

RELOCATION OF ELDERLY PEOPLE

HEARINGS
BEFORE THE
SUBCOMMITTEE ON INVOLUNTARY RELOCATION
OF THE ELDERLY
OF THE
SPECIAL COMMITTEE ON AGING
UNITED STATES SENATE
EIGHTY-SEVENTH CONGRESS
SECOND SESSION

Part 6.—San Francisco

DECEMBER 7, 1962

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¹ Senator Smith of Massachusetts was a member of the committee until Nov. 6, 1962.

NOTE.—Six hearings were held on relocation of the elderly and they are identified as follows:

- Part 1.—Washington, D.C.
- Part 2.—Newark, N.J.
- Part 3.—Camden, N.J.
- Part 4.—Portland, Oreg.
- Part 5.—Los Angeles, Calif.
- Part 6.—San Francisco, Calif.

CONTENTS

CHRONOLOGICAL LIST OF WITNESSES

Randolph, Hon. Jennings, a Senator from the State of West Virginia and acting chairman of the Subcommittee on Involuntary Relocation of the Elderly.....	Page 473
Long, Hon. Oren E., a Senator from the State of Hawaii.....	474
Shelley, Hon. John F., a U.S. Representative from the State of California.....	475
Christopher, Hon. George, mayor of San Francisco.....	475
Eichler, Edward P., chairman, Governor's Advisory Commission on Housing Problems.....	478
Houlihan, Hon. John, mayor of Oakland.....	485
Taylor, Jack E., building and housing administrator, city of Oakland.....	488
Bell, Tom, executive director, Oakland Redevelopment Agency.....	491
Herman, M. Justin, executive director, San Francisco Redevelopment Agency.....	497
Hidy, Pastor Ross, St. Mark's Lutheran Church.....	506
Russell, Mrs. A. M. G., chairman, Citizens' Advisory Committee on Aging of the State of California.....	513
O'Gara, Gerald J., counsel, San Francisco Housing Authority.....	520
Cahan, Dr. Robert, project psychiatrist, geriatric mental illness studies, Langley Porter Neuropsychiatric Institute.....	522
Lilienthal, Robert P., representative of the urban development committee.....	527
Nance, Edythe, chairman of the western addition district council.....	527
Phenix, Richard, consultant on physical planning, social planning department, United Community Fund of San Francisco.....	529
Kline, Samuel, public witness, 1281 Turk Street, San Francisco, Calif.....	546

. . STATEMENTS

Bell, Tom, executive director, Oakland Redevelopment Agency.....	491
Blake, William C., chairman, streets and highways committee, San Francisco Board of Supervisors, prepared statement.....	495
Cahan, Dr. Robert, project psychiatrist, geriatric mental illness studies, Langley Porter Neuropsychiatric Institute.....	522
Supplementary statement.....	526
Christopher, Hon. George, mayor of San Francisco.....	475
Eichler, Edward P., chairman, Governor's Advisory Commission on Housing Problems.....	478
Herman, M. Justin, executive director, San Francisco Redevelopment Agency.....	497
Prepared statement.....	503
Hidy, Pastor Ross, St. Mark's Lutheran Church.....	506
Houlihan, Hon. John, mayor of Oakland.....	485
Kline, Samuel, public witness, 1281 Turk Street, San Francisco, Calif.....	546
Lilienthal, Robert P., representative of the urban development committee.....	527
Long, Hon. Oren E., a Senator from the State of Hawaii.....	474
Nance, Edythe, chairman of the western addition district council.....	527
O'Gara, Gerald J., counsel, San Francisco Housing Authority.....	520
Phenix, Richard, consultant on physical planning, social planning department, United Community Fund of San Francisco.....	529
Randolph, Hon. Jennings, a senator from the State of West Virginia and acting chairman of the Subcommittee on Involuntary Relocation of the Elderly.....	473
Russell, Mrs. A. M. G., chairman, Citizens' Advisory Committee on Aging of the State of California.....	513
Sagarsky, J. H., president, Congregation Keneseth Israel, San Francisco, Calif., prepared statement.....	512
Shelley, Hon. John F., a Representative from the State of California.....	475
Taylor, Jack E., building and housing administrator, city of Oakland.....	488

ADDITIONAL INFORMATION

Panel discussion on displacement problems represented in south of market and similar areas, presented by—	
Herman, Justin, executive director, San Francisco Redevelopment Agency.....	Page 531
McCarthy, Rt. Rev. Vincent, St. Patrick's Church, San Francisco....	533
Phenix, Richard, consultant to South of Market Committee, United Community Fund.....	536
Brabec, Thomas, operator of Labra House.....	538
Laharty, Joseph, executive secretary, Society of St. Vincent de Paul..	543

EXHIBITS

No. 1: Recommendations of the citizens' advisory committee on aging, dated October 1, 1960, presented by Mrs. A. M. G. Russell....	514
No. 2: Statement by the citizens' advisory committee on aging before the assembly committee on governmental efficiency and economy, dated September 29, 1961, presented by Mrs. A. M. G. Russell..	515

RELOCATION OF ELDERLY PEOPLE

FRIDAY, DECEMBER 7, 1962

U.S. SENATE,
SUBCOMMITTEE ON INVOLUNTARY RELOCATION OF THE
ELDERLY OF THE SPECIAL COMMITTEE ON AGING,
San Francisco, Calif.

The subcommittee met, pursuant to call, at 10:15 a.m. in the auditorium, Yerba Buena Senior Center, 1111 Buchanan Street, San Francisco, Calif., Senator Jennings Randolph (acting chairman of the subcommittee) presiding.

Present: Senator Jennings Randolph, West Virginia; Senator Oren E. Long, Hawaii; and Representative John Shelley, California.

Committee staff members present: William G. Reidy, staff director; Frank C. Frantz, professional staff member; John Guy Miller, minority counsel; James Sundquist, assistant to Senator Clark; Thomas Hayes, assistant to Senator Prouty; Edwin Winge, assistant to Senator McNamara.

OPENING REMARKS OF HON. JENNINGS RANDOLPH, A SENATOR FROM THE STATE OF WEST VIRGINIA AND ACTING CHAIRMAN OF THE SUBCOMMITTEE ON INVOLUNTARY RELOCATION OF THE ELDERLY

Senator RANDOLPH (presiding). Good morning, ladies and gentlemen. For the record, I wish to indicate that the chairman of our subcommittee, the Honorable Harrison A. Williams, of New Jersey, a distinguished Senator from that State, is unable to be here as we begin the hearing. He will arrive momentarily, but in order that we may hear the witnesses without further delay, we shall begin the hearing which is being conducted by the Subcommittee on Involuntary Relocation of the Elderly.

For your information, this is a subcommittee of the Special Committee on Aging of the U.S. Senate.

We are very happy to have Representative John Shelley, of California, with us. Representative Shelley and other members of the congressional delegation from California, including our esteemed colleagues, Thomas Kuchel and Clair Engle, the two Senators, are intensely interested in the problem that we will discuss.

Senator Oren Long who represents the State of Hawaii is sitting at my left.

Staff members of the committee and representatives of certain Senators of our committee are also present. We will introduce them later.

Ladies and gentlemen, this is the third hearing held this week by the subcommittee. First, the subcommittee met on Monday, in Port-

land, Oreg. At this hearing we received a firsthand, direct and on-the-spot look at the manner in which a forthcoming new superhighway has changed the lives and the living pattern of literally thousands of people in that area.

Wednesday we met in Los Angeles. Testimony was presented from officials, and also from men and women who were not scheduled as witnesses. However, the subcommittee functions informally sometimes with a flexible schedule, and we heard perhaps 15 or 20 persons. They extemporaneously spoke against certain programs of urban renewal discussing complaints which they believed to be valid.

The problems in the cities of Portland and Los Angeles are different. We found that there was an apparent and perhaps a growing dismay by certain persons, officials and citizens, about the problems faced by those who must move from their residences and places of business to make way for the projects which are a part, we hope, of a positive program of progress.

As the acting subcommittee chairman I do not wish to philosophize. However, this is an era of change, and it is not just change per se. It is the depth and the scope of change, and this means that our senior citizens are often forced by the impact of these changes into conditions in which they cannot readily readjust themselves. Some persons cannot do it in their latter years. Many can with our understanding and help.

As we carry forward the Federal programs, in which there is participation with local bodies and with funds supplied at the levels of government other than national, we know that this is a situation which deserves our very careful attention. It certainly is the concern of Congress that when changes come they will not unduly or needlessly wreck a manner of life or tear apart a city, at least a small neighborhood or neighborhoods within the city, without there being real reason to do this.

We know that change is inevitable, but certainly it must be tempered with a realization that human beings are involved. We must understand and respect the problems that are posed. I am sure that we shall be helped by the testimony of the important list of witnesses who will be heard as we begin our third hearing on the west coast. From their background of experience and their personal knowledge of the problems, we will gain a keener insight into what should be, and a better understanding of what has been done.

Senator Long, do you wish to speak at this time?

STATEMENT OF HON. OREN E. LONG, A SENATOR FROM THE STATE OF HAWAII

Senator LONG. Thank you, Senator Randolph.

In Hawaii, the Aloha State, the newest State, we are very happy to think of California as our nearest neighbor, and particularly of this great, beautiful city of San Francisco because, after all, in an economic way, and in many other ways, San Francisco has long been the most important American city to the people of Hawaii. I need merely to mention the Matson Navigation Co. to give point to what I mean.

We share with all mainland communities this problem of what is being done and what should be done to make the declining years of our elder citizens happy and productive years. The problem may not be as sharp, as clearly defined in the State of Hawaii, except in some portions of Honolulu, but we are interested in it because we know that as time goes on, unless we plan carefully and intelligently, the problem will become greater instead of less important, so I am happy to be here to listen to what you people have to say and what you think about it, in order that when I get back home I may share that thinking with our people. Thank you.

Senator RANDOLPH. Thank you, Senator Long.

Representative Shelley, we will be very happy to have you greet the people here. They may not be members of your constituency as to district, but I am sure you feel at home with them, and they with you.

**STATEMENT OF HON. JOHN F. SHELLEY, A REPRESENTATIVE FROM
THE STATE OF CALIFORNIA**

Representative SHELLEY. Thank you, Senator. We have two congressional districts in San Francisco, and I represent one, and the other Congressman and I, in spite of party differences, get along, especially with regard to matters concerning the progress of our city of San Francisco.

All I will say before you start your testimony is, welcome to the city of St. Francis.

Senator RANDOLPH. Thank you, Representative Shelley.

We are privileged to have as the first witness the Honorable George Christopher, mayor of San Francisco. I assure you, on behalf of the Senate of the United States, as well as this particular subcommittee, that we know something of your problems and of the manner in which your associates have been meeting these problems in an affirmative manner. Mr. Mayor, we are delighted to have you as our first witness.

**STATEMENT OF HON. GEORGE CHRISTOPHER, MAYOR OF THE CITY
OF SAN FRANCISCO, CALIF.**

Mayor CHRISTOPHER. Thank you very much, Senator.

First of all, I should like to reecho the words of our distinguished San Franciscan, Mr. Shelley, and extend to you, Senator Randolph, Senator Long, to your colleagues, and members of your staff, a most cordial welcome to San Francisco.

I might state at the outset, too, that over the years I have been the recipient of tremendous hospitality from Senator Long's State, where I have spent many happy hours, and I only trust, Senator, that your stay in San Francisco will be equally as pleasurable as my stay has always been in your splendid State. May I say, Senator, that you come from a great State, too.

The people of your State are so cordial, so hospitable, that I feel I owe you something for being in San Francisco today, and I should like very much to be able to reciprocate the hospitality which the good people of your wonderful State have always afforded me.

I believe, gentlemen, that this a very timely subject that you are discussing. The problem is very intricate, and it is growing by leaps

and bounds every day because our people, God bless them, are living longer, and that makes us all very happy; but as they live longer the problem always becomes much more intricate.

I am not speaking from formal notes here. I prefer that the formal presentation come from our experts in the field, those in our housing authority, and our redevelopment agency, and other people who will testify.

I should like to be very informal in my presentation and simply say that we have tried to cope with the problems arising from freeway dislocations. This has indeed been a very sore problem in San Francisco, and we also have dislocations as a result of slum clearance programs. These are the good things that we try to do, as the Senator mentioned a moment ago, but nevertheless they bring on other problems; and then, of course, we have stricter code enforcement in order to protect the housing that is already in existence, and this, too, has caused considerable dislocation.

I might point out, too, gentlemen, that in San Francisco we have a high percentage of aged; about 18½ percent of our people in San Francisco are over the age of 60. That is why we have two projects now that are already operating, housing some 660 elderly people. This building is one of them.

I was proud to dedicate this particular housing project several years ago, and I should like to point out very respectfully that one of the great attributes of this housing project is that we have this center here which permits our people to enjoy themselves in their leisure hours. We have now under plan, through the housing authority, approximately 300 more units which we hope will be constructed soon.

We also have, Senator, some 1,328 single elderly persons who are applying for this kind of housing, and this is one of the things that has concerned both me, as mayor of San Francisco, as well as the mayor's committee on aged, as they submitted their report to the White House Conference.

I mentioned that we have these various dislocations. I mentioned that our people are living longer, which makes us very happy. Longevity is a result of science, but the one thing that concerns me in San Francisco is this. I find more and more elderly people find themselves all alone in their latter years, in the sunset years of their lives, in the evening of their lives. I find, gentlemen, that if we are to meet the problem ahead we shall not only have to build housing as such (housing, of course, being imperative), but we must build housing that will be conducive to taking care of these elderly citizens of ours in a way that will afford them happy moments in these senior years of their lives.

I believe that henceforth every housing project should contain enough square area for recreational facilities. I believe that for every housing project in the future we shall have to consider the necessity, the imperative necessity for having a recreational center, for having a library, for having room for a piano, for having room for the various facilities that go to make the kind of a happier life that ordinarily these good people would find in their private homes, if they were living in private homes.

If we are to meet the destiny of this Nation, we have to keep our elderly people happy. We have to keep them within their dignity. We have to keep them proud, because if they lose their pride then they have lost everything. But in so doing, we have to prepare these facilities somewhat like this facility where we are; even though this is not as adequate as it should be, nevertheless it is a far advancement from what it used to be before we constructed this particular facility. I think that if we do help them keep their pride, then we are going to be meeting the challenge of the day.

I know that this committee is also going to go on our so-called skid row section this afternoon. I might point out that most of the skid row section of San Francisco has been obliterated by virtue of private enterprise, and also through the cooperation of the city and county of San Francisco.

Skid rows exist in every city in the Nation, we know. We are trying to meet these problems in a secondary phase of our operation, that is, by establishing alcoholic clinics to take care of the social aspects of these problems, as well as the housing by taking care of problems involved. I want to confine myself and conclude with this thought: That in order to have a happy environment for our senior citizens, when we build housing in the future it will not simply be a place in which to sleep. It will be something more than that. It will be a place that can really be called home, and the only way we can do this is to get a little more area to construct the facilities in such a way as to cause the environment of the housing to be just as pleasant as possible. I think if we do that we shall be meeting our responsibilities.

I am most anxious, Mr. Chairman, to receive your report upon your conclusion of your deliberations throughout the country.

I want to congratulate the members of this committee for having the tremendous foresight to realize that this is a really great problem in America today, as a result of our scientific endeavor, and as you progress throughout this country and gather all your information together, be assured, please, that we in San Francisco will be most anxious to receive your advice, because we want to be the beneficiaries of your findings.

Again, many, many welcomes to San Francisco. We hope you will call on us if we can be of any service.

If Mr. Shelley will be good enough to transmit to me any information that you have—in the meantime, Jack, I will appreciate hearing from you—you may be assured that the mayor of San Francisco is available to you for any facilities that you desire.

Again, thank you for coming to San Francisco. This will be a very important meeting, and I can't think of any more important meeting I have been to than this one. I certainly thank you for being here.

Senator RANDOLPH. Mr. Mayor, it is not by way of pleasantry that I speak of the earnestness with which you have presented your statement. We are heartened by the spirit of cooperation which you have exhibited and by your desire to have your people work with this subcommittee during our visitation here.

I was thinking particularly of an article in a current magazine, Architectural Record. I believe the name of the article was "Claus-

trophobia for the Aged." It reaffirmed many of the recommendations which you include in your statement. Particularly, in new housing projects, we should be as generous as possible with the type of facilities which are necessary to give a project that warmth which is necessary when people are displaced from their own family surroundings into what sometimes become barren and cold facilities. I call attention to that article and to the affirmation which you have made of such a need.

Senator Long?

Senator LONG. Nothing, thank you.

Senator RANDOLPH. Jack, when we are in San Francisco we want you to know that you are certainly welcome to participate.

Representative SHELLY. Thank you very much, Senator. There has been a very good working relationship between the mayor's office and the Congressmen from San Francisco, and we try to work together at all times on San Francisco problems, and I think we do have some problems here.

We are a changing, growing city, with new population coming in all the time.

I was born in this city. You are within almost the center of my district now, and I certainly notice the change. I have grown up here, and I have noticed the increase in these problems, and I think the hearing is timely, and I would like to hear what the people have to say as to suggestions for your program.

Senator RANDOLPH. Thank you, Mayor Christopher.

Mayor CHRISTOPHER. Thank you very much, sir.

Senator RANDOLPH. Our second witness is Edward P. Eichler, chairman of the Governor's Advisory Commission on Housing Problems.

Mr. Eichler, I am not sure whether or not there was someone to accompany you.

Mr. EICHLER. There are some staff commission members here, but I will make the statement.

Senator RANDOLPH. You do not want one at the table with you?

Mr. EICHLER. No, sir.

Senator RANDOLPH. We will check later about the others. Please proceed.

STATEMENT OF EDWARD P. EICHLER, CHAIRMAN, GOVERNOR'S ADVISORY COMMISSION ON HOUSING PROBLEMS

Mr. EICHLER. Thank you, Senator Randolph.

Senator Long and members of the subcommittee, not only am I chairman of the Governor's Advisory Commission on Housing Problems, but in my spare time I am also a homebuilder, and as such have some interest in these problems in that respect.

Senator RANDOLPH. Is there no conflict of interest?

Mr. EICHLER. No, sir. The commission of which I am chairman was set up by the State legislature in 1961, with a budget of \$150,000, to try to examine the problems of housing in California and issue a report early in 1963.

It is probably the most comprehensive study of housing in any State in the Union, and since I believe that the problems of the aged

are tied to the problems of all people in housing, I would try to highlight some of the things that we have found.

During the past decade, in California, we built a little over 2 million housing units. They are of the highest quality of any State in the Union, yet we still have, of the 5 million-odd housing units in California, 700,000 substandard units. This is about 13½ percent.

Another way of looking at housing problems would be to look at the share of income that people pay for housing, and while, in the United States, we have generally found that share of income as you would expect in an affluent society, decreasing in California, the share of income people are paying for housing has been rising, rising more rapidly at the end of the decade than at the beginning of it. For instance, 22 percent of all the tenants in California pay more than 35 percent of their income for housing.

Senator RANDOLPH. This information is important. Will you please restate it?

Mr. EICHLER. Twenty-two percent of all the Californians who rent pay more than 35 percent of their income for housing, and as a guideline you might be aware of the fact that in the new program of the Federal Government, 221(d)3, the maximum allowable is 20 percent of income.

As far as ownership is concerned, there has been about a 35 percent rise in the share of income from 1950 to 1960 that Californians are paying for housing.

Again, another way of looking at this is that the new housing market in this State, which is the fastest growing State in the Union, what we have found here is that the lower third of the families in terms of income are literally priced out of the market, that the lower half are almost entirely priced out of the market.

For instance, in California, at the end of the decade, where the median income was just over \$2,000 a year, only 16 percent of the housing insured by FHA was available to people who made less than \$7,000 a year, and only 2 percent was available to people who made less than \$6,000 a year.

Now, it is true that FHA is only one of the guides, but it is a fairly reliable and significant guide. As you would expect, the people who are most disadvantaged, in terms of market limitation, the high share of family income for housing, of occupancy of substandard units are those people who are most generally disadvantaged in our society.

Agricultural workers, minorities, large families, the aged, have one common problem, and that is that their incomes are low. They have other problems which may be special to their situation, the aged with special physical and service requirements, generally wishing to be near the center of activity where land and building is most expensive, and, of course, the minorities with a problem of overt discrimination.

I would like to give you just a few California statistics which my commission has developed on the aged in California.

Sixty-three percent of all elderly households have estimated incomes of under \$2,000, and 44 percent of these have incomes below \$1,000. Assuming even 30 percent as the maximum tolerable rent-income ratio, 44 percent of the total number of households cannot afford more than \$25 a month for rent, and only the top layer of the next 19 percent can afford as much as \$50.

Of the 396,000-odd units requiring a shelter cost of more than 35 percent of income, about one-third are occupied by the elderly.

Of the 360,000-odd units within the 10 metropolitan areas classed as unsound by the 1960 census, they occupy about 22 percent.

Since your committee is particularly interested in the problem of relocation, I would just give one statistic on this in San Francisco, that in the western addition project, over 17 percent of the residents were over the age of 65.

There are a great many more statistics which we shall supply to your subcommittee when the report is issued next month, but these should highlight the problem.

What is the emerging pattern of this? If the demographic projects of the department of finance of this State are correct, we shall require more than 5 million new housing units in the next two decades. The pattern has been that the poor, the aged, the minorities, have tended to move more and more to the older sections of the cities, as this has been the only supply of cheap housing. Yet new jobs and new opportunities in this State will largely open in the outlying areas.

If we look at those implications somewhat further, and if we look at the market limitations that already exist, we could project a situation with great increase in overcrowding, which is already over 10 percent of the units in this State, commutes that would be so long that they would become almost not endurable, and a class war between city and suburb as the city becomes a home of the poor, the people requiring a great number of services and unable to pay taxes, and as the suburbs become the home for the upper income whites.

What could be done about all this? I contend that we have the basic resources, the men, the materials, and the machines to do this job, particularly in California, where we have a resource of some rather well organized and professional builders who have found a shrinking market, and who could be tapped to produce the kind of housing which is most needed in California.

Yet Federal programs, such as 221 (d) 3, the new middle income program, and 202, housing for the elderly, have regulations and statutes which severely limit their use.

I would like to give a very recent example of this. In 221 (d) 3, as I understand, a regulation issued last week in Washington, the profit allowance has just been changed so that, unless it is an urban renewal project, the 10 percent profit no longer applies. It is going to be reduced, to what I don't know.

I will later explain why I think this is an unacceptable situation.

Section 202 housing cannot be initiated by private builders. The Government's role, it seems to me, is to provide the financing or the subsidies, or whatever term you prefer to use, to utilize these resources, and the administrative machinery to provide market data, to unlock frozen land, which is a major problem in California, to provide the necessary community facilities, and the necessary services. I have just been made aware, by the Social Welfare Department of California, that the HHFA is unwilling to permit the provision of certain kinds of social services in a 202 project. It seems to me it makes little sense to tear down slums without providing the financing for new or used housing for those displaced, a great many of whom have been aged. It makes no sense at all to enforce codes so strictly that either

buildings will be torn down, or those whose choice is now nonexistent will be priced out of the market by increased values.

