, some major changes occurred. Some of these changes gave the states even more flexibility in program design than HUD had enjoyed. For one thing, the altered legislation made three major changes regarding what activities were eligible for funding under the program.

First, the legislation put a 10 percent cap per grant award on public service spending. Prior to this, many municipalities had been using these funds to run community development programs similar to HUD's Community Action Program (CAP) neighborhood centers. Primarily, these funds were being used to fund personnel to do outreach work and to furnish assistance to residents of "targeted" neighborhoods.

Second, CDBG funds could be used for comprehensive planning purposes. This was very important in many small to mid-sized municipalities which had an inadequate comprehensive (Master) plan or none at all. Obviously, if Community Development funds were going to be used effectively, an overall direction needed to be developed. As a practical matter, most states were going to be requiring the existence of such a plan if a municipality were going to receive funds. In some states it became a requirement; in some it was a factor in scoring. Since such plans, if developed properly, can cost in the tens of thousands of dollars for even a small town, funding assistance was vital in many areas.



Third, the reauthorization allowed assistance to for-profit businesses. Until this time, economic development money generally was channelled through non-profit development corporations. This legislation said that under certain circumstances loans could be given directly to the business themselves. This opened up possibilities for economic development activities that were simply not available before.

Cumulatively, these changes had significant affects even on those municipalities which had been previously involved in the program. Clearly, they reflected the Reagan notion of community development: they were designed to shift money away from public services and instead allow for infrastructure and economic development activities.

#### D. The First Year Experience

Before dealing specifically with what happened in New Hampshire when the state assumed responsibility for the program, it is interesting to review the immediate effects that the devolution had nationwide. A look at the results of a study, "The State CDBG Programs: The First Year's Experience," is instructive.

This study was done in May of 1983 for the Office of Policy Development and Research of HUD by a policy research firm in Cambridge, Massachusetts. This study had two major objectives:

- 1) to provide a clear description of the first year transition of the Small Cities Program to state control; and

2) to describe shifts in types of community development activities, the response of local government officials to state programs, and state uses of greater flexibility to meet small city needs.(5)

This study was done over a six months period soon after the states first began administration. Therefore, reviewing it will give indications of the immediate effects of the devolution. The patterns and precedents established nation-wide will provide a comparative framework for the reader when the study turns to New Hampshire.

#### Methodology

The study actually had two levels of participation in which we are interested:

1) An inventory of the "basic program characteristics" of the 37 original participants. This involved analyzing the final statement and program design of each state;

2) A more intensive analysis of 10 randomly selected states, including "state-level or site interviews, an analysis of applications and telephone surveys of applicant and non-applicant communities."(1)

The statistics used in the summary will be identified as to whether they come from the total participant study, or the 10-state sampling.

The study broke its area of inquiry into a number of discrete sections. In an attempt to portray the results of the study as accurately as possible, the categories found in the study will be used here.

## State Priorities

This study made three major points regarding state program priorities:

1) "States... are using the flexibility given in program design to re-target the program to their own priorities."

(iii) This was especially evident in the area of economic development. In "33 of the states, and 11 of 12 sample states" economic development activities were encouraged by the announced program priorities. And even more, overall, 39 percent of the funds in states with competitive systems were set aside for economic development projects. (251)

2) "States are attempting to weave their program priorities into the administrative structure of their programs.." (iii) The way this was done was through program design. Although program design may seem like an obvious way to ensure that specific priorities are achieved, the states were much more explicit than HUD in doing this. HUD's scoring system, as we shall see when we compare it with New Hampshire's, was relatively simple.

This flexibility was used by HUD regional offices to emphasize the priorities they believed were important in their districts. For example, the CDBG program in New England under HUD was more involved in housing rehabilitation activities than anywhere else in the country. This seems to have been primarily because the aging housing stock in the region was more of a problem than in other areas.

3) "Local awareness of program priorities is generally high, but varies considerably among states."(iii)

#### State Program Design

The study determined, after an analysis of all 37 participants, the following things regarding state program design:

1) "Most states have made the CDBG program part of their existing community and economic development structure."(iii) The study found that the participants are placing administrative responsibility for the program "within already existing departments or divisions involved with community affairs, economic development, and/or planning."(42) This situation is not as simple as it seems, however. In many states the program could have been placed in other, also logical places, with a different emphasis resulting.

For example, in Connecticut the program was placed with the Department of Housing. It could have just as easily been placed within the Department of Economic Development or the Office of Planning and Management.(45) It was not within the scope of the study to analyze the placement decisions.

2) "States have overwhelmingly chosen competitively-based systems of distributing their programs funds."(iii) This allows them to focus their efforts on these projects which address the states' priorities. The program designs did this by establishing certain threshold requirements and through their scoring system criteria.

## Threshold Requirements

The threshold requirements were the first part of the program design which forced localities to determine whether they were willing to comply with the states' requirements. The three most frequently used (singly or in combination) were special administrative requirements, a local match, and specific low- and moderate-income benefit requirements. The special administrative requirement threshold usually forced the applicant community to guarantee that they would provide a certain level of administrative structure if they received grant funds. This ranged from hiring a single grant administrator to setting up a community development office. This requirement came from a recognition of the fact that these grants required a significant amount of administration (and paperwork). The perceived lack of administrative expertise in the smaller communities was the generally accepted reason why HUD avoided providing CDBG funds to the smaller communities.

A local match was a threshold requirement in most states. This could require anywhere from 10 to 50 percent of total project costs coming from the community receiving the funds. This presumably showed a commitment on the part of the community and also helped encourage economic development projects, a nearly universal priority of the states.

Many states also designated a specific level of low- and moderate-income benefit as a threshold requirement. Although low- and moderate-benefit was one of the three



major national objectives of the program, Congress never set a specific level which needed to be achieved. This typically was 50 percent, but some states went as high as 75 percent.

#### Scoring Criteria

The Scoring Systems set up in the states were the second way which states guaranteed that their priorities would be reflected in the program design. Scoring systems generally were designed to very carefully lead communities to develop applications which contained those projects the states were interested in funding.

By far, the most used selection factor was "impact." Applicants needed to demonstrate that something needed to be done. Ninety-one percent of the communities made this criterion one of their major factors. This was also, by the way, one of the major factors used by HUD..

Another major selection factor, used by 76 percent of the 37 communities, was a measure of community need. This was a factor which the communities had no control over and was determined generally by looking at census data on either percentage of persons in the community who were living in low- and moderate- households or median income of the people in a community.(82)

This criterion was something which the applicant had no control over and tended to funnel the funds to the poorest communities in a state.

The third selection criteria used by a majority of the states (76%) was percentage of low- and moderate-income

benefits. This was used in many states as both a threshold requirement and as a scoring element. This forced applicant communities to design their program to focus specifically on this income group - otherwise they were risking a lower score and possibly not obtaining funds. Most public facilities projects have a problem with this criterion.

The fourth major scoring criterion (which was also used by 76 percent of the states) was leveraging ratio; the amount of non-CDBG funding that would be used in the projects. This also encouraged communities to look at economic development activities, where two or three to one matches (private to CDBG funds) are easy to design into a project; housing rehabilitation projects in single family homes are difficult to develop.(76, 77)

#### Procedures

The next area that the HUD study addresses is procedures that the states have established. Although many specific areas are addressed, only the following are relevant here.

1) The application processes developed by the states were generally well received in the communities. (vi) This was usually because all the applicants, winners and losers, felt the states had simplified the requirements. The responses to the following three questions graphically summarizes these findings.

Does the state application do a better job of allowing your community to address local needs that HUD?

	WINNERS	LOSERS
Percentage saying better	71	61
Percentage saying not better	29	39

Did the state application process require more paperwork than HUD?

Percentage saying more	22	11
Percentage saying some amount more	30	28
Percentage saying less	48	61

Did the state application require more data than HUD had?

Percentage saying more	19	19
Percentage saying same	37	38
Percentage saying less	44	43

2) "States are developing their monitoring strategies with 3 principal objects in mind: a. federal program requirements; b. monitoring; c. detecting problems early."  
(v)

The monitoring process was always one of the chief complaints communities had with HUD. Its procedure was only designed to catch violations after the fact, resulting in penalties being assessed. The states, while carrying out their mandated responsibilities under the federal guidelines, generally attempted to help the communities comply. In fact, the states did various things to provide technical assistance throughout the grant period, and most saw the formal monitoring visit as an extension of their outreach and assistance.

3) Two of the findings are related. First, they found that the states were actually "more concerned with ensuring success than in lessening their program's administrative burden." (v) Not surprising, then, was their finding that "states report mixed results in their efforts to lessen program administrative burden.(v)

These findings are not surprising. Although the states were given flexibility in program design, they were not given leeway in what needed to be reported to the federal government. They were now responsible for gathering the information and ensuring compliance with the federal regulations, as HUD had been before them. In many cases, grantees found themselves providing not only the information still required under federal rules, but additional information the state needed to begin building a data base.

#### Outcomes

Another area discussed is termed program outcomes, although this terminology as applied here is somewhat misleading. The focus of the study is the changes in the transition in program and grant types caused by the devolution, not the grants themselves. Therefore, the outcome being discussed is the outcome of the programmatic changes; in other words, how have the changes affected who receives funding? The findings are therefore related to changes in the type of applicants, grantees and grants being awarded.

1) Probably most significantly for this study is the finding that "the state CDBG Program is attracting a larger

number of applicants... and a greater number, but smaller percentage, of these applicants receive funding."(vii) The study found that there was, overall, a 52 percent increase in the number of applicants over the previous year.(vii) Another way of looking at this increased participation is that in 1981, under HUD, 18.7 percent of the eligible municipalities in the 37 states under consideration applied for grants. In 1982, under state administration, 39.7 percent of eligible communities put in applications. Obviously, this is a significant increase in participation.

2) State CDBG applicants are smaller but as with the previous federal programs, grantees tend to be significantly larger than the applicants (vii). The average size of state applicants had a population of 4,539, the average population of grantees was 10,567 (252).

3) "Prior experience appears to be related to application success."(vii) Although those applicants with prior experience had a significantly better chance of receiving funding, this can be accounted for in two ways. First, prior grantees would have the grant-writing and administrative capacity necessary for developing a successful application. Second, prior grantees would tend to be communities with demonstrable needs.

4) Applicants who proposed Economic Development or Housing Rehabilitation projects have a higher probability of being funded than applicants who propose public facilities grants.(vii) As the chart shows, this is especially true of



economic development grants, which, as has been mentioned before, were a priority of most states. (124)

TABLE 2

APPLICANTS AND GRANTEEES BY PROJECT TYPE

TYPE	APPLICANTS	GRANTEES
Economic development	11%	19%
Public facilities	59	48
Housing rehabilitation	18	23

This analysis of outcomes shows the importance to the communities of the devolution.

Local Effects

Lastly, the report looks at what effects the devolution had on the towns and cities of the states. This research was done as part of the 10-state in-depth visitation and interview process and reflects the view of both applicant and non-applicant communities.

1) States, it was found, have "made significant efforts to involve local communities" and, no doubt partly because of this, "local officials tend to have positive overall impressions of state administration."(ix)

The states, as has been discussed, generally developed their programs with a heavy emphasis on local technical assistance. In many cases, they even provided money to sub-state organizations, such as regional planning commissions, to allow greater outreach and assistance to be provided to communities. This effort the study found, was appreciated by communities, even those which did not ultimately participate in the program.

The study did examine why some communities were excluded from participation. Generally, it found smaller communities continued to find it difficult to compete under state administration. Partly, it found that the threshold requirements and scoring systems tended to work against the smaller communities. This was especially true in those states which emphasized the importance of the localities proving administrative capacity or providing specific administrative structures. In fact, the report states that "several program administrators noted that attracting and funding worthwhile economic development projects from smaller communities was difficult since they often lacked the administrative capacity to carry out a complex economic development program." (253) Since, as has been noted several times, a vast majority of participant states were attempting to make economic development a higher priority, this posed a significant stumbling block.

From the local perspective, the reason most often stated (by 30 percent of non-applicants) as a primary factor in non-participation was categorized as "criteria problems." The specific concerns "included state targeting requirements, demographic needs factors, and provisions for leveraging other public or private resources." (233)

Twenty percent (making it the second most frequently mentioned reason) of the non-applicants stated merely that they "did not need the grant." (234)

The third major reason, given by 13 percent of the non-applicants, was lack of sufficient resources." Not surprising the study found that "communities with populations less than 7,500 appear more likely than larger localities to claim insufficient resources for grant preparation. (233)

2. The second major finding in the study with regards to localities was that, "state program priorities were not always in complete agreement with the priorities expressed by local communities." (250) This result of this can be seen in the earlier discussion of program outcomes. In the table presented there, it showed that the localities were more focussed on public facilities projects, but the states were interested in funding economic development projects. Although the reasons, many of which have been discussed, for each side are understandable, the differences have discouraged many communities from participating.

#### Summary

This report summary of the initial participants experiences with state CDBG administration has been presented to give the reader a framework for understanding the rest of this study. New Hampshire's decisions were made with the same background and in the same context as these first year participants. The similarities and differences will illuminate these areas that suggest a need for closer scrutiny.

Also, this summary makes it clear that this devolution was a major turning point in federal-state-local relationship. The various priorities that states developed, new

threshold requirements and vastly altered scoring criteria all led to a new focus for the use of the CDBG funds.

Finally, and most importantly, several general issues were highlighted in the executive summary of the report that have direct bearing on the major focus of this study. These relate directly to how the communities reacted to the devolution of the program:

While most states attempted to target their programs to smaller, less experienced communities, there were few differences between the characteristics of grantees under the state and the previous federal program. States were able to attract smaller sized applicants than the former programs, yet state selected grantees did not differ in size from the prior small cities program. This indicates that it may be more difficult than was first imagined by state policy makers to alter the type of communities who successfully apply to the program and that the techniques used by the states to attract a different mix of communities were not always effective."(xi)

This is an important issue. The basis of this study is that in New Hampshire the program is working, that there has been a greater distribution of funds, allowing smaller communities to participate. The background of information provided which suggests why others have not succeeded, compared with information on why New Hampshire has, should suggest certain policy areas that are important to this program.

## CHAPTER III

### COMPARISON OF HUD'S AND OSP'S ADMINISTRATIONS

#### A. Background

The State of New Hampshire officially assumed responsibility for the CDBG Program on July 1, 1983, the day Governor John Sununu submitted the state's "Final Statement" on how the program would be operated. As in all changes of this magnitude, this move had been in the planning stage for some time.

As soon as the Federal enabling legislation passed in 1981, New Hampshire officials, believing the funds could be spent in a manner more beneficial to the people of the state if local control and flexibility could be enhanced, began taking the steps necessary to prepare themselves for the added responsibilities. In January of 1983 Governor Sununu proposed to the New Hampshire Legislature that the state assume this responsibility. In early June the Legislature approved the plan and the Governor quickly moved forward.

#### B. Regulations

In order to understand the different outcomes of the two programs it is important that the regulations be compared. Looking at these differences should begin to make clear why local communities acted as they did when deciding whether to apply for funding and for what type of projects. The documents that will be compared are:

#### For HUD

1. HUD NOTICE CPD 82-9 "The Small Cities Program Review



Process Statement" dated July 30, 1982.

2. US Dept of Housing and Urban Development Community Development Block Grant Program: Instructions for the Applications for Community Development Block Grant Funds, Small Cities Program HUD-4124, (7-82).

For OSP

1. Final Statement for the 1983 State of New Hampshire Community Development Block Grant Small Cities Program: State of New Hampshire Office of State Planning June 1983.

2. The Small Cities CDBG Program Community Development Grants, Job Bill Grants and Feasibility Grants Application Process Final Rules, Office of State Planning State of New Hampshire November 22, 1983.

Comparing the rules used by HUD during its last year administering the program and the rules used by the state during its first year most clearly illustrates the changes specifically caused by the devolution. Obviously, if the comparison had been made between HUD's first year and the state's first year, the differences would have been greater. As has been outlined, these were many changes during HUD's administration in all aspects of the program. And, if the eighth year of the state's administration had been used, the "maturing" of the regulations would have suggested other areas of interest.

Those changes tend to balance out over the sixteen year study period under consideration. As the data on grants applied for and awarded in the next section is analyzed,

these changes will be seen. But by looking at the two sets of regulations under consideration, these areas of HUD administration which New Hampshire wanted changed can be clearly seen.

### C. Objectives

As the history of the program under HUD has shown, the primary objective of the program had remained fairly consistent throughout. As expressed in the program Review Process Statement (RPS), the "primary objective of the program is the development of viable communities by providing decent housing and a suitable living environment, and expanding economic opportunities, principally for persons of low- and moderate-incomes." (HUD, 1982, p. 6)

This primary objective was to be achieved by developing the program regulations so that "maximum feasible priority" would be given to activities which will meet the three broad national objectives which had been enumerated in the original legislation:

1. benefit to low- and moderate-income families,
2. the prevention or elimination of slums or blight,
3. other community development activities "having a particular urgency because existing conditions pose a serious threat to the health or welfare of the community" and where other private or public sources of funds are not available to meet the need. (HUD, 1982, p. 6)

These broad objectives were in place from day one and remain in force today. But a deliberate and significant

change was made to the primary objective when the state began adjusting the program.

The final statement, which was required by HUD of any states who would be administering the program, declared that according to state legislation, the program's primary goal is to improve and maintain housing and the economic and physical development of the state's municipalities so as to enhance the quality of life for low- and moderate-income New Hampshire residents. (SB 152-1, Declaration of Purpose.) (OSP, 1983a, p. 2)

The Final Statement goes on to make sure it was understood that "the U.S. Department of Housing and Urban Development will closely monitor the state's conformance to the national objectives" of the CDBG program. (OSP, 1983a, p. 2)

A close analysis of these primary objective statements shows two subtle but significant shifts. First, HUD's statement began by saying that the primary purpose was 'the development of viable communities.' This concern reflected a primary purpose of one of the program's ancestors: The Model Cities Program. This concern for livability was one of the hallmarks of the Great Society goals of the 1960s. New Hampshire's statement contains no equivalent goal.

This change of attitude was reflected in a major change in the program: The complete elimination of comprehensive and multi-year grants.<sup>7</sup>

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<sup>7</sup> Although technically there were two separate aspects of the program under HUD, as a practical matter, in order to guarantee enough funds to carry out a comprehensive program, given the annual grant limits, virtually all of the grants distributed in New Hampshire were multi-year grants.

It had been the practice under HUD for a municipality to receive a grant for a project area that required, for example, extensive housing rehabilitation coupled with sidewalk and storefront improvements. This was done under the auspices of developing viable communities.

The state priority did not include this comprehensive vision. Rather, it suggested an emphasis on specific projects and down-played the overall community aspects of the program. It was required by federal regulation that the state finish funding those comprehensive grants that HUD had already committed to, but the state did not approve any further comprehensive projects.

#### D. Low- and Moderate-Income Benefit

The second major shift in emphasis between the primary objective statements of HUD and New Hampshire was the changing emphasis on low- and moderate-income benefit. Although at first glance the wording is similar, closer examination shows a difference that was evident in the program.

HUD's statement ends with the phrase "principally for persons of low- and moderate-income." This, as the history of HUD's administration has shown, was interpreted in various ways. But never did Congress translate this into a specific, quantitative requirement.

New Hampshire's personnel, on the other hand, did not just add this criterion to their primary objective, they made it a central focus. The primary goal says the activities will be designed to "enhance the quality of life

for low- and moderate-income New Hampshire residents." To back this up, OSP's regulations require that 51 percent of the funds of every project must "directly benefit" these income groups.

To some degree, this change also led to the elimination of comprehensive grants. Unlike more industrialized states, much of rural New Hampshire's poverty is found in small pockets among less distressed areas. Typically, development has occurred in such a way that there are one or two streets in each neighborhood that tend to be most distressed. Other low- and moderate-income households are disbursed throughout the smaller communities.

Since the comprehensive grants relied on the ability of towns to target neighborhoods, the state's further emphasis on low- and moderate-income benefit made it such more difficult to develop a project area. A brief example will make this clear.

If a town proposed a sewer line extension that would, after passing several streets, enter an area of low- and moderate-income households, HUD would have looked at the "principal" benefit to those households at the end of line. It would have been possible to do such a project under their guidelines.

With New Hampshire's emphasis on low- and moderate-income benefit and the requirement that more than 51 percent of the beneficiaries fall within this income group, a survey would be needed that would cover each household on each



street the entire length of the new sewer line. Once again, the demographics of New Hampshire make such a finding extremely difficult. This forces a very narrow focus on projects and makes comprehensive strategies nearly impossible.

