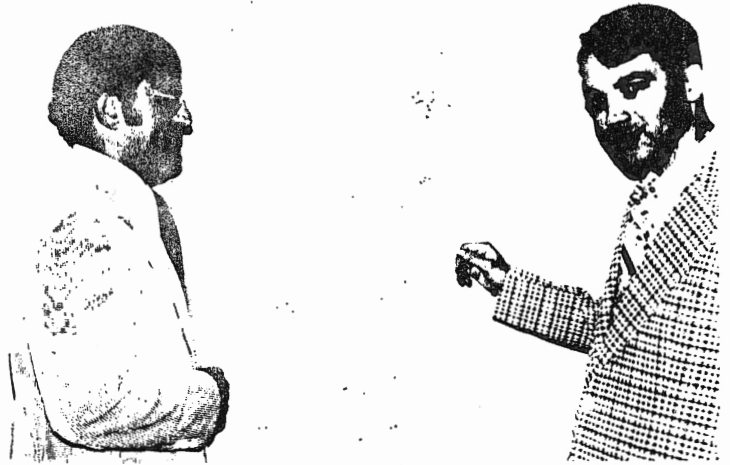


# DCA ASSISTS LOCAL GOVERNMENTS IN FEDERAL FUNDING: AN INTERLOCAL SERVICES SUCCESS STORY

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Mr. Laezza (l.) and Mr. Alexander (r) re-  
view map showing interlocal activities  
around the State.



**T**WO hundred and four New Jersey municipalities will receive \$5,548,000 this year in Federal Community Development Revenue Sharing funds as a result of a major cooperative effort involving the municipalities, county governments, and a special task force in the Department of Community Affairs. In the February, 1974 issue of *New Jersey Municipalities*, Bureau Chief of Local Management Services James Alexander Jr., stated that the Interlocal Services Act gave local governments formal mechanisms for getting together for cooperative efforts. Since that article was written, the Department of Community Affairs has used the Interlocal Services Act as the key element in a special program aimed at securing federal dollars for certain municipal governments through eligible county governments.

## The Problem

The Housing and Community Development Act of 1974 provided various types of federal funding for local governments. The best known part of that Act is referred to as Community Development Revenue Sharing (CDRS). Certain municipalities are eligible for these block grants, and the Act also provides that "urban counties" are eligible applicants. As defined by Congress, an urban county had to meet two important criteria:

1. A population of at least 200,000 in the area participating in the program.
2. The county had to have the statutory power to conduct certain community activities. These activities, for purposes of determining eligibility for funding, had to include the authority to undertake essential community development

and housing assistance activities, specifically including urban renewal and publicly assisted housing. This did not mean that the counties had to include such activities in their applications, but merely had to possess such authority in order to be eligible to file an application.

This second requirement threatened to preclude New Jersey counties from applying for these funds, inasmuch as our county governments do not possess statutory power in their own right to carry out these activities. Under the Federal legislation, if New Jersey's counties had been unable to qualify, these funds would have reverted to a nationwide account and lost to the State. The Department of Community Affairs determined to go all out to prevent this major loss.

## The DCA Response

The Department of Community Affairs had been watching the development of this legislation very closely, as part of its long standing responsibility for helping local governments to maximize the receipt of all available federal aid. Commissioner of Community Affairs Patricia Q. Sheehan had directed that a special task force be established so that all of the areas of expertise of the Department could be coordinated for the purpose of assisting local governments in obtaining these CDRS funds. This position of readiness paid off especially for county government in New Jersey.

Having observed the federal legislation as it developed, the Department was aware at an early date that this new revenue sharing program would require a major Departmental effort. Several years before, the Division of Local Government Services had undertaken a

major effort to assist local governments in learning the ground rules of the General Revenue Sharing Program, and in establishing liaison with the responsible federal officials. That program had paid off for our local governments, and the Department was ready again to fulfill such a role.

The DCA task force set about to analyze and interpret the various parts of the new federal legislation. A series of half a dozen bulletins were prepared and issued to local governments on such subjects as an overview of the act, planning and management standards, and how to apply for funds.