I think what specifically could be done about this, at least a few recommendations would be this. The Government might authorize the use of rent certificates for displacees so that they would be given a choice to occupy either public projects or to occupy housing in either new or used buildings of their choice.

I think that the interest rate on 202's is going to have to be reduced by whatever mechanism you choose in order to bring the cost of housing within the range of these people, sufficiently to allow for the construction of facilities of reasonable quality, with the special physical facilities and personal services which the elderly require, and at reasonable rates of profit, so that they can be initiated by members of the building industry.

We might have for the aged and other people buying housing a system of equity insurance whereby, for a very small rate, as we have analyzed it, small payment per month, people could be insured for reasons of death, disability, or loss of job, for possibly 2 years' payments on their mortgage. I think this would be a much more satisfactory system than the present mortgage insurance system on FHA, which is more expensive.

We should permit 221(d)3 to operate in outlying areas, as well as in urban renewal areas, possibly with State certification that these areas provide the necessary community facilities. Thus, all kinds of disadvantaged people, including the elderly, could be housed.

We might also provide submarket rate loans or subsidies for rehabilitation, if it is done as part of a neighborhood improvement plan.

Many of my acquaintances who are generally interested in such problems ask me why we don't require builders to supply more housing for the elderly, or why the State highway commission and urban renewal agencies are not required to provide housing for the elderly, as well as other needy displacees. My answer is simple. If one looks at the present and prospective costs and incentives, including prevailing mortgage terms, one realizes that this is impossible. The costs don't change because people are poor, and private enterprise is not going to build at a loss. Technological research and changes in tax laws might lower or stabilize costs, but this is problematical.

Only by lower interest rates and/or subsidies properly administered can Government make serious inroads into this problem.

I realize that there is strong political opposition to this sort of thing, and that Federal Government accounting, which causes loans to be considered as outright appropriations, is a hindering factor.

I applaud Senator Clark's recent observation that capital accounting for this kind of program might be the way to proceed.

We are in any event faced with the question of a race with time, particularly in California where growth and change are the only constant forces. Shall life for the aged be their cocktail hour or a bitter evening? From my point of view, there is only one choice which is possible. Thank you.

Senator RANDOLPH. Mr. Eichler, we are grateful for your presence and for your presentation of specific information with detailed suggestions.

I recall that you spoke about giving perhaps a more important role in the development of this type of housing to the private builders. I am not critical of what you have said, but is there not the possibility and is it not a fact, that often the private builder cannot construct this housing within the price range that is necessary, if we are to take care of the group of senior citizens who need it? Is this a fair observation?

Mr. EICHLER. It is, as I said, Senator, under the present conditions. After all, in one way or another, whether it is through public housing as it is now constituted, or some other method, the Government is using its credit and/or its general tax revenues to bring the cost down through reducing the interest rate.

As I stated, technological advance in this industry has been very slow, and I have no high hopes that it is going to increase very much. There is, however, this situation which has grown through the last decade in which a rather large group of builders, particularly in a big State like this, with a very high pace of building, have become very efficient.

I think if you look at the square-foot cost of public housing projects, you would find that you would get a more efficient job, a lower cost job, by allowing reasonable rates of profit which are going to be paid anyway to a contractor in a public housing job, by allowing these projects to be initiated by private builders who have large organizations who have built up a set of techniques and who, if they can get consistent production, can build at far lower rates than the present operations.

I think in spite of the bookkeeping change which might show an initial profit to them, that the total cost of the project would be lower that way than the other way, and this is the only reason that I make this proposal as a method.

Senator RANDOLPH. It has been my observation throughout the years and this is not being partisan in any degree, that often the Government has apparently found the necessity to move into an area because nothing was being done. I recall, for example, that we needed the rural electrification programs in West Virginia. We needed to go from our cities into the areas where the population was, of course, more scattered. We found the private companies very reluctant, and they were resisting that effort. It was through the Federal program of rural electrification, that we brought into action the cooperatives efforts within the incentive program. In many of these programs a similar situation is true.

As acting chairman of this subcommittee I affirm that I am in general agreement that whatever may be done by private industry should be done; also, reasonable profits should accrue to the builders.

Senator Long?

Senator LONG. I am very much interested in your statement, Mr. Eichler. It is very hopeful and realistic. I think it is true that, throughout, American people are sympathetic toward the concept of better housing for our senior citizens, particularly where the need is great.

On the basis of your experience here, your study, is there less opposition to plans to carry it out than there was a few years ago, or more opposition, or is it just about the same?

Mr. EICHLER. It might be a question better addressed to Congressman Shelley than to me, but there was, as you may know, a bond issue authorized by the legislature for a State program of low-interest-rate loans for housing for the elderly, which was defeated in the last election, that is, the primary election this year.

I think there is considerable opposition in general in this State and in this Nation toward the use of credit by government, or even beyond that, the use of subsidies through general tax funds.

I think this is partially because public housing has, for a variety of reasons, gotten a bad name, and people are fumbling around for a new way to meet this kind of problem. It hasn't been shown to them, and it is going to take considerable political leadership, I think, to display not only the magnitude of the problem, but the possibilities for the solution.

So I would simply answer your question by saying that the climate is certainly not perfect by any means, and we are going to need creative programs and programs that can tap, as I say, these resources, and solve the problem at the same time.

I think that the building industry and the—you might call it social need—really have the same objective, and you might find programs which eventually would work.

Senator LONG. Thank you.

Senator RANDOLPH. Mr. Eichler, you used the words "bad name." Do you refer to the public housing in San Francisco?

Mr. EICHLER. Merely the question of the institutional character of large projects. In this State public housing is not likely to be a significant factor. It has not been. The percentage of public housing built in this State is considerably lower than the national percentage. One of the reasons for this is that this State requires a referendum for public housing, and this has tended to reduce the number of projects but, in general, as it is throughout the country, it has had a character of institutionalism that has apparently not been liked.

Senator RANDOLPH. I commend the State of California on having a commission on housing problems. How many advisory members do you have on the commission?

Mr. EICHLER. There are 11 members from various segments of the building and finance, and realtor segment of the industry, and other people from other segments of society, and 4 members of the State legislature, 15 members in all.

Senator RANDOLPH. Are the members of the advisory commission paid?

Mr. EICHLER. No; they are not.

Senator RANDOLPH. Representative Shelley?

Representative SHELLEY. Mr. Eichler, it seems to me that what it will boil down to is this:

One, we have situations which I think you have touched upon where the highway commission will come in and arbitrarily designate a route for a freeway which is all to be torn out, and then protests will arise from people in the district who have had their homes there and haven't won even the opportunity to go around and look for anything that they can afford to live in, and nobody up to a point seems to have cared about them up to a few years ago. This is one of the very major problems, and there seems to be sort of a lack of will on the part of the

State highway commission to sit down with local people and resolve just where these routes should be located and established with the least suffering imposed upon other people, and on the community, and on the greater improvement to the community generally. That is one.

Two, the thing that keeps occurring in my mind is that in redevelopment we go into redevelopment projects and we wind up with rentals or places to purchase on a community basis, where a person is going to pay a price that nobody had considered when this was first talked about in some of the original discussions.

I am wondering if we aren't right here in San Francisco getting into a pattern where we are chasing out of the community what I have always liked to say is the "hard core of good American society," the small businessman, the junior executive, the good mechanic, and that we will wind up in about 10 or 15 years with nothing but people who can pay \$350 to \$400 a month rent on one side, and those who can't pay more than \$40, \$50, \$60, or \$70 a month on the other, and those people are gone, and here you have a whole changed community, and I think what started out as an effort to do a good thing would not be good.

Would you just comment on that?

Mr. EICHLER. First, I think your comment is very well taken in that the mere political implications of that kind of a change, where you would in effect take out of a city the heart of the middle income group—if I may use that term—is very serious, but as I said in my statement it serves us very little to say that the State highway commission, of which I am no great defender or complainer, is responsible or that the redevelopment agency, for that matter, is responsible for housing or rehousing people who have low or moderate incomes when it simply doesn't have the tools with which to do this.

We are probably going to have to use systems of land writedown below market value, which was already authorized, I believe, in 1961; but I think further of variable interest rates or subsidies, or whatever mechanism you want to call it, as the one weapon really available to government.

After all, the one great tool that is available to Government is the use of its credit, and beyond that the use of tax money to bring that cost down, and we have to decide just how badly we want this, and if we want this badly enough then I think we have the resources to do it.

Representative SHELLEY. Do I understand, then, that what your answer is, under the law as it exists now, the builder is doing the job to the best of his ability under that law?

Mr. EICHLER. That is correct.

Representative SHELLEY. The highway commission, under whatever laws exist, is doing its job, and the urban redevelopment is doing its job, and the local community is doing its job, and what is needed is a change in the law somewhere to find a solution to this problem; one, to get more cooperation and write a mandate that will require it between these various States, and local commissions, and boards, and representatives, to find a way to relax the Federal requirements so that more capital can go into this lower priced field.

Mr. EICHLER. Yes, sir.

Representative SHELLEY. Thank you.

Senator RANDOLPH. Mr. Eichler, I do not wish to be controversial and I am sure Representative Shelley will not misunderstand. Yesterday in Los Angeles Mr. McBride, a specialist for the road commission of this State, gave an excellent explanation of a very reasonable program which is carried forward by the State road commission in reference to the acquisition of rights-of-way.

I believe that the State of California counsels with the people. According to Mr. McBride, the State does not move in arbitrarily and preempt property. I am encouraged and strengthened by his testimony. I am not attempting to draw a comparison from the thoughts which have been expressed, but I wish to commend the commission for the manner in which it moves forward in the acquisition of land.

Mr. EICHLER. Yes, I would think that is true.

Senator RANDOLPH. Ladies and gentlemen, I stated earlier that you would be greeted by the chairman of this subcommittee, a very capable U.S. Senator from New Jersey, Mr. Williams. We will ask him to preside.

Senator WILLIAMS (presiding). I apologize to my colleagues and friends for being late. Maybe you don't know it, but it takes 20 hours to go from here to Los Angeles. I found, Mayor Houlihan, that you had a lot of involuntary visitors to your city last night. My 5 o'clock plane to San Francisco landed at 2 o'clock in the morning in Oakland.

Have you finished your statement, sir?

Mr. EICHLER. Yes, sir.

Senator WILLIAMS. Thank you very much. Our next scheduled witness is Mayor John Houlihan, mayor of Oakland.

STATEMENT OF HON. JOHN HOULIHAN, MAYOR OF THE CITY OF OAKLAND, CALIF.

Mayor HOULIHAN. Thank you very much, Senator Williams, especially for, thank goodness, the development of the Oakland Metropolitan Jet-Age International Airport.

Senator WILLIAMS. It is a beautiful airport.

Mayor HOULIHAN. It is the creature, I might say, of two Federal agencies which went along unmarried and separated for a great number of years, the FAA and the CAB, and now that we are faced with the unfortunate offspring of this unhappy relationship, they have adopted what they call a joint regional airport policy statement, and they will permit no sins of this kind in the future, but like all of the social problems the FAA and the CAB have left the baby on our doorsteps, not only here but now recently in Baltimore, and at Dallas and Fort Worth, and a number of other places, but that is not the subject of this meeting.

I would like, however—and I am sorry that Mayor Christopher left before I had a chance to stab him in the back—to point out to Senator Long of Hawaii that the relationship between San Francisco and Hawaii certainly has been a wonderful one, a very romantic one over the years, but recently it has changed.

The principal port of shipment of goods and supplies for the great State of Hawaii is now the port of Oakland. The Matson Co. is operating its largest container service from there.

Senator LONG. We include Oakland in the picture.

Mayor HOULIHAN. We like to be specifically included.

Gentlemen, I am mayor of a city which is not as heavily engaged in redevelopment on its own account as is the city of San Francisco. This is chiefly so because we are a city of a much greater area, of about 74 square miles. We are also the capital city of one of the largest counties in the State of California. We are the population center of northern California in this respect, because we are the central part of a substantial population area of both Alameda and Contra Costa Counties on the Mainland side of the bay.

The Oakland activities in the field of urban renewal and redevelopment began only recently. Certainly I would say it began within the last 7 or 8 years. Actually, we proceeded with the first federally financed rehabilitation project in America in the Clinton Park area, where we did pretty much as Mr. Eichler has pointed out. We rehabilitated a 72-square-block area of the city just on the other side of our beautiful Lake Merritt in order to prevent the continuing decay in that area which would ultimately result in absolute redevelopment.

This project, of course, has been an extremely profitable one for the city of Oakland, and for the people of the community in the production of new taxes and new housing in this area, and this was entirely privately developed.

I think I know Mr. Eichler's point in that he would like to see the opportunity provided for the private developer in areas other than simply federally designated rehabilitation areas. However, I think there is a great opportunity still in the city of Oakland for this type of development.

In passing, I would like to take a little different position from Senator Randolph, in that while he may feel the need to avoid controversy, I never felt such a need, and I feel very strongly about the statement made which seemed to have impressed the Senator, about the excellent care and delicate concern of the State division of highways in its acquisition program and in its rapid transit program.

I need only to suggest to you that perhaps during the lunch hour, or sometime during your stay, you might ask some questions about the recent Marin County situation, and here is a county on this side of the bay which is not an exception, and the State has done a good job in this respect.

We in Oakland are directly concerned on the issue before you, and this is the relocation of the elderly, and this is a problem which I bring to you, and it results chiefly from two major projects. One of these is Project Gateway, which is a Federal Post Office operation, an acquisition of some time ago of some 12 square blocks in the west end of Oakland, which would be perhaps our worst slum area, and in which demolition took place with the removal of all of the people who were in this project area.

Thereupon, the cost and the problem resulting in the relocation of these people devolved upon the municipality of Oakland, I have brought with me Mr. Jack Taylor, who is our building and housing official for the city, who has a prepared statement, and he has the figures and facts on the cost of this to the city of Oakland.

In addition to this, we are now faced with a tremendous cost to the city by the location of the great MacArthur Freeway, which cuts our city in twain, so to speak, running through the residential area for a distance of about 11 miles from one boundary of the city to the other.

A substantial portion of this freeway extends from Cypress Street on the west, and up to Broadway, which is the central business street of the community, and in this area a substantial amount of tenancies were vacated, and people were removed from the area.

Now, in this connection I might say that there is need for Federal concern about highway activity when the highway is an interstate highway. The MacArthur Freeway is 91 percent financed with Federal funds, and we have run into some major problems in this regard. One of the problems we have run into is the loss of our share of taxes which are paid in by way of the transmission of rentals during the period from acquisition until demolition of properties which remain on this road.

As I have indicated to you, this is about an 11 or 12-mile stretch, mostly residential, from Broadway and on out to the San Leandro city limits. Most of the buildings on this right of way were very good, first-class residential structures.

During the period from acquisition to demolition, in accordance with State policy, and by law of the State of California, the rentals which were paid by the former owners allowed to remain in their houses are impounded, and the cities and the counties are allowed to receive a percentage of this rental money in lieu of the taxes which have been lost.

Now, under the regulations of the Federal Bureau of Public Roads, where Federal moneys are involved, this is not permitted, so the Federal Government has, by insisting on the development of this wonderful freeway, not only deprived us of revenue which could easily have been used for meeting our relocation problem, but has imposed upon us the problem itself.

I have brought with me, also, Mr. Tom Bell, who is the director of our redevelopment agency, and he will indicate to you from a short prepared statement some of the facts and figures about our costs as we have seen them in the city of Oakland.

The purpose of my appearing before you is just to give you some general statements and to introduce these people who are factual people. I am in a little different position from Mayor Christopher in that I am not the chief executive officer of our city. I am the presiding officer of our city council, and I do serve as the policy leader of our community, but as far as the detail is concerned this lies within our staff and our department heads.

May I now, unless the members of the committee have some questions of me, present to you Mr. Jack Taylor.

Senator WILLIAMS. Thank you very much, Mayor Houlihan.

Do you have any questions?

Senator RANDOLPH. Mayor Houlihan, are you critical of the Interstate System as it operates within the framework of the law passed by Congress?

Mayor HOULIHAN. Yes, in this respect, Senator. In respect of its failure to preserve the rights of the cities and the county governments, and the various governmental units through which these freeways pass, as already established by the State.

We in California have had a long and bitter fight with our State and with our State highway commission, which has resulted in many, many bills before our legislature each year. This is a con-

trovery which rages constantly, the fight of the cities and the governmental units, the counties to protect themselves against the loss of tax base which results from the freeway. In this connection our State and our legislators have taken rather definite steps, and I have pointed out one such, this opportunity to recapture some of the money during the course of construction.

Now, the Federal Government, of course, says flatly, "No. Since there is 91 percent Federal money in this, we are not bound by that State law on that subject."

So to that extent we are critical.

We have another issue much more pertinent and much more affecting our tax base, and this is a matter of legislation of trucks or traffic on such a freeway. In Oakland we have passed for the first time the very controversial statute to take the truck-trailer traffic off of this MacArthur Freeway, and send it on an alternate route through the Nimitz Freeway.

Under our law, the division of highways may elect to follow through and permit us to enforce this ordinance once it is determined that the alternate route is sufficient, but here again we must pass this on from the State division of highways to the Federal Bureau of Public Roads, where we have already been met with the flat statement that more than one-third of the cost of this freeway has been provided by the truck industry, which is the argument given to us for the Federal Government's position against supporting the city in its fight to preserve this residential area.

This is an 11-mile stretch, and on both sides of this freeway we have fine residential areas which by all standards of the Assessors' Association of California will be depreciated about 15 percent. This is a cost of a freeway which has not been contemplated in the original construction.

To the extent, then, Senator, that the Federal Bureau of Public Roads, for example, one unit of Government continues in its course of ignoring the long and bitter fight for success in this field by the cities of California—and I am sure in other States—we are critical.

Senator WILLIAMS. Mr. Taylor.

**STATEMENT OF JACK E. TAYLOR, BUILDING AND HOUSING
ADMINISTRATOR, CITY OF OAKLAND**

Mr. TAYLOR. Thank you, Mayor.

Senator and members, I am the chief official charged with administering the code enforcement program for our city, which is citywide in scope, with the exception of the areas designated by the city council as redevelopment areas.

As you are all aware, the redevelopment areas have their own relocation staff, and they have many of the services to relocate people, that we do not have in code enforcement. Our program for the last 4, almost 5 years in Oakland, has been at the expense of the taxpayers of approximately a quarter of a million dollars, as the annual budget for operating our code enforcement program, so my remarks today will be around the problems of relocating the elderly under this program, and outside of the redevelopment areas.

Relocation assistance to persons displaced by all types of governmental action has been an essential feature of the urban renewal program in Oakland from its beginning in 1955 to the present. As the program has gained momentum, it has resulted in more demands for relocation assistance.

A family relocation service was provided for in the original workable program submitted to the Housing and Home Finance Agency by the city in 1956. Actual relocation of families began with the start of field surveys by the building and housing department in 1958.

Elderly persons have been included in the relocation workload, resulting from code enforcement, during each of the 4 years of operation of the program. The numbers per year of such persons in the total workload for this period I will not give you in detail, but the total workload of our enforcement program has been 279 families, of which 51 fall in the category of elderly persons.

Elderly persons have made up approximately 18 percent of the overall workload originating from code enforcement. This relatively small number of elderly persons has required considerable effort to effect their relocation into decent, safe, and sanitary housing. Major problems encountered in rehousing this group have been:

One, low monthly allowance for rent. Usually, the total amount of income is \$106 to \$118 per month. The person is found occupying an illegal housekeeping room, renting for \$25 to \$35 per month.

In an effort to rehouse these individuals, we have been faced with a total lack of legal housekeeping rooms, as defined in the Oakland housing code. The solution has been to carefully canvass the community for two-room apartments to meet this need. This has meant that the rent required in the standard unit has been \$35 to \$50 per month, an increase over the previous rent paid.

The units into which these persons were relocated were checked prior to referral to assure that they met minimum standards of all applicable codes.

No. 2. Special housing needs of the elderly person is usually for a unit on the first floor, due to various physical handicaps involved. This is due to difficulty in climbing stairs.

No. 3. The desire of most elderly persons to remain in the present neighborhood has created a serious rehousing problem for those persons residing in areas where housing is generally of poor quality, such as our lower Broadway area, and West Oakland slum area.

Very few vacancies in these areas were found to be standard, and thus could not be utilized for relocation.

A further demand for relocation assistance in Oakland was caused by the Federal Government acquisition of property in the West Oakland area for the Gateway postal site.

This action occurred in 1960 and involved 150 families living in the 12-block area to be acquired. A special relocation service was provided by the city of Oakland for these residents. I might point out that even though this was being a Federal acquisition, and demolition program, we did not have the relocation services nor the aids that they have in Federal-assisted urban renewal projects. An office was set up convenient to the area involved. The staff consisted of two of our departmental field representatives and a typist clerk under the part-time supervision of the redevelopment agency's relocation officer.

Among the 150 families residing in the Gateway area, there were 16 elderly families and a single elderly person. Of these, there were 14 owners and 2 tenants. Our problems with rehousing the elderly from this area were minimized by the fact that the majority of the group were owners and consequently had funds derived from the sale of their Gateway property to aid them in securing property in another area.

This was not true in most of the cases of elderly persons displaced by normal code enforcement throughout the city. This latter group consisted of tenants with limited financial means. There was also some displacement of families caused by the closing of temporary public housing units in the city. Those displacees who qualified were absorbed in permanent public housing units. The group displaced in this instance contained few elderly persons and presented no problems for the city.

Further displacement of families has been caused by the acquisition of property by the State of California Division of Highways for the development of freeways.

Displacement of families by the Eastshore Freeway acquisition occurred in 1953 and 1954, prior to the establishment of the building and housing department and city relocation responsibility. Families affected by that action were absorbed in other housing throughout the city. The MacArthur and the Grove-Shafter Freeways have displaced additional families in the past 4 years. However, the amount of time allowed between acquisition and demolition of the structures has been usually 1 year or longer. This allows ample time for the occupants to locate other housing suited to their needs.

Senator RANDOLPH. Did this action occur before the Interstate System was originated by law?

Mr. TAYLOR. That is right, and the families affected by that action. However, the amount of time allowed has usually been 1 year to 18 months.

I might close by saying that the experiences of this department in providing assistance for the elderly have further emphasized the importance of relocation as an aid to the urban renewal process. As a group, elderly persons are in a more unfavorable position, in terms of their ability to help themselves, than any other segment of our population. Thus, they deserve all possible assistance that can be provided in order to meet their basic needs with regard to housing. Thank you.

Senator WILLIAMS. Are you in charge of the rehabilitation program, Mr. Taylor?

Mr. TAYLOR. I was the director of the Clinton Park rehabilitation project in our community, but this was due to the fact that we were the LPA prior to the establishment of our present redevelopment agency.

Senator WILLIAMS. What was the means used there to get private homeowners in cooperation with you on what I gather is a very significant rehabilitation program for this part of town?

Mr. TAYLOR. Relocation was not a difficult problem in the Clinton Park project, because the units that we had to have vacated there were amply supplied within the project itself. There was only 1 block in this 80-block area that was required to be demolished, and that was for public use as a recreational center, and I might say at that time we were a pilot project, and we did not have any relocation aids by

Federal law other than a man full time tracking down houses for these people. In a rehabilitation project you do not move people like you do in redevelopment or other Federal or State programs.

