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FEDERAL REQUIREMENTS AND LOCAL PLANNING CAPACITY: THE CASE OF CDBG

Judith Innes deNeufville

Introduction: Local Decision-Making and Federal Requirements

Do local governments have the capacity to respond to local priorities and to solve local problems? The question is an increasingly important one as federal funding comes more and more through block grants and revenue sharing. Though a major impetus for this policy trend is the belief that local control will assure political freedom, there is also a hope that decentralization will decrease bureaucratic inefficiency and produce decisions better tailored to local conditions than mandates from Washington do. This calls, however, for a local capability to do more informed analysis and broader planning than in the past.

Many contend that it is federal requirements which particularly hamper local planning, absorbing time and distorting choices, and that new federal programs should be without strings. Realistically, however, the federal government will always have objectives and will require assurance that funds are being spent in accordance with them. Moreover, in practice, requirements cut in many directions, altering decision rules in ways that have far-reaching but poorly understood effects. As the federal grant-in-aid system undergoes revision, these consequences require examination to identify which kinds of requirements achieve compliance, which kinds provide meaningful accountability, and which are busywork. In the process we need to understand how requirements help or hinder local capacity and change the relative power of participants.

Information in Planning

Unfortunately, those who seek to inform public choice the aid of research have most often met with failure, primarily because they have an oversimplified view of public policy and the ways information can be important to it. They assume that the decision process should and will approximate the classical rational planning model—that problems will be identified, goals and priorities specified, alternative solutions examined and selected on the basis of cost and effectiveness for achieving goals, and that coordinated, comprehensive strategies will be sought (Rein and White, 1977, Scott and Shore, 1979). Most of us are all too aware, however, that the reality is very different. Political power in the United States is fragmented and shared. Accordingly, goals and priorities are seldom specified, and most often there is neither time nor will to generate or compare alternatives. Politically feasible actions are chosen, often without regard to their utility. Opportunities to develop comprehensive or coordinated approaches are few. Criteria are more often based on *who* will benefit than on *what* should be offered (Schick, 1976).

Nonetheless, data may, under certain circumstances, alter political processes so they are less likely to be captured by narrow interests, more accountable, more innovative, and more likely to produce workable and efficient programs. It is not readily apparent, however, how to assure that data have these effects, but one place to begin is with actual practice. Rein and White (1977) identify problem-defining, evaluation and policing roles as important in practice. DiMaggio and Useem (1980) find that

research has been a change agent, altering perceptions and power relations, and Weiss (1977) finds evidence that policy makers not only like to have their ideas confirmed by research, but are even more appreciative of research which challenges accepted beliefs. De Neufville (1975) demonstrates that social indicators can have potent impacts on many types of public policies and administrative decisions. In Rivlin's view (1970), analysis can determine who benefits from policies, but is not good at discovering what policies are most effective.

The Community Development Block Grant (CDBG) Program

The CDBG program is a good example in the present context because it is one of the largest sources of discretionary funding to local governments. It sets constraints on the types of projects that can be supported, but also permits local development of strategy. The main objectives of CDBG are broad—building “viable urban communities” and providing an “adequate supply of decent housing.” The program combines earlier categorical programs funding urban renewal, model cities, and various types of public facilities, and it stipulates that funds are primarily to benefit low- and moderate-income people. Most important, CDBG has the explicit objective of building the planning capacity of local agencies, supplanting the HUD 701 Program.¹ CDBG is the heaviest in its demand for data of any federally funded local program, and this emphasis provides the opportunity to explore the effectiveness of data requirements.

Though funding is allocated to cities and counties on a formula basis, an application must be made. Requirements at the time of this study included a Comprehensive three-year Plan, with a community profile, and the HAP (Housing Assistance Plan), a detailed set of tables on characteristics of housing units and low-income households, designed to identify local housing “need.” Neighborhood Strategy Areas had to be predominantly low- and moderate-income, and a Grantee Performance Report had to be submitted regularly, providing detailed data on program outputs in specified formats. Formal citizen participation was an additional requirement, and most localities had citizen

commissions deeply involved in the decision process.