These two general changes in focus show up again and again in the administration of the two programs. This will become even more evident during the later, closer, analysis of the two programs. But this was not the only significant change. There were a number of others. One of these, threshold factors, directly reflects on one of these major priority changes as has already been briefly discussed.

HUD's only threshold factors were capacity and performance which, for previous grantees, involved "an examination of the applicants previous record in carrying out a CDBG or other HUD-approved program." First time applicants, "unless generally available facts raise a question concerning an applicant's capacity" existed, were "assumed to have the capacity to undertake their programs." (HUD, 1982, p. 11) There were no other requirements that would cause an application to be rejected without scoring.

New Hampshire's staff went further. They picked up, nearly verbatim, HUD's section on capacity and performance. They required a certification of compliance, a requirement of the federal regulations that makes communities agree to comply with all applicable federal and state laws and regulations. And, as has been discussed briefly, they went

further than HUD and required that more than half of the funds would be used for low- and moderate-income benefit.

This requirement was explained in OSP's Final Rules as follows:

At least fifty-one (51) percent of the funds requested shall be used for direct benefit to low- and moderate-income families...Municipalities shall demonstrate compliance with this request by submitting data such as surveys, census data or salary projections of employers proposing to use grants for economic development. The methodology used to determine such benefit shall be described in the application.(OSP, 1983b, p.6)

OSP's staff takes this requirement very seriously. After rejecting at least two applications (with which this author is familiar) they eventually put together a workshop and handbook on doing statistically valid surveys.

#### E. Eligibility

Another area in which there was a distinction made between HUD and New Hampshire's CDBG programs was which levels of government were eligible to apply. HUD specified that "small cities (in general, units of local government with less than 50,000 population), and counties" (HUD, 1982, p. 8) were eligible. New Hampshire chose to handle the matter differently.

In the Final Statement, the "state legislation requires the OSP to solicit applications from all eligible municipalities...the intent...is to increase the number of municipalities participating in the program." (HUD, 1982, p.2) This clearly suggests that only municipalities can be applicants and, in fact, the Final Rules make that clear, under

Eligibility of Applicants, only "incorporated cities and towns" can apply. However, if a city or town so desires they "may apply on behalf of village districts, counties and non-profit corporations for eligible activities to be undertaken within that municipality provided it accepts full responsibility for grant administration." (OSP, 1983b, p. 3) The staff at OSP made the decision that working through municipalities was the best way to administer the program.

#### F. Activities

Although, as will be evident when scoring is discussed, HUD and New Hampshire had different ways of choosing projects, generally the projects allowed were similar. Comprehensive grants, discussed earlier, were allowed under HUD but not under OSP. Single-purpose grants were very similar; each allowed grant applications in three categories: housing, public facilities, and economic development.

When broken down further, specifically into those areas of eligible activities, New Hampshire's Final Statement outlined the following activities:

- (1) the acquisition, rehabilitation or expansion of housing;
- (2) the creation, retention, and expansion of employment through the stimulation of private investment and community revitalization activities;
- (3) the installation, rehabilitation, and replacement of public facilities;
- (4) activities that test the feasibility of innovations approaches to community development, and
- (5) activities that provide timely responses to unpredictable circumstances or special development opportunities. (OSP 1983a, p. 2)

Four of these activities track very closely with those activities which HUD had been funding. The one new activity which New Hampshire added was number four, dealing with feasibility grants.

The idea of feasibility grants also ties with a statement in the final statement that New Hampshire will provide both "financial and technical support" for these activities. The state made a conscious decision to help communities that otherwise would be unable to develop applications.

Specifically, feasibility grants were designed to provide municipalities with up to \$15,000 to help communities develop grant applications. Eligible activities under these grants include "the study and analysis of any program activity, including architectural/ engineering pre-design." (OSP, 1983b, p. 5)

The addition of feasibility grants made it possible for small towns to get help in grant preparation. Many towns contracted with regional planning agencies (RPAs) to develop the fairly simple feasibility grant application. The understanding between the towns and the RPAs was that if the feasibility grant was funded, the towns would contract with the agency to use the money to prepare the more complicated full CDBG applications. The OSP encouraged this arrangement and it worked very well around the state.

#### G. Scoring

Since the scores received by the applicants ultimately determines which municipalities will get funds, any change

in focus is important. Therefore, it is necessary to take a fairly close look at the scoring process.

#### HUD's Approach

Under HUD, scoring for single purpose<sup>8</sup> grants was as follows:

TABLE 3

#### HUD SCORING SYSTEM

RATING FACTOR	POINT VALUE
NEED	
Absolute number of poverty persons	75
Percentage of poverty persons	75
PROGRAM IMPACT	400
PERFORMANCE	
Fair Housing Compliance	40
Local Equal Opportunity Efforts	25
TOTAL	625

HUD explained each of these factors as follows:

#### Need

The need factors totaled 150 points, or just under 25% of the total available points. The community had no control over these factors; the data was compiled by HUD from Census data. Point values were assigned by determining

the community in each competition with the highest numbers and percentages, and then (assigning) points to the other applicants in the competition using the highest rated community as a base. (HUD, 1982, p. 20)

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<sup>8</sup> Since OSP does not have a category for comprehensive grants the discussion of scoring will focus exclusively on single purpose grants.



## Overall Impact

HUD assigned points for Impact based on the three major grant categories. Within each category the assigned points as follows: Maximum Impact - 400 points; Moderate - 200; Insignificant - 0. In order to receive the 400 points, each category had a number of factors which must be evident. A few examples from each category are illustrative.

## Housing Impact

In order to receive the maximum 400 point in the Housing category the applicant, among other things, must be able to show that:

1. "Need is clearly described and quantified, is serious and will be significantly impacted by the proposed project." Examples: a. "Number of substandard housing units and structures and seriousness of substandard conditions based on recent data or surveys." b. "High vacancy rate."

2. "Rehabilitation will bring units up to at least Section 8 housing quality standards and will also meet energy conservation standards."

3. There will be leveraging of other public or private funds.

## Public Facilities Impact

In order to receive the maximum points in the Public Facilities category the applicant must be able to show:

1. Demonstrated need, for example:

- a. "inadequate drainage facilities";

b. "lack of adequate sewage disposal... which create health hazards";

c. "lack of adequate water supply."

2. That there is a "clearly defined need for federal resources based on lack of local and other public and private resources to carry out the project."

3. There is other sources of private and public funding to leverage the CDBG funds.

#### Economic Development Impact

In order to receive the maximum points in the Economic Development category the applicant must be able to show:

1. Need, for example:

a. high unemployment

b. "severely limited tax base"

c. "lack or potential loss of basic neighborhood business services".

2. "The amount of federal dollar per permanent job created or retained is low, the private to federal investment ratio is high, or the tax revenue increase is significant."

#### Performance

The last major area of scoring is performance, which has two distinct parts, Fair Housing and Local Equal Opportunity Efforts. The 40 points for Fair Housing Effort were awarded for "outstanding performance" in one of the following areas:

1. "Providing housing choices for low- and moderate-

income families in housing outside" of areas of concentration; or

2. "Implementation of a HUD-approved New Horizons Fair Housing Assistance Project."

The 25 points for Local Equal Opportunity Efforts were earned as follows:

1. 15 points could be earned for having awarded at least 5% of the town's contracts within the last 2 years to minority-owned businesses.

2. 10 points could be earned if the applicant had a greater percentage of "minority, permanent, full-time employees" than the percentage of minority population as a whole in the county.

#### OSP's Approach

OSP's approach to scoring was similar to HUD's; in some respects but significantly different in others. The breakdown was as follows:

TABLE 4

#### OSP SCORING SYSTEM

RATING FACTOR	POINT VALUE
Percent of household population receiving human service assistance	50
Median family income	50
Project area need	100
Project impact	300
TOTAL	500

#### Community Needs

The first two factors were similar to the needs factors HUD used. Although the specific data used was somewhat

different, the purpose was the same: to give preference to those communities with the greatest need.

#### Project Impact

The project impact criteria used by the state was very similar to that used by HUD. Like HUD, the state scored impact by major categories; housing, public facilities and economic development. The impact criteria used within each category are nearly identical; there is no need to repeat them here.

#### Project Need

The one major area of difference, an addition by the New Hampshire program, is a category called Project Area Need. This factor counts for a full 20 percent of the total points to be awarded. This category specifically was designed to allow the applications to be "compared to others within the same category to determine the relative need of each project area." (OSP, 1983b, p. 16)

Of course, HUD did not completely ignore the relative needs of the project areas. It handled it, implicitly, within the Project Impact section; you can make a greater impact in an area with greater need. New Hampshire's administrators decided, however, that they wanted each applicant community to give very specific information on project area need. They outlined what information they wanted for each of the three categories in their Final Rules.

In housing, the Final Rules asks the applicants to write a narrative supplying "specific information" in the following areas:

- extent of substandard and blighted housing
- vacancy problems - shortage of housing, abandonment
- extent of infrastructure problems
- cost of housing
- income of area residents
- special groups - handicapped, elderly, large family
- lack of other resources to address the problem

For economic development applications, the request was for information on;

- extent of building blight and deterioration
- vacancy problems - unrented space
- extent of infrastructure problems
- retail sales lag
- unemployment rate in town and region
- special problems such as low equalized evaluation per capita
- lack of other resources to address the problem

For public facilities grants, the state required a statement showing:

- a clear and current health and safety need
- how user fee levels, local equalized tax rates and/or bonding capacity require use of CDBG funds
- that there is not other funding available for state and federal sources

Clearly, this "project area need" criteria provided the state with data not requested or required by HUD. The type of data, the majority able to be quantified, allowed the OSP to easily compare application's specific needs. Since the state made the decision to fund project-specific grants, the addition of this scoring criteria allowed it to target its grants in the area (not necessarily the community) with the greatest demonstrable need. OSP used its flexibility in scoring applications to advance its primary goal. This caused a major redirection of the program.

## H. Priorities

As has been repeatedly demonstrated, OSP redesigned the CDBG Program so that what was expected of applicants was much clearer, and discretion in funding was reduced. Another example of this was in the Final Statement section titled "Overall Priorities," where specific projects priorities are listed.

This section begins by explaining why priorities were developed.

It can be expected that requests for CDBG funds will far exceed the total amount available. The limited resources of the CDBG Program require the setting of program priorities so that the merits of all applications can be measured." (OSP, 1983a, p. 3)

These priorities are given under four categories: General (which apply to all grants); Housing; Economic Development ; and Public Facilities. An outline of these priorities here should be sufficient to give the reader a flavor for the priorities.

### General Priorities

1. "Those community development activities for which existing public or private programs or sources of funds are not otherwise available."

2. "Those projects and activities which present innovative and transferable solutions to community development problems."

3. "Those projects which are part of a long-range community development strategy and conform to the



municipality's master plan and ordinances."

#### Housing

1. "Those housing projects which have a neighborhood- or community-wide impact and address health, safety and energy conservation efforts."

2. "Those housing projects which would not adversely impact existing residents either through displacement or significant increase in housing costs."

#### Economic Development

1. "Those economic development projects which would provide competitive wages and salaries and create permanent rather than temporary jobs."

2. "Those economic development projects which provide for the reuse of program funds."

#### Public Facilities

1. "Those public facilities projects which would complement and promote housing and economic development improvements."

2. "Those public facilities projects which would eliminate clear and current threats to public health and welfare..."

Many of these same themes show up repeatedly throughout the state's literature. Both the Governor's staff and the people at the Office of State Planning who drafted the actual program design had very clear ideas of what they wanted to accomplish with this program, and they said so very clearly in the Final Statement.

## I. Administration

Under the section in the Final Statement discussing "Administrative Requirements" the changes anticipated from the program as administered by HUD was described as follows:

minor changes in the selection process,  
the new Feasibility Grant Program,  
additional technical assistance to both  
prospective applicants and grant recipients,  
more emphasis on enforcement of state  
environmental laws,  
stronger coordination for recipients with state  
economic and community development and housing  
agencies,  
and an increase in the number of municipalities  
receiving grants each year. (OSP, 1983a, p. 11)

One other important change was the establishment of a nine-member Community Development Advisory Committee, which was designed to do two things: First, any recommendations made by the staff of OSP regarding rules or grantees would need final approval of the Advisory Committee; and second, any community who felt that it was not fairly treated, either regarding an application or an administrative matter, could appeal to the committee, who had the authority to overrule any decision of the staff. This was designed to put final decisions in the hands of an objective outside group. Appendix E of HUD RPS states that "since the Small Cities Program is a discretionary program, the decision of the HUD Area Office will be Final." New Hampshire was determined to try a different approach.

This Advisory Committee was composed of a number of people who were involved in development activities around the state, as well as gubernatorial appointees. The commit-

tee was to include the Director of the Office of State Planning (who was to act as chairman), the Director of the Division of Economic Development at the state Department of Resources and Economic Development, the Executive Director of the New Hampshire Housing Finance Authority, and six public members (at least 3 of which were to be "municipal officials") who were to be appointed by the governor.

Next, it is time to look at the data on the grants applied for and awarded in NH, both under HUD and OSP. An analysis of this data will uncover whether the state was successful in implementing the major changes which the state envisioned when it decided to administer the program.

## CHAPTER IV

### DATA ANALYSIS

#### A. General

An analysis of the data on the sixteen years' worth of grants under consideration do show a program in a great state of change. Not all of these changes can be attributed to the devolution. Some have been attributable to changing Presidential administrations, some to a changing economic picture, and some to changes in local needs. But certainly, in nearly every aspect of the program that can be studied, the effect of the devolution on this program is striking.

It is not within the scope of this essay to study all of the changes, its expressed purpose is to determine whether devolution moved communities toward the goal of better achieving the three broad national objectives found in the original Congressional legislation.<sup>9</sup> There are many different aspects of this program that must be analyzed to determine how successful devolution was. In this section, as many as it was possible to obtain data on will be discussed. Before beginning the detailed analysis, it may be useful to summarize the various areas to be analyzed and to discuss what would suggest a change in each area, and why.

There are a number of items which, if kept in mind, will help the reader understand the data more quickly.

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<sup>9</sup> Reminder, these were: 1. Benefit to low- and moderate-income families; 2. prevention or elimination of slums or blight; and 3. elimination of conditions which pose a serious threat to the health or welfare of the community.

First, it is important to remember that there were a number of administrative changes in the federal government during the period this data covers.

1975 - 1976 Program as originally authorized under President Ford.

1977 - 1980 Program as administered and then re-authorized under President Carter.

1981 - 1982 Program as administered under President Reagan.

1983 - 1990 Program as administered by the New Hampshire Office of State Planning.

Although the main focus of this study is the significant differences between the 1975 - 1982 and the 1983 - 1990 periods, it is often helpful to note the differences the various national administrations made to the program.

The following "Chart of General Information" is a two page summary of the data. In each category (explained below) and for each agency the following is included: Number of applications; the number of applicants who received funding; and the percentage of applicants who received funds (REC/REQ). Following is a brief explanation of each category.

#### All Applications

This section summarizes all of the applications received by HUD or OSP during the years 1975 - 1990. This data shows that OSP has funded a significantly higher percentage of applicants than HUD.

## Population Breakdown

This section shows how various sizes of municipalities fared under HUD and OSP. This indicates not only that OSP funded a significantly greater percentage in every category, but also that in categories under population 10,000, the differences range from 35 - 72%.

### Population: Big v. Small

This section breaks the municipalities down into those over 10,000 and those under 10,000 in population, essentially summarizing the Population Breakdown section above. This clearly indicates that although OSP funded more applications generally, the greatest difference was in those municipalities with populations under 10,000. This also indicates that a significantly greater number of small towns applied for grants to OSP.

## Counties

This section summarizes the data in a way that illustrates the statewide geographical distribution of the grants.

## Activities

This section relates to the type of activity being funded. In the HUD section, the requested column is blank because data on activities for non-funded activities is not kept by HUD. Therefore, because comparisons are not possible, no percentages have been generated.

## By Years

This section is set up with a year by year summary.



TABLE 5  
CHART OF GENERAL INFORMATION

	REQ	HUD REC	%	REQ	OSP REC	%
ALL APPLICATIONS	178	88	49	211	161	76
POPULATION BREAKDOWN						
0 - 1,000	10	1	10	28	23	82
1,001 - 2,500	22	7	32	46	31	67
2,501 - 5,000	34	8	26	49	36	73
5,001 - 7,500	13	3	23	23	18	78
7,501 - 10,000	14	6	43	5	4	80
10,001 - 15,000	45	33	73	36	28	78
15,000 -	40	30	75	24	21	88
POPULATION: Big vs. Small						
Up to 10,000	93	25	27	151	112	74
Over 10,000	85	63	74	60	49	82
COUNTIES						
Belknap	12	5	42	11	9	82
Carrol	7	3	43	12	8	67
Cheshire	9	7	78	21	15	71
Coos	23	11	48	29	26	90
Grafton	23	7	30	42	33	79
Hillsborough	27	14	52	11	6	55
Merrimack	23	11	48	25	22	88
Stratford	14	8	57	16	13	81
Sullivan	12	8	67	28	22	79
Rockingham	28	14	50	16	7	43
ACTIVITIES						
Housing Rehabilitation	na	36		98	82	
Public Facilities	na	20		69	50	
Economic Development	na	3		28	23	
Comprehensive	na	29		16	6	
BY YEARS						
HUD      OSP						
75      83	44	12	27	18	18	100
76      84	23	9	39	39	27	69
77      85	17	10	59	33	24	73
78      86	26	9	35	28	24	86
79      87	18	11	61	25	22	88
80      88	15	12	80	26	13	50
81      89	23	13	57	26	19	73
82      90	12	12	100	16	15	94

## B. Participation

One of the goals of the devolution was to allow the funds to be distributed according to the priorities of the states. Since one of the biggest complaints that the states had against HUD's administration was that the funds repeatedly went to the same communities, it is only natural that wider disbursement of the funds would be an objective of the state's program design. N.H. included the goal of increased participation in their anticipated changes.

There were two main barriers to increasing participation. First, there was only so much money to go around. Second, most of the smaller communities did not have the administrative capacity to handle either the grant-writing or the administration. The state dealt with these difficulties in very straight-forward ways.

## C. Funding Limits

The problem of limited funds is one that New Hampshire had no control over. Allocations were set by Washington and fluctuated based on the political situation in Washington. The state, having made the decision to disburse the funds more widely, made the only decision possible to implement such a goal: it reduced the amount of funds that each grant recipient could receive and put limits on how much municipalities could spend on certain projects.

The limit on the amount of funding per grant was significant. In 1982, HUD had a per grant ceiling of \$500,000 with a total allocation of funds to the program of \$5.7

million dollars. Over \$3 million of this was earmarked for multi-year grants which had already been approved.

In contrast, New Hampshire set a \$400,000 limit on grants in 1983.<sup>10</sup> This was even though they had a federal allocation of \$6,015,000 and had multi-year commitments (left over from HUD) of under \$2 million.

Of course, not every grant awarded was for the maximum amount. But, as the table below shows, after the first 4 years of the program, HUD averaged between \$370,000 and \$450,000, whereas OSP (after their first year) averaged between \$250,000 and \$325,000, generally under \$300,000.

TABLE 6  
ANNUAL AVERAGE GRANT AWARDS

HUD AVE GRANT		OSP AVE GRANT	
75	85,667	83	359,272
76	144,333	84	240,148
77	145,200	85	253,931
78	311,250	86	263,577
79	370,094	87	237,800
80	376,500	88	323,895
81	407,577	89	298,913
82	468,250	90	307,747

#### D. Administrative Capacity

Secondly, there was the question of the smaller communities ability to apply for, and administer, CDBG grants. Although under HUD there was supposedly a presumption of capacity, in reality the application process,

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<sup>10</sup> This has changed somewhat over the years. From 1984 to 1988 this was reduced to \$350,000. In 1989, this was changed to allow communities with populations of over 20,000 to apply for up to \$500,000.

which included the requirement for a Housing Assistance Program (HAP) was so complicated as to make it difficult for small towns.

In addition, HUD's apparent tendency to award the grants to the same, larger, communities made it difficult for towns to engage consultants. The risk was too great for the consultants (whether private or regional planning agencies) to undertake the project with the understanding they would receive payment upon receiving funding. And, from the town's point of view the expectation of success was too small to justify "fronting" the money for an application.