Senator WILLIAMS. That is right, and I think there is great hope in rehabilitation as a means of minimizing the displacement.

What we have seen everywhere we have been is, there has been a hesitancy on the part of the Government units to draw for the community a rehabilitation program. For example, we have the 1961 Housing Act, which is a very good, long-term low-interest program, and very few people are using it.

Mr. TAYLOR. We tried for a little over 3 years an attempt to utilize the available FHA tools, the 220 and the other tools in our rehabilitation project, and it was unsuccessful except for new construction.

I think the problem in our experience has been that the FHA insurance could not be applied to small loans, rehabilitation loans, so we have been actually unsuccessful in the FHA 220 and 221 programs.

Senator WILLIAMS. What do you advocate, then?

Mr. TAYLOR. Better financing tools.

Senator WILLIAMS. Specifically?

Mr. TAYLOR. Especially for small loans, rehabilitation loans, and refinancing their mortgage debt. Some people actually needed help from \$300 up to \$3,000 to rehabilitate their properties up to code standards.

Now, the Clinton Park project is not the type of project that would be done in our community and other communities in the future. It was strictly a code enforcement project trying to sell the people on standards above. Now, in the future rehabilitation areas, I am sure the standard will be higher than the minimum code requirement.

Senator WILLIAMS. Senator Long?

Senator LONG. Nothing.

Senator WILLIAMS. All right. Now, your colleague, Mr. Taylor, is?

Mr. BELL. Tom Bell, the executive director of the redevelopment agency.

Senator WILLIAMS. We are happy to have you with us, and we will be glad to hear from you, Mr. Bell.

STATEMENT OF TOM BELL, EXECUTIVE DIRECTOR, OAKLAND REDEVELOPMENT AGENCY

Mr. BELL. I was struck by some of the figures in the speeches preceding me. I will assure you that we have not collaborated in arriving at some of our conclusions, but I think you will find that my recommendations perhaps jibe somewhat with the others.

I propose to take our Acorn project, which is our first redevelopment project in Oakland, as a case study.

We have been in the project for about 6 months, and in this project we have about 1,447 families to be located, of which 318, or 22 percent, are elderly cases.

The preponderant need is for rooms in hotels and boarding houses, housekeeping rooms, and efficiency or one-bedroom apartments which (1) pass inspections as "decent, safe, and sanitary"; (2) are available without racial restrictions; and (3) rent for less than \$40 per month, including utilities, 20 percent of the gross income for 85 percent of the elderly displacees.

We are attempting to upgrade, on relatively short notice to the family or individual displaced, the living conditions of a population—

- (a) Economically least able to afford the improvement.
- (b) In the context of accelerating housing code enforcement which is systematically reducing the supply of housing which, although admittedly substandard, provided the inexpensive rooms, housekeeping units, and small apartments that met the needs of the elderly population. As a result, elderly displaced face extreme competition in their search for suitable housing.

(c) Additionally handicapped by physical disability, senility, or at least inflexibility, and strong emotional ties to their old neighborhood.

In the Acorn project, which is now in loan and grant, the following conditions exist:

(1) 22 percent of the cases entering the workload have been single persons or families whose heads are 60 days of age or older.

(2) 22 percent of the elderly cases in the workload have monthly incomes of less than \$100; 63 percent have incomes under \$200 a month.

(3) 55 percent of this elderly caseload consists of individuals; 27 percent are families of two.

(4) 39 percent of the elderly caseload are owners.

(5) Sources of income of the elderly caseload—some receive from more than one source: 23 percent pensions or private benefits; 26 percent old age and survivors insurance; 36 percent social security; 21 percent wages, salaries, profits, or fees from business or profession; 5 percent rent from income property and/or savings; 9 percent welfare payments; 7 percent other.

The elderly homeowner faces special problems. Those who receive a small amount, whether because of low value or small equity, for their on-site property face difficulty in replacement.

Those who owned their properties outright are reluctant to undertake mortgages in their later years, and those who are willing are frequently unable to secure loans because of their age.

Those who are resigned to becoming renters must make a larger monthly outlay for housing than they did in a home owned outright. On a low income, the inescapable result for many is to reduce the receipts from the sale by private rent payments until the family reserves are small enough to qualify them to the public housing for which their income makes them eligible. In effect, a family which has achieved the American ideal of frugality and investment in a home is forced by Government action to deliberately dissipate the fruits of his efforts in order to survive.

Elderly people who have outgrown the large houses they own are frequently reluctant to seek appropriate housing; for example, cottages, cooperative or condominium apartments, and, even when they have been thus persuaded, the supply is very limited. Redevelopment agencies are not, at present, equipped to fill these needs.

The following recommendations are made by the Oakland Redevelopment Agency which would materially assist the relocation of the elderly:

(1) That provisions be made within the framework of the Federal Housing Administration policy to provide for a mortgage insur-

ance or direct loan program which makes available housekeeping units at a reasonable cost; and

(2) That the Public Housing Administration carry out a program of rent subsidy which would have as its goal the reduction of rents in existing "decent, safe, and sanitary" buildings to meet the needs of elderly families of limited income.

Thank you very much, Senator.

Senator WILLIAMS. That last point, by that do you mean subsidize the difference between what the tenants now pay and what he will have to pay after being relocated?

Mr. BELL. That is precisely it, sir. I would make one additional comment. I think while this committee is studying the involuntary relocation of the elderly, I think a larger percentage of the relocation of the elderly comes from private activities.

Nothing has been said, of course, about when a shopping center goes into a neighborhood and clears out 5, 6, 10, or 12 acres. These people are given 30 days' notice, and where do they go?

I think the approach should be taken that it is not only involuntary where we must face up to the problem, but the provision of houses for families who are relocated by private action, too.

Senator WILLIAMS. Would those dislocated by private action be located by service within your agency?

Mr. BELL. Only those within the project.

Senator WILLIAMS. Only those within the area where redevelopment takes place?

Mr. BELL. Right.

Senator WILLIAMS. Well, did I hear you say something about condominiums?

Mr. BELL. Well, a great deal of discussion has been going on in the bay area concerning the progress of condominiums. I believe Mr. Eichler could probably give you more information on this, Senator Williams. They are testing it. There have been two sessions held, one in San Francisco and one in Oakland, at which they expected about 60 people, and I think 300 or 400 or 500 people attended, so you can see there is a great deal of interest.

Senator WILLIAMS. That requires State legislative implementation of the Federal program, does it?

Mr. BELL. Precisely.

Senator WILLIAMS. Do you have legislation now that permits condominiums?

Mr. BELL. I would suggest, sir, that you direct your question to Mr. Eichler. I think we do.

Senator WILLIAMS. Is Mr. Eichler still here with us?

This condominium concept, where it is used, it is really an imaginative response to home ownership at a rather low purchase price, because it really amounts to ownership in fee of your apartment.

Mr. EICHLER. Right.

Senator WILLIAMS. I understand Mr. Herman knows something about this, and he is coming on later, but we are talking about condominiums.

Are you familiar—this is germane, I might say, as part of a response to the need of homes for people, and, as I understand it, condominiums offer an opportunity to purchase in fee an apartment, and is a realistic and a rather low purchase price way to have a home.

Mr. EICHLER. Senator Williams, I think that probably no more subject has been more confusing to the people, in California at least, than condominium. After all, all a condominium is is a vehicle, a legal and financial vehicle for providing ownership.

We have cooperative vehicles which in some ways are rather laborious and confusing, so that condominium seems to be a better way to handle this. We do not have, in California, a law on condominiums. My commission is having a law drafted for the 1963 session of the legislature, but I think it would be unwise to assume that what is basically a change in technical legal systems of ownership is going to change the basic economics by which you add up the cost of land and the cost of building and the cost of corollary activities to get a finished product. Since financing of the interest rate and financing in general is such an important part of cost, over 50 percent of the cost of housing in this country is financing, the variation of the interest rate is the only true meaningful mechanism.

That doesn't mean that there may not be administrative and statutory changes in the law which may be appropriate.

Senator WILLIAMS. Thank you, sir.

Do you want to wait for a minute?

Representative SHELLEY. In the discussion amongst the home building group, and those interested in the development and expansion in the condominium field, have any of the discussions or any of their research led them to any conclusions which would indicate that the application of the condominium theory is feasible in providing homes at a lower cost ratio for elderly citizens, or people whose income is above the low-cost housing project maximum income, and yet not in the field including the ability to go out and buy a home at the regular market price? Has there been any exploration of that, and what does it indicate?

Mr. EICHLER. Well, there has been a considerable amount of condominium discussion as a vehicle for allowing for imaginative uses of land, that is, for higher densities in areas where the land is of moderate cost, in suburbs or closein locations, but not in the heart of the city.

It might be very meaningful, that is, providing, of course, that the cities will desire to have higher densities, which is a very grave question, but in the center of the city where land is so valuable that high-rise buildings are likely to be built, the big problem is that the square-foot cost of reinforced concrete building in San Francisco is almost double the cost of a frame building; that is, a single family or garden apartment building in the suburbs—so you get the high density in the very expensive land in order to bring the land cost down in the city, but then you eat this up and more, because the cost per square foot in building the building is so much greater than building the frame structure.

Senator WILLIAMS. Thank you. We appreciate your statement.

Our next scheduled witness is Supervisor William C. Blake, chairman of the Streets and Highways Committee, San Francisco Board of Supervisors, but Mr. Blake unfortunately is ill. We do have his statement, and we will include it in the record at this point.

(The prepared statement of Mr. Blake follows:)

PREPARED STATEMENT OF WILLIAM C. BLAKE, CHAIRMAN, STREETS AND HIGHWAYS
COMMITTEE, SAN FRANCISCO BOARD OF SUPERVISORS

Senator Engle, Senator Randolph, Senator Williams, my name is William C. Blake. I am a member of the board of supervisors of the city and county of San Francisco and chairman of its streets and highways committee. It is a great pleasure to appear before the Senate Subcommittee on the Voluntary Relocation of the Elderly. Most of my remarks will be devoted to freeways, a subject with which I have become painfully familiar.

At first our citizens eagerly welcomed freeways. We knew we needed a quicker way to get from place to place. The Bayshore Freeway was built first and it passed principally through industrial areas. Two other freeways followed. They are the Central Freeway and the Embarcadero Freeway. Both are double-decked monstrosities. The Embarcadero Freeway has blighted our waterfront. I expect it will be removed. Neither freeway was completed to its intended destination. Our citizens cried "enough."

This was only the beginning of public indignation. The State division of highways next proposed a freeway through the fine western residential area of our city.

The western freeway would have gobbled up an estimated 2,000 dwelling units. It would have demolished three churches. The public outcry was impressive and the freeway was not built. Then the State division of highways proposed a "new" freeway. Actually it was not a "new" plan. It was a segment of the discredited western freeway which had been given the name Panhandle Freeway. This freeway would penetrate the heart of our magnificent Golden Gate Park in a cut-and-fill tunnel. It would also destroy 1,166 residential units occupied by persons of modest income. I proposed as an alternate a tube leading to the Golden Gate Bridge which was the ultimate objective of the Panhandle Freeway. The principal objection to this underground highway is its cost. Both proposals are now being studied by the engineers.

Meanwhile construction of the southern freeway has been progressing with practically no public protest. This freeway uses little private property. The State listened to the warnings of my committee. The freeway builders heeded our advice and paid homeowners adequate sums for their property and concluded the purchases very quickly. We made it very clear that they could not ride roughshod over our citizens. I think they have taken the value of this lesson in public relations to heart. They have also employed a reputable landscape architect and have promised that future freeways will be attractive. I am waiting to see what comes of these promises.

At present we are beginning consideration of the Hunters Point Freeway which cuts right through the middle of our largest public housing project. It will be an interesting test of the new intentions of the State division of highways.

The Federal Government and the State of California each year give immense sums to the division of highways. As a result the freeway builders believe they are summoned on a holy crusade to build and build and build. At times their zeal seems fanatical. They never give up their plans because obviously they must be right. If they are stopped in a pet freeway project they do not change their beliefs. They are confident that mere politicians eventually depart; that citizens eventually despair before their fervor. Yet these are not evil men. They are often puzzled we do not understand the rightness of their cause. I think they are beginning to grasp that we do not oppose freeways. We just oppose the monstrosities they have been building.

The great golden bounty which comes from highway taxes has been denied us for a more worthwhile project. When our communities turned to rapid transit as the best way to transport rush hour commuters we had to go it on our own. The strength of our belief was proved recently when we voted a bond issue of \$792 million to build a 70-mile network of high-speed trains so that we do not have to turn our cities into a desert of parking lots and freeways. It is this rapid transit system, I might note, which will serve our senior citizens, not the freeway network. On this project the Federal Government has not helped us. We are going it alone.

Several years ago I saw an elderly woman sitting in an old wooden chair on the sidewalk. Across the street a grab bucket and crane were tearing down her ancient wooden home. I asked this poor soul if she had been properly paid for

her home. She replied she had been paid \$45,000. And she cried. I wondered what she was crying about. She said she had lived in that home for 30 years. She had no idea where she would go now. The site of her home has since become part of the Geary Street Expressway. The plight of this old woman is not uncommon. Her problem was not financial. It was emotional. She was old and set in her ways and bewildered by change.

The pattern of our cities is that people live here when they are young. They go away to raise children. They return in their old age. Our senior citizens seek inexpensive housing in older neighborhoods. And it is these areas which are most casually condemned to the bulldozers. It is here that urban redevelopment takes place. It is here that governments willingly build freeways and other municipal projects.

There is an area of our city known as the Mission district which was once the location of middle class San Francisco. It is now on the downhill. However the citizens of that district are banding together to undertake an urban renewal project. They wish to revive their neighborhood and it is no small endeavor. They are talking about 100 blocks which can be overhauled without tearing down every home and building. They have one fear, which is easily stated: "No bulldozers."

Our city changes. Neighborhoods reach old age. Our business and industrial areas expand. People are displaced. We tear down slums and more people have to move. Our white suburbs, which turn their backs on our problems, send us their automobiles. Nowhere on the State or Federal level can we find a coordinated attack upon these problems. In a city like ours, where the administration seems unable to coordinate even a single project such as the redevelopment of our main street, the absence of a coordinated effort on the Federal and State levels of government is distressing.

Our redevelopment agency is required by Federal law to find other homes for persons evicted by urban redevelopment projects. This is proving more difficult all the time. There are fewer moderately priced dwelling units. Most elderly people can afford nothing else. New housing is too expensive for them. More and more they are being forced to accept substandard places to live. There is no requirement that the State division of highways find a suitable home for a dispossessed elderly couple. The freeway builders can evict our senior citizens without the slightest concern for their future. The highway division does operate a rental office but it is a token gesture.

In our father's time the villain would trick the old widow out of her home. He was crafty and designing and we liked to boo him as he sneaked across the stage. The villain of today is a different sort. He rationalizes his deeds with ribbons of concrete and steel. He does not plan foul schemes to push the widow out into the cold winter snow.

The new Simon Legree wears a tin hat and drives a bulldozer through the old lady's house.

I urge this committee to consider legislation requiring that any senior citizen displaced by a federally financed project must be found a suitable home by the evicting agency.

In conclusion, I wish to thank you for the privilege of addressing this committee. It has been a great pleasure.

Senator WILLIAMS. Our next witness will be Mr. M. Justin Herman, the executive director of the San Francisco Redevelopment Agency.

I am glad to have you here, Mr. Herman. I have been in town only a few hours, and I see there is a great deal of rehabilitation and new construction in this city. The taxicab driver that drove me over here evidently hadn't been over to San Francisco in quite a little while, and we had a very slow ride because he wanted to see everything.

We are very interested in hearing about what you are doing.

STATEMENT OF M. JUSTIN HERMAN, EXECUTIVE DIRECTOR,
SAN FRANCISCO REDEVELOPMENT AGENCY

Mr. HERMAN. Thank you, Senator Williams.

We are a busy city in renewal and rehabilitation, and I hope that I can have something of value to you and Senator Randolph and Senator Long, and members of your staff, on the problem of housing and rehousing the aged.

Since I have already submitted through Mr. Frantz a printed statement giving a large volume of statistics, I would like to omit that part of my prepared testimony, which is available, of course, for your record, and pass on to you, some of the conclusions which my experiences in redevelopment here in San Francisco have taught me. Perhaps these are valuable for even larger application.

By way of identifying areas, you see on the map to your left the redevelopment or renewal areas in San Francisco. There are six of them. More are being considered in some official quarters. We draw particularly upon the experience in clearing the first western addition, the area shown in light green, but enclosed within a dark green area, in the top central portion of the map.

As a matter of fact, gentlemen, you are now conducting your hearing in the little white block to the south of that light green area. Encircling the light green area is the second western addition project, roughly twice the size of the first, and comparisons are in order.

Whereas the absolute numbers and proportion of elderly to non-elderly displaced in our first major residential clearance were rehoused with moderate difficulty, the increases faced in our succeeding adjoining project discloses greater numbers, greater ratios, and—were it not for the several Federal programs and our decision to allocate land for housing the elderly—insurmountable problems.

At this point I would like to mention that we have programed the release of land so that some 800 units of housing for the elderly may be built in the second western addition. Not that many are needed for the families now resident in the area. There is considerable displacement that will go on in the rest of the city, and there is existing need regardless of displacement.

I emphasize then the fact that redevelopment agencies should make, as part of their policy, the deliberate decision to allocate land for this specific purpose, and to allocate such land at prices below the market as distasteful as that step may be to many people.

Now some comment is in order on the Federal programs 202, 221(d)3, and 231. I apologize to the audience for labeling them by number. I know you members of the committee are familiar with them. They are direct loan programs at low interest rates, insurance programs at moderate rates, or insurance programs with special allowances for social services and commercial activities, and so on.

These Federal programs have been helpful. We are using each of them in San Francisco redevelopment project areas. If these programs have not yet provided large numbers of dwellings here, it is recognized that such programs almost always have a slow start. They are all new.

However, in the administration of these programs, Federal agencies can help much more than they have to date by recognizing that we

cannot put all the aged out in garden dwelling units in the suburbs. Gradually we shall be obliged to house many elderly in high-rise structures within the city itself, and this means that the higher cost of high-rise units must be recognized. It must be recognized in legislation, in policy, and in administration.

A further improvement would be the inclusion of health and appropriate social services as allowable costs.

It is fortunate that the San Francisco Housing Authority is providing within its available resources housing for the elderly, but its resources are very limited, and increases in the supply can come only through a very cumbersome election process here in California.

The problem of procuring sites intensifies the problem. Therefore, we turn in another direction, but certainly not foregoing the importance of public housing for the elderly.

I believe that the communities of the country—and San Francisco is no exception—need encouragement and aid in utilizing supplementary devices for meeting the wide range of housing needs of elderly persons. True, many prefer congregation in facilities serving only the elderly, such units being created primarily as the result of current Federal policies; and others need and want the medical and social services and common dining facilities which are better provided for concentrations of the elderly.

But many elderly want to live in old age, as in younger years, by themselves in facilities or neighborhoods where the residents are distributed over many ages. Let me identify a new target of integration, not only racial integration but age integration. In this connection, I suggest that existing scattered units should be bought or rented by public housing authorities. No matter how valuable the present programs are, they have one feature in common. They frequently subject the elderly to the traumatic experience of involuntary or reluctant change of residence.

Senator RANDOLPH. Literally speaking, it amounts to regimentation. Is that right?

Mr. HERMAN. Yes, that is right. It isn't intended that way, Senator, but it works out that way.

Many elderly of low and modest incomes are perfectly capable of caring for themselves, and would be less of a burden to themselves and others if they could live thus more normally in their communities.

Rent supplements to low income elderly to enable them to remain in or go to suitable private housing of their choice would, in my judgment, be a socially wholesome program; and would probably be less costly and politically more acceptable than building great volumes of senior citizen public housing. Such programs, of course, will indirectly encourage property owners to keep or bring their properties up to code levels. Public funds should not be allowed to flow to substandard property. It would also mean more elderly could remain in redevelopment areas where new building rentals would otherwise be prohibitive.

Next I come to a technical item, if you please. There is the present demonstration authority in the Housing Act of 1949, as amended in 1961, which permits the purchase, rehabilitation, and resale of existing structures to provide housing for families of moderate income.

This section, however, restricts the Redevelopment Agency to 5 percent of the total number of rehabilitated units or 100 units, whichever is the lesser. If that authority could be broadened, more existing housing could be brought up to code and marketed so that rentals would be more in line with rent-paying capacities of the elderly.

Amendment of Federal legislation is suggested. Section 107(b) of the Housing Act of 1949 permits the Administrator to make land available in a project area to a nonprofit corporation or association, public bodies, etc., for purchase at fair value for use by such purchaser in the provision of new or rehabilitated rental or cooperative housing for occupancy by families of moderate income.

This section should be amended and expanded to permit any individual, family, or corporation, who would agree to build or rehabilitate housing for occupancy by families or single persons of moderate income who are displaced by public action, to purchase and take advantage of the land writedown. Legislative or administrative limitations could be placed on rentals or prices charged by capitalizing actual construction and land costs, including a regulated profit factor. Similar appropriate limitations could also be used in cases of purchases by families or single persons of moderate income who desire to build or rehabilitate for their own use.

Next, I would mention a dormitory financing program is needed, and it is needed particularly for single elderly men. I believe that this point fits more appropriately your hearing this afternoon, and I shall not elaborate on that until later.

I would like to mention one other recourse in the housing of the aged. It is State rather than Federal.

Here I depart from my printed testimony, Senator, to discuss tax abatement as a means of reducing housing costs. In many quarters tax abatement represents a pair of dirty words. Out here in the West we don't like tax abatement. It is accepted in certain States in the East that have struggled with this problem perhaps longer, maybe more intensively than we have here. The Federal Government has already embarked upon a program of bringing down the cost of land. It permits us to sell land below market value. It has also embarked upon a program of reducing mortgage money. We are not likely to reduce the cost of labor or the cost of material. We can reduce only very fractionally the cost of maintenance. There remains then only one important element in the cost of housing that can warrant our attention, and that is the cost of taxes. They are extremely high, and communities will face the reduction of these taxes with great reluctance when there are so many problems in meeting the cost of city government under the ad valorem tax program.

It is my suggestion that the cities need to encourage the State, which has done very little in this field to embark upon a program of subventions or grants for portions of the taxes on housing which meets the purpose that concerns you here today, mainly the housing of senior persons or families of low income where the opportunities or profits or excessive profits have been removed in the process. I am hopeful that the State legislature will give attention to this approach in 1963.

In recognition of the increased housing needs of our senior citizens due to their ever-growing number, the board of supervisors of the city and county of San Francisco, as a part of its official housing policy, issued to the Redevelopment Agency a resolution requesting that the Agency, among other things, "seek to devote sites to achieve a community of well-balanced housing resources for all families and single persons, including senior citizens with incomes above public housing eligibility housing levels and below what may be regarded as luxury housing."

To fulfill this obligation and in recognition of the need, the Redevelopment Agency has proposed, as a part of its plans, the development of as much senior citizen housing as it believes can possibly be included within its project areas to accommodate those persons who can be reached, considering the tools available presently for development of senior citizen housing.