The "urban county" category of potential applicants presented some unique problems. The DCA efforts directed towards helping the nine counties with populations of over 200,000 included the following:

1. **Establishment of Federal Liaison.** The Department established immediate contact with the officials in the U.S. Department of Housing and Urban Development (HUD) who were administering this program. These contracts ranged from the Area Offices to the Regional Office to the Washington Office. This effort included soliciting very helpful assistance from the entire New Jersey Congressional Delegation, which at several points responded in a clear and united manner in requesting HUD to be fully considerate of New Jersey's special problems. All of these special contacts enabled our staff to more clearly understand the detailed HUD regulations as they were developing, and permitted us to interpret them to the respective local governments. By approaching HUD in a coordinated manner on behalf of the urban counties, DCA was able to establish a helpful

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working climate with the HUD officials, who in turn were sympathetic to the problems which we articulated and the solutions we proposed.

2. **Development of the Interlocal Services Model.** It was quickly perceived that when Congress enacted the definition of urban county, it was not thinking of county government as it functions in New Jersey. DCA reached the conclusion that the Interlocal Services Act would provide an excellent vehicle under which municipalities possessing 200,000 population in the aggregate within a given county could agree to transfer the required statutory authority to the county government for the purpose of enabling it to apply for these federal funds. The Division of Local Government Services assigned its interlocal services specialists to develop a model interlocal agreement which each county could enter into with its consenting municipalities. This agreement was carefully drafted so as to comply with the New Jersey Statutes and to meet the federal requirements. The key point in these agreements was that the activity to be performed within each county with these funds would be subject to policy developed through a special CDRS

Advisory Committee on which the municipalities would be represented. No activity or projects could be conducted within a given municipality without its consent. Home rule was thus fully assured. Our staff assisted county and municipal officials in developing the necessary agreements and ordinances that would meet the state and federal requirements while being fully responsive to particular local needs.

3. **Local Government Liaison.** Members of the DCA task force attended numerous meetings of local officials with the county planning and administrative officials. The DCA role was to assist in explaining the purpose and requirements of the federal act, and the nature of the interlocal services device. Policy determinations as to participation in and content of the program were strictly left to local determination.

4. **General Technical Assistance.** DCA specialists in local planning, financial regulations, housing and human resources were made available throughout the process. Special procedures were established to expedite the required A-95 review process. DCA served as a clearing house for information among the counties and the federal agencies.

## Results

The results of this were extremely gratifying. Seven of the counties submitted acceptable federal applications and stand to receive about \$5.5 million. One county, following diligent effort, was unable to secure agreements with municipalities providing a population of 200,000. One other county went down to the wire, but faced a similar population problem because of some local policy reservations.

This money will be used in a variety of ways for projects such as conservation of open space, provision of recreational opportunities, water and sewer facilities, expansion of housing opportunities, code enforcement, rehabilitation of buildings, and necessary planning and administration costs. Some of these functions will be conducted by county government, while in many other cases the funds will be passed on to the municipal agency to conduct the actual projects. The county governments stand as the agencies legally responsible to HUD for the conduct of the application activities. It is felt that the necessary effort was well worthwhile in terms of the money that was brought into New Jersey.

The long range benefits of this may turn out to be even more important than the money that was initially drawn into the state. As a result of the necessity

to cooperate so as to obtain these federal funds, county governments are now working with their constituent municipalities on a closer basis than ever to address their mutual problems. If this approach, which recognizes area-wide needs, as well as local home rule prerogatives, can be fostered, this may represent a renewal of the vigor of our local governments.

Federal officials are now more aware than ever that the local governments in New Jersey are capable of working together and of cooperating with a State Department of Community Affairs which is determined to exercise leadership and provide its good offices whenever they can be helpful. It is now clear that when Commissioner Sheehan instructed her staff to go after every federal dollar possible on behalf of our local governments, she meant it. The Department looks forward to participating in any similar opportunities which arise in the future, and is especially impressed by the responsible reactions of New Jersey's county governments in working to take advantage of such opportunities.

County	Municipalities Participating	Potential Grant (1975)
Bergen	60	\$1,790,000
Burlington	23	475,000
Hudson	8	384,000
Middlesex	20	653,000
Monmouth	43	1,003,000
Morris	34	632,000
Union	16	611,000