OSP's staff made two changes, both discussed earlier, to help these communities. First, they made a decision to provide technical assistance to the towns, "both to prospective applicants and grant recipients." This assistance allowed towns with pressing needs to get involved with the program without committing any of its own funds. OSP fulfilled this technical assistance obligation in two ways. At first, the staff helped communities with no prior experience prepare grants. This created two problems: 1) staff time was limited; and 2) staff found itself required to score grants which it had helped prepare against those it hadn't, a potential, if not certain, conflict of interest. They resolved this problem in a way that had actually been foreseen: they provided money to the state's regional planning agencies specifically to provide technical assistance in preparing grants.

Second, OSP implemented the Feasibility Grant program. These grants were small (not to exceed \$15,000) and were structured to allow them to be used to prepare a regular CDBG application. \$120,000 was set aside by the state to fund these grants in 1983.

The results of the state's attempt to increase participation were significant, as the chart below clearly shows.

TABLE 7

COMMUNITY PARTICIPATION SUMMARY:

	OVERALL GRANT PROGRAMS			
	APPLICATIONS		GRANTS	
	Total	Different Communities	Total	Different Communities
HUD	178	62	88	28
OSP	211	78	161	59

Under HUD, 50% (88 of 178) of the applications received were funded and an even smaller percentage, 45% (28 of 62), of the communities which requested funds over the 8 years ever received funding. OSP, in contrast, funded 76% (78 of 211) of the greater number of applications it received, and funded 76% (59 of 78) of the communities that applied. Since there are 229 non-entitlement communities in New Hampshire, HUD had distributed funds to 12% of the eligible communities; OSP, in its first 8 years, had done projects in over 25% of possible communities. As this discussion has begun to address, not only were the funds spread around more, they were made available to smaller communities. That will be discussed in greater detail next.

# E. Distribution to Smaller Towns

The following table quickly makes it evident that the OSP's efforts (discussed above) to increase participation by smaller towns was extremely successful.

TABLE 8  
COMMUNITY PARTICIPATION SUMMARY:  
BY POPULATION

FISCAL YEAR	POP ≤ 10,000			POP > 10,000		
	REQ	REC	%	REQ	REC	%
1975	32	5	16	12	7	58
1976	13	2	15	10	7	70
1977	5	1	15	12	9	75
1978	16	2	13	10	7	70
1979	7	3	43	11	8	73
1980	5	3	60	10	9	90
1981	11	5	45	12	8	67
1982	4	4	100	8	8	100
HUD TOTALS	93	25	27	85	63	74
1983	11	11	100	7	7	100
1984	26	16	62	14	11	79
1985	19	15	80	14	9	64
1986	20	17	85	8	7	88
1987	17	15	88	7	6	86
1988	23	9	39	5	4	80
1989	20	15	68	4	4	100
1990	13	12	92	3	3	100
OSP TOTALS	149	110	75	62	51	82

From 1975 to 1982, HUD received 92 applications from communities of 10,000 or fewer people; it funded 25 (27%) of those applications. In contrast HUD, during an eight-year period, funded 74% of the applications it received from communities over 10,000. OSP, from 1983 to 1990, funded 75% of the applications it received from communities with 10,000 or fewer people; 82% of those over 10,000 population.



This initial breakdown is intriguing, but going into greater depth, and looking at the populations of the various towns which applied and which received funding, reveals over and over the differences in this area between HUD and OSP. The following table breaks down the data even further. This table shows the percentage of grants awarded to communities in each of the listed population categories.

TABLE 9  
COMMUNITY PARTICIPATION SUMMARY:  
ANNUALLY BY POPULATION

Figures are percentages of total grants funded each year

Year	0 - 5000	5001 - 10000	10001 - 15000	15001 - 50000
1975	16	24	32	24
1976	0	22	33	44
1977	0	10	50	40
1978	20	10	30	40
1979	27	9	18	45
1980	16	8	48	24
1981	43	0	36	21
1982	25	8	33	33
1983	47	18	29	12
1984	41	23	28	19
1985	39	25	26	13
1986	56	12	24	8
1987	68	0	18	14
1988	57	7	14	21
1989	65	15	0	20
1990	74	7	7	14

Even a cursory review of this data shows that the OSP immediately altered the direction of the CDBG program. The changes made in New Hampshire even overshadow those made by the Reagan administration's dramatic changes.

Clearly, under Carter, the program overwhelmingly favored medium-sized cities. This was a direction result of

its "targeting" strategy. Reagan's attempts to decentralize priorities allowed more input from the state, and the results reflected a shift toward more specific projects in smaller communities. This shows up clearly in the 1981 and 1982 results.

But the shift after 1983, the year the state took over the program's administration, is dramatic. The small towns were clearly reaping the benefits of the devolution. The following shows, year by year, the amount of funding received by those communities which applied for funding. By sorting the data using an ascending order for the population column, it becomes immediately evident for each year whether the funded communities tended to be larger or smaller.

TABLE 10

GRANT APPLICATIONS:

ANNUALLY BY POPULATION

AGENCY	FY	TOWN	POP	FUNDSREC
HUD	75	BROOKFIELD	400	0
HUD	75	BRIDGWATER	600	0
HUD	75	SALISBURY	1000	0
HUD	75	WOODSTOCK	1000	282000
HUD	75	DEERING	1000	0
HUD	75	MONTVERNON	1500	0
HUD	75	TAMWORTH	1700	0
HUD	75	ASHLAND	1800	0
HUD	75	WARNER	2000	175000
HUD	75	ROLLINGSFRD	2400	0
HUD	75	ALTON	2400	0
HUD	75	NRTHUMBRD	2500	0
HUD	75	WILTON	2700	0
HUD	75	WEARE	3300	0
HUD	75	BOSCAWEN	3400	0
HUD	75	HAVERHILL	3400	0
HUD	75	LANCASTER	3400	0

continued next page

Table 10 continued

HUD	75	EPPING	3500	0
HUD	75	HOPKINTON	3900	0
HUD	75	LITCHFIELD	4200	0
HUD	75	MEREDITH	4200	0
HUD	75	NEWMARKET	4300	0
HUD	75	FARMINGTON	4600	0
HUD	75	GILFORD	4800	0
HUD	75	PETERBORO	4900	0
HUD	75	PLYMOUTH	5100	0
HUD	75	RAYMOND	5500	0
HUD	75	NEWPORT	6300	0
HUD	75	FRANKLIN	7900	137000
HUD	75	PELHAM	8100	0
HUD	75	MILFORD	8700	7000
HUD	75	BEDFORD	9500	9200
HUD	75	SOMERSWRTH	10400	0
HUD	75	DURHAM	10600	191000
HUD	75	EXETER	11000	0
HUD	75	LEBANON	11200	40000
HUD	75	GOFFSTOWN	11300	0
HUD	75	BERLIN	13000	55000
HUD	75	MERRIMACK	15500	20000
HUD	75	LACONIA	15600	24800
HUD	75	DERRY	18900	0
HUD	75	KEENE	21500	0
HUD	75	SALEM	24200	50000
HUD	75	CONCORD	30400	37000
				0
HUD	76	WOODSTOCK	1000	0
HUD	76	NRTHUMBLD	2500	0
HUD	76	HENNIKER	3200	0
HUD	76	GORHAM	3300	0
HUD	76	LANCASTER	3400	0
HUD	76	EPPING	3500	0
HUD	76	CHARLESTWN	4500	0
HUD	76	COLEBROOK	4500	0
HUD	76	GILFORD	4800	0
HUD	76	PLYMOUTH	5100	0
HUD	76	NEWPORT	6300	225000
HUD	76	HOOKSETT	7300	0
HUD	76	PELHAM	8100	10000
HUD	76	SOMERSWRTH	10400	140000
HUD	76	EXETER	11000	246000
HUD	76	LEBANON	11200	0
HUD	76	BERLIN	13000	130000
HUD	76	CLAREMONT	14500	0
HUD	76	MERRIMACK	15500	53000
HUD	76	DERRY	18900	86000
HUD	76	KEENE	21500	350000

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Table 10 continued

HUD	76	SALEM	24200	59000
HUD	76	CONCORD	30400	0
HUD	77	WOODSTOCK	1000	0
HUD	77	NRTHUMBLD	2500	0
HUD	77	COLEBROOK	4500	0
HUD	77	NEWPORT	6300	0
HUD	77	PELHAM	8100	13000
HUD	77	SOMERSWRTH	10400	255000
HUD	77	EXETER	11000	0
HUD	77	LEBANON	11200	190000
HUD	77	GOFFSTOWN	11300	109000
HUD	77	BERLIN	13000	312500
HUD	77	CLAREMONT	14500	250000
HUD	77	MERRIMACK	15500	68000
HUD	77	LACONIA	15600	0
HUD	77	DERRY	18900	0
HUD	77	KEENE	21500	119500
HUD	77	SALEM	24200	73000
HUD	77	CONCORD	30400	62000
HUD	78	NEWDURHAM	1200	0
HUD	78	ASHLAND	1800	0
HUD	78	ASHLAND	1800	0
HUD	78	DEERFIELD	2000	0
HUD	78	MILTON	2500	0
HUD	78	NRTHUMBLD	2500	0
HUD	78	OSSIPEE	2500	0
HUD	78	PITTSFIELD	2900	0
HUD	78	HAVERHILL	3400	0
HUD	78	LANCASTER	3400	174250
HUD	78	WOLFEBORO	4000	0
HUD	78	MEREDITH	4700	0
HUD	78	RAYMOND	5500	0
HUD	78	HOOKSETT	7300	0
HUD	78	PELHAM	8100	78000
HUD	78	BEDFORD	9500	0
HUD	78	SOMERSWRTH	10400	350000
HUD	78	DURHAM	10600	0
HUD	78	EXETER	11000	0
HUD	78	LEBANON	11200	0
HUD	78	BERLIN	13000	300000
HUD	78	CLAREMONT	14500	400000
HUD	78	MERRIMACK	15500	350000
HUD	78	LACONIA	15600	500000
HUD	78	KEENE	21500	300000
HUD	78	CONCORD	30400	349000
HUD	79	STRATFORD	1000	0

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Table 10 continued

HUD	79	NRTHUMBRD	2500	178500
HUD	79	OSSIPEE	2500	391373
HUD	79	PITTSFIELD	2900	320663
HUD	79	RAYMOND	5500	0
HUD	79	FRANKLIN	7900	0
HUD	79	BEDFORD	9500	0
HUD	79	SOMERSWRTH	10400	500000
HUD	79	EXETER	11000	0
HUD	79	LEBANON	11200	0
HUD	79	BERLIN	13000	600000
HUD	79	CLAREMONT	14500	400000
HUD	79	MERRIMACK	15500	0
HUD	79	LACONIA	15600	400000
HUD	79	DERRY	18900	548000
HUD	79	KEENE	21500	281500
HUD	79	SALEM	24200	100000
HUD	79	CONCORD	30400	351000
HUD	80	WOODSTOCK	1000	0
HUD	80	OSSIPEE	2500	400000
HUD	80	NEWMARKET	4300	400000
HUD	80	RAYMOND	5500	0
HUD	80	LITTLETON	5600	400000
HUD	80	SOMERSWRTH	10400	350000
HUD	80	EXETER	11000	364000
HUD	80	LEBANON	11200	400000
HUD	80	GOFFSTOWN	11300	304000
HUD	80	BERLIN	13000	300000
HUD	80	CLAREMONT	14500	400000
HUD	80	LACONIA	15600	300000
HUD	80	DERRY	18900	400000
HUD	80	KEENE	21500	0
HUD	80	CONCORD	30400	500000
HUD	81	STRATFORD	1000	0
HUD	81	WHITEFIELD	1700	275000
HUD	81	OSSIPEE	2500	500000
HUD	81	WILTON	2700	120000
HUD	81	PITTSFIELD	2900	300000
HUD	81	LANCASTER	3400	0
HUD	81	NEWMARKET	4300	600000
HUD	81	LITTLETON	5600	0
HUD	81	FRANKLIN	7900	0
HUD	81	AMHERST	8300	0
HUD	81	MILFORD	8700	0
HUD	81	SOMERSWRTH	10400	505000
HUD	81	EXETER	11000	0
HUD	81	LEBANON	11200	400000
HUD	81	GOFFSTOWN	11300	534000

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Table 10 continued

HUD	81	BERLIN	13000	600000
HUD	81	CLAREMONT	14500	351500
HUD	81	CLAREMONT	14500	0
HUD	81	MERRIMACK	15500	0
HUD	81	LACONIA	15600	500000
HUD	81	DERRY	18900	163000
HUD	81	KEENE	21500	0
HUD	81	CONCORD	30400	450000
HUD	82	LISBON	1500	304000
HUD	82	PITTSFIELD	2900	455000
HUD	82	WINCHESTER	3500	365000
HUD	82	FRANKLIN	7900	500000
HUD	82	SOMERSWRTH	10400	600000
HUD	82	LEBANON	11200	400000
HUD	82	BERLIN	13000	500000
HUD	82	CLAREMONT	14500	500000
HUD	82	LACONIA	15600	600000
HUD	82	DERRY	18900	335000
HUD	82	KEENE	21500	460000
HUD	82	CONCORD	30400	600000
OSP	83	WOODSTOCK	1000	400000
OSP	83	NRTHUMBLD	2500	400000
OSP	83	PITTSFIELD	2900	351000
OSP	83	WINCHESTER	3500	325904
OSP	83	EPPING	3500	400000
OSP	83	HINSDALE	3700	400000
OSP	83	FARMINGTON	4600	355000
OSP	83	PEMBROKE	4900	400000
OSP	83	NEWPORT	6300	380000
OSP	83	CONWAY	7200	265000
OSP	83	FRANKLIN	7900	345000
OSP	83	SOMERSWRTH	10400	395000
OSP	83	BERLIN	13000	400000
OSP	83	CLAREMONT	14500	355000
OSP	83	CLAREMONT	14500	45000
OSP	83	LACONIA	15600	400000
OSP	83	CONCORD	30400	450000
OSP	84	CROYDON	460	0
OSP	84	WHITEFIELD	1700	130361
OSP	84	TROY	1800	0
OSP	84	MARLBORO	1850	0
OSP	84	ALTON	2400	0
OSP	84	OSSIPEE	2500	297500
OSP	84	CANAAN	2500	200000
OSP	84	WILTON	2700	350000
OSP	84	AUBURN	2900	0

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Table 10 continued

OSP	84	HAVERHILL	3400	239500
OSP	84	HILLSBORO	3500	0
OSP	84	WINCHESTER	3500	336000
OSP	84	EPPING	3500	240000
OSP	84	HINSDALE	3700	325000
OSP	84	WOLFBORO	4000	0
OSP	84	CHARLESTWN	4500	227950
OSP	84	FARMINGTON	4600	190000
OSP	84	PEMBROKE	4900	67683
OSP	84	PLYMOUTH	5100	0
OSP	84	SWANZEY	5200	0
OSP	84	RAYMOND	5500	166456
OSP	84	RAYMOND	5500	0
OSP	84	LITTLETON	5600	71000
OSP	84	NEWPORT	6300	113500
OSP	84	CONWAY	7200	294500
OSP	84	FRANKLIN	7900	350000
OSP	84	SOMERSWRTH	10400	500000
OSP	84	LEBANON	11200	154350
OSP	84	BERLIN	13000	215000
OSP	84	BERLIN	13000	285000
OSP	84	LONDONDRY	13600	0
OSP	84	HUDSON	14000	0
OSP	84	CLAREMONT	14500	323000
OSP	84	CLAREMONT	14500	177000
OSP	84	LACONIA	15600	291800
OSP	84	DERRY	18900	0
OSP	84	KEENE	21500	63400
OSP	84	KEENE	21500	160000
OSP	84	CONCORD	30400	500000
OSP	85	LANDAFF	300	350000
OSP	85	DALTON	700	350000
OSP	85	LEMPSTER	700	287500
OSP	85	BETHLEHEM	1800	230000
OSP	85	TROY	2100	217000
OSP	85	WAKEFIELD	2250	0
OSP	85	SUNAPEE	2300	131500
OSP	85	PITTSFIELD	2900	0
OSP	85	WOLFEBORO	4000	300000
OSP	85	MEREDITH	4200	0
OSP	85	NEWMARKET	4300	284660
OSP	85	COLEBROOK	4500	350000
OSP	85	PLYMOUTH	5100	270000
OSP	85	RAYMOND	5500	276000
OSP	85	NEWPORT	6300	239000
OSP	85	CONWAY	7200	16600
OSP	85	FRANKLIN	7900	0
OSP	85	LISBON	8700	350000

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Table 10 continued

OSP	85	MILFORD	8700	350000
OSP	85	SOMERSWRTH	10400	162250
OSP	85	SOMERSWRTH	10400	0
OSP	85	LEBANON	11200	200000
OSP	85	LEBANON	11200	0
OSP	85	GOFFSTOWN	11300	0
OSP	85	BERLIN	13000	125100
OSP	85	CLAREMONT	14500	281000
OSP	85	CLAREMONT	14500	70640
OSP	85	LACONIA	15600	500000
OSP	85	DERRY	18900	0
OSP	85	KEENE	21500	0
OSP	85	CANAAN	25001	178000
OSP	85	CONCORD	30400	450000
OSP	86	WARNER	200	316250
OSP	86	DALTON	700	144600
OSP	86	CARROLL	700	0
OSP	86	TAMWORTH	1700	190000
OSP	86	BETHLEHEM	1800	200000
OSP	86	ASHLAND	1800	334100
OSP	86	ASHLAND	1800	334100
OSP	86	GREENVILLE	2000	206000
OSP	86	NORTHWOOD	2200	16000
OSP	86	NRTHUMBRD	2500	350000
OSP	86	CANAAN	2500	172000
OSP	86	HENNIKER	3200	300000
OSP	86	WALPOLE	3200	0
OSP	86	WINCHESTER	3500	234300
OSP	86	CHARLESTWN	4400	0
OSP	86	FARMINGTON	4600	200000
OSP	86	HINSDALE	4700	223100
OSP	86	PLYMOUTH	5100	175000
OSP	86	LITTLETON	5600	286000
OSP	86	NEWPORT	6300	286000
OSP	86	SOMERSWRTH	10400	200000
OSP	86	SOMERSWRTH	10400	217250
OSP	86	LEBANON	11200	109250
OSP	86	GOFFSTOWN	11300	182000
OSP	86	BERLIN	13000	874900
OSP	86	CLAREMONT	14500	0
OSP	86	LACONIA	15600	500000
OSP	86	KEENE	21500	275000
OSP	87	DORCHESTER	300	176400
OSP	87	DALTON	700	129600
OSP	87	MIDDLETON	800	196000
OSP	87	PITTSBURG	800	300000
OSP	87	STWARTSTWN	1000	350000

continued next page

Table 10 continued

OSP	87	WOODSTOCK	1000	300000
OSP	87	LISBON	1500	117600
OSP	87	WHITEFIELD	1700	286200
OSP	87	WARNER	2000	155000
OSP	87	ANTRIM	2200	300000
OSP	87	MILTON	2500	130000
OSP	87	HENNIKER	3200	0
OSP	87	GORHAM	3300	258500
OSP	87	HAVERHILL	3400	300000
OSP	87	WINCHESTER	3500	326000
OSP	87	EPPING	3500	0
OSP	87	CHARLESTWN	4500	183000
OSP	87	FARMINGTON	4600	292500
OSP	87	SOMERSWRTH	10400	0
OSP	87	BERLIN	13000	188000
OSP	87	CLAREMONT	14500	265800
OSP	87	CLAREMONT	14500	150000
OSP	87	LACONIA	15600	348000
OSP	87	KEENE	21500	195000
OSP	87	CONCORD	30400	284000
OSP	88	LYMAN	300	0
OSP	88	COLUMBIA	700	250000
OSP	88	MIDDLETON	800	0
OSP	88	BATH	800	26450
OSP	88	MADISON	1100	300000
OSP	88	UNITY	1100	0
OSP	88	LINCOLN	1400	0
OSP	88	LISBON	1500	232400
OSP	88	GREENVILLE	2000	0
OSP	88	WARNER	2000	250000
OSP	88	NORTHWOOD	2200	0
OSP	88	BRISTOL	2200	0
OSP	88	OSSIPEE	2500	0
OSP	88	CANAAN	2500	0
OSP	88	NORTHFIELD	3100	350000
OSP	88	HILLSBORO	3500	0
OSP	88	EPPING	3500	0
OSP	88	WINCHESTER	3500	350000
OSP	88	HINSDALE	3700	0
OSP	88	COLEBROOK	4500	350000
OSP	88	LITTLETON	5600	350000
OSP	88	NEWPORT	6300	0
OSP	88	SOMERSWRTH	10400	319792
OSP	88	CLAREMONT	14500	0
OSP	88	LACONIA	15600	361000
OSP	88	KEENE	21500	500000
OSP	88	CONCORD	30400	221000

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Table 10 continued

OSP	89	LYMAN		
OSP	89	WARREN	300	350000
OSP	89	GRAFTON	700	350000
OSP	89	BATH	800	350000
OSP	89	STEWRTSTWN	800	215000
OSP	89	CAMPTON	1000	335000
OSP	89	WHITEFIELD	1700	0
OSP	89	WARNER	1700	250000
OSP	89	GREENVILLE	2000	350000
OSP	89	BRISTOL	2000	350000
OSP	89	OSSIPEE	2200	0
OSP	89	PITTSFIELD	2500	350000
OSP	89	NEWTON	2900	350000
OSP	89	GORHAM	3100	0
OSP	89	HAVERHILL	3300	0
OSP	89	TILTON	3400	350000
OSP	89	RAYMOND	3400	350000
OSP	89	LITTLETON	5500	212900
OSP	89	NEWPORT	5600	150000
OSP	89	CONWAY	6300	300000
OSP	89	LACONIA	7200	0
OSP	89	KEENE	15600	396450
OSP	89	CONCORD	21500	200000
OSP	89	CONCORD	30400	345000
			30400	125000
OSP	90	CLARKSVILL	300	
OSP	90	STARK		296000
OSP	90	WENTWORTH	500	350000
OSP	90	COLUMBIA	600	350000
OSP	90	GRAFTON	700	350000
OSP	90	UNITY	800	0
OSP	90	WHITEFIELD	1100	24000
OSP	90	WARNER	1700	350000
OSP	90	CANAAN	2000	168200
OSP	90	HAVERHILL	2500	350000
OSP	90	TILTON	3400	350000
OSP	90	COLEBROOK	3400	500000
OSP	90	NEWPORT	4500	225000
OSP	90	SOMERSWRTH	6300	350000
OSP	90	CONCORD	10400	825000
			30400	122000

## F. Geographic Distribution

Next, an analysis of the geographic distribution of grant applications and awards is in order. The following tables provide information on applications and awards for each of the 10 New Hampshire counties.