The experience gained by the Redevelopment Agency in rehousing a large number of elderly persons displaced from the western addition area 1 project brought into sharp focus the needs and desires of senior citizens in this area. This experience has been and will be invaluable in carrying out the proposed western addition area 2 project which the Agency is presently planning.

Some factual information about the elderly population which will be affected in the area 2 project may be helpful. According to a recent sample survey of residents of this 62-block redevelopment area, a substantial number of the population are senior citizens. The percentage of persons 62 years of age and older is 17 percent, as compared with the 12.5 percent within the city and county of San Francisco; 2,200 of the 13,000 residents of the area are senior citizens. In terms of householders, senior citizens constitute 22 percent of the total householders in the area, 1,171 being single householders and 343 being family heads.

As to the incomes of residents in the western addition area 2 project, a tabulation shows that nearly 1,200 single persons and family heads are age 62 and over and either retired or disabled. This population is a low-income group, in which 63 percent have incomes of less than \$200 per month, contrasted with 27 percent of all family heads and single persons in this low-income bracket within the project area. It should also be noted, however, that 33 percent of the elderly population had incomes of \$200 to \$500 per month, with 4 percent exceeding this amount.

As to types of accommodations, over 39 percent of the single persons age 62 or over were found to be living in rooming houses or hotels with the remainder living in apartments or flats as prime tenants or roomers with families. A difference is also found in the types of accommodations occupied by single men as compared with single women. Almost half of the male population was found to be living in rooming houses or hotels, whereas the majority of the female population lives in family-type dwellings as prime tenants, as roomers, or as joint tenants with other single women.

Experience gained thus far then shows that our senior citizens have a variety of needs—in terms of varied income categories ranging from the very lowest income group to those who can afford luxury housing; in terms of accommodations ranging from those who are fortunate

enough to be able to live independently to those who need to be near a hospital or clinic; and, going a step further, to those who require continuous nursing care.

I am confining my remarks, this morning, to senior citizens in the low- and middle-income categories because these are the areas of the greatest need. What has been the experience of the San Francisco Agency in trying to meet the needs of those senior citizens displaced by redevelopment projects?

At the time of displacement of residence from the western addition area 1 project, the local housing authority was not making units available to single elderly individuals. Therefore, it was necessary to attempt to find low-cost housing within the existing market. Many moved into housekeeping units of approximately the same quality as those from which they had been displaced.

It should be noted that those families having a senior citizen as the head were reluctant to take advantage of public housing. The change from a private accommodation to a public, institutional accommodation was most unwelcome. We were able to "sell" a few senior citizen families on the importance of a move into a facility with a private bath and kitchen accommodations, but in most cases our efforts were unsuccessful.

Perhaps one of the factors affecting the reluctance of senior citizens to move into public housing was that of location. As in most cities, the bulk of public housing units are located quite a distance from the center of the downtown area, whereas persons displaced from the western addition project had been accustomed to the advantageous location near the center of the city, where it is possible to walk to town, to walk to nearby hospital and clinic facilities, as well as to many social and cultural offerings which are made available without charge to our citizenry.

Of those senior citizens who fell into the middle-income category, it was found that even though satisfactory private accommodations were offered, the tendency was to move within a small radius of the project area in order to maintain, as far as possible, old and established relations with friends and institutions and to remain near the center of the city.

Thus, the San Francisco Redevelopment Agency, with knowledge that 63 percent of the family heads and single persons aged 62 and over in western addition area 2 have incomes of less than \$200 per month, and 33 percent have incomes ranging from \$200 to \$500 per month, faces the task of being in a position to make available to these residents standard accommodations which they can afford. There is the added responsibility of trying to offer accommodations which will be reasonably acceptable to our senior citizens in terms of location and necessary amenities. What are the present tools available to accomplish these objectives?

The San Francisco Housing Authority is now in a position to make units available not only to families but also to single senior citizens. This inventory is presently being expanded in order for the authority to be able to accommodate more of the single elderly. However, it is estimated that only approximately one-third of the 900 singles who are eligible according to the recent population survey of the western addition area 2 will actually accept public housing

accommodations; the remaining two-thirds will seek housing in existing private rental units and rooming accommodations.

The agency will restrict land to accomplish the building of about 800 units of housing for the elderly, and will draw upon sections 202, 231, and 221(d)(3) of the Housing Act, the latter being available only for family use.

With that, I end my testimony.

Senator WILLIAMS. I wish you could clarify this proposal a little more, the tax abatement proposal; I don't understand you completely.

Mr. HERMAN. Senator, we find in working with sponsors, many of them nonprofit institutions, that their proposals do not fit the various Federal aid programs, or that the charges cannot be lowered to serve the people whom they sponsor. The cost of taxes in the community prohibits the lowering of rentals. Therefore, we face the question of whether there is some way of bringing rentals down through the lowering of the net tax bite.

In New York State, as you of course know, there is a program of tax abatement. The State and city both simply arrange that the tax-load will be lightened on housing serving these purposes. We do not do this here in California, and there may be some constitutional reason for it, but in any case aid is needed.

This cost of private housing should be brought down for the families and the elderly of low income. It is my suggestion that the State, which heretofore has occupied only a modest role in this field, might try to be of assistance in the making of grants for partial payment of ad valorem taxes.

The State has an income tax program. Subventions could come out of this resource.

Senator WILLIAMS. You have a relocation division or service within your redevelopment agency?

Mr. HERMAN. Yes, sir.

Senator WILLIAMS. You are primarily responsible of course, to the needs of those people being displaced by your programs?

Mr. HERMAN. That is correct, sir, but we also render this same service to the city for other displacement by public action.

Senator WILLIAMS. Well, that is what I was coming to. People displaced by highways can be helped by your services?

Mr. HERMAN. If they are displaced by the city actions, they can be, sir, but there has been no major highway displacement in the time that we have set up the service. As you probably know, our city is a very reluctant city on the granting of freeway extensions, so we just haven't had the impact of the problem.

If the city does resolve its differences with the State highway department, there will be many displacements, and the problem will be great. However, there is a question in my mind of whether these will be regarded as State displacements or city displacements. We are prepared to serve the city, but we have no arrangements with the State.

Senator WILLIAMS. This isn't really your area, but is there great public pressure here for highway expansion, extension, freeway expansion, and extension within the city of San Francisco?

Mr. HERMAN. The pressure is just the opposite, sir.

Senator WILLIAMS. You want to go underground, as I understand it.

Mr. HERMAN. There seems to be general recognition that freeways are needed, but we don't want to pay the social and visual cost that they demand.

Senator WILLIAMS. Well, having just left Los Angeles I know what you mean, and I certainly hope that this great city can find ways to preserve its livability, and at the same time meet the ever-growing needs of transportation.

Gentlemen?

Senator RANDOLPH. Mr. Chairman, I would like to ask a question of Mr. Herman. Mr. Herman, where is the Hunters Point area?

Mr. HERMAN. The Hunters Point area is to the lower right-hand side of that map, sir. It is the dark green area, and the prospective location of freeway displacement.

Senator RANDOLPH. I understand that there are 2,000 public housing units which would be removed?

Mr. HERMAN. Yes; there are 2,000 so-called temporary war housing units which are blighted, and under State law must be removed no later than 1970. We are endeavoring to formulate a program for redeveloping that area, and we plan to draw upon certainly the 202 and the 221(d)3 programs, and the authority in the Federal law which allows us to market land below fair market value.

We shall still, however, have very critical problems because of the income levels of those people. I think I should mention to you, however, that the preponderant problem will be with the large family of low income rather than with the elderly, whereas in the second western addition we have this very high concentration of elderly.

Senator RANDOLPH. Are you actively considering such a replacement?

Mr. HERMAN. Yes, sir.

Senator RANDOLPH. Thank you.

Representative SHELLEY. I would just like to say one thing. Mr. Justin Herman is one of our very able civil employees, and was a little too polite on this great problem in San Francisco on freeways.

You must remember that we are a city 7 by 7 miles square.

I always have maintained that if we let the State highway commission put in all the freeways that they want, why, there will be no place left to live. San Francisco will simply become the transition point for people passing to other places, and I think a lot of public officials have sort of gotten their back up in the last couple of years and said, "We recognize some need for freeways, but we want to be concerned about how many, and where they will be, and what purpose they will serve."

Senator WILLIAMS. Well, we are very grateful, Mr. Herman, for your statement here and also for the material you gave us for the record. We know of you by reputation. Thank you.

Mr. HERMAN. Thank you.

(The prepared statement of Mr. Herman follows:)

PREPARED STATEMENT OF M. JUSTIN HERMAN, EXECUTIVE DIRECTOR, SAN FRANCISCO REDEVELOPMENT AGENCY

I welcome this opportunity to present to this committee what our redevelopment agency experiences in redevelopment or renewal of blighted areas teach us, and what these experiences lead us to recommend for your consideration.

(1) Whereas the absolute numbers and proportion of elderly to nonelderly displaced in our first major residential clearance were rehousing with moderate difficulty, the increases faced in our succeeding adjoining project discloses greater numbers, greater ratios, and—were it not for the several Federal programs and our decision to allocate land for housing the elderly—an insurmountable problem.

(2) The Federal programs—202, 221(d) (3), and 231—are very helpful. We are using each of them in redevelopment project areas. If the programs have not yet provided large numbers of dwellings here, it is recognized that such programs almost always have a slow start.

In addition, in the administration of these programs the Federal agencies can help much more than they have to date by recognizing that we cannot put all the aged out in garden dwelling units in the suburbs. Gradually we shall be obliged to house many elderly in high-rise structures within the city itself, and this means that the higher costs of high-rise units must be recognized.

A further improvement would be the inclusion of health and appropriate social services as allowable costs.

(3) It is fortunate that the San Francisco Housing Authority is providing within its available resources housing for the elderly, but its resources are very limited and increases in the supply can come only through a very cumbersome election process here in California. The problem of procuring sites intensifies the problem.

(4) The communities of the country—and San Francisco is no exception—need encouragement and aid in utilizing supplementary devices for meeting the wide range of housing needs of elderly persons. True, many prefer concentration in facilities serving only the elderly—such units being created primarily as the result of current Federal policy; and others need and want the medical, social, and common dining services which are better provided for concentrations of the elderly.

But many elderly want to live in old age as in younger years—by themselves in facilities or neighborhoods where the residents are distributed over many ages. Let me identify a new target of integration—not only racial integration but age integration.

(a) Existing scattered units should be bought or rented by public housing authorities. No matter how valuable the present programs are, they have one feature in common: they frequently subject the elderly to the traumatic experience of involuntary or reluctant change of residence. Many elderly of low and modest incomes are perfectly capable of caring for themselves, and will be less of a burden to themselves and others if they could live thus more normally in their communities.

(b) Rent supplements to low income elderly to enable them to remain in or go to suitable private housing of their choice would in my judgment be a socially wholesome program; and would probably be less costly and politically more acceptable than building great volumes of senior citizen public housing. Such programs, of course, will indirectly encourage property owners to keep or bring their properties up to code levels, but public funds should not be allowed to flow to substandard properties. It would also mean more elderly could remain in redevelopment areas where new building rentals would otherwise be prohibitive.

(c) The present demonstration authority in the Housing Act of 1949, as amended in 1961, permits the purchase, rehabilitation, and resale of existing structures to provide housing for families of moderate income. Section 110-(c) (7) of title I restricts this authority to 5 percent of the total number of rehabilitated units or 100, whichever is less. If the authority is broadened, more existing housing now used by the elderly can be brought up to code and marketed so that rentals are more in line with rent-paying capacities.

(d) A dormitory financing program will ultimately be needed to house single elderly, particularly men. I expect to have more to say about this in my testimony this afternoon.

Let me at this point briefly describe the experiences and findings which lead us to the foregoing conclusions. During the 10-year period from 1950 to 1960, according to the Bureau of the Census reports, the elderly population (62 years and over) increased from 9.5 to 12.5 percent of the total population of the city and county of San Francisco. The actual increase in numbers was from 74,050 to 93,608, representing a 26-percent increase in the total elderly population.

In recognition of the increased housing needs of our senior citizens due to their ever-growing number, the Board of Supervisors of the City and County

of San Francisco as a part of its official housing policy issued to the redevelopment agency a resolution requesting that the agency among other things "seek to devote sites to achieve a community of well-balanced housing resources for all families and single persons including senior citizens with incomes above public housing eligibility housing levels and below what may be regarded as luxury housing."

To fulfill this obligation and in recognition of the need, the redevelopment agency has proposed as a part of its plans the development of as much senior citizen housing as it believes can possibly be included within its project areas to accommodate those persons who can be reached, considering the tools available presently for development of senior citizen housing.

The experience gained by the redevelopment agency in rehousing a large number of elderly persons displaced from the western addition area 1 project, brought into sharp focus the needs and desires of senior citizens in this area. This experience has been and will be available in carrying out the proposed western addition area 2 project which the agency is presently planning.

Some factual information about the elderly population which will be affected in the area 2 project may be helpful. According to a recent sample survey of residents of this 62-block redevelopment area, a substantial number of the population are senior citizens. The percentage of persons 62 years of age and older is 17 percent as compared with the 12.5 percent within the city and county of San Francisco; 2,200 of the 13,000 residents of the area are senior citizens. In terms of householders, senior citizens constitute 22 percent of the total householders in the area, 1,171 being single householders and 343 being family heads.

As to the incomes of residents in the western addition area 2 project, a tabulation shows that nearly 1,200 single persons and family heads are age 62 and over and either retired or disabled. This population is a low-income group in which 63 percent have incomes of less than \$200 per month contrasted with 27 percent of all family heads and single persons in this low-income bracket within the project area. It should also be noted, however, that 33 percent of the elderly population had incomes of \$200 to \$500 per month, with 4 percent exceeding this amount.

As to types of accommodations, over 39 percent of the single persons age 62 or over were found to be living in rooming houses or hotels with the remainder living in apartments or flats as prime tenants or roomers with families. A difference is also found in the types of accommodations occupied by single men as compared with single women. Almost half of the male population was found to be living in rooming houses or hotels whereas the majority of the female population lives in family-type dwellings as prime tenants, as roomers, or as joint tenants with other single women.

Experience gained thus far, then, shows that our senior citizens have a variety of needs—in terms of varied income categories ranging from the very lowest income group to those who can afford luxury housing; in terms of accommodations ranging from those who are fortunate enough to be able to live independently to those who need to be near a hospital or clinic; and, going a step further, to those who require continuous nursing care.

I am confining my remarks this morning to senior citizens in the low- and middle-income categories because these are the areas of the greatest need. What has been the experience of the San Francisco agency in trying to meet the needs of these senior citizens displaced by redevelopment projects?

At the time of displacement of residents from western addition area 1 project, the local housing authority was not making units available to senior elderly individuals. Therefore, it was necessary to attempt to find low-cost housing within the existing market. Many moved into housekeeping units of approximately the same quality from which they had been displaced. It should be noted that those families having a senior citizen as the head were reluctant to take advantage of public housing. The change from a private accommodation to a public, institutional accommodation was most unwelcome. We were able to "sell" a few senior citizen families on the importance of a move into a facility with private bath and kitchen accommodations, but in most cases our efforts were unsuccessful.

Perhaps one of the factors affecting the reluctance of senior citizens to move into public housing was that of location. As in most cities the bulk of public housing units are located quite a distance from the center of the downtown area, whereas persons displaced from the western addition project had been ac-

customed to the advantageous location near the center of the city, where it is possible to walk to town, to walk to nearby hospital and clinic facilities, as well as to many of the other social and cultural offerings of a free nature which are made available to our citizenry.

Of those senior citizens who fell into the middle-income category, it was found that even though satisfactory private accommodations were offered, the tendency was to move within a small radius of the project area in order to maintain as far as possible old and established relations with friends and institutions and to remain near the center of the city.

Thus, the San Francisco Redevelopment Agency, with knowledge that 63 percent of the family heads and single persons aged 62 and over in western addition area 2 have incomes of less than \$200 per month and 33 percent have incomes ranging from \$200 to \$500 per month, faces the task of being in a position to make available to these residents standard accommodations which they can afford. There is the added responsibility of trying to offer accommodations which will be reasonably acceptable to our senior citizens in terms of location and necessary amenities. What are the present tools available to accomplish these objectives?

The San Francisco Housing Authority is now in a position to make units available not only to families but also to single senior citizens. This inventory is presently being expanded in order for the authority to be able to accommodate more of the single elderly. However, it is estimated that only approximately one-third of the 900 singles who are eligible according to the recent population survey of western addition area 2 will actually accept public housing accommodations; the remaining two-thirds will seek housing in existing private rental units and rooming accommodations.

The agency will restrict land to accomplish the building of about 800 units of housing for the elderly, and will draw upon sections 202, 231, and 221(d) (3) of the Housing Act, the latter being available only for family use.

Senator WILLIAMS. Pastor Ross Hidy, of St. Mark's Lutheran Church.

STATEMENT OF PASTOR ROSS HIDY, ST. MARK'S LUTHERAN CHURCH, SAN FRANCISCO

Pastor HIDY. Thank you, Senator Williams.

I am a member of the Housing Subcommittee of the San Francisco Program for the Aged, the chairman of that subcommittee on housing, which has gathered 96 individuals of the city working in the various phases of housing, employment casework services, and health and recreation.

In the housing responsibility developed in the western addition to coordinate and plan some of those 800 units being reserved for elderly people in the next phase of western addition. Now, I think I will just share as briefly as I can our experience as a potential developer. We applied for two projects in western addition 1.

Senator WILLIAMS. Who was the applicant? What group?

Pastor HIDY. One of them was formed by seven of us as citizens seeking to develop a nonprofit cooperative development housing project. We have one which has already had its letter of commitment, and is awaiting start of construction under a section 231 loan. We find, of course, that that is not intended essentially for the elderly, but there will be some of that age bracket living there.

Our second project is being financed under section 231, and the thing that might be of special relevance to this committee hearing is the fact that our church-sponsored project was set up as a single-purpose, nonprofit corporation sponsored by our church.

We have put \$41,000 worth of front money in this as a congregation, as a service project. We first tried for a section 202 loan. I

made trips to Washington. I had a hard time finding out which building the agency was working from because they were in transition, and nobody knew who they were with, and they were afraid to talk to you because the program was being defined, and they didn't want to set any precedent.

And the other thing is, for pity's sake, go back to Washington and put in some organizational expenses in this thing. As you know, the present section 202 does not permit organizational expenses in the loan.

Most of us are amateurs in this, and a little bit of consultation from some trained personnel will be a real help.

I talked to Sidney Spector the other day, and he is interested in the section 202 program, and as you improve it, let's face the fact that there are legal expenses, there are organizational expenses, and you cannot get inept pastors, priests, and rabbis to give of their time. We have a few other things our congregations expect us to do, and secondly we might make mistakes, and it is better to pay for some skilled guidance. It would also speed the projects in development.

I suspected that the lack of putting organization money in here was almost a way to make it impossible to work, so that you wouldn't have to spend the money, and the grant wouldn't be made anyway in the end.

Mr. WILLIAMS. Well, 202—this is under the direct loan to the non-profit groups?

Pastor HIDDY. Yes, that is right.

Senator WILLIAMS. Where you have to pull yourself up by your own bootstraps.

Pastor HIDDY. That is right.

Senator WILLIAMS. You have to do your own planning and organization and engineering, almost, and then put it up for bids.

Pastor HIDDY. That is right.

Senator WILLIAMS. And you are not permitted that early professional help?

Pastor HIDDY. That is right.

Senator WILLIAMS. You find this a hardship in not only 202—

Pastor HIDDY. But also 221(d)3 and 231.

Let me speak to this very briefly. The requirement that there be competitive bids is something that does need scrutiny. In our project, for example, our 231 elderly housing, we have 123 apartments, and we were going to apply today for our commitment. We have our feasibility, but our deadline is Monday, and the thing about it is that we can, with a firm figure for construction cost, engage in a relationship with a contractor who will put in some front money for us, and we need this front money.

The costs are beyond the means of almost any nonprofit sponsor, but if a contractor gives a firm figure he promises and pledges and signs a commitment to produce it, and produce it at the allowable figure, under the FHA commitment. With this plan I don't think the difference in going to competitive bids is going to produce a better construction figure. In fact, I believe we can firm up a figure that is as much to the advantage of the sponsor, because all of the competitive bid arrangements are going to have to include a factor of, say 10 percent for unexpected emergencies, but the thing that this competi-

tive bid requires, indirectly, is that the sponsor has to go the road alone without the financial support of a contractor.

The other factor is that you can now—because there are some contractor firms who have produced an excellent record of assisting non-profit sponsors around the country, groups like ourselves—arrange a meaningful relationship with a reputable firm and get some advantageous front money that will mean a tremendous lot to us.

Senator WILLIAMS. Well, those in executive government who might be a little cynical when faced with this suggestion and apprehensive that somebody might be making an unconscionable profit if we aren't protected by the competitive bid process, I hope that they will read our record and know that you are coming from the Lutheran Church and are joined by pastors across the country that we have heard and have had the same experience, and feel that their noble objectives can be much better reached without the fetters of the present harsh competitive bid after you have stumbled through the organizational process.

Pastor HIX. I am sure I have attended national housing conferences, and at every church convention, every luncheon meeting, as all of us fellows go together to share our woes and our troubles, we discuss how we can make this breakthrough. We ask, Why wasn't this piece of legislation written with a little more flexibility?

Another thing is that you have already heard that you can't build high rise in the city under the present room allowance for 202. In other words, the 202 legislative tool just is not applicable within the city. Here we are in a redevelopment area. We have land that was negotiated at \$3 a square foot.

Well, if you talk about land acquisition prices in North Dakota, or somewhere else, this is no advantage, but this is San Francisco, and it is a fairly good price, and when you have to pay that much for land, you must have a high density use. You may not build anything but a three-story or two-story garden court apartments or we were told so about 202 loans. Section 202 rules out some of the areas of most acute need for elderly housing, and I do believe that there must be something done in this 3½-percent, 50-year direct loan money that makes it possible to be utilized, I would say, in nonprofit sponsorship in the city.

I know, too, that the pressures are on the legislators as you make such a provision that there may be no commercial ventures within these projects, but if it is now legally possible to create a condominium, why not let your sponsors have a multiple type of construction with some commercial ventures within the project, separately financed so that the income from the commercial ventures permit us to subsidize the rents?

We are willing to do any of these things to reduce the rents for the people who have a minimal amount of income, but you put us in a bind. First, you say you can't build more than low rise under a 202 allowance per room. Secondly, you may not do anything but have competitive bids.

Well, that rules out our arrangement with a contractor.

Thirdly, don't put anything in there to produce income for you.

So on those three counts you have made 202 unusable for those of us in our project.

Now, there is beginning to be a breakthrough. One of our pastor friends in San Diego priced through on a 202, but we were unable to. I'm glad he did; I wish we had been able to.

Now, I have a few more comments, but I don't want to make you gentlemen late for your luncheon appointment. I can come back here at a later time, if you gentlemen desire.

Senator WILLIAMS. What is your pleasure?