Study Design

Five cases, each representing a different type of CDBG-recipient community in Northern California, were selected for in-depth study. The two counties and three cities differed in size, extent of low-income population, experience with planning, and location in relation to metropolitan centers. All were selected in part because of their reputations for above-average planning practice and data quality, as our objective was to understand what could be done at best. We were not searching for single critical variables, but looking for patterns of decision-making, data production, and information use, and seeking to understand the whole process and the viewpoints of participants. Three types of people were interviewed extensively: CDBG planning staff; managers of the data used to meet CDBG requirements; and laymen—members of official CDBG Citizen Commissions and City Councilors or County Supervisors who had some interest in the Program.

FINDINGS

Planning and Decision Processes

The “planning” process involved little systematic effort to identify problems, much less to generate alternatives or evaluate proposals against a set of priorities. Typically, the first step was that staff notified eligible agencies and community groups that funding was available and asked for proposals, which they reviewed and brought before the Citizen Commission, ostensibly for preliminary assessment and choice. The package assembled by the citizens was usually accepted by the City Council or Board of Supervisors with only marginal changes. Staff worked most closely with citizens, and though organizational arrangements differed in each case, they were often borrowed from regular agencies, operating as coordinators at mid-level in the bureaucracy.

The decision criteria were almost entirely technical and political rather than substantive, and not conducive to innovation or problem solving. Proposals were evaluated first for eligibility according to

HUD guidelines. Agencies or groups were then assessed in terms of their experience and their capability to spend the money quickly. For the remaining proposals, the criteria were high visibility and provision of something for everyone in the package.

Normally, substantive policy decisions were only made very early in the process, or at the margin. When a contingency fund had to be allocated, there were occasional debates over priorities and needs. In cases where planning for HUD programs was still unfamiliar, and data were not immediately available, planners went through an extensive process of analyzing local population data, doing needs surveys, and attempting to teach the Citizen Commissioners to debate in terms of goals and priorities. In one case, however, the planners were fired *en masse* for wasting time and money, and Supervisors ignored all their recommendations. The process there soon began to resemble that in the other cases, as planners changed their operating style to be more responsive to political issues.

Some substantive decisions about the overall program were established *before* the CDBG decision process formally began: for example, the designation of a percentage of the CD funds for downtown projects or housing. These policies were not publicly debated, and it was never clear to most participants how they had been established. Also at this preparatory stage, staff, with the aid of a set of indicators, developed a list of eligible neighborhood strategy areas, and made recommendations on the basis of which legislators made the selection.

Decision making was mainly a process of allocating a fixed sum of money in a politically acceptable way. Occasionally staff identified community needs and sought out agencies to fill them, or influenced citizens to back particular projects. The locality's perceived problems often far exceeded the resources it had for their solution, and staff believed that generating further public awareness of issues would be neither welcome nor necessary. Rather, their main task was responding to and negotiating among demands on the funds. The relationship between local problems and the CDBG program was relatively random, depending on whether experienced agencies offered them-

selves to perform the necessary tasks. There was no evidence that the projects were evaluated on a cost-effectiveness basis. They were not systematically coordinated with one another, nor was the CDBG package examined in relation to the city's budget or capital improvements program.

None of the participants seemed to believe they had much power. The legislators had final authority, but in practice they had neither time nor expertise to make most judgments. When, in one case, Supervisors overrode Citizen Commission recommendations and funded a series of community centers (the pork-barrel item of the CDBG program), despite staff advice that communities could not afford to maintain them, they had the embarrassment of having the communities return the funds. For the most part, local legislators wisely avoided any attempt to make major changes in delicately negotiated CDBG proposals presented by the citizen committee. On the other hand, citizens tended to perceive themselves as rubber stamps and feel frustrated because they believed staff withheld information and made back-room deals. Staff did have power as interpreters of HUD regulations and keepers of data on the community, but they too perceived themselves as highly constrained. The decision process was an effort to achieve consensus, and controlling power could not be ascribed to anyone.

The Production and Quality of Information

The function of managing and analyzing population, housing, and other data is typically a stepchild in local government, though it is necessary, not only for the CDBG program but for many activities (de Neufville, 1979; Irwin, 1980). Data management in local government is generally located by historical accident, wherever the first department or individual was who had the interest and the funding. Frequently no job slot is formally assigned to the task, which is allocated to some perhaps only partly qualified individual at a low level in the agency. Almost all city or county departments use the data manager to help make budget projections, prepare grant applications, or justify proposals. Nonetheless, data management tends to be precariously funded.