TABLE 11

### GRANT APPLICATIONS:

#### ANNUALLY BY COUNTY

AGENCY	FY	TOWN	POP	FUNDSREC	COUNTY
HUD	75	ALTON	2400	0	BEL
HUD	75	GILFORD	4800	0	BEL
HUD	75	LACONIA	15600	0	BEL
HUD	75	MEREDITH	4200	0	BEL
HUD	76	GILFORD	4800	0	BEL
HUD	77	LACONIA	15600	0	BEL
HUD	78	LACONIA	15600	500000	BEL
HUD	78	MEREDITH	4700	0	BEL
HUD	79	LACONIA	15600	400000	BEL
HUD	80	LACONIA	15600	300000	BEL
HUD	81	LACONIA	15600	500000	BEL
HUD	82	LACONIA	15600	600000	BEL
OSP	83	LACONIA	15600	400000	BEL
OSP	84	LACONIA	15600	291800	BEL
OSP	84	ALTON	2400	0	BEL
OSP	85	LACONIA	15600	500000	BEL
OSP	85	MEREDITH	4200	0	BEL
OSP	86	LACONIA	15600	500000	BEL
OSP	87	LACONIA	15600	348000	BEL
OSP	88	LACONIA	15600	361000	BEL
OSP	89	TILTON	3400	350000	BEL
OSP	89	LACONIA	15600	396450	BEL
OSP	90	TILTON	3400	500000	BEL
HUD	75	BROOKFIELD	400	0	CAR
HUD	75	TAMWORTH	1700	0	CAR
HUD	78	OSSIPEE	2500	0	CAR
HUD	78	WOLFEBORO	4000	0	CAR
HUD	79	OSSIPEE	2500	391373	CAR
HUD	80	OSSIPEE	2500	400000	CAR
HUD	81	OSSIPEE	2500	500000	CAR
OSP	83	CONWAY	7200	265000	CAR
OSP	84	CONWAY	7200	294500	CAR

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Table 11 continued

OSP	84	OSSIPEE	2500	297500	CAR
OSP	84	WOLFBORO	4000	0	CAR
OSP	85	CONWAY	7200	16600	CAR
OSP	85	WOLFEBORO	4000	300000	CAR
OSP	85	WAKEFIELD	2250	0	CAR
OSP	86	TAMWORTH	1700	190000	CAR
OSP	88	MADISON	1100	300000	CAR
OSP	88	OSSIPEE	2500	0	CAR
OSP	89	OSSIPEE	2500	350000	CAR
OSP	89	CONWAY	7200	0	CAR
HUD	75	KEENE	21500	50000	CHE
HUD	76	KEENE	21500	350000	CHE
HUD	77	KEENE	21500	119500	CHE
HUD	78	KEENE	21500	300000	CHE
HUD	79	KEENE	21500	281500	CHE
HUD	80	KEENE	21500	0	CHE
HUD	81	KEENE	21500	0	CHE
HUD	82	KEENE	21500	460000	CHE
HUD	82	WINCHESTER	3500	365000	CHE
OSP	83	HINSDALE	3700	400000	CHE
OSP	83	WINCHESTER	3500	325904	CHE
OSP	84	HINSDALE	3700	325000	CHE
OSP	84	KEENE	21500	160000	CHE
OSP	84	WINCHESTER	3500	336000	CHE
OSP	84	KEENE	21500	63400	CHE
OSP	84	MARLBORO	1850	0	CHE
OSP	84	TROY	1800	0	CHE
OSP	84	SWANZEY	5200	0	CHE
OSP	85	TROY	2100	217000	CHE
OSP	85	KEENE	21500	0	CHE
OSP	86	HINSDALE	4700	223100	CHE
OSP	86	KEENE	21500	275000	CHE
OSP	86	WINCHESTER	3500	234300	CHE
OSP	86	WALPOLE	3200	0	CHE
OSP	87	KEENE	21500	195000	CHE
OSP	87	WINCHESTER	3500	326000	CHE
OSP	88	KEENE	21500	500000	CHE
OSP	88	WINCHESTER	3500	350000	CHE
OSP	88	HINSDALE	3700	0	CHE
OSP	89	KEENE	21500	200000	CHE
HUD	75	BERLIN	13000	20000	COO
HUD	75	LANCASTER	3400	0	COO
HUD	75	NRTHUMBRLD	2500	0	COO
HUD	76	BERLIN	13000	130000	COO
HUD	76	COLEBROOK	4500	0	COO
HUD	76	GORHAM	3300	0	COO
HUD	76	LANCASTER	3400	0	COO

continued next page



Table 11 continued

HUD	76	NRTHUMBRD	2500	0	COO
HUD	77	BERLIN	13000	312500	COO
HUD	77	COLEBROOK	4500	0	COO
HUD	77	NRTHUMBRD	2500	0	COO
HUD	78	BERLIN	13000	300000	COO
HUD	78	LANCASTER	3400	174250	COO
HUD	78	NRTHUMBRD	2500	0	COO
HUD	79	BERLIN	13000	600000	COO
HUD	79	NRTHUMBRD	2500	178500	COO
HUD	79	STRATFORD	1000	0	COO
HUD	80	BERLIN	13000	300000	COO
HUD	81	BERLIN	13000	600000	COO
HUD	81	LANCASTER	3400	0	COO
HUD	81	STRATFORD	1000	0	COO
HUD	81	WHITEFIELD	1700	275000	COO
HUD	82	BERLIN	13000	500000	COO
OSP	83	BERLIN	13000	400000	COO
OSP	83	NRTHUMBRD	2500	400000	COO
OSP	84	BERLIN	13000	215000	COO
OSP	84	BERLIN	13000	215000	COO
OSP	84	BERLIN	13000	285000	COO
OSP	84	WHITEFIELD	1700	130361	COO
OSP	85	BERLIN	13000	125100	COO
OSP	85	BERLIN	13000	125100	COO
OSP	85	COLEBROOK	4500	350000	COO
OSP	85	DALTON	700	350000	COO
OSP	86	BERLIN	13000	874900	COO
OSP	86	DALTON	700	144600	COO
OSP	86	NRTHUMBRD	2500	350000	COO
OSP	86	CARROLL	700	0	COO
OSP	87	BERLIN	13000	188000	COO
OSP	87	DALTON	700	129600	COO
OSP	87	GORHAM	3300	258500	COO
OSP	87	PITTSBURG	800	300000	COO
OSP	87	STWARTSTWN	1000	350000	COO
OSP	87	WHITEFIELD	1700	286200	COO
OSP	88	COLUMBIA	700	250000	COO
OSP	88	COLEBROOK	4500	350000	COO
OSP	89	WHITEFIELD	1700	250000	COO
OSP	89	STEWRTSTWN	1000	335000	COO
OSP	89	GORHAM	3300	0	COO
OSP	90	WHITEFIELD	1700	350000	COO
OSP	90	COLEBROOK	4500	225000	COO
OSP	90	CLARKSVILL	300	296000	COO
HUD	75	ASHLAND	1800	0	GRA
HUD	75	BRIDGWATER	600	0	GRA
HUD	75	HAVERHILL	3400	0	GRA
HUD	75	LEBANON	11200	0	GRA

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Table 11 continued

HUD	75	PLYMOUTH	5100	0	GRA
HUD	75	WOODSTOCK	1000	282000	GRA
HUD	76	LEBANON	11200	0	GRA
HUD	76	PLYMOUTH	5100	0	GRA
HUD	76	WOODSTOCK	1000	0	GRA
HUD	77	LEBANON	11200	190000	GRA
HUD	77	WOODSTOCK	1000	0	GRA
HUD	78	ASHLAND	1800	0	GRA
HUD	78	ASHLAND	1800	0	GRA
HUD	78	HAVERHILL	3400	0	GRA
HUD	78	LEBANON	11200	0	GRA
HUD	79	LEBANON	11200	0	GRA
HUD	80	LITTLETON	5600	400000	GRA
HUD	80	LEBANON	11200	400000	GRA
HUD	80	WOODSTOCK	1000	0	GRA
HUD	81	LEBANON	11200	400000	GRA
HUD	81	LITTLETON	5600	0	GRA
HUD	82	LEBANON	11200	400000	GRA
HUD	82	LISBON	1500	304000	GRA
OSP	83	WOODSTOCK	1000	400000	GRA
OSP	84	CANAAN	2500	200000	GRA
OSP	84	HAVERHILL	3400	239500	GRA
OSP	84	LEBANON	11200	154350	GRA
OSP	84	LITTLETON	5600	71000	GRA
OSP	84	PLYMOUTH	5100	0	GRA
OSP	85	BETHLEHEM	1800	230000	GRA
OSP	85	CANAAN	25000	178000	GRA
OSP	85	LANDAFF	300	350000	GRA
OSP	85	LEBANON	11200	200000	GRA
OSP	85	LISBON	8700	350000	GRA
OSP	85	PLYMOUTH	5100	270000	GRA
OSP	85	LEBANON	11200	0	GRA
OSP	86	ASHLAND	1800	334100	GRA
OSP	86	ASHLAND	1800	334100	GRA
OSP	86	BETHLEHEM	1800	200000	GRA
OSP	86	CANAAN	2500	172000	GRA
OSP	86	LEBANON	11200	109250	GRA
OSP	86	LITTLETON	5600	286000	GRA
OSP	86	PLYMOUTH	5100	175000	GRA
OSP	87	DORCHESTER	300	176400	GRA
OSP	87	HAVERHILL	3400	300000	GRA
OSP	87	LISBON	1500	117600	GRA
OSP	87	WOODSTOCK	1000	300000	GRA
OSP	88	LISBON	1500	232400	GRA
OSP	88	LINCOLN	1400	0	GRA
OSP	88	LYMAN	300	0	GRA
OSP	88	BATH	800	26450	GRA
OSP	88	CANAAN	2500	0	GRA
OSP	88	BRISTOL	2200	0	GRA

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Table 11 continued

OSP	89	LITTLETON	5600	150000	GRA
OSP	89	HAVERHILL	3400	350000	GRA
OSP	89	GRAFTON	800	350000	GRA
OSP	89	WARREN	700	350000	GRA
OSP	89	LYMAN	300	350000	GRA
OSP	89	BATH	800	215000	GRA
OSP	89	BRISTOL	2200	0	GRA
OSP	89	CAMPTON	1700	0	GRA
OSP	90	WENTWORTH	600	350000	GRA
OSP	90	CANAAN	2500	350000	GRA
OSP	90	GRAFTON	800	0	GRA
OSP	90	HAVERHILL	3400	350000	GRA
HUD	75	DEERING	1000	0	HIL
HUD	75	LITCHFIELD	4200	0	HIL
HUD	75	MONTVERNON	1500	0	HIL
HUD	75	PETERBORO	4900	0	HIL
HUD	75	WEARE	3300	0	HIL
HUD	75	WILTON	2700	0	HIL
HUD	75	BEFORD	9500	0	HIL
HUD	75	GOFFSTOWN	11300	55000	HIL
HUD	75	MERRIMACK	15500	24800	HIL
HUD	75	MILFORD	8700	9200	HIL
HUD	75	PELHAM	8100	7000	HIL
HUD	76	MERRIMACK	15500	53000	HIL
HUD	76	PELHAM	8100	10000	HIL
HUD	77	GOFFSTOWN	11300	109000	HIL
HUD	77	MERRIMACK	15500	68000	HIL
HUD	77	PELHAM	8100	13000	HIL
HUD	78	BEDFORD	9500	0	HIL
HUD	78	MERRIMACK	15500	350000	HIL
HUD	78	PELHAM	8100	78000	HIL
HUD	79	BEDFORD	9500	0	HIL
HUD	79	MERRIMACK	15500	0	HIL
HUD	80	GOFFSTOWN	11300	304000	HIL
HUD	81	AMHERST	8300	0	HIL
HUD	81	GOFFSTOWN	11300	534000	HIL
HUD	81	MERRIMACK	15500	0	HIL
HUD	81	MILFORD	8700	0	HIL
HUD	81	WILTON	2700	120000	HIL
OSP	84	WILTON	2700	350000	HIL
OSP	84	HILLSBORO	3500	0	HIL
OSP	84	HUDSON	14000	0	HIL
OSP	85	MILFORD	8700	350000	HIL
OSP	85	GOFFSTOWN	11300	0	HIL
OSP	86	GREENVILLE	2000	206000	HIL
OSP	86	GOFFSTOWN	11300	182000	HIL
OSP	87	ANTRIM	2200	300000	HIL
OSP	88	GREENVILLE	2000	0	HIL

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Table 11 continued

OSP	88	HILLSBORO	3500	0	HIL
OSP	89	GREENVILLE	2000	350000	HIL
HUD	75	BOSCAWEN	3400	0	MER
HUD	75	CONCORD	30400	0	MER
HUD	75	FRANKLIN	7900	0	MER
HUD	75	HOPKINTON	3900	0	MER
HUD	75	SALISBURY	1000	0	MER
HUD	75	WARNER	2000	175000	MER
HUD	76	CONCORD	30400	0	MER
HUD	76	HENNIKER	3200	0	MER
HUD	76	HOOKSETT	7300	0	MER
HUD	77	CONCORD	30400	62000	MER
HUD	78	CONCORD	30400	349000	MER
HUD	78	PITTSFIELD	2900	0	MER
HUD	78	HOOKSETT	7300	0	MER
HUD	79	CONCORD	30400	351000	MER
HUD	79	FRANKLIN	7900	0	MER
HUD	79	PITTSFIELD	2900	320663	MER
HUD	80	CONCORD	30400	500000	MER
HUD	81	CONCORD	30400	450000	MER
HUD	81	FRANKLIN	7900	0	MER
HUD	81	PITTSFIELD	2900	300000	MER
HUD	82	CONCORD	30400	600000	MER
HUD	82	FRANKLIN	7900	500000	MER
HUD	82	PITTSFIELD	2900	455000	MER
OSP	83	CONCORD	30400	450000	MER
OSP	83	PITTSFIELD	2900	351000	MER
OSP	83	FRANKLIN	7900	345000	MER
OSP	83	PEMBROKE	4900	400000	MER
OSP	84	CONCORD	30400	500000	MER
OSP	84	FRANKLIN	7900	350000	MER
OSP	84	PEMBROKE	4900	67683	MER
OSP	85	CONCORD	30400	450000	MER
OSP	85	FRANKLIN	7900	0	MER
OSP	85	PITTSFIELD	2900	0	MER
OSP	86	HENNIKER	3200	300000	MER
OSP	86	WARNER	2000	316250	MER
OSP	87	CONCORD	30400	284000	MER
OSP	87	WARNER	2000	155000	MER
OSP	87	HENNIKER	3200	0	MER
OSP	88	WARNER	2000	250000	MER
OSP	88	NORTHFIELD	3100	350000	MER
OSP	88	CONCORD	30400	221000	MER
OSP	89	CONCORD	30400	125000	MER
OSP	89	PITTSFIELD	2900	350000	MER
OSP	89	WARNER	2000	350000	MER
OSP	89	CONCORD	30400	345000	MER
OSP	90	CONCORD	30400	122000	MER

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Table 11 continued

OSP	90	WARNER	2000	168200	MER
OSP	90	CONCORD	30400	60000	MER
HUD	75	EPPING	3500	0	ROC
HUD	75	EXETER	11000	40000	ROC
HUD	75	NEWMARKET	4300	0	ROC
HUD	75	RAYMOND	5500	0	ROC
HUD	75	DERRY	18900	0	ROC
HUD	75	SALEM	24200	37000	ROC
HUD	76	EPPING	3500	0	ROC
HUD	76	EXETER	11000	246000	ROC
HUD	76	DERRY	18900	86000	ROC
HUD	76	SALEM	24200	59000	ROC
HUD	77	EXETER	11000	0	ROC
HUD	77	DERRY	18900	0	ROC
HUD	77	SALEM	24200	73000	ROC
HUD	78	DEERFIELD	2000	0	ROC
HUD	78	EXETER	11000	0	ROC
HUD	78	RAYMOND	5500	0	ROC
HUD	79	EXETER	11000	0	ROC
HUD	79	RAYMOND	5500	0	ROC
HUD	79	DERRY	18900	548000	ROC
HUD	79	SALEM	24200	100000	ROC
HUD	80	DERRY	18900	400000	ROC
HUD	80	EXETER	11000	364000	ROC
HUD	80	NEWMARKET	4300	400000	ROC
HUD	80	RAYMOND	5500	0	ROC
HUD	81	DERRY	18900	163000	ROC
HUD	81	EXETER	11000	0	ROC
HUD	81	NEWMARKET	4300	600000	ROC
HUD	82	DERRY	18900	335000	ROC
OSP	83	EPPING	3500	400000	ROC
OSP	84	EPPING	3500	240000	ROC
OSP	84	RAYMOND	5500	166456	ROC
OSP	84	RAYMOND	5500	0	ROC
OSP	84	AUBURN	2900	0	ROC
OSP	84	DERRY	18900	0	ROC
OSP	84	LONDONDERRY	13600	0	ROC
OSP	85	NEWMARKET	4300	284660	ROC
OSP	85	RAYMOND	5500	276000	ROC
OSP	85	DERRY	18900	0	ROC
OSP	86	NORTHWOOD	2200	16000	ROC
OSP	87	EPPING	3500	0	ROC
OSP	88	NORTHWOOD	2200	0	ROC
OSP	88	EPPING	3500	0	ROC
OSP	89	RAYMOND	5500	212900	ROC
OSP	89	NEWTON	3100	0	ROC