Pastor HDY. There is one other thing I have never said in any of these meetings, and that is that when you do something for a nonprofit sponsor, you use the most creative, most extensive tools for low-interest, long-range financing of construction.

I am not suggesting that total subsidy be the means utilized to prepare low-cost housing. One of the men coined the phrase at a housing speech, there is a kind of modified Robin Hood program where if you let people of means, through the amortization life of a loan, pay the cost of, say, a rental project, but then with the nonprofit ownership those costs for occupancy drop way down, so you have it serving a community without a penny of subsidy to the Government and after amortization at low rates.

If you do produce favorable loan interest, if you let these nonprofit groups provide these housings, sell them out for the 40 years to people who do have a little more means and who can pay a little higher rent, what happens when it is paid off? You have a real modest rent project in the city that is probably going to be renting at about the same level or very little higher than a Government housing project, and it won't have cost the taxpayer a thing.

Now, I think if you think of the built-in legacy to the community of these nonprofits, once they are paid off, then we can see that, although we need it now at that low cost, it should be made possible for us to help the nonprofit sponsors and religious and fraternal groups prepare these projects, because when they are paid off they will produce minimal cost housing, and I think that this is a point that is exceedingly important.

I don't think it is only important who is going to build them, how they are going to be financed, but I think you had better look very long and seriously at who is going to own them, and if you have people that have had a predictable service record, why not let them have these tools and help them so that in time they can serve the group?

I want to say a word, not only for the real low income people, but the real forgotten part of the American economy now, the people who have paid their way, who have earned, who have saved, but God only knows where they can find much moderate cost housing in San Francisco, or any other city, because they can't find them, and somehow or other this isn't written in the Holy Book.

The thing we have to do is create those tools. You see, once you make us go to the 5¼-percent money, we are right away priced out of our goal, say \$65 a month. If we can produce something at \$65 or \$75 or \$80 or \$85, they will be standing in line for it, but when that 5¼-percent money sends us up to \$115, \$120, \$140 a month, it puts the sponsor in a terrifically vulnerable position, and yet it isn't anything we wanted. We just ended up there because the tools were not there to help us price them out lower.

This other comment I want to make, Denmark has long ago learned that good housing is an absolute imperative for a country, and for nonprofit groups they have given them low-interest, long-range financing, and there is moderate cost good housing available there. The only thing is, What is wrong with America if we will spend billions of dollars for dams? Nobody lives in them. We will spend billions of dollars to send a man to the moon, but how about putting a creative bit of long-term strengthening of the economy to reward those people that have been faithful citizens, so that when they retire they have a place to retire to; and the other thing is that this money isn't being thrown away. That money for construction is being plowed right back into the economy, and I believe that you have to give a little more in the creative tools to help these nonprofit sponsors so that they can price out finally at modest rent cost.

Justin Herman talked about tax alleviation. We are in contact with the Department of Internal Revenue in trying to be given a tax-free income basis, and it is difficult to do.

The real problem here is that it is going to cost us \$40 a month for rent, and this tax exemption factor is important.

The other thing is that the tax burden on the community isn't going to be very high for policing and all the other problems. If we build fireproof construction, the city has to think of some kind of tax alleviation for these nonprofit projects. If you do, the Roman Catholics, the Jews, the Protestants, we will come right in, and we will produce the housing for you. We will produce volunteers to guide a meaningful program for the residents. We will give you supervision and personnel through the years, and we will see that when it is paid off you have the equivalent of Government expense housing in the city.

For pity's sake, give us the tools—low-interest, long-term bonds.

Now, I want to say, what you have done is excellent, but what you have done has been a pilot project to help find out what gives us sponsors ulcers. Remove some of these roadblocks for us and make it possible for us to have those extra little tools and helps, and give us the same advantages in the cities that you give the suburbs.

Senator WILLIAMS. What is the direct loan interest rate under the nonprofit housing for the elderly program?

Pastor HIXY. The direct loan is $3\frac{1}{8}$ and we pay $5\frac{1}{4}$ now under 231.

Senator WILLIAMS. Now, is that $3\frac{1}{8}$ a realistic figure for the amortization?

Pastor HIXY. Oh, that is wonderful. We can do marvelous things with $3\frac{1}{8}$. We can price out in our project for an apartment about \$65 a month.

Senator WILLIAMS. What are the limitations on you in using that program?

Pastor HIXY. Well, none. Income ceilings for incomes, surely, but we are happy with them. Obviously, it is reserved for people with a modest income. That is great, and we want to serve those people first. They need it most.

The fact that we are going to be priced out to serve a little bit higher economic bracket, under these tools of financing that we now have to use merely means that we will be serving another layer of

the society economically. We would rather hit the lower, because there is a greater need there, but as it is right now we can't use it.

Senator RANDOLPH. Mr. Chairman, Pastor Hidy's constructive comments are most penetrating. There is no reason for me to comment further. You are one of the best witnesses that the subcommittee has heard and your remarks are most helpful.

Pastor HIDY. Thank you, sir. You can give the FHA some more staff so that they can process their applications faster, and that will help us.

Senator WILLIAMS. Why were you turned down on the 202 application?

Pastor HIDY. Because the cost, as Mr. Eichler says, of elevator-concrete structures on high rise, is double the cost of frame construction. What they do is give you a room allowance figure, and that room allowance figure will not price out, and since you can't come out at the other end with the rent in the bracket they say, "Sorry, no loans."

We nonprofit sponsors aren't getting a dime out of this, but it still costs. You see, you pay for the labor.

Well, we are glad the labor income and thus costs have gone up, but we think that when you pay the labor in the materials and the labor in the assembly, you are going to price out just so many dollars on this high-rise construction cost, and that is what makes us ineligible for it.

Senator WILLIAMS. Well, that is extremely helpful.

Pastor HIDY. I was talking to Mr. Pendergast the other day and telling him about the big backlog they have down there because of staff.

As a matter of fact, the interest on our land, in lieu of taxes that we pay as a sponsor, costs our congregation about \$713 a month, so every month that the FHA was slow, it took them about 11 months to process us to a letter of feasibility, and that was a penalty of \$713 for our congregation a month. We haven't that kind of money.

What do we have to do? We have to add it to the cost of land. Now, why can't you really give a priority to some of these projects and pipe them through the pipeline a little faster? I have been trying to get an appointment with Congressman Shelley here to make sure he has lunch with Mr. Pendergast, to make sure he gets them through.

Representative SHELLEY. Justin, in relation to what the pastor said regarding the financing, is it similar to the problem of longshoremen, after getting into the field, that the costs are up now, and the original projection has to be varied some?

Mr. HERMAN. No, Congressman, it is slightly different. The longshoremen are interested in seeing if they can get the cost of their land down, which the agency felt it could not do, having gone through a competition and a sale. The pastor has been discussing the cost of high-rise construction, the ILWU has a garden type. However, the ILWU did run into a problem that many of the families that it wanted to serve were—strange as it may seem—overincome within the FHA limitations of allowable maximum income.

Representative SHELLEY. This was the basic problem?

Mr. HERMAN. Yes, sir.

Senator RANDOLPH. Mr. Chairman, since Mr. Herman has returned to the witness stand, I want to ask a question of him.

Mr. Herman, specifically what were you referring to, and bringing before us when you spoke of racial discrimination in housing?

Mr. HERMAN. Well, my comment was extremely brief. There has been so much said about the elimination of racial restrictions in housing that I did not feel it appropriate here to elaborate. I did state that since we are so much concerned with racial integration, we ought to be concerned on another front with integration by age.

Senator RANDOLPH. You haven't had a problem here, have you?

Mr. HERMAN. I think our racial problem in San Francisco is probably the least of any city that I know of and, of course, in our redevelopment areas we make it clear and absolute from the very outset that there is not going to be any discrimination, and we have had no difficulty in procuring developers for our land.

Senator RANDOLPH. Thank you.

Senator WILLIAMS. Thank you again.

We will recess now, and return here at 2. We were scheduled at that time to hear from Mr. J. H. Sagarsky. He is president of the Congregation Keneseth Israel which is in the western addition redevelopment area. Mr. Sagarsky was here for part of the morning and was unable to stay with us, but he has given us his statement which we will insert in the record at this point.

PREPARED STATEMENT OF J. H. SAGARSKY, PRESIDENT, CONGREGATION KENESETH ISRAEL, SAN FRANCISCO, CALIF.

After listening to our mayor's statements, during the meeting of December 7, regarding living accommodations for our aged and those of medium means, wherein he mentioned a library, gardens, and other facilities for low rental housing, it seems to me that he omitted one thing—tennis courts for ladies and gentlemen over the age of 80 years. Although I am not criticizing the mayor in any way, shape, or form for the statements above, I wish merely to point out that all that is expected of our Government is that housing be provided at a nominal figure (without all these frills which are not sought, and which the city of San Francisco furnishes anyway); housing at a reasonable rental or which can be purchased with a small deposit and the balance to be covered in reasonable monthly payments.

Then, listening to the statistics presented by Mr. Eichler did not help materially either. The construction of homes for those mentioned above has been ignored. Take into consideration what has happened to date on redevelopment No. 2 western addition. Parcels of land have been sold to private enterprise and contractors on which buildings have been erected where the rents range from \$150 to \$250 per month. Not one iota of land was allotted in this redevelopment to housing for the aged and those of medium means.

The people who were moved from their previous dilapidated and substandard homes have created havoc in housing in San Francisco. Attention and care must be given to rehouse these people in proper dwellings to alleviate overcrowding and unsanitary conditions. I certainly trust that consideration and action will be taken by our Government to see that our aged and families of medium means are placed in abodes that meet basic American standards of living conditions. As of now, as stated above, it is unbelievable what has taken place in the redevelopment of western addition No. 2 where no consideration whatsoever has been given to the subject which you are investigating.

Our congregation hopes and prays that your hearts and minds will be led in a path that will accomplish desired results, and that your actions will be inspired by the One who is Father of us all, so that your mission will be accomplished in the shortest possible time. God bless you all.

(Whereupon, at 12:25 p.m., the committee recessed, to reconvene at 2 p.m., the same day.)

AFTERNOON SESSION

Senator LONG (presiding). If the audience will please come to order, we will proceed with the program.

The next one on the list is Mrs. A. M. G. Russell, chairman, Citizens' Advisory Committee on Aging of the State of California.

Mrs. Russell, you may proceed.

STATEMENT OF MRS. A. M. G. RUSSELL, CHAIRMAN, CITIZENS' ADVISORY COMMITTEE ON AGING OF THE STATE OF CALIFORNIA

Mrs. RUSSELL. Mr. Chairman, we are glad to again welcome you and your committee to California.

We believe that the previous hearings which you have held in our State have been very valuable to those of us working at both the State and community level in the field of aging. The reports and recommendations which your committee have made over the years have done much to stimulate legislative and administrative action in behalf of older people.

We also want to take this opportunity to express our appreciation and support of the work of the Governor's Advisory Commission on Housing Problems. You received an excellent statement from their chairman, Mr. Eichler, who was appearing today on behalf of Governor Brown.

It is evident that the commission has given very substantial attention to the housing problems of older people in California, and I can assure you that the citizens' advisory committee on aging will continue to cooperate with the commission in support of these recommendations for constructive housing programs and policies in California.

The Citizens' Advisory Committee on Aging has responsibility for studying the needs and problems of the aged and the aging in California and advising the Governor on action needed to solve these problems. Since its inception in 1956, the committee has stressed the importance of cooperation between State government and its citizens in the many areas which concern the well-being of older people.

One of our major functions is to hold hearings and obtain factual information on all aspects of aging. Accordingly, we have held hearings on such major areas of concern as housing, physical and mental health, employment, income maintenance, education, free-time activities and voluntary services, and other subjects of importance and interest to older people. The findings of such hearings, and other studies, are used by the committee in making recommendations to the Governor in those areas where the committee believes the leadership of State government is essential.

In recent and past years, the committee has submitted several recommendations in the field of housing as a result of our hearings, studied pertinent materials and participated in the Governor's Conference on Aging and the White House Conference on Aging.

Since I know that you want to hear as many persons today as is possible, I will not detail our recommendations, except to say that a good deal of responsive action has been taken or stimulated as a result.

With your permission, Mr. Chairman, I would like to request that the 1960 recommendations of the committee, on housing, as well as our statement in 1961 before a committee of the California Assembly studying the problem of discrimination in housing, become a part of the record; and I will use the remaining time for a brief discussion of our recommendations and ideas concerning the problem of relocation.

Senator LONG. Thank you, Mrs. Russell, and your recommendations will be included in the printed report.

Mrs. RUSSELL. Thank you.

(The recommendations and the statement referred to previously follow:)

RECOMMENDATIONS OF CITIZENS' ADVISORY COMMITTEE ON AGING

Based upon its review of the 1959 Report of the Senate Interim Committee on Housing and Recreational Needs of the Elderly which had among its findings the following:

(1) There exists in this State an acute shortage of safe and sanitary dwelling accommodations for older persons of low income which has resulted in thousands of our senior citizens being denied adequate housing at rents they can afford to pay.

(2) The number of elderly persons in this State is rapidly increasing and unless emergency steps are immediately taken to provide additional housing which meets their needs this shortage will constitute a grave menace to the health, safety, and welfare of the citizens of the State.

(3) Housing for the aged, contrary to popular belief, is not an integral part of the basic problem of increasing the supply of housing for the general population. Housing for the aged must be geared to their own special needs and the recent progress made in providing decent housing for the population as a whole has contributed little, if anything, in providing decent shelter for the aged. Housing specially designed to meet the needs and within the means of older persons is virtually nonexistent in this State.

(4) The basic problem of providing adequate housing for the aged of this State results from the disparity between the cost of such adequate housing and the ability of low-income elderly people to pay for it. For this reason the problem cannot be solved without Government assistance.

Therefore, in view of these findings, the committee supports the following recommendations, many of which were originally proposed by the aforementioned Senate interim committee:

(1) Provide a new State loan program to be financed entirely by the sale of State bonds which would be self-liquidating similar to State bonds sold to finance the State veterans' farm and home loan program. However, in addition to individual home loans this legislation should also authorize loans to limited dividend housing corporations, private nonprofit corporations, and local housing authorities at the going State rate of interest, plus one-half of 1 percent, for a term up to 50 years. Authorization should also be given for loans to be made for the total amount of the capital cost of each home, or project, including land and all appurtenant facilities. Said legislation should also provide that each project constructed and operated by private nonprofit corporations or local housing authorities should be exempt from all taxes and special assessments. Finally, said legislation should clearly establish and define basic eligibility requirements which would guarantee that the housing so provided would only be occupied by low-income elderly persons who cannot afford adequate safe and sanitary housing available in the local communities.

(2) Create a new State agency which would administer the program set forth in recommendation No. 1, which agency would also be authorized to engage in continuing research concerning the housing problems of the aged and to assist local communities in solving the problems of providing housing for their senior citizens.

(3) Amend the State community redevelopment act to strengthen the requirement that local community redevelopment and renewal agencies make adequate provision for the rehousing of all persons, particularly the aged, displaced by

community redevelopment and urban renewal projects, and to provide for the enforcement of said requirement by an agency of the State.

(4) Require the State division of highways to make adequate provision for the relocation of all persons, particularly the aged, displaced by all State public improvements, including those displaced from rights-of-way acquired in the development of the State's freeway or highway systems.

(5) That the State attorney general prepare a compilation of all State laws and regulations governing the construction, licensing, and operation of housing for the aged and that the cities and counties of the State instruct their legal advisers to prepare a similar compilation of such local laws and regulations and that all such compilations be made available to the general public.

(6) That the cities and counties of the State review and revise the local zoning and building code requirements to the end that all limitations prohibiting the construction or operation of decent housing for the aged are removed.

EXHIBIT 2

STATEMENT BY THE CITIZENS' ADVISORY COMMITTEE ON AGING BEFORE THE ASSEMBLY INTERIM COMMITTEE ON GOVERNMENTAL EFFICIENCY AND ECONOMY

INTRODUCTION

The Citizens' Advisory Committee on Aging appreciates this opportunity to make a brief statement and participate in these hearings. As the name of the committee indicates, our presentation will be limited to the needs of older persons in the area of housing with emphasis on what appears to be some aspects of specific discrimination against older persons in suitable housing.

Since its establishment in 1956, the Citizens' Advisory Committee on Aging has been seriously concerned with the problems faced by older people in California in securing housing adequate for their needs. In so doing, the committee has recognized that there is no single solution to the multifaceted problems involved. The influx of a younger population into California and their demands for housing, spiraling land values, increasing costs of construction combined with the markedly reduced income typical of the majority of older people, are all important factors.

PAST RECOMMENDATIONS OF THE COMMITTEE

The committee has made specific recommendations in the past on the importance of housing for senior citizens. In 1958, the committee recommended the following actions in their annual report to the Governor :

(1) The California Legislature should be requested to study the feasibility of financing housing for older persons on a basis similar to that so successfully used for veterans' housing.

(2) The California Legislature should be requested to revise the State housing act so as to make it easier, without removing protective high standards, for older people, who find it desirable because of economic and social factors, to live in house trailers they own or rent.

(3) The California Legislature should be requested to study, revise, and strengthen, where found necessary, the provisions of the State housing act in order to promote and facilitate the development of adequate housing for older people.

(4) The California Legislature should be requested to revise and strengthen the State redevelopment act by making it mandatory that local redevelopment programs allocate portions of the areas being redeveloped to housing units for older people to be erected under profit and nonprofit auspices.

(5) Consideration should be given to the establishment, by the Governor or the California Legislature, of an advisory committee to study the complex subjects of city planning, zoning, and building and safety codes. Such a committee would make recommendations for developing, insofar as is practical, uniform codes which would make it possible to utilize more readily new concepts and techniques with the end result that building costs may be reduced and untenable requirements as to size of lots and buildings may be replaced by more realistic requirements. Such action could result in housing which would more readily meet the needs of older persons from the point of view of cost, size, and location.

(6) Action needs to be taken to establish research on the housing needs of older people. Such research should be concerned with location as well as architectural

details related to safety, comfort, social needs, health, and low cost. Such research could be assigned to the University of California or any other institution capable of conducting it.

Again, in September 1960, the committee reiterated their previous recommendations by adopting a more extensive statement which was presented to Governor Brown for his consideration. We will not cite these recommendations but merely point out that the majority were based upon the findings reported by the Senate Interim Committee on Housing and Recreational Needs of the Elderly in 1959.

But, beyond these specific recommendations, the Citizens' Advisory Committee on Aging is convinced that our older citizens wish first to be accepted as people. Their problems may be special but they differ in degree only, not in kind, from the problems and needs of those of all ages for such things as adequate income, education, recreation, good health, and housing.

As you know, much of our aged population in California have serious needs for more suitable housing. By "suitable" we mean housing so located and arranged that older people can continue to live independently as long as possible, have the opportunity to pursue their interests, and have an active social and community life.

The committee recognizes that adequacy of housing may have more of a direct bearing on the well-being of older people than on any other age. Certainly, the location of housing is more important for senior citizens because of their reduced mobility. With increasing age, some older people are less able to drive. With markedly reduced incomes, many older people cannot afford the upkeep of a car and continue car ownership. Public transportation is unavailable in some communities and often inadequate in others. For many, particularly those persons in their seventies and eighties, access to essential services must be considered as available, therefore, only if it is within blocks rather than miles. In short, if older people are to remain alert and contributing members of our communities, it is important that they have access to stores and shopping areas, doctors' offices and clinics, churches, libraries, and recreational facilities. Otherwise, as many are today, they will be socially isolated—a common ingredient of segregation.

ZONING

Zoning is another basic factor to consider in providing housing for the aged. Most desirable residential zones throughout the State require the construction of larger houses than most older people can either afford or maintain. The common requirement of a three-bedroom dwelling in most tracts eliminates almost completely the single aged person or couple. Often, local requirements calling for large plots of open space about houses, which may be desirable generally, frequently rules against the older person who often would prefer modern smaller homes with smaller plots that would be more physically manageable. The committee has observed that usually only in the unincorporated areas can this type of housing be constructed.

Two reports of local planning commissions in recent years illustrate some of the typical opposition which is raised. In hearings conducted by the San Mateo County Planning Commission in 1958 regarding the construction of an attractive retirement apartment building in the city of Menlo Park, those opposed alleged that "older people are undesirable neighbors" and even such far-fetched generalizations as "older people smell bad." In hearings held a year later by the Santa Monica Planning Commission on an application to construct similar housing by a church group, it was claimed that older people in the particular neighborhood under question would bring down the "tone of the community" and that "they are not sufficiently well dressed to meet community standards." Fortunately, these spurious arguments did not prevail in either instance, but regrettably, they have prevailed in other places and at other times.

We would submit that there is a definite relationship between the rejection of plans for small private or publicly financed housing units, apartments in urban centers, and the growth of so-called "retirement committees" for those older people of above average or moderate means and, on the other hand, the crowding of many older people who are living on limited incomes into the less desirable and deteriorated parts of our larger cities. There is, in both developments, a factor of physical segregation present which begs further investigation and the subsequent development of sounder public and private policies in providing housing for the aged.

SENATE BILL 414—A MAJOR BREAKTHROUGH

Yet, despite some of the obstacles which we have outlined, the State of California recently achieved a potential major breakthrough in what has been a dismal picture by the enactment of senate bill 414 during the 1961 session of the legislature. This measure, based on the studies of the Senate Interim Committee on the Housing and Recreational Needs of the Elderly, was introduced by Senator Hugh Burns, of Fresno County. The bill was supported by the Governor and received broad support as it went through the legislative process. We believe that its passage was one of the most important achievements of the recent legislative session.

Senate bill 414 authorizes State loans in the amount of \$100 million to housing authorities, limited dividend housing corporations, land chest corporations, and nonprofit corporations for the construction of low-rent housing projects for persons age 60 or over who have resided continuously in California for 5 years and have limited income as defined in the act. Subject to contracts, loans would be made available at low interest rates for a period over or within 50 years. The program would be administered by a division of housing for the elderly which would be located in the department of finance. The bill represents a constructive initial step and, if it becomes operative, will blend the efforts of the State of California and private enterprise in providing housing for several thousand elderly persons with low incomes.

PASSAGE OF SENATE CONSTITUTIONAL AMENDMENT 10 ESSENTIAL

However, the provisions of senate bill 414 will only become operative if senate constitutional amendment 10 is adopted in the forthcoming State election in November 1962. This measure, also introduced by Senator Burns and enacted this year, amends article XXXIV of the State constitution to permit authorization of a \$100 million bond issue for the purposes outlined in senate bill 414. Therefore, it is essential that senate constitutional amendment 10 be adopted since its passage would not only put the provisions of senate bill 414 into effect but serve to stimulate other efforts in this important area.

THE ROLE OF THE FEDERAL GOVERNMENT

This summer Congress passed and President Kennedy signed Public Law 87-70, the Housing Act of 1961. The provisions of this comprehensive measure will facilitate a more flexible housing program for families with moderate incomes, stimulate home improvement and rehabilitation, and strengthen the present provisions of the Federal housing aid designed to provide housing to older people.