The two county governments did, however, have relatively stable and semiautonomous data-management units, with sizable, trained staff. Both depended heavily on grants, but had achieved economies of scale and independence by taking on a variety of tasks for a number of agencies. Special factors were involved in their success. In one county, agency heads and a County Executive who were supportive, along with an entrepreneurial data manager, created and maintained a five-person staff that produced sophisticated models and analyses. Two substantial grants helped pay the costs of creating a data base, and permitted them to provide services. A second county relied on a data-management group in the regional Council of Governments (COG), originally set up to produce land-use models to fill state requirements for predicting impacts of transportation planning. The city governments each had only one person to do data management, who did not have the capability or independent funding of larger data units. One data manager was a summer intern; another was fired and replaced by someone with no special skills; a third never had the status to get help from the county agency across the street, whose sophisticated data-analysis group used much of the data that he required.

Data managers kept track of census data on population and housing, and made current estimates. Some maintained land-use or building-permit files, or assisted in the design or analysis of surveys. They prepared tabulations and analyses on request from local staff or city councillors. They occasionally designed computer programs or models to aid in projecting population or estimating fiscal impact. They were the only local staff widely recognized as having analytic skills.

As much as forty percent of a data manager's time was spent in responding to queries from market analysts, developers, and bankers, and others who want information on the population, local incomes, and housing supply. This function, though essential to private-sector involvement, was nowhere explicitly recognized as a major part of the data manager's role. It was reluctantly accepted as a necessary public-relations function.

Data managers were organizationally isolated from CDBG decisions. They often filled out data matrices in the Application and Performance Reports, though others produced the narrative sections. The preparation of data, for the most part, was separate from planning or decision making. The planners were concerned only with the few figures that affected the programs that could be proposed—mainly vacancy rates and the housing-needs data.

Data quality ranged widely. Ten-year-old census figures were used with little adjustment by some communities, and sophisticated population estimates based on models employing up-to-date information on housing completions were used in others. The highest-quality data were, not surprisingly, produced by the two large data units. The data matrices HUD required seldom made use of these high-quality data, as HUD area offices would only accept estimates made in their own way. For the detail, a healthy component of guesswork was required. How else could one figure out how many large minority families lived in two-bedroom substandard housing? To do a special survey would have been absurdly expensive, and HUD officials were content to have the blanks filled in, so long as columns and rows added properly. One data manager frankly admitted to inventing the figures to suit local priorities. When he had tried to be accurate, HUD had returned the Application because of minor data discrepancies. Invented figures need show no discrepancies.

Special analyses or surveys were seldom done. Each locality could point at most to one or two significant studies, even marginally relevant to CDBG, in the previous five years—a needs assessment in one locality, a housing analysis in another, and a citizen opinion survey in a third. The most popular and often cited form of research was the "windshield survey." Though this quick drive around the area was anything but scientific, it was persuasive to staff, as it provided more meaningful and up-to-date information than the usual alternatives, the U.S. Census of 1970 or the county census of 1975. Moreover, windshield surveys had the quality most important in determining whether results would affect thought or action—they were done by staff on their own initiative.

Available technology was little utilized. Only the large data units made some use of census tapes or produced population estimation models. Other data managers did not even use programs or tabulations designed by HUD, COGs, or the Polk Company for CD planning. Though CD planners virtually all said that they needed data organized on a small-area basis, and though a Census geo-coding system was available to all the communities in the study which could have made this possible, many staff were not even aware of it. Except in the large data units, data managers tabulated most data by hand, though one had recently begun to experiment with a microcomputer. Though data-processing departments had programmers and computers to manage payrolls, there were no cooperative arrangements with planning.

In short, the data used for CD planning and applications were of a much lower quality than could have been achieved with a little interagency cooperation, or the application of available technology and simple research and analytic techniques. But there are many obstacles to be overcome: lack of incentives and knowledge, interagency competition, fear of the public exposure that data bring, institutional resistance to change, and a general conviction that planning and research are ways of sidetracking action.

Data Uses

Despite the limitations in quality and relevance of the quantitative data, they did serve some purposes. First, the descriptive, rather bland background data on the community's population and housing did appear to serve a function, though no one could identify it precisely. Those new to the process felt the profiles were useful, seemingly to orient them to the community's characteristics. The more knowledgeable would have used the profiles had they defined issues with newer data or tabulations.