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Table 11 continued

HUD	75	DURHAM	10600	0	STR
HUD	75	FARMINGTON	4600	0	STR
HUD	75	ROLLINGSFRD	2400	0	STR
HUD	75	SOMERSWRTH	10400	191000	STR
HUD	76	SOMERSWRTH	10400	140000	STR
HUD	77	SOMERSWRTH	10400	255000	STR
HUD	78	DURHAM	10600	0	STR
HUD	78	MILTON	2500	0	STR
HUD	78	NEWDURHAM	1200	0	STR
HUD	78	SOMERSWRTH	10400	350000	STR
HUD	79	SOMERSWRTH	10400	500000	STR
HUD	80	SOMERSWRTH	10400	350000	STR
HUD	81	SOMERSWRTH	10400	505000	STR
HUD	82	SOMERSWRTH	10400	600000	STR
OSP	83	SOMERSWRTH	10400	395000	STR
OSP	83	FARMINGTON	4600	355000	STR
OSP	84	FARMINGTON	4600	190000	STR
OSP	84	SOMERSWRTH	10400	500000	STR
OSP	85	SOMERSWRTH	10400	162250	STR
OSP	85	SOMERSWRTH	10400	0	STR
OSP	86	FARMINGTON	4600	200000	STR
OSP	86	SOMERSWRTH	10400	217250	STR
OSP	86	SOMERSWRTH	10400	200000	STR
OSP	87	FARMINGTON	4600	292500	STR
OSP	87	MIDDLETON	800	196000	STR
OSP	87	MILTON	2500	130000	STR
OSP	87	SOMERSWRTH	10400	0	STR
OSP	88	SOMERSWRTH	10400	319792	STR
OSP	88	MIDDLETON	800	0	STR
OSP	90	SOMERSWRTH	10400	825000	STR
HUD	75	NEWPORT	6300	137000	SUL
HUD	76	CHARLESTWN	4500	0	SUL
HUD	76	CLAREMONT	14500	0	SUL
HUD	76	NEWPORT	6300	225000	SUL
HUD	77	CLAREMONT	14500	250000	SUL
HUD	77	NEWPORT	6300	0	SUL
HUD	78	CLAREMONT	14500	400000	SUL
HUD	79	CLAREMONT	14500	400000	SUL
HUD	80	CLAREMONT	14500	400000	SUL
HUD	81	CLAREMONT	14500	0	SUL
HUD	81	CLAREMONT	14500	351500	SUL
HUD	82	CLAREMONT	14500	500000	SUL
OSP	83	CLAREMONT	14500	45000	SUL
OSP	83	CLAREMONT	14500	355000	SUL
OSP	83	NEWPORT	6300	380000	SUL
OSP	84	CHARLESTWN	4500	227950	SUL
OSP	84	CLAREMONT	14500	323000	SUL
OSP	84	CLAREMONT	14500	177000	SUL

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Table 11 continued

OSP	84	NEWPORT	6300	113500	SUL
OSP	84	CROYDON	460	0	SUL
OSP	85	CLAREMONT	14500	70640	SUL
OSP	85	LEMPSTER	700	287500	SUL
OSP	85	NEWPORT	6300	239000	SUL
OSP	85	SUNAPEE	2300	131500	SUL
OSP	85	CLAREMONT	14500	281000	SUL
OSP	86	NEWPORT	6300	286000	SUL
OSP	86	CHARLESTWN	4400	0	SUL
OSP	86	CLAREMONT	14500	0	SUL
OSP	87	CHARLESTWN	4500	183000	SUL
OSP	87	CLAREMONT	14500	265800	SUL
OSP	87	CLAREMONT	14500	150000	SUL
OSP	88	CLAREMONT	14500	0	SUL
OSP	88	NEWPORT	6300	0	SUL
OSP	88	LITTLETON	5600	350000	SUL
OSP	89	UNITY	1100	0	SUL
OSP	90	NEWPORT	6300	300000	SUL
OSP	90	NEWPORT	6300	350000	SUL
OSP	90	COLUMBIA	700	350000	SUL
OSP	90	STARK	500	350000	SUL
OSP	90	UNITY	1100	24000	SUL

The geographic redistribution of grant funds reveals some interesting patterns. The changes here, in general, reflect some of the changes caused by the state's general goal of more widely disbursing the funds. However, there is no evidence that changing the geographic balance was either implicitly or explicitly part of New Hampshire's plan. And yet, looking at following summary table, there are some significant shifts both in terms of grants, and most importantly, in terms of applications.

TABLE 12  
COMMUNITY PARTICIPATION SUMMARY:

		BY COUNTY									
		BEL	CAR	CHE	COO	GRA	HIL	MER	STR	SUL	ROC
# of Applications											
HUD		12	7	9	23	23	27	23	14	12	28
OSP		11	12	21	29	42	11	25	16	27	16
Total		23	19	30	52	65	38	48	30	39	44
Grand Total	388										
# of Grants Made											
HUD		5	3	7	11	7	14	11	8	9	14
OSP		9	8	15	27	33	6	22	13	22	7
Total		14	11	22	38	40	20	33	21	31	21
Grand Total	250										
% of Apps. Funded											
HUD		42	43	78	48	30	52	48	57	75	50
OSP		82	67	72	93	79	55	88	81	81	44

To understand why these shifts occurred, it is necessary to look at those counties which exhibit the biggest percentage shifts between HUD's and OSP's administration.

### Hillsborough and Rockingham Counties

These two counties are the only two to show decreases in applications or grants during the second eight years of this study period, in fact, each of these counties show decreases in each of these categories.

The reason, in both cases, seems to be the same. When OSP took over the program, and changed the focus, the staff in the towns who had been receiving grants quickly realized that the criteria, especially the changes in low- and moderate-income requirements, would effect their chances of being funded. The first two grant rounds under OSP (1983 and 1984) confirmed their fears: Out of a total of 10 applications submitted from the two counties, only one was funded. Being rational, the towns began submitting fewer applications until, during the three years from 1988 to 1990, there was only one application from each of the counties.

### Sullivan and Cheshire Counties

These counties are interesting because they demonstrate the importance of technical assistance. The increased number of applications and the success rate in these counties are almost entirely attributable to the involvement of regional planning agencies (Southwest Region Planning Commission in Cheshire County, Upper Valley - Lake Sunapee Commission in Sullivan County). In both cases the agencies quickly became involved in the programs after the state took over. This was a mutually beneficial arrangement between the towns and the agencies.

In both cases the agencies both wrote grants and, if the town desired, entered into contracts to administer those grants awarded. In both cases the agencies received technical assistance grants from the OSP to provide assistance and workshops for towns in their regions. The success of this arrangement is evident from the statistics.

#### Coos County

Coos County is an interesting case. The northern half of New Hampshire is filled with rural poverty but, with the exception of Berlin, no communities of any appreciable population are present. HUD's guidelines resulted in limited involvement of program funds to assist this poor area.<sup>11</sup> This was not for lack of trying. The North Country Council (the regional planning agency for this area) had been working with the communities, trying to find a way to "break into" the CDBG program money. Towns in Coos County had one of the highest application rates in the state. Still, under HUD, with the exception of Berlin, the towns were largely unsuccessful.

OSP's program changes turned that situation around. Its emphasis on project-oriented solutions to specific high need areas was tailor-made for the problems of the North Country. Finally, all of those applications being submitted were coming back approved. Under HUD, Coos County towns had

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<sup>11</sup> From 1975 to 1982 only eleven grants, a total of \$3,289,750 went to Coos County; 8 of these grants, \$2,766,000, went to Berlin.

submitted 23 applications and had 11 of them approved, a success rate of 47%. With OSP's changes, North Country towns submitted 29 grants and saw 27 of them funded, an impressive 93%.

Changes seen in the other counties can be attributed to those same factors. The implications of the changes being made by the state were clear to the towns (and the people at the planning agencies) and they began to respond.

#### G. Activities

The implications of the new program priorities were also being felt in the type of activities being undertaken with program funds, although to some degree this area seems to have been less effected than some of the other areas. Before discussing the data, however, there are some important considerations that must be discussed. These directly impact the validity of any statistical interpretation.

First, it must be noted that HUD, at the beginning of the program, did not have the flexibility that became available in the program after 1981. Of particular note here are the changes which added economic development as an allowable activity and which allowed funds to be made available to for-profit enterprises. Obviously, these changes made possible, for the first time, the awarding of actual economic development grants.

Secondly, HUD's use of comprehensive grants as part of its neighborhood targeting policy was significant. Between 1978 and 1982, the period during which HUD was using this

targeting strategy, 38% of the grants (17 of 45) awarded were applied for under this comprehensive category.

Thirdly, and related to the point made above, these comprehensive grants were, by all accounts, basically housing rehabilitation grants with some public improvements thrown in. The type of improvements depended on specific neighborhoods' needs but generally were activities such as sidewalk improvements, landscaping (adding trees and shrubs along otherwise barren streetscapes) or the development of neighborhood mini-parks. Since the overall emphasis in these grants was housing, they have been included in that category on the summary table, although they have been kept separate in the detailed data also included elsewhere in this study.

Lastly, this analysis is limited to only those grants which were funded. This is due to the fact that HUD did not keep records on what non-funded applicants had requested. Therefore, the detailed data included under HUD shows only those funded; OSP data does show what was requested even if no funds were received. No comparisons can be done given this lack of HUD data.

Even with those limitations on the data in mind, it is interesting to peruse the summary table. HUD's emphasis on housing is evident throughout their administration; OSP's attempts to spread the funds around comes through clearly. Under each agency, however, there are some important factors that account for the fact that, except for the major changes



noted above, activities funded will not fluctuate wildly in a small rural state like New Hampshire.

1) The emphasis on low- and moderate-income benefit. This resulted in project activities in compact areas.

2) The limited funding available. This eliminates many worthy projects that are just too big to be undertaken.

Housing projects can be adjusted simply (projecting 25 units instead of 50); public facilities and economic development projects are generally not so easily manipulated.

3) The CDBG program has always been seen as a source of funds for projects which otherwise would not be done. Both HUD and OSP included wording to the effect that priority would be given to those applications "for which existing public or private programs or sources of funds are not otherwise available." (OSP, 1983a, p. 3) Once again, especially in the early days, this favored housing rehabilitation projects. To some extent, this was a matter of interpretation. Public facilities projects were given lower impact scores if it by felt (by HUD or OSP) the community could and should fund the project out of tax dollars. Economic development projects were, and are, very closely scrutinized to determine why private investors will not provide the needed financing.

4) There are only so many projects able to be funded. This is especially true in the area of economic development. The match requirements, close scrutiny and private sector involvement makes these projects difficult to develop.

The "Activities Funded" category is, then, a more difficult area in which to track changes wrought by the devolution. This is partly because of the many Congressional changes made in this area over the life of the program and partly because of a number of other factors over which the program administrators had no control.

TABLE 13  
GRANT APPLICATIONS:  
ANNUALLY BY ACTIVITY

AGENCY	FY	TOWN	POP	FUNDSREC	ACT
HUD	78	BERLIN	13000	300000	C1
HUD	78	CLAREMONT	14500	400000	C1
HUD	78	CONCORD	30400	349000	C1
HUD	78	LACONIA	15600	500000	C1
HUD	78	SOMERSWRTH	10400	350000	C1
HUD	80	LEBANON	11200	400000	C1
HUD	81	BERLIN	13000	600000	C1
HUD	81	CONCORD	30400	450000	C1
HUD	81	LACONIA	15600	500000	C1
HUD	81	NEWMARKET	4300	600000	C1
HUD	81	PITTSFIELD	2900	300000	C1
HUD	81	SOMERSWRTH	10400	505000	C1
HUD	82	CONCORD	30400	600000	C1
HUD	82	LACONIA	15600	600000	C1
HUD	82	LEBANON	11200	400000	C1
HUD	82	PITTSFIELD	2900	455000	C1
HUD	82	SOMERSWRTH	10400	600000	C1
HUD	79	BERLIN	13000	600000	C2
HUD	79	LACONIA	15600	400000	C2
HUD	79	CLAREMONT	14500	400000	C2
HUD	79	CONCORD	30400	351000	C2
HUD	79	SOMERSWRTH	10400	500000	C2
HUD	81	LEBANON	11200	400000	C2

continued next page

Table 13 continued

HUD	82	BERLIN	13000	500000	C2
OSP	83	CONCORD	30400	450000	C2
OSP	83	LACONIA	15600	400000	C2
OSP	83	PITTSFIELD	2900	351000	C2
OSP	83	SOMERSWRTH	10400	395000	C2
HUD	80	BERLIN	13000	300000	C3
HUD	80	CLAREMONT	14500	400000	C3
HUD	80	CONCORD	30400	500000	C3
HUD	80	LACONIA	15600	300000	C3
HUD	80	SOMERSWRTH	10400	350000	C3
OSP	83	BERLIN	13000	400000	C3
HUD	81	DERRY	18900	163000	ED
HUD	82	CLAREMONT	14500	500000	ED
HUD	82	LISBON	1500	304000	ED
OSP	83	CLAREMONT	14500	355000	ED
OSP	83	CONWAY	7200	265000	ED
OSP	84	BERLIN	13000	215000	ED
OSP	84	BERLIN	13000	285000	ED
OSP	84	CLAREMONT	14500	323000	ED
OSP	84	CLAREMONT	14500	177000	ED
OSP	84	NEWPORT	6300	113500	ED
OSP	84	WHITEFIELD	1700	130361	ED
OSP	85	BETHLEHEM	1800	230000	ED
OSP	85	CONWAY	7200	16600	ED
OSP	85	LACONIA	15600	500000	ED
OSP	85	LEBANON	11200	200000	ED
OSP	85	NEWMARKET	4300	284660	ED
OSP	85	PLYMOUTH	5100	270000	ED
OSP	85	CLAREMONT	14500	281000	ED
OSP	86	HENNIKER	3200	300000	ED
OSP	86	LACONIA	15600	500000	ED
OSP	86	LITTLETON	5600	286000	ED
OSP	86	PLYMOUTH	5100	175000	ED
OSP	87	GORHAM	3300	258500	ED
OSP	87	LACONIA	15600	348000	ED
OSP	87	CLAREMONT	14500	150000	ED
HUD	75	BERLIN	13000	20000	HR

continued next page

Table 13 continued

HUD	75	EXETER	11000		
HUD	75	KEENE	21500	40000	HR
HUD	75	NEWPORT	6300	50000	HR
HUD	75	SOMERSWRTH	10400	137000	HR
HUD	75	GOFFSTOWN	11300	191000	HR
HUD	76	EXETER	11000	55000	HR
HUD	76	KEENE	21500	246000	HR
HUD	76	NEWPORT	6300	350000	HR
HUD	76	DERRY	18900	225000	HR
				86000	HR
HUD	77	BERLIN	13000		
HUD	77	CLAREMONT	14500	312500	HR
HUD	77	CONCORD	30400	250000	HR
HUD	77	KEENE	21500	62000	HR
HUD	77	LEBANON	11200	119500	HR
HUD	77	SOMERSWRTH	10400	190000	HR
HUD	77	GOFFSTOWN	11300	255000	HR
HUD	77	PELHAM	8100	109000	HR
HUD	77	SALEM	24200	13000	HR
				73000	HR
HUD	78	KEENE	21500		
HUD	78	LANCASTER	3400	300000	HR
HUD	78	PELHAM	8100	174250	HR
				78000	HR
HUD	79	KEENE	21500		
HUD	79	PITTSFIELD	2900	281500	HR
HUD	79	DERRY	18900	320663	HR
HUD	79	SALEM	24200	548000	HR
				100000	HR
HUD	80	DERRY	18900		
HUD	80	EXETER	11000	400000	HR
HUD	80	LITTLETON	5600	364000	HR
HUD	80	NEWMARKET	4300	400000	HR
				400000	HR
HUD	81	GOFFSTOWN	11300		
HUD	81	WILTON	2700	534000	HR
				120000	HR
HUD	82	DERRY	18900		
HUD	82	FRANKLIN	7900	335000	HR
HUD	82	KEENE	21500	500000	HR
HUD	82	WINCHESTER	3500	460000	HR
				365000	HR
OSP	83	CLAREMONT	14500		
OSP	83	EPPING	3500	45000	HR
OSP	83	FARMINGTON	4600	400000	HR
OSP	83	FRANKLIN	7900	355000	HR
OSP	83	HINSDALE	3700	345000	HR
OSP	83	NEWPORT	6300	400000	HR
OSP	83	NEWPORT	6300	380000	HR
OSP	83	NRTHUMBRLD	2500	400000	HR

continued next page

Table 13 continued

OSP	83	PEMBROKE	4900	400000	HR
OSP	83	WINCHESTER	3500	325904	HR
OSP	84	CONWAY	7200	294500	HR
OSP	84	CONCORD	30400	500000	HR
OSP	84	EPPING	3500	240000	HR
OSP	84	FARMINGTON	4600	190000	HR
OSP	84	FRANKLIN	7900	350000	HR
OSP	84	HINSDALE	3700	325000	HR
OSP	84	OSSIPEE	2500	297500	HR
OSP	84	PEMBROKE	4900	67683	HR
OSP	84	SOMERSWRTH	10400	500000	HR
OSP	84	WINCHESTER	3500	336000	HR
OSP	84	KEENE	21500	63400	HR
OSP	84	LEBANON	11200	154350	HR
OSP	84	LITTLETON	5600	71000	HR
OSP	85	COLEBROOK	4500	350000	HR
OSP	85	CONCORD	30400	450000	HR
OSP	85	DALTON	700	350000	HR
OSP	85	LANDAFF	300	350000	HR
OSP	85	LEMPSTER	700	287500	HR
OSP	85	LISBON	8700	350000	HR
OSP	85	MILFORD	8700	350000	HR
OSP	85	NEWPORT	6300	239000	HR
OSP	85	SOMERSWRTH	10400	162250	HR
OSP	85	SUNAPEE	2300	131500	HR
OSP	85	TROY	2100	217000	HR
OSP	86	BETHLEHEM	1800	200000	HR
OSP	86	DALTON	700	144600	HR
OSP	86	FARMINGTON	4600	200000	HR
OSP	86	GREENVILLE	2000	206000	HR
OSP	86	HINSDALE	4700	223100	HR
OSP	86	KEENE	21500	275000	HR
OSP	86	NEWPORT	6300	286000	HR
OSP	86	NRTHUMBRD	2500	350000	HR
OSP	86	SOMERSWRTH	10400	217250	HR
OSP	86	WINCHESTER	3500	234300	HR
OSP	87	CLAREMONT	14500	265800	HR
OSP	87	CONCORD	30400	284000	HR
OSP	87	DORCHESTER	300	176400	HR
OSP	87	HAVERHILL	3400	300000	HR
OSP	87	LISBON	1500	117600	HR
OSP	87	MIDDLETON	800	196000	HR
OSP	87	MILTON	2500	130000	HR
OSP	87	PITTSBURG	800	300000	HR
OSP	87	STWARTSTWN	1000	350000	HR

continued next page

Table 13 continued

OSP	87	WINCHESTER	3500	326000	HR
OSP	87	WOODSTOCK	1000	300000	HR
OSP	88	LACONIA	15600	361000	HR
OSP	88	COLUMBIA	700	250000	HR
OSP	88	LISBON	1500	232400	HR
OSP	88	COLEBROOK	4500	350000	HR
OSP	88	SOMERSWRTH	10400	319792	HR
OSP	88	WARNER	2000	250000	HR
OSP	88	KEENE	21500	500000	HR
OSP	88	MADISON	1100	300000	HR
OSP	88	NORTHFIELD	3100	350000	HR
OSP	89	TILTON	3400	350000	HR
OSP	89	LACONIA	15600	396450	HR
OSP	89	HAVERHILL	3400	350000	HR
OSP	89	NEWPORT	6300	300000	HR
OSP	89	GREENVILLE	2000	350000	HR
OSP	89	GRAFTON	800	350000	HR
OSP	89	STEWRTSTWN	1000	335000	HR
OSP	89	WARREN	700	350000	HR
OSP	89	CONCORD	30400	345000	HR
OSP	89	LYMAN	300	350000	HR
OSP	89	BATH	800	215000	HR
OSP	90	NEWPORT	6300	350000	HR
OSP	90	COLUMBIA	700	350000	HR
OSP	90	STARK	500	350000	HR
OSP	90	WENTWORTH	600	350000	HR
OSP	90	CANAAN	2500	350000	HR
OSP	90	TILTON	3400	500000	HR
OSP	90	COLEBROOK	4500	225000	HR
OSP	90	CONCORD	30400	60000	HR
OSP	90	CLARKSVILL	300	296000	HR
HUD	75	WARNER	2000	175000	PF
HUD	75	WOODSTOCK	1000	282000	PF
HUD	75	MERRIMACK	15500	24800	PF
HUD	75	MILFORD	8700	9200	PF
HUD	75	SALEM	24200	37000	PF
HUD	75	PELHAM	8100	7000	PF
HUD	76	SOMERSWRTH	10400	140000	PF
HUD	76	MERRIMACK	15500	53000	PF
HUD	76	PELHAM	8100	10000	PF
HUD	76	SALEM	24200	59000	PF
HUD	77	MERRIMACK	15500	68000	PF