Its three major provisions regarding housing for the aging are:

- (1) Direct loans to nonprofit private and public agencies and consumer cooperatives up to 100 percent of development cost for elderly housing without any limitation on "related facilities." Revolving fund raised from \$50 to \$125 million.
- (2) PHA contribution to be increased to provide for 100,000 more units.
- (3) Additional Federal payments of \$120 per year for units rented to elderly where necessary to maintain PHA project solvency. Cost ceiling per room raised by \$500 for units for elderly.

We believe that the State of California and both public and nonprofit private agencies in the State should make every effort to take advantages of these important new provisions. In this regard, we are encouraged by the statement recently made by the Governor when he signed assembly bill 814 which established the Governor's advisory commission on housing. The Governor said that the commission would coordinate its efforts to take advantage of the new legislation included in the 1961 National Housing Act to develop plans for housing for many groups including senior citizens. We concur that this should be one of the important objectives of the new commission along with their other specific charges set forth in the statute.

It appears that implicit in the statement made by the Governor is the recognition that all levels of government and the private housing industry have a combined responsibility in this area. Yet, even if full advantage were taken of the new change in Federal legislation, there still would be substantial need for additional efforts by the State of California and local governments. The increases set forth in the National Housing Act appear extensive, and they are.

But, they also have to be spread over the entire Nation in ways that will not benefit one section of the country to the detriment of other sections. This is especially the case with the direct loan provisions in section 221 and the increases called for in low rent public housing for elderly families of low incomes. Therefore, it is vital that the State of California assume responsibility and leadership at this time as has been demonstrated by the passage of State constitutional amendment 10 and senate bill 414.

CONCLUSION

For the sake of time we have not mentioned many other factors concerning housing for the aged upon which the Citizens' Advisory Committee on Aging has deep concern and interest. These include the frequent lack of planning of housing for older persons displaced in the course of urban renewal, the need for better planning in housing specially designed for older persons, the need to protect older persons living in older hotels in our larger cities without adequate protection against the hazards of fire and other threats to their personal safety, and the need for further improvements in our licensed institutions who provide protective care to many older people.

The Citizens' Advisory Committee on Aging believes that many approaches and actions are needed now and in the future for the solution of these problems. And, although we do not have further specific recommendations to make at this time, we will make such recommendations in the future as part of our advisory responsibility to the Governor. We commend this committee for its interest in holding these hearings and hope that your deliberations will result in further assumption of leadership and responsibility by the State of California in all of these areas which so vitally affect the well-being of the senior citizens of California.

Mrs. RUSSELL. Urban renewal and community redevelopment programs are a part of the many efforts underway to meet the challenge of growth in California. And it is clear that these programs have a major impact on older people because of the large numbers of older, people who live in the central or so-called core areas of most large cities.

As your committee has already noted, this is particularly true in California. I think it has been mentioned today that 1 out of every 8 persons in San Francisco is age 65 and over. Also, about 75 percent of the total population of persons age 65 and over in California resides in the following 10 counties of the State: Alameda, 86,126; Los Angeles, 553,238; Orange, 46,439; Riverside, 33,047; Sacramento, 34,628; San Bernardino, 45,018; San Diego, 75,444; San Francisco, 93,608; San Mateo, 29,949; and Santa Clara, 44,678. With one or two possible exceptions, each of these counties is already highly urbanized and becoming more so. In each, large numbers of older people live in the downtown and central sections of their larger cities.

As has been stated before, the reasons why older people tend to live in the central areas of cities is not always a matter of income as some have claimed. Often it is because the city is a more convenient place to live from the standpoint of transportation and proximity to essential services and facilities than the outlying sections or the suburbs. This is more evident with increasing age when many older people decide to discontinue car ownership or are less able to drive.

Because of these and other factors, it seems essential that urban renewal and other public improvement programs, Federal, State, and local housing agencies be very aware of the importance of constructive relocation efforts which involve older people. These efforts should be in ways that reduce or eliminate any financial or personal hardships which might result. But, even more important, they should not only

strive to provide equivalent housing, but in the case of many older people living under either substandard or dangerous conditions in proposed urban renewal areas, better and safer housing and, I might add, better and more convenient residential, commercial and service areas.

As a recent report of your committee indicates, the urban renewal program could be one of the best opportunities for redevelopment of adequate housing and related services for older people that there is today if we could plan in this direction.

I would like to conclude with some recommendations and ideas for your consideration.

One, we certainly endorse and request your support of the recommendation which was made by Mr. Eichler regarding improvement of the present housing programs of the Federal Government designed to provide housing to older people.

Two, pending formal action by the committee, we are encouraged by the recommendations of the Governors' Advisory Commission on Housing which recognizes the greater assumption of responsibility by the State of California in meeting the housing requirements of its population. Properly coordinated with the existing Federal programs, we believe that these could result in a much greater range of availability and choice in housing for older people than exists at the present time. In fact, this lack of choice seems to have a definite relationship to the crowding of many older people who are living on limited incomes into the less desirable and deteriorating parts of our larger cities and may even have some relationship to growth of retirement communities in unincorporated areas.

Three, the committee has recently renewed its recommendation that a certain percentage, say 10 percent, of all units in redevelopment areas be reserved for low-cost housing and be designed and planned so that they can be readily occupied by all age groups. This is proposed as an amendment to our State community redevelopment law, and there may need to be some provisions that it apply principally in those areas where a certain proportion is elderly or living on low income. We are pleased that the Governor's Advisory Commission on Housing Problems has taken this recommendation under consideration.

We feel that older people should, when necessity demands a change in living arrangements, be not only adequately housed in the sense of providing a roof, but that services should be provided not only during the relocation process, but that there should be services of all kinds, health, welfare, recreation, counseling, and others that they may wish, easily available to them.

Again, may I say how pleased we are to have you here in California. Your presence will, I am sure, prove very stimulating to us. Thank you.

Senator LONG. Thank you, Mrs. Russell.

May I ask how long you have been actively interested in this program?

Mrs. RUSSELL. In the program for the aging?

Senator LONG. Yes.

Mrs. RUSSELL. Or program at the State level?

Senator LONG. Well, at all levels.

Mrs. RUSSELL. For 30 years.

Senator LONG. Are you optimistic?

Mrs. RUSSELL. Well——

Senator LONG. Are you pleased with the progress?

Mrs. RUSSELL. Yes, very. I think in California we have made really great strides in all areas concerned with the older people, and I think that there is beginning to be an understanding of the need for housing by and for the older person.

Senator LONG. Thank you. That is very encouraging.

The next witness will be the counsel of the San Francisco Housing Authority, Mr. Gerald J. O'Gara.

Mr. O'Gara.

STATEMENT OF GERALD J. O'GARA, COUNSEL, SAN FRANCISCO HOUSING AUTHORITY

Mr. O'GARA. Senator Long, and gentlemen of the committee, my name is Gerald J. O'Gara, and I am the counsel for the San Francisco Housing Authority.

At the outset, the housing authority would like to thank the committee for inviting us to appear here today, and I would like to say, also, that this morning two of our commissioners, the Honorable Joseph Mazzola, the chairman of our commission, and the Honorable Solomon E. Johnson, the vice chairman, were present and would have addressed the committee briefly, but because of previous engagements were unable to return this afternoon.

However, the deputy director of the authority, Joseph Allen, is here this afternoon, and the assistant to the director, Leo Vigers, is here; and if any technical information is required Mr. Allen and Mr. Vigers no doubt will be able to supply that.

The housing authority of the city and county of San Francisco welcomes the opportunity to present the situation of low-rent housing for the elderly citizens of San Francisco to your committee, and we appreciate your coming to San Francisco, and we appreciate particularly your interest in this problem.

This has had the close attention of the authority for several years. I would like to say one thing to set the record straight, if it hasn't already been set straight, and I think perhaps it has, and that is that public housing in California, and particularly in San Francisco, has in my opinion a good name. Perhaps I am prejudiced when I say that, but I have followed the matter quite closely for the last 15 years, first as State senator for San Francisco for 8 years, in which position I had the honor to succeed the Honorable Representative John Shelley when he resigned from the State senate to become a Member of the Congress, and for the past 6 years I have been the counsel for the housing authority.

Now, in saying that I do not claim credit for myself and the authority does not claim any particular credit, except to say it has done its best to do its job, and that the city administration and the authority both have followed the policy of maintaining the closest relationship, good and friendly relationships with the business community, and particularly with the real estate board and the homebuilders.

I would like to just call attention to the fact that on our commission at the present time are Commissioners Gurich, and just recently Com-

missioner Melvin Swig, both of whom are active in the real estate business, Mr. Swig on a very large scale.

The policy—and this goes to the question of providing housing for the elderly, particularly—of the authority has been uniformly to supplement, and not to compete with private industry or the private building industry in supplying housing to the elderly, or the other persons who require housing.

In San Francisco, because of the small area of the city, approximately 48 square miles, the authority has been particularly careful to house only those who cannot be decently housed in private housing.

Now, as a result of fairly recent changes in the Federal law, the authority has for the first time been authorized to build housing for single elderly people in our community over the age of 62. Up to this time, of course, we have been permitted to house elderly families of 2 or more, and now have living in our low-rent housing developments nearly 300 such families.

The question of adequate housing for the low income, single elderly person is the subject of the most unhappy concern to all people of San Francisco. There are today 87 apartments specifically designed for housing elderly single persons in public housing projects in San Francisco.

In addition, there are 35 apartments soon to be completed in the Hayes Valley area of the city.

The San Francisco Housing Authority, in a wholehearted attempt to further meet these major needs, has assigned 3 additional low-rent housing projects exclusively for the elderly, with the support of the mayor and the San Francisco Board of Supervisors, of about 100 apartments each, in a widely separated area of the city, namely, Woodside Gardens adjacent to Laguna Honda, Mission Dolores at 15th and Dolores Streets, adjacent to our historical Mission Dolores, and the third on Sacramento between Fillmore and Webster Streets, adjacent to new hospital construction.

Other housing is in prospect, also, for our elderly people.

As of this date, the average length of residence in San Francisco of our elderly tenants is 42 years, and their average income is a meager \$129.52 a month, whether from social security, old-age pension, or other sources.

Knowing full well that any announcement of good, decent housing for San Francisco's elderly people would swamp the San Francisco Housing Authority with many more applications than it could have any hope of fulfilling, every effort was made to treat this question with minimum publicity.

Even so, there are today more than 1,328 single elderly people living in attics, basements, and other miserable substandard accommodations which are a sham to the city. These are the people who, through their productive years, have contributed so much to our city, and have served here as teachers, nurses, and so forth.

Now, may I file with the committee at this time a copy of the housing authority's 23d annual report for 1961 and 1962, and I particularly call the committee's attention to the pages which outline the program for its most recent project, and particularly for housing of the elderly. Also, I file with you the "Report of the First 20 Years of the Authority," its operations from 1940 to 1960, which give pictures

and brief presentations of the previous commissioners of this authority, showing their wide experience in business on housing, and also gives a summary of all the temporary and permanent housing projects in San Francisco, showing at that time a total of 5,436 permanent apartments, and 2,749 temporary apartments, a total of 8,185.

There is also a diagram or map showing the distribution of these various projects in San Francisco.

So, Mr. Chairman, with your permission, I will file these several copies with the committee for its information.

Senator LONG. They will be accepted and made available to the members of the committee, and ultimately to the Senate, and parts of it undoubtedly included in the formal report.

(The reports referred to above will be found in the files of the committee.)

Mr. O'GARA. Thank you, Mr. Chairman.

Senator LONG. Thank you very much.

The next witness is Dr. Robert Cahán, project psychiatrist, Langley Porter Institute.

**STATEMENT OF DR. ROBERT CAHAN, PROJECT PSYCHIATRIST,
GERIATRIC MENTAL ILLNESS STUDIES, LANGLEY PORTER
NEUROPSYCHIATRIC INSTITUTE**

Dr. CAHAN. The geriatric research project at Langley Porter Institute is an attempt to survey mental illness in San Francisco during the year 1959, and in the succeeding years.

To do this, a study was made of all of the patients over the age of 60 who were admitted to the county hospital psychiatric observation ward, who had not had prior treatment for mental illness. Because of the nature of the flow of patients in San Francisco, somewhere around 95 percent of the patients who are hospitalized from San Francisco come through these wards.

Both the social and medical aspects were examined by a team of psychiatrists, anthropologists, sociologists, social workers, and other research personnel.

Senator LONG. Doctor, may I interrupt?

Dr. CAHAN. Yes, sir.

Senator LONG. Are the members of the audience hearing this? Can you understand it?

All right; proceed as you are, Doctor. I just wanted to be certain that they were getting it.

Dr. CAHAN. Because of the information provided by our project, I presume Mr. Frantz directed the question as to the psychic cost of an aged person's moving and changing any residence, and what we found along this particular aspect.

We did not have this as an organized research question. We will probably be able to obtain this information by future analysis of information that we have currently. However, in an attempt to answer the question as directly as possible with the information on hand, we did look into this problem.

It has been my impression, and I believe that of most clinicians in the field of geriatric psychiatry, that a change in residence does frequently seem to precede the onset of psychiatric symptoms but this, unfortunately, has not been proven, except in individual cases.

Our own project would seem to offer one of the first efforts to prove this in some sort of a survey fashion.

Now, when we examined the cases that we have, about 534 patients that came in during that period of time, we did find a few cases where a change in residence seemed to precede and seemed to at least partly cause psychiatric symptoms which later on brought the patient into the hospital. However, in an analysis of the reasons given by the family and friends of the patient, the main reason and the associated reasons for this patient coming into the hospital, this was never mentioned.

The reasons given by these informants, as many as 6 to 10 reasons listed, still did not contain this at any level.

The examining psychiatrist who saw these patients at the time of their admission, while they mentioned this move as important to the overall picture of the patient's illness, they did not directly implicate this move as a cause for the mental illness with which the patient came into the hospital.

However, in an analysis of the few cases that we were aware of, we did find cases where, for instance, an 80-year-old woman who was forced to move from her home because of a freeway coming through her area, and immediately after moving to her new house, which was only a few blocks from her former residence, she began to have symptoms of hallucinations and delusions, confusion, and disorientation.

On the basis of our own findings, that the onset of psychiatric symptoms as a result of a move or any change in residence would occur only when the patient had an underlying organic brain disease, or a psychogenic emotional problem, and of itself, a move will not produce mental illness.

The fact that it will produce problems in those who are ill, of course, has been proven to the clinical satisfaction of individual physicians, but it has not been proven by any large survey research, and I believe that we may be able to come up with facts about this, at least in the 500 or so patients that we have studied.

I would say that change in residence, as with any distress in the aged, is liable to produce symptoms which will depend on the individual's ability to defend against these, to fight off the problems.

Unfortunately, the aged, particularly the ones that we studied, have fewer resources, and have a heightened concern because of the fact that many of their resources will not be replenished. Their relatives and friends have died, to a large extent. They have less opportunity to make money, and so the finances that they have are of heightened concern to them, even when they have an ample amount of money. In general, they are more poorly equipped to stand the stress of moving their residence, or any other change.

I might say that the patients that we did see in our hospital sample were much more mobile than other individuals in San Francisco and tended to live alone—for example, over half of our sample lived alone in comparison to less than a third of the general population over 60 in San Francisco.

Three quarters of our patients rented their housing facilities with the concomitant ease of moving or ease of being evicted, compared to half of the people in San Francisco over 60.

Also, somewhere around 15 percent of the patients came from custodial care, nursing homes, hospitals, and so forth, compared to less than 5 percent of the rest of those in San Francisco. They also spent less for rent than on the average in San Francisco, an average of \$38 per month, compared to an average in San Francisco of \$67.

Something like 10 percent of the people over 60, according to Mering and Weniger in "The Handbook of Aging, Psychological and Biological Aspects," edited by James Birren, have moved within the past year, whereas over 30 percent of our patients had moved at least once in the past year.

The reasons for these moves are interestingly scattered among many different reasons, such as rent too high, 10 percent; illness of the patients, 10 percent; and only 6 percent of the patients were moved because of their building being torn down, or other redevelopment problems.

I would like to make a personal plea for considerably more focused research on this problem, and I think that it is possible to get beyond impressionistic ideas of a great many people who have been interested in this field and who have had experience in this field.

I think that very often these impressions may be wrong, or perhaps fallaciously based, and that the answer would seem to lie in further and focused research.

Senator LONG. Thank you for your statement.

I wonder whether we realize the impact upon elderly people of moving sometimes against their will into new quarters or new housing. None of us likes to move, and it is likely more of an ordeal for the elderly.

Senator Randolph, do you have any question or comment to make on this?

Senator RANDOLPH. Mr. Chairman.

Senator LONG. Yes.

Senator RANDOLPH. Dr. Cahan, you speak of the need for research and, frankly, we hear this often and it is understandable. Will you please state specifically the fields of research which you recommend?

I do not believe that it is sufficient to use the term "research" without qualifying it further.

Dr. CAHAN. I think there is a specific need that is being met to a large extent currently, and I would say very recently, for an actual investigation of the medical and the social problems, and particularly how they interrelate in the aged. There are a few major research projects going on at this present time.

There is a large study based at Duke University. There is a long-term study here at Langley Porter. There is a recently completed study in Kansas City, and some others. I think that it is projects like this that will be able to come up with answers to many of the questions that are being asked by the public and by the public-minded legislators, but I think it is necessary for the people who have the questions to direct these specific questions to those people who can formulate a plan and supply the answer.

Here is a specific question: What is the effect on the aged of moves, of a change in residence?

I think that we can as a byproduct of our own research get an answer to this question, based on those people who became psychiatri-

cally ill in San Francisco in 1959. Now, what this has to say about New York City or Miami, Fla., or other areas, is a question that has to be answered at least in part in that area, so that it requires local design and a specific question.

Senator RANDOLPH. Is there any effort being made through funds from foundations for this type of work? Do you know of any requests being made to foundations?

Dr. CAHAN. Well, for this specific question I do not know. Our own project is funded by the National Institute of Mental Health and the Department of Mental Hygiene of the State of California, the major funding being, of course, the National Institute of Mental Health.

There are other projects that are being funded by the National Institute of Mental Health. The Ford Foundation has granted \$208,000 to the University of Pennsylvania for a 3½ year research and demonstration project on methods to improve relocation of elderly persons displaced by urban renewal, highway, and public housing projects.

Senator RANDOLPH. Would you say, Dr. Cahan, that we need to step up the activity in research?

Dr. CAHAN. If you mean by that, do you have to spend more money, I don't know. I would say that more specific questions have to be directed. Whether this will take more money is the job of the people at the National Institutes of Health, and others who formulate the decision as to who gets to do research, and how much money it will cost.

Senator RANDOLPH. I am sure your thinking is shared by others in the medical profession. I recall that Dr. Eric Lindemann of Harvard University spoke in Washington at a conference of clergymen and psychiatrists in September 1961, and he cited the harm which may come from relocation, as it affects the elderly.

If I may read from the Washington Post of September 11, 1961, it is indicated that Dr. Lindemann urged physicians and clergymen to alert city planners to the dangers urban renewal may cause to the mental health and physical well-being of families forced to relocate.

He said further that "the crisis faced by a family displaced by urban renewal or redevelopment is similar to that faced by the family who loses the mother or father."

Do you agree?

Dr. CAHAN. I think that there are similarities in the situations.

Senator RANDOLPH. Dr. Lindemann was speaking during what is called the Davidson Lecture on Religion and Medicine, and which was sponsored by the District Medical Society in Washington, D.C. He spoke of the emotional reactions of families forced to find new homes because as a result of slum clearance projects, especially in Boston where he had been making a specific study. He said also that the so-called grief work which comes to a clergyman is, from all stand-points, the problem transferred to the planner in connection with housing.

According to Dr. Lindemann, it is a relocation problem, and the families in these situations move from, "one life situation to another, from one set of human relationships to another, just as the child loses a father and then must find a substitute."

He reiterated that the clergyman, the psychiatrist, and the city planner all have a common problem. Is that your feeling?

Dr. CAHAN. I would feel that in any major attempt at relocation where it is known that a large number of people, particularly aged people with limited and emotional financial resources are going to be moved, that there should be some provision made to take care of the problem that will undoubtedly arise.

I think that from the medical point of view there is going to be gross psychiatric disturbance only in those people who have some underlying difficulty, whether this is the organic brain disease that comes in some cases of advanced age, or whether it is underlying emotional disturbance that has been present all through the individual's life.

I do not think that the change itself will produce psychiatric disability. I think that all of these psychiatric resources of the community should be made aware, alerted to this problem from private psychiatrists to hospital clinics and various other professional facilities.

Senator RANDOLPH. Doctor, this may be an extraneous question. Have you ever been called into consultation by any of the city planners of San Francisco, perhaps to consider replacement of the slum area with the housing program?

Dr. CAHAN. I don't know whether Dr. Alex Simon, who is the principal investigator of our project, has been called into questioning. I have not.

Senator RANDOLPH. Thank you.

Senator LONG. Doctor, one more question. There is a very wide effort on the part of the legislative bodies and Congress to help where possible. What guidance could you offer from your observations for legislative requirements that might be imposed on the relocation of elderly persons, or is there any need for any legislative regulations?

Dr. CAHAN. Well, as Senator Randolph brought out, these problems need attention, and I don't know whether it is the duty of Congress to say that the various facilities—the entire community—should be alerted to the dangers as well as the advantages of any particular move.

I think sometimes enthusiasm carries people beyond the point where they can look carefully for the cons as well as the pros of any argument. I think that this is one of the dangers, although I would like to stress, from the point of our own project done here in 1959, when there were some development programs and relocating going on, that this was not only not a prominent feature of the causes for psychiatric disturbance, but it was never mentioned by the informant or friend of the patient, nor was it mentioned by the psychiatrist, except incidental to their admission. I still think, on a clinical basis as a private practitioner, that this is something that must be kept in mind when an elderly person must move.

Senator LONG. Thank you.

(The following supplementary statement subsequently was received from Dr. Cahan:)

SUPPLEMENTARY STATEMENT OF DR. ROBERT B. CAHAN

December 12, 1962.

On thinking the matter over, I would like to make the following recommendations based on my private and public health experience as well as results of the geriatrics research project.

Definite steps should be taken to alert the professional medical community to the proposed housing program and its possible medical, psychiatric, and social consequences. The local department of public health would probably have the necessary information and routes of communication so that plans to meet the problems specific to that locality could be made, enlisting the aid of private and public resources.

A program of continued education to aid the affected residents, old and young alike, would dispel the fears and false rumors that arise through ignorance and uncertainty. Relocation advisers, early and often advance publicity releases, and social workers to direct individuals with problems toward obtaining effective professional solutions should all be available in an integrated program. Provision for truly personal planning should accompany if not precede the financial and architectural planning.

Built into this personal planning should be a program of self-examination so that the actual experiences of the local redevelopment authority would contribute to knowledge about the phenomenon rather than have the current vague unqualified impressions maintained. A research team could function in parallel with other planning services, addressing itself to answering specific questions that in my opinion are but imperfectly answered at present. Within a few years the nationwide experience and findings of these teams could be available to both the practical city planners and to sociologists, psychologists, and physicians dealing with more general aspects of the problem.