Secondly, data did help to keep programs in compliance, and, at times, to prevent needless programs from being instituted. For example, data on low- and moderate-income population prevented politically favored but well-to-do areas from

being targeted, and identified previously unrecognized pockets of poverty. High housing-vacancy rates prevented the subsidy of at least some unneeded housing programs. City councillors or citizens occasionally were able to prevent a project's inclusion when data demonstrated there was little need for it.

Third, data could be important in avoiding destructive political conflicts. For example, indicators were in some cases used to rank order Neighborhood Strategy Areas to determine their funding. The principle is like grant allocation by formula in that it avoids a battle over each choice and assures something for everyone, while providing at least a semblance of equity.

The existence of the data requirements also had some latent functions, in that they provided CD staff with status as expert interpreters of the community and of HUD expectations. Planners have long derived their legitimacy from their technical role rather than from the other more political and value-laden tasks in which they engage, such as problem defining, negotiating, or plan preparation. The data provided a power resource to citizens as well, and were used as the basis for two suits against the CD program—in one case because the program did not try to meet the needs and goals established, and, in another, because it did not use the latest available data on housing vacancies. Data were little used for defining problems, predicting future conditions, setting priorities, goals, or standards, evaluating programs, or comparing alternatives, because these tasks were seldom done.

The Actors

The attitude of CD staff toward data is strikingly schizoid and, at first glance, inexplicable. On the one hand, staff devote many hours to preparing monumental tables for the CD Application and Performance Reports. They resent having to regurgitate annually a set of data they know to be hopelessly out of date, and most know more about the community than this type of data can tell them. Nonetheless, virtually all CD staff contended that the data were necessary, though they did not offer any explanation as to how or why. They seldom performed or commissioned any but the most primitive of

research or data analyses, nor did they apply data to develop recommendations or to convince others. Staff interest in data appears to be symbolic rather than substantive. Many are aware that their roles as custodians of data helps assure their employment, gives them legitimacy as intermediaries between HUD and local governments, and provides a cloak to their more politically sensitive roles. Most are far more comfortable, because of the ideology of their training, in the information-analyzing and problem-defining role, though in reality they operate as political negotiators (Baum, 1980).

While CD staff had less analytical capability and interest in data than expected, the data managers had more sophistication on policy issues than anticipated. Though they were isolated from day-to-day decisions, they had inventive and policy-relevant ideas for analytic study. One data manager wanted to develop an index of housing prices to identify where speculation had begun. Another wanted to do a study of housing markets, which should have been easy, as planners frequently complained that this was a major data gap. But the data managers seldom had the bureaucratic capability to get even a few hundred dollars for a computer analysis of existing data, much less to mount a major study.

Although data managers were, for the most part, not highly trained in quantitative methods, they were drawn from fields which depend heavily on quantitative data, such as economics or regional science. They were more outspoken than CD staff, and less accepting of the status quo, with more ideas about improvements than CD staff, perhaps because their low-level positions meant they had little to lose. As a group, data managers were more cautious than others interviewed about the value of data because they were more aware of their limitations. They could also see more vividly the opportunities that better data could provide. The capabilities of the data managers and their potential as change agents have so far been underutilized.

Citizen participants and politicians included those most and least sophisticated about data in the study. Some citizens were responsive only to qualitative accounts of local conditions or the capabilities of local

agencies. Others, however, wanted statistics. They felt helpless in relation to the knowledge of staff, and data gave them an independent way to assess the situation. Many citizens claimed to have read the community profiles and the HAP as well as the Performance Reports. A few were highly trained analysts who, as participants in CD planning, demanded considerable data and persuaded their colleagues to allocate funding for such tasks as a sophisticated evaluation of a housing program. Only one data advocate on a Board or Commission was necessary to assure that attention would be given to data. Members of such groups are usually leading members of the community, increasingly drawn from technically skilled professions, and data advocates are likely to be found in positions of public responsibility in many communities. Staff, however, were frustrated by these demands for data which they did not have the capability or resources to meet.

Impact of the Requirements

HUD's requirements strongly influence what goes on at the local level in some ways, while in other respects they seem to have no impact at all. Mainly, they define the rules of a game between federal and local officials. Their effects are indirect at least as much as they are direct, and some are counterproductive.