continued next page



Table 13 continued

HUD	78	MERRIMACK	15500	350000	PF
HUD	79	NRTHUMBRD	2500	178500	PF
HUD	79	OSSIPEE	2500	391373	PF
HUD	80	GOFFSTOWN	11300	304000	PF
HUD	80	OSSIPEE	2500	400000	PF
HUD	81	CLAREMONT	14500	351500	PF
HUD	81	OSSIPEE	2500	500000	PF
HUD	81	WHITEFIELD	1700	275000	PF
OSP	83	WOODSTOCK	1000	400000	PF
OSP	84	CANAAN	2500	200000	PF
OSP	84	CHARLESTWN	4500	227950	PF
OSP	84	HAVERHILL	3400	239500	PF
OSP	84	KEENE	21500	160000	PF
OSP	84	LACONIA	15600	291800	PF
OSP	84	RAYMOND	5500	166456	PF
OSP	84	WILTON	2700	350000	PF
OSP	85	BERLIN	13000	125100	PF
OSP	85	CANAAN	25001	178000	PF
OSP	85	CLAREMONT	14500	70640	PF
OSP	85	RAYMOND	5500	276000	PF
OSP	85	WOLFEBORO	4000	300000	PF
OSP	86	ASHLAND	1800	334100	PF
OSP	86	BERLIN	13000	874900	PF
OSP	86	CANAAN	2500	172000	PF
OSP	86	LEBANON	11200	109250	PF
OSP	86	SOMERSWRTH	10400	200000	PF
OSP	86	TAMWORTH	1700	190000	PF
OSP	86	WARNER	2000	316250	PF
OSP	86	GOFFSTOWN	11300	182000	PF
OSP	86	NORTHWOOD	2200	16000	PF
OSP	87	ANTRIM	2200	300000	PF
OSP	87	BERLIN	13000	188000	PF
OSP	87	CHARLESTWN	4500	183000	PF
OSP	87	DALTON	700	129600	PF
OSP	87	FARMINGTON	4600	292500	PF
OSP	87	KEENE	21500	195000	PF
OSP	87	WARNER	2000	155000	PF
OSP	87	WHITEFIELD	1700	286200	PF
OSP	88	WINCHESTER	3500	350000	PF
OSP	88	LITTLETON	5600	350000	PF

continued next page

Table 13 continued

OSP	88	CONCORD	30400	221000	PF
OSP	88	BATH	800	26450	PF
OSP	89	CONCORD	30400	125000	PF
OSP	89	KEENE	21500	200000	PF
OSP	89	PITTSFIELD	2900	350000	PF
OSP	89	LITTLETON	5600	150000	PF
OSP	89	WHITEFIELD	1700	250000	PF
OSP	89	OSSIPEE	2500	350000	PF
OSP	89	WARNER	2000	350000	PF
OSP	89	RAYMOND	5500	212900	PF
OSP	90	CONCORD	30400	122000	PF
OSP	90	WHITEFIELD	1700	350000	PF
OSP	90	WARNER	2000	168200	PF
OSP	90	SOMERSWRTH	10400	825000	PF
OSP	90	HAVERHILL	3400	350000	PF
OSP	90	UNITY	1100	24000	PF

## CHAPTER V

### INTERVIEWS

#### A. Introduction

The changes, when viewed in the harsh light of statistics, are quite clear: The devolution profoundly changed the distribution of funds. But, in politics as in life, redistribution of resources results in winners and losers. Real people are affected, some positively, some negatively.

This section looks at how some of the people most closely associated with the program perceived these changes. The four people interviewed in depth for this section had a variety of backgrounds and were each involved in a different type of situation relative to the CDBG program. But all had one thing in common, they were all involved with the program in New Hampshire both while it was administered by HUD and then after it became a program run by OSP. In fact, each is still involved, in some way, with the program.

These people were chosen because, in addition to their extensive experience with the devolution, each one worked in a situation which was representative of the experience of other communities. Although not precisely "models" of how the program effected various communities differently, certainly the patterns suggested by their experiences were replicated elsewhere.

## B. Larry Goss and the State

In addition to hearing from representatives of communities which were involved both under HUD and OSP, it seems appropriate to allow a spokesman for the state to explain what happened and, from his perspective, why. But in another sense, Larry Goss speaks not only for the state, but also for all of those communities not funded under HUD, but successful under OSP. He earned that right because he was essentially the architect of OSP's program.

He did that while serving the then new position of CDBG Project Manager. Goss (who has a Ph.D. in Geography) had been at OSP for six years when, in 1982, he was chosen to head up the new state program. His involvement began when he was assigned to be the liaison between the state and HUD.

In that position, he observed the HUD scoring and monitoring process, analyzed the HUD rules, and met with other states who were in the process of accepting administration of the program. He was also charged with the responsibility of working with the department heads, legislators and OSP staff and developing a set of rules that would be acceptable to HUD and accomplish the goals that the state had set.

Goss started out by analyzing those things which he felt were significant issues that needed to be addressed for the OSP to develop the program along the lines it had in mind. As he points out, OSP had been working on a number of development projects that prepared it for the take over.

Prior to 1983, Goss had worked on projects with the Economic Development Agency (EDA) and Farmers Home Administration (FHA). The EDA project had resulted in a statewide study of regional economic conditions. The FHA projects had involved studies of public housing and water and sewer priorities on a town by town basis.

This experience resulted in two things. First, OSP had a data base and analytic papers on the problems and projects, statewide, in just those areas the CDBG program is designed to address. Second, it eliminated any need to agonize over where the program would be housed.

In other states there were usually battles for the program and the administrative funds tied to it. Economic development agencies, statewide housing authorities, and environmental services departments sometimes had bitter struggles over who would administer the program. This did not happen in New Hampshire: "Everybody recognized that OSP was the logical place to house this program," Goss explained.

#### C. Jeff Taylor and Berlin

Jeff Taylor, in his present position as Director of the Office of State Planning, is responsible for overseeing the Community Development Block Grant Program in New Hampshire. This position also makes him the chairman of the Community Development Advisory Board and it is his job to recommend and explain policy changes to the board.

In 1977, Taylor began a job as an Assistant Planner in

the Development Office in the City of Berlin.<sup>12</sup> Berlin is a city of just over 13,000 people in New Hampshire's "North Country," in Coos County. The area has always been economically depressed and depends largely on forestry and the paper industry for its employment. The 1980 census found that the median family income in Berlin was \$17,267. In 1983, the first year the state began administering the program, 10.9% of the population was receiving human service assistance.<sup>13</sup> The unemployment rate for the Labor Market Area was 10.6%.

By 1983, Taylor had been promoted to Community Development Director, which made him directly responsible for applying for and administering the city's CDBG program. This direct responsibility changed to general oversight in 1985 when he became Development Director, a position which put him charge of all of Berlin's planning, zoning and code enforcement function. It was while he was serving in that capacity that Governor Judd Gregg asked him to become the Director of the Office of State Planning. Taylor has had significant experience, therefore, in a truly needy community and is now in a position to have a good overview of the program statewide.

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<sup>12</sup> Like many towns of Germanic names during World War II, Berlin changed the pronunciation of its name, putting the accent on the first syllable.

<sup>13</sup> This includes Aid to Families with Dependent Children, Food Stamps, or Fuel Assistance.



#### D. Bill Ray and Laconia

Laconia is a city with a year round population of 15,600 in the Lakes Region of New Hampshire, familiar to visitors from all over the world. It is located on Lake Winnepesaukee; the popular Weirs Beach resort is within its limits. Tourism is the main industry, and like many seasonal resort areas, it has its unattractive side. This side is populated by those people who "do okay" during the summer and then scratch to exist during the off-season. The unemployment rate in an area like this fluctuates wildly (as does the population) but in 1983 it averaged 6.8%. The median income, according to the 1980 census, was \$17,448, slightly higher than Berlin's; the percentage of people receiving human services assistance was 9.1%, lower than Berlin's.

After earning his Bachelor of Science degree in Oceanography, William (Bill) Ray began working in Laconia in 1978 when he became a planner for the Lakes Region Planning Commission. One of his responsibilities was to gather the statistics necessary for Laconia's Community Development Block Grant applications to HUD. This led to his position as Community Development Specialist with the city, in which he was responsible for grant-writing and administration for the CDBG program from 1979 to 1984, spanning both HUD's and OSP's administrations.

In 1984 Ray went to work at OSP as a CDBG grant monitor and is presently the Community Development Program Manager.

He is directly responsible for OSP's administration of the CDBG program staff.

E. Linda Mangones and Keene

Linda Mangones is the only person interviewed who has had CDBG experience with more than one community. She worked in Berlin, with Taylor, during 1978 and 1979 after which she moved to the city of Claremont.<sup>14</sup> She worked there from 1979 to 1981, when she moved to Keene.

Keene is a city of nearly 23,000 people in the Monadnock Region of southwestern New Hampshire. This section of the state has always been considered more "recession proof" than other areas. Keene has a state college, several large, healthy manufacturers, an airport and a strong tourist industry. Being one of those places in New Hampshire that "you can't get there from here", because of the notoriously poor transportation system in that part of the state, Keene has avoided many of the ups and downs the rest of the state has experienced during the 1970s and 1980s. The 1980 census showed the median family income in Keene to be \$19,743, nearly \$2,500 more than Berlin and more than \$2,000 greater than Laconia. There were 8.2% of the people receiving human service help in 1983, 2.7% less than Berlin.

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<sup>14</sup> Claremont is an economically disadvantaged town on the Connecticut River which was at one time a thriving mill town. It didn't adapt well to changing times and now has areas dominated by deteriorating old mills and mill housing in substandard condition.

Mangones works for the Keene Housing Authority (KHA), which has had responsibility for administering the CDBG program for the city since its inception. There are apparently a number of reasons this occurred, but it seems to have principally been a result of the fact that the KHA had a strong relationship with HUD in the early 1970s when HUD began administering the program. This has not been an impediment to doing other types of projects: in addition to several housing rehabilitation projects, Keene has received grants under both the public facilities and economic development categories. Mangones has written and administered grants under all three categories during her time in Keene.

#### F. General Changes

Program changes as a result of the devolution to the states, those interviewed agreed, were not accidental. They were the result of a conscious shift in philosophy. This showed up in two general areas with some overlap. Both went to the heart of the program, both dealt with the key question: what is the purpose of the CDBG program in New Hampshire?

First there was the issue that revolved around the program's roots. As Taylor put it, "There was a change in philosophy... HUD had a Model Cities/ Urban Renewal orientation..." This led to HUD's emphasis on comprehensive, neighborhood projects. Most of the municipalities who were receiving funds under HUD had grown

to expect these comprehensive, multi-year (generally three year) commitments.

In fact, HUD had been doing their best to provide more help to the already assisted communities. As federal funding increased, HUD did not make an effort to disburse the money to more communities. Instead, they began "increasing the money available for each grant," according to Taylor.

Laconia and Berlin were each tied heavily into the system. Each had received two, three-year comprehensive grants beginning in 1978. Keene, although it had not applied for any comprehensive grants because of a lack of "pockets of poverty", according to Mangones, was funded for six of the eight years HUD ran the program. These three communities had a large stake in any changes to the program.

In Laconia, "We were scared to death the state was going to ruin the program," claimed Ray. Laconia was "used to the system" and had two major concerns, "both of which occurred." These two concerns, Ray recalled, were, first, "that the state's emphasis would be on single projects." This would not permit them to continue the neighborhood by neighborhood clean up approach that Laconia had adopted.

Secondly, Laconia, like all of the recipients favored by HUD, was concerned "that the state would spread out the money to more communities." Even though they knew that Laconia should be competitive, actually needing to be ranked with many smaller, but possibly needier, communities, meant

that Laconia "couldn't count on the money... that became the issue," according to Ray.

Of course, this was exactly what the state had set out to do. As Goss explained, "We set out to help small towns get involved... and to fund more communities." This emphasis, as has been seen before, shows up repeatedly in state documents as a specific intention of the state administration.

Some communities who had been receiving funds regularly saw another problem. Disbursing the money "doesn't help communities build their own capacity... It ruined job security... You have too many inexperienced people running programs," claims Mangones. Larry Goss agreed that it has made "hiring staff long-term" difficult. He pointed out that towns turned to regional planning commissions for the expertise needed, a situation which will be discussed in greater detail later.

The second general area in which this philosophical shift showed up was in the activities emphasized. There was some disagreement among the interviewees as to how dramatic this shift was, or in fact, if any change took place in this area. The general consensus seemed to be that the state intended for a change to occur, but other factors kept it from being significant.

HUD, it was generally conceded, emphasized housing and related neighborhood improvements. This being, once again, an outgrowth of its Model Cities roots. According to Goss,

the state set out "to give all three categories equal opportunity." He admitted that this was not as successfully implemented as he had hoped. "Housing was still a focus because there were large unmet needs." There were small towns in New Hampshire "which looked like Appalachia," but hadn't qualified under HUD's administration. He proudly stated that some of OSP's "initial projects had major impacts" on those communities.

Another reason that New Hampshire ended up having "one of the most housing-oriented programs in the United States," Goss claimed, was the general feeling that the state "didn't want to give towns money for things they could and should be doing themselves." As Mangones explains it, the towns tend to apply for housing money from the CDBG program because it "is one of the few sources of funds available for housing."

New Hampshire's emphasis on housing remains unusual. Goss, who has closely watched the development of the states' programs nationwide points out that different areas of the country have "different needs... a different focus. The midwest is primarily doing economic development... the states out west emphasize water and sewer expansions... Even other places in New England are concentrating on infrastructure."

Even though housing has been emphasized in New Hampshire regardless of whether HUD or OSP has been administering the program, it is necessary to point out that there have been exceptions. Berlin, apparently because of



the severely depressed economic conditions of the community, was allowed, even under HUD, to have some leeway in the expenditure of its funds. "It was much easier in the early years (before the 1978 reauthorization) to do more speculative projects... especially in the area of economic development," says Taylor. "Everything we did was geared toward some form of economic development... economic development does not happen overnight... there is a need for front-end investments."

In general, the communities which were most distressed in the eyes of HUD were apparently given more latitude in how they spend their money. Mangones, who worked with the program under HUD in two communities considered to be much worse off than Keene, admitted that "the kind of program we ran in Claremont and Berlin would simply have been inappropriate in Keene." She explained by pointing out that "when you weren't fighting for the money more of it went to public works types projects." Precisely, says Goss, why the rules were changed to "make it difficult to do public works projects that communities should do themselves."

#### G. Flexibility

In spite of the apparently somewhat arbitrary application of certain rules to allow some communities latitude in their programs, each interviewee saw "flexibility" as being a major advantage of OSP administration. As Goss explained it, that was certainly by design. "In some states the rules can only be changed by

legislation... they are written into law." New Hampshire's legislation gave the Advisory Committee the authority to "prepare the necessary regulations."

Another function of the State Advisory Board which increased the state's ability to respond to the needs of the communities was its ability to hear appeals on every aspect of the program. If a municipality feels it had been scored unfairly, if it feels it is being asked to do an unreasonable amount of administrative work, or if it believes it has been unfairly monitored at the end of a project it can appeal to the advisory committee.

Mangones sees this as a major advantage over the system at HUD, where complaints were handled by the same staff people who had made the original decisions. She explained: "One of the big changes that we've taken advantage of is OSP's appeal procedure, because there was never any appeal possible before. And we've appealed virtually every adverse decision against us." Although she admits that "We've won in a lot of cases, but not in all," she still believes every appeal has made a difference. "Sometimes we've lost the appeal but the next time there's a rule change it brings the program closer to our position." Certainly, she believes, that is a sign that the OSP is listening to the communities.

Others also point to the fact that this flexibility gave local participants a chance to see their input implemented. According to Goss, "Local input had a great impact on program design... several gave input regularly."

Did the local officials feel this made a difference? Certainly they did in the case of Keene: "they've responded to the changing times...they have responded in some fashion to every suggestion we've made," claimed Mangones. "As aggravating as it sometimes been to work with the state, the flexibility has helped." It is definitely "easier to impact the program now that they made the rules at the state level."

The state has used this flexibility to address several important issues. Goss points out that New Hampshire is the "...first state in the country to use CDBG funds to help tenants in mobile home park buy-outs." That came about as the result of a well-publicized situation where a park owner intended to sell the park land to a developer and displace the tenants, who owned their homes but rented their lots. The CDBG rules were rewritten to allow the funds to be used to assist in such cases.

In Mangones' opinion, "a major improvement" in the program related to the rules "specifically authorizing social service facilities." This change allowed a number of agencies to band together to purchase space and to increase client convenience. "Before the change, these projects had to be handled as economic development projects."

Taylor also believed that the state had used its flexibility to improve the program. "The one significant change I saw by OSP... was doing away with application deadlines for economic development..." He was referring to

the fact that under HUD, and at first under OSP, all types of grant applications had to be submitted at the same time each year, generally in January. Allowing economic grants to be submitted on a "rolling" basis, Taylor contends, shows that the state recognizes "that projects come on a continuing basis and the only way to deal with them in a responsible fashion is to respond in kind."

#### H. Low- and Moderate-Income Requirements

The program's emphasis on low- and moderate-income benefit has been consistent since its inception. Repeatedly, this national objective was emphasized. Even though there were two other national objectives - elimination of slums and blight and elimination of health and safety threats - which did not legally required low- and moderate-income benefit, HUD has generally emphasized that aspect of the program.

There were two ways in which OSP changed how HUD had implemented this objective. First, the federal regulations required that "maximum feasible priority" be given to projects that benefit households in these income groups. HUD could look at the projects and decide if this standard was being met.

The state's regulations made this standard more stringent and more specific. It designed into the program a "Threshold Requirement" that 51% of CDBG funds be used to benefit low- and moderate-income households, and developed very specific statistical data gathering techniques to

determine compliance. This clear emphasis on making sure that a majority of the money is spent directly to help disadvantaged income groups is unusual among state programs. It was a decision the state made; if there were to be limited funds spent, it should be spent on those most needy. As Ray explained, "other states don't necessarily do that... that's a state choice."

This choice affected different communities in different ways. For new communities, not in the system, it was a requirement that they needed to develop new programs around. For communities with existing programs, it was an issue they needed to address. For many it was no problem.

As Taylor said, after searching his memory, "I don't remember that being an issue at all." Berlin, after all, was such a depressed area that every project they had done fell into that category with no special effort. Ray recollects that it did cause Laconia to take a closer look at the neighborhoods they had been working in and to analyze their proposed projects more closely. But it did not prevent funding because, he pointed out, unlike other communities, "Laconia had the advantage of having low- and moderate-income neighborhoods."

Keene was one of those communities which did have a problem with this criteria. According to Mangones, the state's focus on small contiguous neighborhood projects made it difficult for Keene to develop a project. Keene, she points out, has "no clear pockets of poverty. It is

difficult to design an application around neighborhood impact."

The second way in which OSP changed HUD's use of the low- and moderate-income emphasis was in the scoring system. Under HUD, points were awarded based on the "absolute number of poverty persons" as well as "percentage of poverty persons" found in each community. According to Goss, when he was analyzing HUD's scoring system, he recognized that giving more weight to "counts rather than percentages... helped larger cities." OSP changed the criteria to focus on percentages alone specifically to help "the towns in the North Country" and other small towns that had large percentage of low- and moderate-income people, but not large numbers.

Once again, this affected communities differently. Berlin saw no change. Laconia and Keene needed to struggle. As Mangones pointed out, under HUD "the scoring system... gave so many points for the number of low- and moderate-income people... that the larger cities were guaranteed funding if they proposed an eligible project." Under OSP, that was no longer true.

Each side of this debate made valid points. Goss felt strongly that "poor people in Winchester (a small economically depressed town near Keene) have as much right to have access to those funds as Keene." Mangones, just as emphatically, complains that under OSP's system the benefits a grant "might go to three hundred low income people in



Winchester rather than a thousand low income people in Keene." Each of those interviewed did agree that, statewide, Mangones was accurate when she observed: "That single scoring change had a major impact on the distribution of grant funds."

### I. Outreach

The state made a commitment from the beginning to provide more assistance to the smaller towns. By all accounts, this has been successful in helping towns obtain and properly administer these grants. The state actually had a three-pronged approach: direct technical assistance; feasibility grants; and indirect assistance through the regional planning agencies (RPAs).