As to the specific design of housing for the elderly, many architectural suggestions have already been incorporated into existing facilities. In the broader aspects of design, some advocate isolating the elderly to their own company, others advocate integrating all ages together. I agree with those who urge that the choice be left to the elderly themselves. I would say from my experience with aged patients that they want freedom of original and continuous choice not only to have both isolated and integrated housing available but to be able to withdraw during the day or to change residential arrangements subsequently. A dwelling unit offering privacy but not completely isolated from a normal community seems an ideal compromise, allowing the elderly person to mix with others of his own age or not as he wishes. He should also be able to count on a firm arrangement as long as he desired it, but not be completely committed financially or in any other way to an arrangement which he might wish later some time to change.

Living arrangements that permit the individual to avail himself of meals and maid service go far to maintain even the partially disabled (mentally, physically, or socially) person without recourse to custodial care. Apartment hotels like the Continental or Granada in San Francisco are mostly allowing many aged persons to live in privacy and dignity who might otherwise need hospitalization.

I hope that I have not been presumptive in offering these afterthoughts. If I can be of further help, please call on me.

Senator LONG. We will have a very brief, perhaps 3-minute recess before we go on to the next witness.

(Short recess.)

Senator WILLIAMS (presiding). Mr. Lilienthal, will you identify yourself.

STATEMENT OF ROBERT P. LILIENTHAL, REPRESENTATIVE OF THE URBAN DEVELOPMENT COMMITTEE

Mr. LILIENTHAL. Senator Williams, Mr. Randolph, Mr. Long, and members of the committee, I am a representative of the Urban Development Committee for the United Community Fund.

This committee has been in existence for perhaps a little more than a year, and I have just taken it over myself, so I am afraid if there are any technical points I will have to appeal to a member of our staff, Mr. Richard Phenix, who is in back of me.

The Urban Development Committee carries out the United Community Fund policy, and the policy is to work with the planning and

renewal agencies in every way possible and desirable so that matters that come up through physical development in the field of social service planning can be properly coordinated.

San Francisco is very fortunate in having a very well organized United Community Fund operating with a—or operating through one major drive for funds. It also receives funds from special grants.

You gentlemen have undoubtedly recognized through your past experiences in other cities, as well as today, through remarks made by Dr. Cahan and Justin Herman, that physical development cannot be separated from what is going on in a community; that physical development and planning undoubtedly result in many problems connected with social service, and that is why the committee of the United Community Fund has been developed.

The committee does feel frustrated because, after having had a survey made by professionals, we want to proceed particularly in the area you are going to hear later, the South of Market area, but generally throughout San Francisco, and frankly the fund and redevelopment agency are limited in what funds they can bring to it, so that we want to point out to you who are investigating the problems of urban development that there is also a field in budgeting which we feel is vital to the proper solving of the social service planning problems.

The United Community Fund, as I say, does not have funds at this point to go into a study in depth of the motivating factors for people who need to be relocated, whether they are elderly or whether they are the particular problem of skid row which was mentioned earlier today and will be spoken of a little later.

Mr. Phenix, I might add, who is our staffman, could answer any questions you wish technically later on when he will be on the panel, but at this time I would like to have Mrs. Nance, who is the chairman of the Western Addition District Council, speak to you.

Senator WILLIAMS. Fine. Mrs. Nance, will you come up and join us.

STATEMENT OF EDYTHE NANCE, CHAIRMAN OF THE WESTERN ADDITION DISTRICT COUNCIL

Mrs. NANCE. Mr. Chairman, this is a report of the subcommittee on health for the elderly of the redevelopment committee of the Western Addition District Council. This committee is composed of a director from the Council of Churches, one from the Catholic Service Organization, a social worker, a medical doctor, and myself from the public recreation department.

This subcommittee on health for the elderly was established as a result of a redevelopment committee of the Western Addition District Council discussion of needs for social service arising from redevelopment and relocation activities in the western addition.

It was agreed that of all the individuals, families, and households affected by relocation, the 1,495 whites and the 1,642 nonwhite senior citizens of the western addition, that 63 percent of these with an income of \$200 or less would be the ones that would be in greatest need of assistance. They are generally less able to move around the city easily; many have roots deep in their present neighborhood; many are less in touch with day to day city life and will find it difficult to understand urban renewal, and many will find it difficult to adjust to any

changes in their lives, let alone one requiring a move away from all that is familiar to much that is wholly unfamiliar, strange, and therefore frightening.

We realize that the redevelopment agency will have adequate facilities for the administrative and mechanical aspects of relocation. The agency will also have on its staff neighborhood workers who would be in touch with residents of this area, and will see to it that physical moves are made under optimum conditions. They would be able to spot cases of elderly individuals or elderly couples or families that had elderly people included.

There would be a need for counseling, guidance, advice and/or friendly reassurance. In many cases these workers can provide the helping hand needed. The agency would also have on its staff a professional caseworker to whom these cases could be referred that would require more than just a friendly hand. This worker would provide casework service, but would also refer cases needing extended service as appropriate to the community agency.

In some instances, casework services would have to be taken to these older people. For that reason we made this recommendation that a system of coordination of casework services to the older people living within the boundaries of this area would be established by and among the San Francisco agencies which offer casework services for the period during which the relocation programs were being carried out.

The casework referral service might also be coordinated with a friendly visitor service. It was anticipated that just a friendly visit would, with some of the older people, be enough so that it would make all the difference between a smooth relocation and one so traumatic as to create serious personal emotional or physical problems.

It is also possible that a friendly visitor service, to successfully relocated older persons in their new homes, would be fruitful. If the relocation is into neighborhoods new and strange, such a visit could have as its initial purpose the acquainting of older persons with neighborhood facilities and services. There would be a real opportunity here to prevent a pattern of social isolation from developing.

Relocation notices, visits to residents by neighborhood workers and caseworker visits, cannot reach all of these people at the same time. We found that rumors and misinformation managed to gain wide circulation almost as soon as the relocation program began and before all the residents were reached.

While the redevelopment agency will be circulating advance written materials, a separate leaflet for older people seems appropriate for this group of residents which will be particularly sensitive to the problems of relocation. It is felt that special notices for older people will go far to prevent them from being unnecessarily upset, will help get cases needing special attention to sources of service more rapidly, and will also avoid a great deal of panic activity on the part of older people.

From that, we made this recommendation that a "for your information" type of leaflet be developed for mass distribution within the area in such a way that it reaches all or most of the elderly people in a very early stage of the preliminary relocation program; that this leaflet would include reference to the casework program, but in simple terms that they would understand, and a coupon which could be

mailed to an appropriate central office on which an older person could request services, and that the major purpose of this leaflet be to indicate to the older people that someone really cares; that the relocation program should not be a frightening activity which they would have to face alone.

Thank you.

Senator WILLIAMS. Well, that is very helpful, Mrs. Nance.

There are gaps in my understanding of just how your council operates. It is an agency of the Community Fund; is that correct?

Mrs. NANCE. That is right.

Senator WILLIAMS. And do you voluntarily go to areas that are marked for programs that will mean displacement?

Mrs. NANCE. That is right.

Senator WILLIAMS. And there you render these voluntary services?

Mrs. NANCE. That is right.

Senator WILLIAMS. How much of the organization—are you director of this project?

Mrs. NANCE. No; this is also a part of the United Crusade.

Mr. PHENIX. I could speak to the organization aspects of it, sir, if you would like me to.

Senator WILLIAMS. Well, I just want to get an understanding of the picture here. This is rather new. We haven't heard of any voluntary agency coming into this area of need. I don't recall any program.

Do you, Senator Randolph?

Senator RANDOLPH. I do not.

Senator WILLIAMS. So maybe it would be helpful to hear some of the organizational aspects, and the budgetary situation, together with how you work with the established public agencies.

STATEMENT OF RICHARD PHENIX, CONSULTANT ON PHYSICAL PLANNING, SOCIAL PLANNING DEPARTMENT, UNITED COMMUNITY FUND OF SAN FRANCISCO

Mr. PHENIX. I think, Senator, I could start best with the overall organization on fund raising, which is the United Bay Area Crusade.

Senator WILLIAMS. This is the old community chest idea; right?

Mr. PHENIX. On a five-county basis.

Senator WILLIAMS. Yes.

Mr. PHENIX. The old community chest in San Francisco alone is now the United Community Fund.

The United Community Fund has two main facets, one the fund raising, and one social planning, which is the department that is being spoken of today.

In that department, the urban development committee (Mr. Lilienthal, chairman), works on a citywide basis on social problems in urban renewal; also under that department there are four district councils, and these are geographic subdivisions for social planning, and one of the district councils is the Western Addition District Council which has its own social planning arm on redevelopment called the redevelopment committee, and that is the committee with which Mrs. Nance is associated.

If you will bear with me for one more step, under that committee is the subcommittee on help for the elderly, the report from which you have just heard.

Senator WILLIAMS. You people are just about as organized—I hope I can say well organized—as some of our rather involved committee structures. We are a subcommittee, too, you know, of the Committee on Aging.

Now, how many people work in this redevelopment program? You mentioned the city. It is more than the city, isn't it?

Mr. PHENIX. In this particular case, I am talking only about San Francisco organizations.

Senator WILLIAMS. How many people work in these services for people who have to find replacement homes?

Mr. PHENIX. None of these committees give direct service, you understand. They are all on the planning side of it, so that this report, in order to be carried out, will have to go to the operating agencies. These will be the private agencies like Family Service, Jewish Family Service, Catholic Family Services, and also to the public agencies like public welfare department.

It is our hope that they will be able to provide the additional case-work service that is necessary.

In all reality, as was mentioned by Mr. Lilienthal, and by Justin Herman earlier, there are tremendous budgetary problems in providing additional social services for redevelopment, renewal activities.

Senator WILLIAMS. Well, now, what Mrs. Nance was describing is that plan—is that a plan or a program?

Mr. PHENIX. That is a plan for a program which will be presented to the operating agencies.

Senator WILLIAMS. So that brings us into your relationship with operating agencies, both public and private?

Mr. PHENIX. Yes, sir.

Senator WILLIAMS. That helps me. Thank you very much.

Now, I believe we are ready for your group discussion. Mr. Herman, Mr. Joseph Laharty, Mr. Tom Brabec, Mr. Richard Phenix, and Rev. Vincent McCarthy, they are all present and accounted for.

PANEL DISCUSSION ON DISPLACEMENT PROBLEMS REPRESENTED IN SOUTH OF MARKET AND SIMILAR AREAS

Senator WILLIAMS. I wonder if we could go around the table just for the purpose of identifying the panel members.

Mr. HERMAN. I am Justin Herman, the executive director of the San Francisco Redevelopment Agency.

Monsignor McCARTHY. I am the Right Reverend Monsignor McCarthy of St. Patrick's Church.

Mr. PHENIX. Richard Phenix, consultant to the South of Market Committee, Social Planning Committee, United Community Fund.

Mr. BRABEC. Thomas Brabec, the operator of Labra House.

Mr. LAHARTY. Joseph Laharty, the executive secretary of the Society of St. Vincent de Paul.

Senator WILLIAMS. Mr. Stevens isn't here. Is Will Stevens coming, Frank, do you know?

Mr. FRANTZ. I understood he was to come.

Senator WILLIAMS. Well, be that as it may, we have a distinguished panel. Mr. Herman, you are familiar with the ground rules around here, so why don't you sort of coordinate the discussion?

Mr. HERMAN. Thank you, Senator. I will do my best.

Colleagues, with your indulgence and that of the audience, could I, just make a brief identification of a prototype area with which I believe we are concerned. We are concerned with the rehousing problems that grow out of skid row renewal or redevelopment. Here in San Francisco we have a 90-acre area running roughly from Mission Street to the freeway, and perhaps Third Street to midway between Fourth and Fifth Streets. For easy identification, if you are map minded, it is that dark green section in the upper righthand portion of that map. This is well known to San Franciscans as the skid row area.

That area has very serious environmental and structural blight, and it has human blight as well. There are a small number of families, some 250 there, who in the judgment of our city planning department and the redevelopment agency should not be there, but their numbers represent a relatively small proportion of the family load which must be relocated, and because of the specialized interest of this hearing I shall not discuss that at all.

However, we have approximately 2,000 single persons there, practically all of them men generally recognized by the citizenry as members of skid row. These men like to congregate in the very cheap roominghouses and third-rate hotels. They also are able to procure many services from organizations of the type represented by you gentlemen around the table. These services include food, some lodging, and some guidance.

They are near restaurants, they are near the active and dynamic life of downtown, they are near some theaters, near some bars.

Senator WILLIAMS. What percent would you estimate is in our definition of elderly people?

Mr. HERMAN. I would estimate that more than half of them, sir, are in that bracket.

When the redevelopment planning is done it will proceed along social as well as economic and physical lines. I want at this time to pay very special credit and thanks to the committee which Mr. Phenix has just described, because it has done a tremendous amount of preliminary survey work which is very useful to us. When our physical, social, and economic planning proceeds, we shall unquestionably be faced with the question, what to do with this large number of skid-row residents.

Most of us are aware of the fact that, although the community frequently regards these as alcoholics, it is very doubtful that more than 30 to 40 percent at most could be described as either alcoholics or heavy drinkers.

There are just a very large number of elderly men detached from their families, wandering, poor, mentally or physically sick in some instances; frequently of very low skill or poor employment records, and a real social problem to themselves and to the community.

The hotels and cheap rooming houses where they live at the present time will probably be destroyed in the redevelopment

process. Although these men need social, medical, psychiatric care and attention, they will also need new rehousing.

I present to you the thesis that in most of our publicly guided or aided housing programs over the past 25 years, it takes us at least half a dozen years to face the realities of the problem. The reality of the problem of rehousing this type of individual is that he is of no particular economic interest to anyone in the market. Consequently his housing needs, if they are to be handled constructively, must be met by the stimulated financing of dormitory accommodations that are designed particularly for his use, inexpensive, and of such type that maintenance costs will be low. The question might also include some lounging areas for conversation, for reading the newspapers, looking at television, getting a drink of beer.

This type of housing can come only through public lending, grants, or insurance.

I would like to suggest to our panelists that they comment on whether they concur or disagree.

Senator WILLIAMS. Before you do that, now, this is an area that is marked for urban renewal?

Mr. HERMAN. That is correct, sir.

Senator WILLIAMS. And how far advanced is the project?

Mr. HERMAN. The planning has only recently begun, and it will not move into a physical action stage for another 18 months.

Senator WILLIAMS. And what is the basic or what will be the basic new development for that area of San Francisco?

Mr. HERMAN. In our judgment, Senator, it will be commercial, and possibly light industrial uses. This is literally in the heart of our downtown area, just a block below Market Street.

Senator WILLIAMS. Is there any housing planned for the project area?

Mr. HERMAN. No, sir.

Senator WILLIAMS. None?

Mr. HERMAN. None.

Senator WILLIAMS. Is it too late to consider that?

Mr. HERMAN. No, sir; it is not; and it may very well be that our planning will bring us around to that consideration. I might mention that I do not agree with my good friend Mrs. Russell that every project automatically ought to have a certain percentage of its land devoted to a prescribed social use. I think it is far more sensible for each community to be required to have a suitable and decent rehousing program, but not necessarily for the precise area.

Senator WILLIAMS. Well, now, I won't interrupt you any more.

Mr. HERMAN. Yes, sir.

Senator WILLIAMS. Let's go ahead.

Senator RANDOLPH. Mr. Chairman, may I take a few seconds.

Senator WILLIAMS. Yes.

Senator RANDOLPH. Referring to your statistics, and generalizations concerning drinking among skid row residents, the study made in Minneapolis indicates that in this drinking habit pattern for lower groups identified on skid row, the population by age showed that the nondrinker, 49 or less, was 17.6 percent; 50 to 69, 35.9; 70 or more, 37.1; the light drinker, 49 or less, 13.5; 50 to 69, 9.7; 70 or more, 19.9;

the heavy drinker, 49 or less in age, 68.9; 50 to 69, it was 54.7; and the heavy drinker 42.8, 70 years or older.

Do you believe these figures accurately indicate the situation?

Mr. HERMAN. I would think so. We haven't actually statistics of that kind, but we have examined the reports from other cities, including that, and also the one from Chicago, which is excellent and these reports do indicate that the proportion of alcoholics or near alcoholics is not so great as popular attitude would suggest.

Senator RANDOLPH. Do you think the degree of drinking decreases as people become older because their earning ability is also diminished?

Mr. HERMAN. I could only guess, sir. I really don't know. On the other hand, there is another point that I would like to offer, whether the proportion is 20 or 40 or 50 percent—

Senator RANDOLPH. Yes.

Mr. HERMAN (continuing). Numberwise, it does represent a problem, and, of course, as a problem it ought to be met with a constructive solution or solutions if we can find them.

Senator RANDOLPH. It is a problem in the private home of the high-income worker, isn't it, as well as the low income?

Mr. HERMAN. Yes, it is.

Senator RANDOLPH. Thank you.

Monsignor McCARTHY. Senator, in answer to your question. As a boy I was raised in this area, so I have seen a metamorphosis over the years. I think the word "skid row" is a western term. They call it skid row now, but I think the original term was skid road insofar as the lumbering industry used to skid logs along roads, and consequently, many of these men, when they would be drunk, would be picked up under the shoulders and skidded along like the logs; so, consequently, I think this is the origin of the term.

Now, I remember as a boy, Third and Howard was the center where most of these skid rogues used to congregate, for here were employment offices where itinerants could get a job. The cheap hotel flourished here, like the New York House. There used to be a familiar saying, "If you went to the New York House, they had a bed, 25 cents; clean beds, 30 cents"; and cheap hotels existed in this area because of these employment offices.

Now a lot of these men were seasonal workers.

Senator RANDOLPH. Yes.

Monsignor McCARTHY. And I can also remember that there was something we seldom ever see in San Francisco any more, caulk shoes of the logger. There was a shoemaker on Third and Mission who used to specialize in caulk shoes for men who worked on lumber. These men would work in the summertime in lumbering, and in the wintertime these men would congregate in San Francisco's skid row. They would live in the cheap hotels on the money they made over the summertime, and, of course, being rough men, they weren't interested in going out to the park, museum, or going to concerts, or things like that. The only thing they knew was to sit around and play cards, and drink. At the beginning of their layoff season, they could afford whisky and later wine; being that it was cheap in California they eventually drank it, hence the number of so-called winos.

So this area grew up because of the employment offices around there and the cheap hotels. Recently the picture has changed almost com-

pletely. Now with the old-age pension, and also social security, many of these people have gotten away from being the itinerant worker.

As a matter of fact, before the Second World War, we used to have St. Patrick's Shelter, which was built by St. Patrick's old Father Rogers. He built a two-story building especially for the wine bum whom no cheap hotel wanted. These men oftentimes would come in, and they would be drunk, and we used to take their clothes away from them and fumigate them, next they had to take a shower, a heavy woolen nightgown was given them and then they would go upstairs to a bed. There was a piece of oilcloth on each one of the beds and the dormitory was heated to a certain temperature.

In the morning, the fumigated clothes would be given back.

Well, during the war—I mean 21 years ago today—this type of man began to get a permanent job, and he disappeared almost entirely, so consequently this St. Patrick's Shelter didn't seem to have any purpose, and this has more or less been closed down.

Now, the type of man that is more or less around Third Street and Mission, is mostly pensioners and men who may have worked as longshoremen, or they may have worked as a teamster, and they are either getting a small pension, or social security, or old-age pension. They live in these cheap hotels along Third, Fourth, Fifth and Sixth Streets, and Mission, Howard, Folsom and Harrison Streets. Also in the area is a mixture of Filipinos, Central Americans, South Americans, some Negroes. However, it is mainly Filipinos who live on streets like Russ, Harriet, Moss, and Clementina. These last named streets are small and inhabited mainly by families.

I have a school with 159 children in it and only about 9 of them are white.

Actually, to get a statistic on some of these old men who live in this area is almost impossible because they are so independent, and they want their independence so much that even at times when the hotel they live in is torn down, and they go away to some other area, eventually they will drift back.

Senator WILLIAMS. I didn't want to interrupt you. Have you finished?

Monsignor McCARTHY. No.

Senator WILLIAMS. I just wondered if you had, as a system of supplying farmworkers during the harvest, the day-haul from San Francisco?

Monsignor McCARTHY. Do we have what, sir?

Senator WILLIAMS. Have you ever heard of the day-haul from San Francisco as a method of getting workers to the farms?

Monsignor McCARTHY. I think the teamsters use a hall, and the longshoremen use a hall, but we don't do that out here usually.

Senator WILLIAMS. This isn't an area where farmworkers are gathered?

Monsignor McCARTHY. No, it is usually in rural areas where they do that, and you will see signs along the highway in California where they will say, "Farm Bureau Hiring Hall," but I don't remember that in San Francisco.

Senator WILLIAMS. Does anybody know whether there is a day-haul center?

Mr. BRABEC. Stockton, they have trucks in the morning at 4 o'clock, and Santa Clara Valley. They come in in the wintertime. This is the time for them to come in. This is when we have our busy season, and they go out in the field and work.

Senator WILLIAMS. They don't go out daily by truck?

Mr. BRABEC. A few of them do, but they come back again in the wintertime.

Senator WILLIAMS. Go ahead, sir.

Monsignor McCARTHY. The only thing I would like to emphasize is something about the independence of these men. To get statistics on them is a difficult job because usually they have no families, and they have lived alone, and they have battled everything alone. In fact, I have in mind a sexton that I have around the church. If he has an argument with me, he will leave and go back to a hotel on Third Street where he used to stay.

Senator WILLIAMS. Thank you, sir.

Monsignor McCARTHY. That is about all I have to say.

Mr. PHENIX. I would like to restrict myself to the South of Market planning report that Mr. Herman referred to so kindly earlier, and I would like to take this opportunity to give another illustration of the close working relationship that the social planning department has with physical planning agencies, by reporting that last week the western addition district council favored by an official vote of the redevelopment agency's work in the western addition.

Mr. Laharty was also a member of this committee and can catch me if I make an error, or can add to it if he wishes.

The characteristics of the D-1 (South of Market) population mentioned by Mr. Herman are also mentioned in this report, and I think it is worth underlining that, as the report says :

There are strongly held misconceptions about the South of Market population and about San Francisco's skid row population which dwells largely in an area South of Market, including parts of D-1. Alcoholism and/or heavy drinking, for example, are extremely visible in the skid row area, but are characteristic of a minority of the men and women who dwell there. Of great importance in terms of volume are problems of unemployment, temporary and permanent, general health problems and housing problems, particularly of the aged. Qualitatively important, also, are problems of the social isolates—men and women who do not conform with conventional social patterns often because they have lost rather than purposely discarded communication with the general community—and of particular health problems.

From Minneapolis, Philadelphia, and Chicago reports on skid row we derived some statistics that show about 23 percent of the residents suffer from alcoholism.

Senator RANDOLPH. Would you please restate that figure?

Mr. PHENIX. Twenty-three percent, Senator.

This South of Market planning committee consisted of technicians only. Dr. Curry, the assistant director of the health department; Capt. Stanley Davey, director of the Harbor Light Center, Salvation Army; Joseph Laharty, executive secretary of the St. Vincent de Paul Society; Dr. Ralph Lane, director of the Sociology Department of the University of San Francisco; Wilber Leeds, assistant director (social service), San Francisco Department of Public Welfare; and E. S. Osborn, executive director of the Canón Kip Community House, the only neighborhood settlement house in that general area.