Some of the precisely defined requirements do have more or less the desired effects. The targeting requirement has been partially successful because the criterion, though crude, is defined in readily measurable terms. Strategy areas must be predominantly low and moderate income, and official cutoff income levels must be applied. Like all standards, however, this provides limited control. There is little to prevent funds from benefiting the best-off people in low- and moderate-income areas, nor from aiding downtown redevelopment under the guise of benefiting a low- or moderate-income inner-city neighborhood.

Though the data reporting did absorb much energy, it also helped assure that local governments employed planners and data managers, who were then available for other tasks, and who, more than any group except a few citizens, shared the objectives of HUD.

The data gave them an implicit threat, helping to persuade decision makers to comply with HUD goals.

Local participants did not use required data, which they often referred to as "flaky." Instead of helping inform local planning, these massive tabulations confirmed the suspicions of those who did not trust data, and provided the occasion for resentment and ridicule of HUD staff. But though most were aware that the statistics were poor, no one had reason to make this an issue. HUD officials needed only to demonstrate apparent compliance and provide regular reports to Congress. So long as the data were superficially adequate and projects fit eligibility requirements, then the elaborate data matrices provided a smokescreen, permitting the localities to do pretty much as they wanted.

Such requirements do not provide accountability either to the federal government or to the local community. Localities developed their own monitoring systems to keep track of expenditures, and ignored the Performance Reports. If the local participants do not accept or use required data, they are unlikely to be meaningful for the federal government. There were always local proponents for HUD goals who could have used acceptable data. Accountability and compliance objectives of the requirements also conflict with the goal of better data for local planning.² The first objectives require data in prespecified, common forms for all localities, but data for planning have to be flexible, with categories adapted to local conditions and priorities. Moreover, statistics have to be limited to relevant issues if they are to get local attention. Information overload is counterproductive in planning.

The Comprehensive Plan requirement is a holdover from categorical grants such as urban renewal, for which proposals were evaluated and funded on the basis of the "workable program," a plan which served as a contract. For a block grant, however, a plan has no function in the intergovernmental funding agreement. Although the intent may have been to force local planners and officials to identify community needs and produce a coordinated strategy, the requirement has not had this effect in the localities studied. The Plan influenced no one either

in the course of its preparation nor once it was completed. It represented no consensus about policies, nor did it become part of public discussion. It was prepared, often by a junior planner, after projects had been selected. He or she developed a rationale that sounded similar to official HUD goals. We could find no one who ever read the Plan, except one cynical citizen who wanted to make sure "they didn't change anything on us."

Under the CDBG program, the federal government is achieving dubious accountability, and local governments are burdened with wasteful data requirements and making poorly informed decisions through reactive processes. Though some requirements have useful consequences, most could be achieved with less effort. Compliance, for example, depends on a limited number of measures. The requirements operate as much to keep the various publics from recognizing what is going on as they do to reveal it.

These failures can be ascribed partially to bureaucratic politics within HUD, as each branch lobbies for inclusion of data as a symbol of the importance of its own function, and quite without regard to the effect of the requirement on local government, or to whether it will produce useful information.³ For example, data on minorities housed by family size are required, though this information is seldom accurate, and HUD is not trying to enforce any particular standards. To eliminate such data would be to decrease the symbolic importance of affirmative action goals, and perhaps miss the opportunity to flag a problem in future. Yet inaccurate data will not serve any purpose, nor will an overload of data call attention to issues. Requirements cannot work, as their designers appear to assume, to set a broad policy framework and delegate implementation to localities. Public policy in the United States is not hierarchical. Intergovernmental relations are better characterized as negotiations among quasi-autonomous units, each with different agendas and different arenas of responsibility. Though the federal agency has funds, it needs the local agency to spend them and to do so in a way that appears acceptable to local and nationwide constituencies (Bardach, 1977, Ingram, 1977). In the course of implementation, federal goals are partially

displaced by local ones, and local officials change components of programs as they learn what works (Berman, 1978; and van Horn, 1978). Most important, data can alter power relationships and problem perceptions, so data are not politically neutral. If they are not presented in ways that are comprehensible and politically acceptable, they will be ignored (Meltsner, 1979). An information production and analytic process predicated on the rational planning model simply will not work, but HUD is apparently content with the formalities of scientific, disinterested planning.