The direct technical assistance from the state was apparently quite a change from what HUD had provided. Mangones was never surprised that small towns, without trained staff, did not even attempt to obtain grants. "HUD just sent you the rules... you had to go through them yourself and figure them out." Not an easy task, she maintained "even for professional local administrators." Even when HUD did put on workshops, they tended to deal with specific topics, like relocation. Never did she recall one "that would help you figure out the nuts and bolts like how to keep the books."

She went on to praise OSP's outreach efforts. "One of the good things OSP has done is the handbook." This, she

explained, covered a number of very practical topics in great detail.<sup>15</sup>

Also, she remarked that OSP offers "detailed" workshop on very specific topics. These often feature not only state staff but also local practitioners that share their experiences. This is especially helpful to new grantees, but "I always learn one or two very helpful things."

Taylor concurred with this assessment. When trying to encourage small towns with needs to apply, OSP does a "much stronger outreach effort." Once the grant has been awarded the state, unlike HUD, does not disappear until the end of the program. "OSP provides much more technical assistance during the grant period." He went on to explain that, once again, that was by design. "HUD had one field person to cover all of New Hampshire. OSP has four grant representatives, one administrative person and a program manager... OSP can and should do more outreach."

The feasibility grant concept had been developed, but never used by HUD. The only interviewee that had any experience with feasibility grants was Goss, who pushed to see them enacted, and then helped convince the state that using some of their administrative funds to help the communities would provide significant benefits. He believed that had happened.

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<sup>15</sup> The sections of OSP's Implementation Guide are: Introduction; environmental reviews; financial management; procurement; contract administration; EEO/fair housing; acquisition/relocation; and audit/closeout.

Lastly, there was OSP's decision to provide indirect technical assistance through regional planning agencies. This was a decision based on practical realities. OSP didn't have the CD staff that would have been necessary to work with all of the towns; they did not have the contacts in the communities that the RPAs did. From the beginning, Goss maintains, the state "envisioned that RPAs would play an active role."

The state did not leave this linkage to chance. It held meetings with the agencies and explained how the involvement could help the state, the towns and the agencies. And, as an extra incentive, according to Ray, the state "gave \$3,000 to \$5,000 to each RPA... to get them to be the technical assistance people in the fields." This, as has been documented, was more successful in some region's than others.

By some accounts, without this RPA - town connection it would be virtually impossible for the state to have reached its goal of disbursing the funds more widely and to smaller towns. As Mangones simply puts it, "In the absence of the regional planning agencies most of these small towns wouldn't be involved." This is conceded by the state, and it continues to encourage the agencies to help the towns in their regions.

#### J. Scoring

The reaction to the most far-reaching scoring change, involving low- and moderate-income factors, has already been

recounted. In general, according to Goss, the state system was designed to further its goals. For example, "The point system was designed to favor the poorest towns..." State personnel did everything they could to encourage participation. Goss pointed out that most states required matching funds from any community that applied. New Hampshire did not emphasize that in the scoring system because "we did not want to discourage participation."

Also, partly because it had very specific objectives for the OSP program, the state's rules were much more specific in terms of what information it required and what points would be awarded for each project. This was an advantage for, as Mangones put it, it "was harder to write to the scoring system" under HUD. And that was, in fact, what occurred, throughout the state.

Ray remembers that "HUD had pushed their priorities more heavily" than OSP was doing. But, even though OSP was obviously shifting the emphasis, Ray felt that OSP's system generally "let the locals identify their needs..." Then, cracked Ray, "the good grantsmen in Laconia looked at the rules and designed a project to fit the rules and score the most points possible..." This was not difficult in most scoring categories if you were working on housing rehabilitation projects because "priorities didn't really change, except for the comprehensive nature of the program. The emphasis was always on housing... partly because of the age of the housing stock..."

Once again, the situation in Berlin was not affected by changes in the scoring system. Taylor pointed out that "there was a strong bias toward housing" at HUD. But the scoring changes, like much else in the devolution, had little impact. "I could basically do the same projects under the OSP system," explained Taylor.

#### K. Oversight and Monitoring

Another aspect of the program that underwent significant changes because of the devolution was in the oversight and monitoring of program regulations. The regulations themselves did not undergo changes specifically because virtually all of them are a result of Congressional legislation. There were, of course, changes, such as dropping the requirement that communities produce Housing Assistance Plans. But these were the result of changes in the philosophies of administrations, not specifically the devolution. The difference was in how oversight and monitoring for violations of these regulations were done.

HUD, as it had with technical assistance, did the very least possible. Once funding a project, HUD generally did no oversight until the monitoring session at the end of the project. This was difficult for all communities, impossible for smaller communities. The myriad and detailed regulations which, as has been discussed, were not ever made clear under HUD, were expected to be closely adhered to when the final monitoring was done. If HUD felt that a community misspent money, it could demand repayment. As Mangones put

it, "with HUD, the danger was getting hit with their requirements not made clear in their regulations."

Her opinion on this came from personal experience. When she moved to Claremont to administer the CDBG program there, she took over from a person in a program that "was being run in a reasonable, responsible way." But, as she immediately recognized, was not consistent with expectations HUD would have when they came to monitor. She spent a great deal of time "trying to arrange material in the way I knew HUD would want it." Still, when HUD finally monitored the project, she received a letter from HUD containing negative findings "eight pages long... in every case an error of omission." It made her realize that under HUD's system even "well-meaning, competent people made mistakes."

OSP, by all accounts, was much more involved and helpful when it came to understanding the regulations. In addition to the previously mentioned handbook, Taylor claimed that "that on the ground experience, that reaching out to see what was going on in the communities didn't happen with HUD... Quarterly monitoring, as OSP does, is essential for the smaller communities" and also helped the state staff "get a feel for" what was happening with projects.

OSP, according to Mangones, "does a thousand times more monitoring" than HUD. Although this is somewhat time-consuming, this periodic oversight "makes the final monitoring session go a whole lot smoother... Approval in



the beginning means more work up front but no surprises at the end."

#### L. Suggestions and Conclusions

The interviewees felt that there were things presently done in the program that should be changed. Interestingly, when asked to name such changes, the recommendations had nothing to do with the way OSP was administering the program. Recommendations all suggested changes that could only be made by changes in the legislation. The two regulations repeatedly mentioned as "irrelevant" to small town programs in New Hampshire were the Davis-Bacon Wage Rate requirement and the Single-audit Act.

The stipulations in the Davis-Bacon Act that require projects undertaken with CDBG money pay workers "the prevailing wage" in an area have always required "unnecessary paperwork for small communities," according to Ray. What is even more irritating is that "they're never really relevant." This is because the determinations are always based on urban areas and don't take into account the more volatile labor markets in rural areas. For example, Ray says, during the mid-1980s, when the construction industry was booming in New Hampshire, the Davis-Bacon rates were so low that the weekly interviews and projects which grant recipients were forced to do was a waste of time. "You couldn't have hired people at those wages."

Now, however, as things have slowed down and everyone is trying to cut costs to save taxpayer money, "the

artificially high rates are pushing up the costs of projects." To deal with this built-in problem, Ray believes, "there should be a higher cut (on the dollar value of a project before the Davis-Bacon wage rates kick in) or a rural exception."

The second regulation mentioned by each of those interviewed as unnecessary is the Single-audit Act. This requires that every community that accepts these funds to have their town records audited annually by Certified Public Accountants and that CDBG program funds be part of the audit process.

Goss believes that Congress should eliminate this requirement for communities under "25,000 or so." "For smaller communities, project audits make more sense and would be more useful to the monitor." He points out that many towns in New Hampshire "still have elected town auditors... these town's budgets are so small that this requirement only results in unnecessary expenses and paperwork." Ray concurs. "The Single-audit Act is an example of paperwork that is not relevant... it was not designed for single-purpose projects in small communities."

Even though there are still concerns about the program, it is clear that each person interviewed believed the devolution had a positive overall impact. Even in cases where they believed it had a negative effect, or no effect at all, on communities with which they had worked, they recognized the overall positive impact of the change. Bill

Ray, looking back to his experiences with the program, mused that "there were probably no advantages to those towns which were already recipients. To other communities, it was definitely positive." Since that was a major part of the state's reason for taking over the administration of the program, Ray admitted that the switch "was a success."

Jeff Taylor, speaking of Berlin's experience, felt that for them it just "resulted in another level of bureaucracy." They were receiving money regularly anyway. Upon reflection, however, he acknowledged that "OSP brought the program closer to communities," a benefit he appreciates more now, as the Director of the Office of State Planning, than he did while in Berlin.

Larry Goss pointed out that many things have changed since 1981, especially in New Hampshire where the economy has gone from mediocre to booming to terrible. The federal government during the 1980s did a considerable amount of drawing back from areas that had previously been heavily involved in, such as water and sewer projects. Goss says this has put "more pressure on CDBG since these other programs disappeared." Still, he believes, the flexibility and clarity of the program as administered by OSP are very positive contributions to the health of communities. "I like the program... it has straight-forward objectives... it is a good program."

Linda Mangones, although somewhat negatively effected by the scoring under OSP, believes that most of the changes

have been beneficial. Although there have been many smaller side issues to work out over the years, she contends that "the purpose of the change was to disburse the money and get it to smaller towns... it certainly accomplished that."

## CHAPTER VI

### CONCLUSION

#### A. Summary

The foregoing information, when taken in its entirety, provides a clear picture of a program which underwent tremendous changes. These changes resulted in significantly different outcomes. Before determining what lessons can be learned from this change in the program, it would seem to be an appropriate juncture at which to summarize the major points contained in the data analysis and interviews.

#### Data Analysis

The main points of interest found in the data analysis can be summarized as follows:

##### All applications:

OSP funds a greater number of applicants than HUD had.  
OSP funds a greater percentage of applications than HUD had.  
OSP provides great recipients with a smaller dollar amount per grant.

##### Population:

Average size of municipalities has decreased significantly under OSP

##### Geographic:

OSP has attained a greater statewide distribution of funds.

##### Activities:

OSP has distributed a greater proportion of the available funds to economic development and public facilities projects.

Housing rehabilitation remains the major activity area to receive funds.

#### Interviews

Those interviewed made it clear that these observed outcomes were intended. The communities recognized the nature of the changes being made and responded accordingly. The major causes of the changes, according to those who were interviewed, were:

1. A difference between OSP's and HUD's philosophy which resulted in:
  - A. A decision to fund more communities.
  - B. A decision to change the type of activities funded.
2. A decision on the part of the New Hampshire legislature to increase the ability of OSP to respond to changing needs and circumstances. This increased flexibility was found both in rule-making and local implementation.
3. The state's increased emphasis on the low- and moderate-income benefit which was a very significant change. Requiring 51 percent of the funds to "directly benefit" this group forced both OSP and the communities to design their programs with this requirement always a major consideration.

My stated thesis was that by providing for a wider disbursement of funds, by fostering a more efficient administration of the program, and by encouraging a more careful selection of projects for funding, moving program administration to the state would allow CDBG funds in New



Hampshire to be used to meet more effectively the needs of New Hampshire's low- and moderate-income households. Both the results of the data collection and the interviews suggest that my thesis was correct.

#### B. Lessons

What can be learned from this analysis? How can information be used by other states or communities to improve the use of their funds? What are the implications at the national level? There are three main points that this study has brought out.

##### The States Can Do It

First, I believe that the results of this study prove that the states can, in some cases, run programs to serve communities better than the national government. By all accounts and every measure, the New Hampshire CDBG program is running as well, and meeting the national objectives better, than under HUD.

Although this may not be applicable in all cases, it certainly suggests that the old notion that states are too politically biased or administratively immature to run complicated programs should be dismissed. Although this may have once been true, it certainly is not any longer.

##### Capacity Building

Also, this points out the need for capacity building at the state and local levels of government. This program was effective because of the abilities of the individuals who were tasked with these responsibilities.

At the state level, program design and initial start-up management was essentially done by one dedicated and capable individual, Larry Goss. Although there was fine-tuning by the legislature and the Community Development Advisory Committee, it was Goss who worked directly with HUD and other state program directors, attended numerous workshops, and wrote the draft regulations. Clearly, this is a case of putting the right person in the right job, with the responsibility and authority to carry out the assignment.

At the local level, it is clear that those communities that were most successful had access to able people to apply for and administer the grants. Where there was not a Linda Mangones or a Bill Ray available, the towns turned to regional planning agencies. Those agencies which had, or developed, in-house grant capabilities were able to bring literally millions of dollars into their regions. The state took the initiative to encourage this capacity building and its efforts were rewarded.

#### Program Design

Lastly, the program design used by New Hampshire had three elements that, in hindsight, helped guarantee its success. These three elements were flexibility, a straightforward scoring system, and clear objectives. These elements can be seen at every level and were repeatedly mentioned by participants as major reasons for the success of the program.

### C. Conclusion

The fact that the states are able to properly administer large scale programs, the need for more investment in human resources and the importance of program design are three lessons which have wide applicability in the public sector. Of course, none of these are new concepts. What this study on the devolution of the CDBG program from the U.S. Department of Housing and Urban Development to the New Hampshire Office of State Planning demonstrated was that when properly implemented, the basic theories of public administration work.

## APPENDIX

### RAW DATA SHEETS

The headings on the raw data sheets (all those except the "Chart of General Information") are as follows:

Record #: This column is a computer-generated number which is assigned as the data base is compiled. It has no relevance to the study.

Agency: This column allows for easy identification of whether the grant request or award was done by HUD or OSP.

FY: This column consists of the fiscal year of the grant application.

TOWN: This column contains the name of the municipality which applied, and includes both cities and towns.

POP: This column contains the population of the municipality.

FUNDSREQ: This column contains the dollar amount of funds each community requested on formal applications for block grant funding.

FUNDSREC: This column contains the amount of funding received by each community.

ACT: This column contains an abbreviation representing the major type of activity the application contained. The activities fall into the following categories:

HR - Housing Rehabilitation

ED - Economic Development

PF - Public Facilities

NA - Not Available. In most cases HUD did not keep

records of activities planned by those applicant communities which they chose not to fund.

C1, C2, C3 - Comprehensive (Multi-purpose) grants which were normally spread out, by HUD, over a three year period. The number represents which year (1, 2, 3) of the grant is being discussed.

COUNTY: This column indicates which of the 10 NH counties the community is located in.

TABLE 14

RAW DATA

This section contains a list of each record in the data base sorted by fiscal year. A "0" in the funds requested category means that no record of the amount requested could be found, most usually because it was the second or third year of a multi-year comprehensive grant.

AGNCY	FY	TOWN	POP	FNDREQ	FNDSRC	ACT	CNTY
HUD	75	BROOKFIELD	400	8000	0	NA	CAR
HUD	75	BRIDGWATER	600	103900	0	NA	GRA
HUD	75	DEERING	1000	42000	0	NA	HIL
HUD	75	SALISBURY	1000	290000	0	NA	MER
HUD	75	WOODSTOCK	1000	300000	282000	PF	GRA
HUD	75	MONTVERNON	1500	110000	0	NA	HIL
HUD	75	TAMWORTH	1700	95000	0	NA	CAR
HUD	75	ASHLAND	1800	85000	0	NA	GRA
HUD	75	WARNER	2000	175000	175000	PF	MER
HUD	75	ROLLINGSFRD	2400	70000	0	NA	STR
HUD	75	ALTON	2400	95000	0	NA	BEL
HUD	75	NRTHUMBRD	2500	100000	0	NA	COO
HUD	75	WILTON	2700	150000	0	NA	HIL
HUD	75	WEARE	3300	85000	0	NA	HIL
HUD	75	BOSCAWEN	3400	195000	0	NA	MER
HUD	75	HAVERHILL	3400	109600	0	NA	GRA
HUD	75	LANCASTER	3400	198500	0	NA	COO

continued next page

Table 14 continued

HUD	75	EPPING	3500	50000	0	NA	ROC
HUD	75	HOPKINTON	3900	500	0	NA	MER
HUD	75	LITCHFIELD	4200	220000	0	NA	HIL
HUD	75	MEREDITH	4200	220000	0	NA	BEL
HUD	75	NEWMARKET	4300	894000	0	NA	ROC
HUD	75	FARMINGTON	4600	70000	0	NA	STR
HUD	75	GILFORD	4800	269000	0	NA	BEL
HUD	75	PETERBORO	4900	267000	0	NA	HIL
HUD	75	PLYMOUTH	5100	80000	0	NA	GRA
HUD	75	RAYMOND	5500	10000	0	NA	ROC
HUD	75	NEWPORT	6300	316667	137000	NA	SUL
HUD	75	FRANKLIN	7900	162800	0	NA	MER
HUD	75	PELHAM	8100	7000	7000	PF	HIL
HUD	75	MILFORD	8700	47000	9200	PF	HIL
HUD	75	BEFORD	9500	30000	0	NA	HIL
HUD	75	SOMERSWRTH	10400	191000	191000	HR	STR
HUD	75	DURHAM	10600	70000	0	NA	STR
HUD	75	EXETER	11000	92000	40000	HR	ROC
HUD	75	LEBANON	11200	55000	0	NA	GRA
HUD	75	GOFFSTOWN	11300	60000	55000	HR	HIL
HUD	75	BERLIN	13000	30000	20000	HR	COO
HUD	75	MERRIMACK	15500	47000	24800	PF	HIL
HUD	75	LACONIA	15600	400000	0	NA	BEL
HUD	75	DERRY	18900	25000	0	NA	ROC
HUD	75	KEENE	21500	367000	50000	HR	CHE
HUD	75	SALEM	24200	37000	37000	PF	ROC
HUD	75	CONCORD	30400	350000	0	NA	MER
HUD	76	WOODSTOCK	1000	456000	0	NA	GRA
HUD	76	NRTHUMBRLD	2500	100000	0	NA	COO
HUD	76	HENNIKER	3200	300000	0	NA	MER
HUD	76	GORHAM	3300	135000	0	NA	COO
HUD	76	LANCASTER	3400	465000	0	NA	COO
HUD	76	EPPING	3500	50000	0	NA	ROC
HUD	76	CHARLESTWN	4500	60000	0	NA	SUL
HUD	76	COLEBROOK	4500	260476	0	NA	COO
HUD	76	GILFORD	4800	50250	0	NA	BEL
HUD	76	PLYMOUTH	5100	150000	0	NA	GRA
HUD	76	NEWPORT	6300	100000	225000	HR	SUL
HUD	76	HOOKSETT	7300	165000	0	NA	MER
HUD	76	PELHAM	8100	32000	10000	PF	HIL
HUD	76	SOMERSWRTH	10400	560586	140000	PF	STR
HUD	76	EXETER	11000	575000	246000	HR	ROC
HUD	76	LEBANON	11200	103000	0	NA	GRA
HUD	76	BERLIN	13000	160000	130000	PF	COO
HUD	76	CLAREMONT	14500	198735	0	NA	SUL
HUD	76	MERRIMACK	15500	47570	53000	PF	HIL
HUD	76	DERRY	18900	275000	86000	HR	ROC
HUD	76	KEENE	21500	429400	350000	HR	CHE

continued next page



Table 14 continued

HUD	76	SALEM	24200	64750	59000	PF	ROC
HUD	76	CONCORD	30400	150000	0	NA	MER
HUD	77	WOODSTOCK	1000	170000	0	NA	GRA
HUD	77	NRTHUMBRD	2500	135000	0	NA	COO
HUD	77	COLEBROOK	4500	380000	0	NA	COO
HUD	77	NEWPORT	6300	541000	0	NA	SUL
HUD	77	PELHAM	8100	32500	13000	HR	HIL
HUD	77	SOMERSWRTH	10400	255000	255000	HR	STR
HUD	77	EXETER	11000	590000	0	NA	ROC
HUD	77	LEBANON	11200	445000	190000	HR	GRA
HUD	77	GOFFSTOWN	11300	90000	109000	HR	HIL
HUD	77	BERLIN	13000	325000	312500	HR	COO
HUD	77	CLAREMONT	14500	250000	250000	HR	SUL
HUD	77	MERRIMACK	15500	70100	68000	PF	HIL
HUD	77	LACONIA	15600	999999	0	NA	BEL
HUD	77	DERRY	18900	100000	0	NA	ROC
HUD	77	KEENE	21500	413000	119500	HR	CHE
HUD	77	SALEM	24200	100500	73000	HR	ROC
HUD	77	CONCORD	30400	62000	62000	HR	MER
HUD	78	NEWDURHAM	1200	72215	0	NA	STR
HUD	78	ASHLAND	1800	146750	0	NA	GRA
HUD	78	DEERFIELD	2000	36960	0	NA	ROC
HUD	78	MILTON	2500	150500	0	NA	STR
HUD	78	NRTHUMBRD	2500	178500	0	NA	COO
HUD	78	OSSIPEE	2500	999999	0	C0	CAR
HUD	78	PITTSFIELD	2900	683737	0	C0	MER
HUD	78	HAVERHILL	3400	40000	0	NA	GRA
HUD	78	LANCASTER	3400	175000	174250	HR	COO
HUD	78	WOLFEBORO	4000	999999	0	C0	CAR
HUD	78	MEREDITH	4700	999999	0	C0	BEL
HUD	78	RAYMOND	5500	295000	0	NA	ROC
HUD	78	HOOKSETT	7300	257000	0	NA	MER
HUD	78	PELHAM	8100	140000	78000	HR	HIL
HUD	78	BEDFORD	9500	256000	0	NA	HIL
HUD	78	SOMERSWRTH	10400	350000	350000	C1	STR
HUD	78	DURHAM	10600	500000	0	NA	STR
HUD	78	EXETER	11000	505000	0	C0	ROC
HUD	78	LEBANON	11200	999999	0	C0	GRA
HUD	78	BERLIN	13000	300000	300000	C1	COO
HUD	78	CLAREMONT	14500	400000	400000	C1	SUL
HUD	78	MERRIMACK	15500	428000	350000	PF	HIL
HUD	78	LACONIA	15600	500000	500000	C1	BEL
HUD	78	KEENE	21500	300000	300000	HR	CHE
HUD	78	CONCORD	30400	349000	349000	C1	MER
HUD	79	STRATFORD	1000	230350	0	NA	COO
HUD	79	NRTHUMBRD	2500	178500	178500	PF	COO