The committee had brainstorming forming sessions from which came recommendations, and I think I will skip right straight to those instead of giving you any more details on it.

The major recommendation was that a comprehensive social survey be undertaken, preferably under the direction of the social planning and research departments of the United Community Fund, which will meet the usual specifications laid down by the Redevelopment Agency for relocation feasibility studies, but will also yield the information necessary for the drafting of a complete social planning and service program for the people of D-1, and result in a published guide for use in future such redevelopment projects here, or in other cities in the country.

The survey should be designed to yield information about household units, by kinds of units. For economically self-sufficient units—criteria for this to be developed with or by the Redevelopment Agency—basic information such as is normally collected in relocation feasibility studies could be obtained, plus some additional information.

This is where it departs from the normal procedures in redevelopment studies: for households not in the self-sufficient class, additional separate schedules should be used which will make further classification possible. Such further classifications will be in the areas of employability, motivation level, social isolation factors, and health, and of those two I think the two I would like to mention particularly are motivation levels and social isolation factors.

I do think that in any relocation process in a skid row area, you have to know more about your people, and their motivation is I think an important part of that. The committee suggested six different kinds or six different levels of motivation:

- (1) Social, economic, and/or cultural ambitions which are marked;
- (2) The same ambitions, but not marked;
- (3) Those contented with maintaining current status, not markedly; in other words, they could be motivated;
- (4) Contented with maintaining current status, markedly. They are fixed in their present level of ambition;
- (5) Acceptance of status; they are resigned; and
- (6) Lack of ambition, even to maintain status, retrogressing.

The isolation factors—

Senator RANDOLPH. One moment, please. Do each of the six classifications apply to the elderly, or is it to a younger group, or both?

Mr. PHENIX. They could apply to the whole population of the area.

Senator RANDOLPH. I see.

Mr. PHENIX. That is, to those members of the population who are not economically self-sufficient, so that there would be a large number of the elderly in that group.

Senator RANDOLPH. Thank you.

Mr. PHENIX. The other classification concerns the inability to communicate.

We feel that this is sometimes a very important thing. You may have a person with a great potential for rehabilitation, but he cannot communicate with you, and the social worker cannot communicate with him. We divided isolation factors into verbal, literacy, cultural, or socioeconomic problems which cause a failure to communicate.

Physical deterioration can also bring about a communication failure as can mental or emotional deterioration.

That I think is all I want to report, except to say that the major problem here, of course—and we in the Redevelopment Agency are equally aware of it, and equally unsure about how to solve it—are the finances needed to do this kind of a study, and to go through the relocation process providing social services and the staff to do these things. Thank you.

Senator WILLIAMS. All right. Mr. Brabec?

Mr. BRABEC. Senator, the Labra House is a unique thing in that it is organized by my wife and myself. We worked for Father Alfred, St. Anthony's dining room, and became aware of these men on so-called skid row.

Just like the man who climbs the highest mountain because it is there, we must help these men because they are here, and we have to work with them. They are part of our American problem, and not only our San Francisco problem; they are a worldwide problem.

The Labra House is not the nicest place to live. It is a clean, decent place. It doesn't have any drunkards in it. If they get drunk they are ejected, and I would say about 60 percent are in the group we are speaking of now, the over 62 and 65 years of age, in that area.

Their pensions are from \$50 to \$150, which is probably tops. Our rents at the Labra House are \$20 to \$32 a month, \$5 to \$8 a week. We have a recreation room downstairs, a TV room and library, and magazine racks which are a rare thing in a skid row hotel. We keep the garbage out of the place, and the men are very receptive to these things because when we first got the Labra House—it is the old Netherlands Hotel, and we took over the Colton House, which is one of the crummiest of the skid row hotels—this is the best thing we could do. We had \$141 when we started out, and the rent was \$500 a month, but we conned the operator into letting us wait until the end of the month to pay him rent, so we got the rent and the redevelopment came in and sold the hotel out from under us, and we were given 8 hours to remove ourselves and the tenants, and we had 150 tenants in there at that time.

So the best thing we could do was another hotel called the Dayton Hotel. We had a 200-room hotel, and there were about 40 customers, and they were all winos, all drunkards, so we took all those who wanted to come with us to the Dayton and took over and, of course, the Dayton had an elevator and also a heating plant, with radiators, which we did not have at the Colton.

The only heat at the Colton was a potbelly stove in the lobby, and no elevators, and three floors, so we took all our men and as the doctor, psychiatrist, indicated, some of them were quite shook up by the move.

It is very evident that these people dislike moving. If they get in a place and live in a place like the Colton was, with the major portion of them being rough characters, they would beat up the old men, and they would go up to their rooms and stay there in the dirty rooms where the sheets had not been changed in 6 months; so we took the men who wanted to go to the Dayton, but the rent was on a progressive basis, and it got out of hand.

We finally then got the Labra House, the old Netherlands Hotel, and it is a very nice place now, except it is very mediocre. We don't have rugs on the hallway floors. We have linoleum in every room. The mattresses are not the best, but they suffice, and our men are very happy, and we are very careful that we keep the drunkards out of the place.

Now, I would say, as it has been indicated here, that a small portion of them are drunkards really. The people that we have are absolute teetotalers, and the reason they live down there is simply because this is where they get the \$20 a month rent.

When we moved from the Colton to the Dayton we ran an ad in the paper and requested lodging for these men, indicating the fact that our hotel is being shut down, and we don't want them to go to the Dayton or some of these other places, so people would call in and offer us rent for \$60 or \$70 a month, which is fantastic, and in keeping with this so-called low-rent district that we are building now, \$60 or \$70 a month is fantastic for these people. That is their whole income.

So we set up the Labra House to take care of these, and also transients, and when a man is trying to stay sober we help him. We have no planned program. We have no psychiatrist and no psychologist. We simply present this to them. We tell them what we expect of them when they come in: stay sober, act like a gentleman, and you have all the facilities you need.

I am a member of the St. Vincent de Paul Society, and this is a great need to work with these men simply because they are there, and they are the forgotten people. No one cares about the men on skid row, so I think the city is not being fair.

If you drive them out, you drive them to Los Angeles, and Los Angeles drives them to Chicago, as I said before, so I don't think that we are solving very much. I think we can do much better than we are doing.

Senator WILLIAMS. What answers do you have, sir?

Mr. BRABEC. A bigger Labra house, very simple; and by the way Mr. Herman spoke about a dormitory.

This is a very bad thing to offer a man. We can give them a private room, hot and cold water in each room, showers, and the men have a lavatory of their own, and we respect their dignity. They are cleaner now than they were at the Colton.

Senator WILLIAMS. All right, Mr. Herman?

Mr. HERMAN. Maybe there is some confusion over semantics here. I was using the term in the same sense that the Federal Government provides for dormitory housing in colleges, but it isn't an expensive unit. It isn't large, and there is a sharing of lavatory facilities and common dining and social rooms.

Senator WILLIAMS. Now, where would you go? In what part of town, if there were a program of this kind of dormitory approach to the problem?

Mr. BRABEC. Senator, we called the relocation development last year because of all the noise about this area, and we were told not to invest any more money in our Labra House because it is not long for this world, so I asked where we might find another spot like it, and there were no suggestions because there aren't any others, and Sixth Street is becoming the skid row.

If these people do get drunk on payday, their \$120 is taken away from them the same day. The leeches that hang around these fellows take it away from them.

Senator RANDOLPH. What is the number of persons involved in this group in San Francisco? How many persons are you speaking of, populationwise?

Mr. BRABEC. You mean our men?

Senator RANDOLPH. No, in this category of persons.

Mr. BRABEC. Well, I would agree with Mr. Herman about 2,000 people, but many come in in the wintertime and leave in the summertime, so it is a fluctuating thing.

You must provide for them when they come in as they pick fruit for us, and there is no work for them except scraping on the street.

Monsignor MCCARTHY. Senator, there is also another type that you find, the so-called blanket hobo. We have a certain number of these who come into San Francisco, and they will sleep under the approaches to the bridge. They will bring their own blankets with them, and we have a number of Indians who have been coming into San Francisco, and some of them, of course, become a terrific drinking problem, and they will bring blankets and sleep under the bridge, and under tanks, and things like that.

They are looking for a nest, so they are also another problem that we have, and housing of some kind has to be provided for them. And in talking about amusement for the aged, about a year ago a group of these men approached me in St. Patrick's from one of the Third Street hotels, saying they are not interested in clay modeling or anything like that. They wanted to know if the police department wouldn't give them permission to have rummy games where they could do a bit of small gambling. They are not interested in the usual things that amuse other elderly people, and television, of course, has been a godsend to them.

Senator WILLIAMS. We haven't heard from Mr. Laharty.

Mr. LAHARTY. Yes, Senator.

As frequently happens when you are the anchor man on a team, everything that has to be said has been said, so there is no use in laboring the point.

I would like to mention in passing that the men are starting to move out of 3d Street and are now congregating in greater numbers out 10 blocks away on 14th Street, and we have wondered why they have come all the way out there, and the only thing that we can see is that there are many, many small hotels in that area, and the weather is good, and other than these two factors there are many, many similarities in the two neighborhoods, but this is the main drawing card.

This pertains to the alcoholics as well as to the older pensioners who have moved from the 3d Street area and are now on 14th Street.

Senator WILLIAMS. Is that still the Mission District?

Mr. LAHARTY. It is still the Mission District.

The other thing that we are becoming increasingly concerned with is the lack of employment available to these older men. We frequently get requests for jobs from all types of people, particularly the alcoholics, and it is easier to find employment for an "alky" than it is for a senior citizen, so we are trying to develop some type of program by which we can offer a sheltered workshop that would be

structured toward working with these older men, and Tom forgot to mention that another part of his work down there is counselor for the society 4 hours a day, where he meets up to 400 men a month during the winter months to give them some limited counseling and financial assistance through this society.

Now, it is our feeling that of these 400 men there must be a certain proportion of older men that are in need of jobs. They are coming to him because they have financial problems, and yet they are not eligible because of their age—under 65—for social security or some other type of benefit, and they are desperate for work and maybe we can develop some kind of sheltered workshop that will be for this particular type of man, and he can be provided with some skills that he did not have when he came to us.

I will be glad to answer any questions.

Senator WILLIAMS. You mentioned that most of these men have a pension of some kind, is that right?

Monsignor McCARTHY. That is right, sir.

Senator WILLIAMS. Is this generally social security?

Monsignor McCARTHY. Social security or a State pension when they reach the age of 65. They come to us looking for a baptismal certificate, or something like that, or a letter to the place where they were baptized, if they do not have a birth certificate; and then when they establish the date of their birth they are entitled to a pension.

Senator WILLIAMS. Now, Mr. Herman, I suppose you could address yourself under the urban renewal program to the requirement that the people who will be displaced by the project have standard housing to go to.

Mr. HERMAN. Yes, sir.

Senator WILLIAMS. Now, have you been able to meet this requirement, and we would like to know something about how you did it.

Mr. HERMAN. Senator, this requirement does exist. We have met it in the first western addition project, which is the first major residential placement we have experienced. We have other projects, but they have tended not to gather up any large numbers either of families or individuals, but in this particular project, which has been described to you, we will come face to face with the problem of finding suitable housing for the single individuals, many of them elderly, and most of them men.

Since we are in the beginning of the planning process, we do not have the answer to that problem, except to say that it is going to be difficult to reach. We are also aware that our redevelopment process and the city's code enforcement program, its conservation program, is solely removing the cheap hotel and cheap rooming house resources to which these men might go, and this kind of a program in my judgment will bring the city to the crucial problem of getting these men under decent shelter.

I would like, if I am not being too repetitive, Senator to go back to an earlier recommendation that I made to you that our many Federal housing programs which have heretofore paid no attention to this individual and his housing needs, should be expanded for the financing of hotel-type structures or dormitory structures—if you don't mind the term—not necessarily to be run in all cases by public agencies, but perhaps by nonprofit institutions or even leased out to

private operators, provided, of course, there are adequate standards. This is my first recommendation.

Secondly, the redevelopment or renewal agencies must face the fact that somewhere in the community in some suitable area or areas they must allocate land for this type of housing. Nobody else in the community wants these men. We have already begun to receive protests from other areas which want these people left just where they are. Yet if you leave them where they are, they deteriorate some of our most valuable area in the community.

We simply must find locations for this type of housing, and we do need assistance in the financing of such housing.

Mr. SUNDQUIST. Mr. Herman, do you happen to know whether the HHA or the Urban Renewal Administration have ever turned down a project because the requirements could not be met?

Mr. HERMAN. I know they gave me a hard time on that second western addition, and demanded at least a very extensive preliminary program in the planning stage.

I cannot answer that as yet, because I don't know of a specific case. They are exceedingly rough, however, in their requirements. I don't blame them, either, by the way.

Senator WILLIAMS. Perhaps all of you gentlemen are qualified to address yourselves to the problem of these men having a way of life in their community where they are, and what will happen.

How will they make a transition to another area and another community probably much different than the community they are in now? What is this going to mean to the men?

Mr. BRABEC. Well, Senator, a simple move from Third Street to Fourth Street is a move up the ladder on skid row, so called. They are a class of society. Fourth Street is a little better than Third Street, and some of these men, when we moved from the Dayton to the Labra, for instance, they moved to the Alta which is right next to the Dayton, and, by the way, the Dayton was shut down because of the horrible conditions; so then these men, instead of coming up to Fourth Street to the Labra House, some of them simply went next door because it was a simple thing, and they were Third Street men. They were not Fourth Street men.

And the men we had at the Dayton when I left told me, "We won't leave until conditions get so bad we will have to."

Now and then these men would come to visit me, and as time went on their faces would become more and more strained, and they couldn't sleep all night because there would be drunkards lying in front of the doors, and pounding on the doors, and all kinds of noise, and five or six men in a room having a party all night long.

These are things that we provide for them at the Labra House, a quiet, decent atmosphere, and they react to it. They dress better now. They are more pleasant, and they have to be withdrawn because in the normal skid-row hotel you don't associate with anybody. You go off by yourself because you will get in trouble.

Now, they are becoming very social minded. We hope to have parties and things like that for Christmas, and get them all involved, and Labra House is fine as far as it goes, but it needs a greater expansion of this social work to bring the men out from the withdrawal that they have within themselves, and they will react and keep them-

selves cleaner, and it is simply a matter of providing something decent for them.

Some of these people were living at the Colton for 20 or 30 years, and it was a very nice hotel when they first got there, but it deteriorated, and they stayed there because it was their home.

So now I say to myself, if I can get them once moved into the Labra House or something similar, I can keep working on them to do better, because they are not going to move anyway, and they will conform, which they do because they are happy.

So you say that a man gets on skid row because he is a no-good drunken bum, which is not true at all. One great reason is that it is the cheapest place in town to live.

Senator WILLIAMS. How stable is this figure of 2,000? Has that been the figure for years?

Mr. BRABEC. I would think so.

Senator WILLIAMS. Whereas the older men pass away, the younger men come into the group?

Mr. BRABEC. They just build it up.

Msgr. McCARTHY. Senator, some of these men lived there originally when they had jobs. For instance, they didn't receive the wages that the teamsters get nowadays. The teamsters here in San Francisco received maybe \$30 to \$35 a day, and in the olden days if they got \$5 or \$6 or \$7 they couldn't afford to stay in other hotels, and up until the time of the war some lived in a boarding house hotel like the old Washington on Howard Street used to be. They were given a meal and a room for a set price. Also they were used to living in this neighborhood. Everything was so convenient to them downtown. They had shops where if they needed overalls and things like that they could buy at a better price.

Senator WILLIAMS. Now, what is realistic in terms of replacement housing? Would it be a publicly supported housing program or relocation? Would it be to buy up some of the older property on Fifth, Sixth, and Seventh, rather than tear down and build the usual public housing?

Mr. LAHARTY. Senator, there is an element of certain districts within the old South of Market area where there are residential homes. They aren't the apartments, and the cheap dives. They are actual family homes, and there are second and third generation families still living in these homes, so this is another element that we haven't even touched on yet, not in a great percentage, but there are these people, too, whose parents have lived in these homes, and they simply haven't been motivated to move out.

Mr. HERMAN. There are 250 families.

Mr. PHENIX. And also the skid-row area is not an area where the people are all the same. It has a complexity of problems, and no one kind of housing program is going to take care of all the people on it.

I guess you know that nowhere in the country has any city really solved the skid-row problem in connection with relocation or rehabilitation or any other social context.

Senator WILLIAMS. Let me just ask Jim Sundquist, who is with Senator Clark, in Pennsylvania, what was the experience in Philadelphia? Their skid row was on R Street, if I recall.

Mr. SUNDQUIST. It still is. Mr. Phenix actually worked in the program in Philadelphia, and perhaps knows better than I do. My impression is nothing in the Philadelphia urban renewal program has touched skid row; is that right?

Mr. PHENIX. I think that is correct.

Senator WILLIAMS. I think it moved over because the street that had been the center was part of the redevelopment, I think.

Mr. PHENIX. There may have been some relocation of skid row itself.

Senator WILLIAMS. It has moved up a block or two; is that right?

Mr. PHENIX. Yes, sir.

Senator WILLIAMS. How far up is this South of Market?

Mr. HERMAN. It runs up to 5th Street, and then around 10th Street and 14th it begins to concentrate again.

Monsignor McCARTHY. Sixth Street is beginning to be the worst of all streets.

Mr. HERMAN. Senator, I suggest that it is not necessary to repeat with the single elderly male residents of skid row what we have already experienced with the families who have been caught up in the renewal or redevelopment process. You may recall that the urban renewal program was close to a decade old before there were some practical tools for actually providing new housing for moderate income families who were displaced. The program ran along for 6 to 10 years before the positive or constructive solution was brought into the picture.

If we destroy the residences of these men, it seems to me perfectly clear that we must create a substitute, I would like to urge that you devise the right kind of legislative and fiscal tools for either buying existing buildings and bringing them to a minimum code level or creating new facilities under some subvention for housing these individuals.

It has been my observation that if you destroy on the one hand the poor housing of people, and you have available only one other type, perhaps inferior, they will gravitate to the second type.

There is nothing else to do. It seems to me what we ought to have is a gravitation toward a constructive solution rather than an inferior one.

Mr. REIDY. Why do you suggest this be called to our attention rather than the local people?

Mr. HERMAN. Because they do not have the financial tools to meet this problem.

This is what happened in the early days of redevelopment projects when the people of good will were so critical of redevelopment agencies for not doing more for families who were displaced. The redevelopment agencies didn't have the resources.

The Federal Government has in my judgment generously begun to bring in resources, and I think you are finding constructive solutions to such problems, but we do not yet have a constructive solution along these lines from the Federal Government or the State.

Mr. PHENIX. If I may support that briefly, the report which was proposed by this social planning group was consciously an idealized report. The committee was aware that the tools did not now exist to carry out the proposals in this report, and it simply can't be done,

or anything close to it, without more assistance of some sort, although I am not up on Federal programs enough to go into detail.

Senator WILLIAMS. You gentlemen have no doubt been reading the discussions of the potential domestic Peace Corps volunteers dealing with a lot of our problems here at home on the farm, and in the city, too.

Have you thought of the applicability of such a corps of volunteers to the slum or city area?

First, have you thought about it?

Mr. BRABEC. I have a note here. Seriously, we need one on skid row.

Senator WILLIAMS. I would think that there should be ways for people to come in to help you, your work, for example, and the work of the church, and others. I am sure it wouldn't be a new Princeton graduate, perhaps, unless he is an unusually sensitive man, but I would think there would be a recruitment of older people, for example.

Mr. BRABEC. Senator, years ago I was 1 of a group of 10, and this project cost a million and a half dollars, and we got 10 engineers and scientists on 1 year's project, and we were not only doing this; there were 4 or 5 other companies doing exactly the same thing.

Now, for a million and a half dollars I could take care of the 2,000 men on skid row here in San Francisco for probably the rest of our lives, yet we can blow up a \$5 million missile just like that, and millions of people are hurting.

Now, we need the missile, of course, but surely I don't think that the allocation is in keeping with our—people are the important thing, not missiles and guns and that sort of thing. The people are important, and they are good souls, and we should concern ourselves with them.

Senator WILLIAMS. Of course, a lot of these human problems take more than money.

Mr. BRABEC. That is right.

Senator WILLIAMS. It takes people of your humanity and dedication to use money intelligently and, as you suggested, it is not much money that is involved here.

Mr. BRABEC. It is amazing it takes so little to do it.

Senator WILLIAMS. I know of a similar problem in the farm area where all we are trying to do is get a little money and put it in the hands of people with the same spirit like Mrs. Whitkoff and Dr. Joseph that I had a meeting with.

Mr. BRABEC. Well, a tremendous thing could be done.

Senator WILLIAMS. Well, this is an approach to a particular problem, but it is a national aspect which is involved too, because every major city has this problem, and, take Sacramento, for instance. I have been there, and there they are having highway displacement of people who are similarly situated.

Thank you ever so much.

Mr. HERMAN. Thank you.

Msg. McCARTHY. Thank you.

Mr. LAHARTY. Thank you.

Mr. BRABEC. Thank you.

Mr. PHENIX. Thank you.

Senator WILLIAMS. Mr. Kline; I don't want to summarily end here, without asking Mr. Kline if he wants to be a summary witness.

STATEMENT OF SAMUEL KLINE, PUBLIC WITNESS, SAN FRANCISCO

Mr. KLINE. I am Samuel Kline of 1281 Turk Street.

Senator Williams, Senator Long, and gentlemen here, I can only tell you this much. Gentlemen, there are 775,000 people here in San Francisco. I belong to the community of maybe 25,000 people, and I go to these places, and I find that there are 95,000 good American people, elderly people, ages 65 to 80, looking for a place to live, and they can't find a place because of their small incomes. Rent has been raised three times a year. We hope you Senators can do something about helping these people. The Housing Authority is doing a wonderful job, and God bless the Housing Authority and the Federal Government for the wonderful job that they do in trying to help these good American people.

We didn't come here for psychiatric treatment. We didn't come here for alcoholics. We come here for the aged, for the elderly people. I belong with them, with the thousands of people there, and we all have the feeling of the need to help our mothers and fathers, to give them a place to live, and if it were not for the Housing Authority the people would be on the street, especially the elderly people. I appeal to you. What is there for us to do?

I will leave it to you, Senator.

Senator WILLIAMS. Well, you and I have had discussions during the day, and I am left with the impression that you think the Housing Authority, here in San Francisco, is doing a good job, and what you want for the Housing Authority is to have an opportunity of doing a bigger job.

Mr. KLINE. A bigger job, and to grow more so that we can all have a place to live like good neighbors, and I am 100 percent in favor of doing so.

Senator WILLIAMS. Thank you, Mr. Kline.

As we end here, I want to say briefly, through these meetings we get, first hand, the understanding that we need to progress with the legislative program that will hopefully work us out of the problem of displacement.

I will say that these hearings have been very heart warming to me, and I am deeply grateful to Bill Reidy and our staff, who have been on hand and who have organized them.

Thank you very much.

(Whereupon, at 4:30 p.m., the San Francisco hearing was adjourned, subject to the call of the Chair.)