Relating Data and Analysis to Political Processes

Political decision-making is, first and foremost, allocative rather than substantive. Political officials generally make choices among beneficiaries, rather than trying to solve problems or achieve community goals. Under some circumstances, they do choose among competing values as a basis for allocations, but this relatively abstract process is the exception rather than the rule. It is hard to disentangle judgments about the distribution of benefits from those about the appropriateness of the action to solve a problem or meet a goal. Such a process is not conducive to coordinated strategies or long-range planning. It is reactive rather than initiating, and short- rather than long-range. Lindblom's description of public decision making as incremental, short-term, and without stated goals (1959) is still the best description of the reality, if not of the ideal. Notably, two of the situations where data were most useful, designating target areas and demonstrating that a given project was unnecessary, are part of the allocative process. While these are not goal-oriented data uses, they do subject a decision to criteria that are impersonal and politically disinterested, making the allocative process more accountable.

Many critics fear that formal analysis will feed into one "correct" answer, and that the production and use of quantitative data will consolidate the power of technocrats, contributing to an increasingly powerful monolithic government. Publicly available data, however, can be used to challenge policies, because they make the criteria explicit.

Statistics have a readily communicable and (if they are well designed) comprehensible quality. Anyone can cite them, use them in arguments, or question why they are so large or so small. Anyone can provide his or her own interpretation. Data can diffuse power away from technicians and politicians who could otherwise claim they make choices simply because they are right.

On the other hand, decision makers, partly because they understand these dynamics, often resist the introduction of quantitative reporting requirements, which limit their ability to make political judgments in individual cases. They only accept data as simple decision criteria when they will be under fire regardless of how they decide. Agencies seldom voluntarily agree to report quantitative data on a regular basis, as they may reflect badly on their performance. Once data are used, however, they can provide participants with background information, supplementing their other ways of understanding issues, and forcing those in the debate to share an understanding of the size and nature of problems.

The use of data is compatible with the pluralist, negotiating, muddling-through process that is the reality of American politics, as well as with certain aspects of the rational planning ideal. Both the data and the politics will benefit from a closer merger of the two, and some of the goals of the traditional planning model may also become more attainable, if strategies are carefully planned.

Designing Usable Information

For information to be used intelligently in public choice, an early step is to establish institutionalized arrangements for the production and analysis of data. As for any technological or institutional innovation in local government, there is no standard approach. It will differ according to the size of the local bureaucracy, its form and organizational structure, the relationships it has with county agencies or regional COGs, and the nature of local issues. The important criteria in designing local data management systems are (1) that they be seen as basically neutral on important policy questions; (2) that they be large enough to develop economies of scale, a substantial expertise, and some capacity to generate their own

activities; (3) that they be supported either by legislated budgetary allocations or by user fees from a variety of local agencies and groups so that they have autonomy; and (4) that they perform both short-range services for the public and city agencies, such as providing and maintaining up-to-date population, housing, and income estimates, and longer-range functions supporting planning, such as the development and application of computerized data-handling techniques. This model has many successful precedents—most notably the U.S. Census Bureau and the Bureau of Labor Statistics, both of which are supported by line items in the federal budget and both of which are without political agendas to distort their data. They perform service tasks for many agencies and do longer-term analyses and technical development. Thus the agency's work is useful to the ongoing political process and reputable in professional circles (de Neufville, 1975, Chapters X and XI), and at the same time, staff can make recommendations for new policy agendas.

A second and equally important part of the task is to develop constituencies. Every successful public program depends on constituencies to protect its funding and keep its efforts relevant, and data programs need an even more carefully orchestrated effort than programs whose benefits are more immediate and less threatening. Constituencies potentially include staff of local agencies who prepare applications, proposals, analyses, and reports; the local legislative body, which can use data for leverage over agencies; developers, bankers, marketing consultants and others who depend on the data to do business effectively; and citizens. Strategies range from user workshops to use of the news media to present data findings which have political relevance.

Thirdly, an interactive process has to be established for the production and use of data. Data (apart from some basic all-purpose population data) should be designed to mesh with particular long-term policy concerns, and they should be gathered or designed with participation of planners and decision makers. Data that have definite functions in the analysis or evaluation of policies or the allocation of funds will receive public attention. When they are inadequate,

those who stand to lose will point out the failings and try to remedy them, as ample evidence suggests (de Neufville, 1978-1979).