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Table 14 continued

HUD	79	OSSIPEE	2500	391373	391373	PF	CAR
HUD	79	PITTSFIELD	2900	320663	320663	HR	MER
HUD	79	RAYMOND	5500	395800	0	NA	ROC
HUD	79	FRANKLIN	7900	252300	0	NA	MER
HUD	79	BEDFORD	9500	206000	0	NA	HIL
HUD	79	SOMERSWRTH	10400	500000	500000	C2	STR
HUD	79	EXETER	11000	382000	0	NA	ROC
HUD	79	LEBANON	11200	185900	0	NA	GRA
HUD	79	BERLIN	13000	0	600000	C2	COO
HUD	79	CLAREMONT	14500	400000	400000	C2	SUL
HUD	79	MERRIMACK	15500	548600	0	NA	HIL
HUD	79	LACONIA	15600	400000	400000	C2	BEL
HUD	79	DERRY	18900	595000	548000	HR	ROC
HUD	79	KEENE	21500	281500	281500	HR	CHE
HUD	79	SALEM	24200	534000	100000	HR	ROC
HUD	79	CONCORD	30400	351000	351000	C2	MER
HUD	80	WOODSTOCK	1000	400000	0	NA	GRA
HUD	80	OSSIPEE	2500	399858	400000	PF	CAR
HUD	80	NEWMARKET	4300	400000	400000	HR	ROC
HUD	80	RAYMOND	5500	357303	0	NA	ROC
HUD	80	LITTLETON	5600	400000	400000	HR	GRA
HUD	80	SOMERSWRTH	10400	350000	350000	C3	STR
HUD	80	EXETER	11000	364000	364000	HR	ROC
HUD	80	LEBANON	11200	400000	400000	C1	GRA
HUD	80	GOFFSTOWN	11300	300000	304000	PF	HIL
HUD	80	BERLIN	13000	0	300000	C3	COO
HUD	80	CLAREMONT	14500	400000	400000	C3	SUL
HUD	80	LACONIA	15600	300000	300000	C3	BEL
HUD	80	DERRY	18900	400000	400000	HR	ROC
HUD	80	KEENE	21500	999999	0	C0	CHE
HUD	80	CONCORD	30400	500000	500000	C3	MER
HUD	81	STRATFORD	1000	182000	0	NA	COO
HUD	81	WHITEFIELD	1700	376000	275000	PF	COO
HUD	81	OSSIPEE	2500	500000	500000	PF	CAR
HUD	81	WILTON	2700	120100	120000	HR	HIL
HUD	81	PITTSFIELD	2900	300000	300000	C1	MER
HUD	81	LANCASTER	3400	307000	0	NA	COO
HUD	81	NEWMARKET	4300	599500	600000	C1	ROC
HUD	81	LITTLETON	5600	395000	0	NA	GRA
HUD	81	FRANKLIN	7900	380545	0	NA	MER
HUD	81	AMHERST	8300	400000	0	NA	HIL
HUD	81	MILFORD	8700	95500	0	NA	HIL
HUD	81	SOMERSWRTH	10400	505000	505000	C1	STR
HUD	81	EXETER	11000	600000	0	C0	ROC
HUD	81	LEBANON	11200	400000	400000	C2	GRA
HUD	81	GOFFSTOWN	11300	400000	534000	HR	HIL
HUD	81	BERLIN	13000	600000	600000	C1	COO

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Table 14 continued

HUD	81	CLAREMONT	14500	369500	351500	PF	SUL
HUD	81	CLAREMONT	14500	999999	0	C0	SUL
HUD	81	MERRIMACK	15500	411000	0	NA	HIL
HUD	81	LACONIA	15600	500000	500000	C1	BEL
HUD	81	DERRY	18900	163000	163000	ED	ROC
HUD	81	KEENE	21500	999999	0	C0	CHE
HUD	81	CONCORD	30400	450000	450000	C1	MER
HUD	82	LISBON	1500	304000	304000	ED	GRA
HUD	82	PITTSFIELD	2900	455000	455000	C1	MER
HUD	82	WINCHESTER	3500	365000	365000	HR	CHE
HUD	82	FRANKLIN	7900	500000	500000	HR	MER
HUD	82	SOMERSWRTH	10400	600000	600000	C1	STR
HUD	82	LEBANON	11200	400000	400000	C1	GRA
HUD	82	BERLIN	13000	0	500000	C2	COO
HUD	82	CLAREMONT	14500	500000	500000	ED	SUL
HUD	82	LACONIA	15600	600000	600000	C1	BEL
HUD	82	DERRY	18900	335000	335000	HR	ROC
HUD	82	KEENE	21500	460000	460000	HR	CHE
HUD	82	CONCORD	30400	600000	600000	C1	MER
OSP	83	WOODSTOCK	1000	0	400000	PF	GRA
OSP	83	NRTHUMBRD	2500	0	400000	HR	COO
OSP	83	PITTSFIELD	2900	0	351000	C2	MER
OSP	83	WINCHESTER	3500	0	325904	HR	CHE
OSP	83	EPPING	3500	0	400000	HR	ROC
OSP	83	HINSDALE	3700	0	400000	HR	CHE
OSP	83	FARMINGTON	4600	0	355000	HR	STR
OSP	83	PEMBROKE	4900	0	400000	HR	MER
OSP	83	NEWPORT	6300	0	380000	HR	SUL
OSP	83	CONWAY	7200	0	265000	ED	CAR
OSP	83	FRANKLIN	7900	0	345000	HR	MER
OSP	83	SOMERSWRTH	10400	0	395000	C2	STR
OSP	83	BERLIN	13000	0	400000	C3	COO
OSP	83	CLAREMONT	14500	0	355000	ED	SUL
OSP	83	CLAREMONT	14500	0	45000	HR	SUL
OSP	83	LACONIA	15600	0	400000	C2	BEL
OSP	83	CONCORD	30400	0	450000	C2	MER
OSP	84	CROYDON	460	155000	0	ED	SUL
OSP	84	WHITEFIELD	1700	0	130361	ED	COO
OSP	84	TROY	1800	350000	0	HR	CHE
OSP	84	MARLBORO	1850	247300	0	ED	CHE
OSP	84	ALTON	2400	38900	0	PF	BEL
OSP	84	OSSIPEE	2500	0	297500	HR	CAR
OSP	84	CANAAN	2500	0	200000	PF	GRA
OSP	84	WILTON	2700	0	350000	PF	HIL
OSP	84	AUBURN	2900	287500	0	HR	ROC
OSP	84	HAVERHILL	3400	0	239500	PF	GRA

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Table 14 continued

OSP	84	HILLSBORO	3500	350000	0	HR	HIL
OSP	84	WINCHESTER	3500	0	336000	HR	CHE
OSP	84	EPPING	3500	0	240000	HR	ROC
OSP	84	HINSDALE	3700	0	325000	HR	CHE
OSP	84	WOLFBORO	4000	221000	0	PF	CAR
OSP	84	CHARLESTWN	4500	0	227950	PF	SUL
OSP	84	FARMINGTON	4600	0	190000	HR	STR
OSP	84	PEMBROKE	4900	0	67683	HR	MER
OSP	84	PLYMOUTH	5100	220000	0	PF	GRA
OSP	84	SWANZEY	5200	300000	0	HR	CHE
OSP	84	RAYMOND	5500	192000	166456	PF	ROC
OSP	84	LITTLETON	5600	0	71000	HR	GRA
OSP	84	NEWPORT	6300	0	113500	ED	SUL
OSP	84	CONWAY	7200	0	294500	RH	CAR
OSP	84	FRANKLIN	7900	0	350000	HR	MER
OSP	84	SOMERSWRTH	10400	0	500000	HR	STR
OSP	84	LEBANON	11200	0	154350	HR	GRA
OSP	84	BERLIN	13000	0	215000	ED	COO
OSP	84	BERLIN	13000	0	285000	ED	COO
OSP	84	LONDONDRY	13600	400000	0	ED	ROC
OSP	84	HUDSON	14000	49500	0	PF	HIL
OSP	84	CLAREMONT	14500	323000	323000	ED	SUL
OSP	84	CLAREMONT	14500	177000	177000	ED	SUL
OSP	84	LACONIA	15600	314800	291800	PF	BEL
OSP	84	DERRY	18900	500000	0	PF	ROC
OSP	84	KEENE	21500	180000	63400	HR	CHE
OSP	84	KEENE	21500	160000	160000	PF	CHE
OSP	84	CONCORD	30400	0	500000	HR	MER
OSP	85	LANDAFF	300	0	350000	HR	GRA
OSP	85	DALTON	700	0	350000	HR	COO
OSP	85	LEMPSTER	700	0	287500	HR	SUL
OSP	85	BETHLEHEM	1800	0	230000	ED	GRA
OSP	85	TROY	2100	0	217000	HR	CHE
OSP	85	WAKEFIELD	2250	350000	0	NA	CAR
OSP	85	SUNAPEE	2300	0	131500	HR	SUL
OSP	85	PITTSFIELD	2900	346000	0	NA	MER
OSP	85	WOLFEBORO	4000	0	300000	PF	CAR
OSP	85	MEREDITH	4200	350000	0	NA	BEL
OSP	85	NEWMARKET	4300	0	284660	ED	ROC
OSP	85	COLEBROOK	4500	0	350000	HR	COO
OSP	85	PLYMOUTH	5100	0	270000	ED	GRA
OSP	85	RAYMOND	5500	0	276000	PF	ROC
OSP	85	NEWPORT	6300	0	239000	HR	SUL
OSP	85	CONWAY	7200	0	16600	ED	CAR
OSP	85	FRANKLIN	7900	350000	0	NA	MER
OSP	85	LISBON	8700	0	350000	HR	GRA
OSP	85	MILFORD	8700	0	350000	HR	HIL
OSP	85	SOMERSWRTH	10400	206400	162250	HR	STR

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Table 14 continued

OSP	85	LEBANON	11200	0	200000	ED	GRA
OSP	85	LEBANON	11200	105000	0	NA	GRA
OSP	85	GOFFSTOWN	11300	225700	0	NA	HIL
OSP	85	BERLIN	13000	0	125100	PF	COO
OSP	85	CLAREMONT	14500	281000	281000	ED	SUL
OSP	85	CLAREMONT	14500	70640	70640	PF	SUL
OSP	85	LACONIA	15600	500000	500000	ED	BEL
OSP	85	DERRY	18900	293000	0	NA	ROC
OSP	85	KEENE	21500	500000	0	NA	CHE
OSP	85	CANAAN	25001	350000	178000	PF	GRA
OSP	85	CONCORD	30400	0	450000	HR	MER
OSP	86	DALTON	700	312000	144600	HR	COO
OSP	86	CARROLL	700	332000	0	ED	COO
OSP	86	TAMWORTH	1700	190000	190000	PF	CAR
OSP	86	BETHLEHEM	1800	350000	200000	HR	GRA
OSP	86	ASHLAND	1800	334100	334100	PF	GRA
OSP	86	WARNER	2000	350000	316250	PF	MER
OSP	86	GREENVILLE	2000	300000	206000	HR	HIL
OSP	86	NORTHWOOD	2200	16000	16000	PF	ROC
OSP	86	NRTHUMBRD	2500	350000	350000	HR	COO
OSP	86	CANAAN	2500	172000	172000	PF	GRA
OSP	86	HENNIKER	3200	300000	300000	ED	MER
OSP	86	WALPOLE	3200	250000	0	PF	CHE
OSP	86	WINCHESTER	3500	295000	234300	HR	CHE
OSP	86	CHARLESTWN	4400	350000	0	PF	SUL
OSP	86	FARMINGTON	4600	200000	200000	HR	STR
OSP	86	HINSDALE	4700	350000	223100	HR	CHE
OSP	86	PLYMOUTH	5100	320000	175000	ED	GRA
OSP	86	LITTLETON	5600	286000	286000	ED	GRA
OSP	86	NEWPORT	6300	286000	286000	HR	SUL
OSP	86	SOMERSWRTH	10400	276000	200000	PF	STR
OSP	86	SOMERSWRTH	10400	226000	217250	HR	STR
OSP	86	LEBANON	11200	109250	109250	PF	GRA
OSP	86	GOFFSTOWN	11300	493000	182000	PF	HIL
OSP	86	BERLIN	13000	874900	874900	PF	COO
OSP	86	CLAREMONT	14500	500000	0	HR	SUL
OSP	86	LACONIA	15600	500000	500000	ED	BEL
OSP	86	KEENE	21500	500000	275000	HR	CHE
OSP	87	DORCHESTER	300	350000	176400	HR	GRA
OSP	87	DALTON	700	140000	129600	PF	COO
OSP	87	MIDDLETON	800	294000	196000	HR	STR
OSP	87	PITTSBURG	800	350000	300000	HR	COO
OSP	87	STWARTSTWN	1000	350000	350000	HR	COO
OSP	87	WOODSTOCK	1000	350000	300000	HR	GRA
OSP	87	LISBON	1500	350000	117600	HR	GRA
OSP	87	WHITEFIELD	1700	286200	286200	PF	COO
OSP	87	WARNER	2000	350000	155000	PF	MER

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Table 14 continued

OSP	87	ANTRIM	2200	300000	300000	PF	HIL
OSP	87	MILTON	2500	350000	130000	HR	STR
OSP	87	HENNIKER	3200	291500	0	ED	MER
OSP	87	GORHAM	3300	293000	258500	ED	COO
OSP	87	HAVERHILL	3400	350000	300000	HR	GRA
OSP	87	WINCHESTER	3500	350000	326000	HR	CHE
OSP	87	EPPING	3500	350000	0	PF	ROC
OSP	87	CHARLESTWN	4500	350000	183000	PF	SUL
OSP	87	FARMINGTON	4600	325000	292500	PF	STR
OSP	87	SOMERSWRTH	10400	500000	0	HR	STR
OSP	87	BERLIN	13000	300000	188000	PF	COO
OSP	87	CLAREMONT	14500	400000	265800	HR	SUL
OSP	87	CLAREMONT	14500	150000	150000	ED	SUL
OSP	87	LACONIA	15600	500000	348000	ED	BEL
OSP	87	KEENE	21500	195000	195000	PF	CHE
OSP	87	CONCORD	30400	500000	284000	HR	MER
OSP	88	LYMAN	300	350000	0	HR	GRA
OSP	88	COLUMBIA	700	350000	250000	HR	COO
OSP	88	MIDDLETON	800	285000	0	HR	STR
OSP	88	BATH	800	26450	26450	PF	GRA
OSP	88	MADISON	1100	350000	300000	HR	CAR
OSP	88	UNITY	1100	301500	0	PF	SUL
OSP	88	LINCOLN	1400	250000	0	HR	GRA
OSP	88	LISBON	1500	350000	232400	HR	GRA
OSP	88	GREENVILLE	2000	350000	0	HR	HIL
OSP	88	WARNER	2000	350000	250000	HR	MER
OSP	88	NORTHWOOD	2200	350000	0	PF	ROC
OSP	88	BRISTOL	2200	350000	0	PF	GRA
OSP	88	OSSIPEE	2500	350000	0	HR	CAR
OSP	88	CANAAN	2500	310000	0	PF	GRA
OSP	88	NORTHFIELD	3100	350000	350000	HR	MER
OSP	88	HILLSBORO	3500	350000	0	HR	HIL
OSP	88	EPPING	3500	350000	0	PF	ROC
OSP	88	WINCHESTER	3500	350000	350000	PF	CHE
OSP	88	HINSDALE	3700	116100	0	PF	CHE
OSP	88	COLEBROOK	4500	350000	350000	HR	COO
OSP	88	LITTLETON	5600	350000	350000	PF	SUL
OSP	88	NEWPORT	6300	350000	0	HR	SUL
OSP	88	SOMERSWRTH	10400	319792	319792	HR	STR
OSP	88	CLAREMONT	14500	350000	0	HR	SUL
OSP	88	LACONIA	15600	361000	361000	HR	BEL
OSP	88	KEENE	21500	500000	500000	HR	CHE
OSP	88	CONCORD	30400	221000	221000	PF	MER
OSP	89	LYMAN	300	350000	350000	HR	GRA
OSP	89	WARREN	700	350000	350000	HR	GRA
OSP	89	GRAFTON	800	350000	350000	HR	GRA
OSP	89	BATH	800	350000	215000	HR	GRA

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Table 14 continued

OSP	89	STEWRTSTWN	1000	335000	335000	HR	COO
OSP	89	CAMPTON	1700	322000	0	PF	GRA
OSP	89	WHITEFIELD	1700	250000	250000	PF	COO
OSP	89	WARNER	2000	350000	350000	PF	MER
OSP	89	GREENVILLE	2000	350000	350000	HR	HIL
OSP	89	BRISTOL	2200	350000	0	PF	GRA
OSP	89	OSSIPEE	2500	350000	350000	PF	CAR
OSP	89	PITTSFIELD	2900	350000	350000	PF	MER
OSP	89	NEWTON	3100	350000	0	PF	ROC
OSP	89	GORHAM	3300	247500	0	HR	COO
OSP	89	HAVERHILL	3400	350000	350000	HR	GRA
OSP	89	TILTON	3400	350000	350000	HR	BEL
OSP	89	RAYMOND	5500	212900	212900	PF	ROC
OSP	89	LITTLETON	5600	150000	150000	PF	GRA
OSP	89	NEWPORT	6300	300000	300000	HR	SUL
OSP	89	CONWAY	7200	350000	0	PF	CAR
OSP	89	LACONIA	15600	396450	396450	HR	BEL
OSP	89	KEENE	21500	200000	200000	PF	CHE
OSP	89	CONCORD	30400	375000	345000	HR	MER
OSP	89	CONCORD	30400	125000	125000	PF	MER
OSP	90	GRAFTON	800	300000	0	HR	GRA
OSP	90	UNITY	1100	24000	24000	PF	SUL
OSP	90	WHITEFIELD	1700	350000	350000	PF	COO
OSP	90	WARNER	2000	168200	168200	PF	MER
OSP	90	CANAAN	2500	350000	350000	HR	GRA
OSP	90	HAVERHILL	3400	350000	350000	PF	GRA
OSP	90	TILTON	3400	500000	500000	HR	BEL
OSP	90	COLEBROOK	4500	225000	225000	HR	COO
OSP	90	NEWPORT	6300	350000	350000	HR	SUL
OSP	90	SOMERSWRTH	10400	825000	825000	PF	STR
OSP	90	CLARKSVILL	300	296000	296000	HR	COO
OSP	90	STARK	500	350000	350000	HR	SUL
OSP	90	WENTWORTH	600	350000	350000	HR	GRA
OSP	90	COLUMBIA	700	350000	350000	HR	SUL
OSP	90	CONCORD	30400	122000	122000	PF	MER

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