Federal Requirements and Local Autonomy

These observations suggest that reshaping of requirements will be essential both to assure that funds are spent in accordance with federal intent and to build local capacity. The answer is neither to layer on new requirements nor to eliminate them. Local governments need help in restructuring themselves to take a greater share of responsibility for their own future, and many look to the federal government for guidance. Mindless and detailed data requirements are, however, less than no help. They provide substitutes for planning or even informed political decision making, rather than establishing the conditions for these to occur. Requirements can be crippling or developmental, depending on how they are conceived.

The general strategy the federal government should follow to serve the three goals of compliance, accountability, and local capacity building is to cut back sharply on data requirements and simultaneously to encourage the development of resources for effective local decision making. HUD should select for local reporting a limited number of specific indicators and analyses tied directly to programs. Housing vacancy rates, for example, are already an important factor, and percentages of low and moderate-income families in target areas are another. Local rent-to-income ratios could be added, and housing and population projections. When there are obvious program consequences, HUD can not only demand that data be of high quality, but it can also depend on local actors to develop them and test their validity. HUD can never be sure that data are accurate by the methods it now uses—demanding that only widely known data be used, that they be presented in rigid and detailed categories, or that data-collection methodologies be described. Data can be irrelevant or out-of-date, and methodologies can be fabricated. But local public oversight does provide some assurance.

The principal difficulty will be the internal political problem for HUD of reaching agreement on the key measures. Though

only a few indicators are now effectively used, these are the result of practices rather than of adopted policies, and few are likely to be viewed as desirable if explicitly examined. Moreover, some program goals, now conveniently left ambiguous, would have to be clearly specified.

Only some federal goals can be achieved through strings attached to grants. Instead, the capabilities of local people and institutions must be strengthened.⁴ Appropriate strategies for HUD, therefore, will involve mid-career training programs or curriculum development for planners and public administrators, incentive funding for initial costs of new data technologies, and incentives to encourage consolidation of fragmented local data activities and closer linkage to planning.

Such efforts will not be effective, however, if they go on in isolation from political decision making. The impetus for change must at some point emerge from within. A key to the process lies with the citizens, who often have greater skills than local staff, and are less afflicted by professional blinders. Successful experiments have demonstrated the creativity that may be harnessed in using citizens to help solve complex public disputes. For example, a citizen task force produced a solution to a major environmental dispute in metropolitan Boston that had stymied public officials (Susskind, 1981). A large-scale evaluation of CDBG done by citizens has already produced startling findings about misallocations of funds and resulted in changes in CD programs in a number of cities (Kotz, 1981).

Pitfalls, of course, exist. Citizens are not elected. They can be captured by special interests, or become interested in their own power. They can develop their own blinders. Often they cannot develop a depth of understanding of problems. Nonetheless, creative frameworks for their inputs should continue to be explored.

If the federal government hopes for effective accountability and local planning in the block-grant era, it must truly rely on local capabilities. It will have to trust local intentions and depend on local processes to grow and to work. It will have to help local governments develop autonomy rather than

keep them from maturing. As in any developmental process, there will be mistakes and scandals, but these should be regarded as part of a process of social learning. Local decision-making may, over time, move closer to the rational ideal of planning. The new model, however, is likely to take on a form that as yet we cannot quite see, a form which, at best, will incorporate the realities of political pluralism with values of informed, accountable, and goal-seeking public choice.

NOTES

¹Plant and White, 1981, have explored the effect of the CDBG approach on the roles of planners who have become more generalists and coordinators, working more closely with city managers and mayors.

²See also the study by Struyk and Khadduri, 1980, which concludes that HAP data are of low quality and that, without substantial revision, the HAP process will not serve as a tool for local planning.

³See a special issue of *Policy Sciences*, 1976, for various accounts of the process of guideline writing.

⁴Many studies of local government support this conclusion. Kraemer, for example, in a review of efforts to design urban information systems that could be transferred to other communities (1979), and Roessner (1979), after a study of the local adoption of innovations, both concluded that no simple formulas for new technologies can be developed for the diverse conditions and organizational structures of local governments. Pack, in a study of the adoption and use of urban land-use models (1978) in eighteen local agencies, was able to discount many economic and organizational reasons in explaining the adoption of computer simulation models. The single factor that stood out was the presence of an advocate of modeling who was, in most cases, skilled in the application and use of models.

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