

RENT SUPPLEMENT ASSISTANCE TO THE ELDERLY

HEARING
BEFORE THE
SUBCOMMITTEE ON
HOUSING FOR THE ELDERLY
OF THE
SPECIAL COMMITTEE ON AGING
UNITED STATES SENATE
NINETIETH CONGRESS
FIRST SESSION

JULY 11, 1967

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RENT SUPPLEMENT ASSISTANCE TO THE ELDERLY

TUESDAY, JULY 11, 1967

U.S. SENATE,
SUBCOMMITTEE ON HOUSING FOR THE ELDERLY,
OF THE SPECIAL COMMITTEE ON AGING,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to call, Hon. Frank E. Moss (chairman of the subcommittee) presiding.

Present: Senators Moss and Young.

Committee staff present: Frank C. Frantz, professional staff member, and John Guy Miller, staff director to the minority.

Senator Moss. The subcommittee will come to order.

This is a hearing of the Subcommittee on Housing for the Elderly of the Special Committee on Aging.

We have scheduled this hearing today to take testimony from persons having firsthand knowledge of the operation of the rent supplement program and the effect of the program on the opportunities open to low-income, elderly people to obtain suitable housing.

This subcommittee has described in its reports in recent years the magnitude of the need for better housing among the elderly and have sought ways to reduce rents in such housing to bring them within the reach of the great majority of our senior citizens. We supported the idea of rent supplements and hoped that they would provide a new approach to the problem of bringing good housing to older people who could not otherwise afford it.

We have had rent supplement assistance to the elderly on a limited basis for a little over a year. I understand that most of the rent supplement payments now being made are being made in housing for the elderly on behalf of low-income, elderly tenants.

Thus, we have some experience which we can now examine and determine how well this type of program is suited to meeting the needs of the elderly, how large a role it might play in meeting our long-range goal of making safe and suitable housing available to all our older citizens, and what improvements in the program might be indicated to make it more effectively fulfill its potential.

We will hear today from those who are responsible for the administration of the program and from several witnesses who have actually made use of the program and have seen its impact in real life situations. All of our witnesses have knowledge of the housing needs of older people and the problems which must be surmounted in meeting them.

We are looking forward to an informative hearing and a useful record.

The chairman of the Senate Committee on Aging, Senator Williams, has indicated that he would not be able to be present today at our

subcommittee hearing, but he has prepared a statement on this problem, and I will order that it be printed in the record at this point.

(The statement of Senator Williams follows:)

**STATEMENT OF HON. HARRISON A. WILLIAMS, JR., A U.S. SENATOR
FROM THE STATE OF NEW JERSEY**

Senator WILLIAMS. Mr. Chairman, my remarks will be very brief. We are here primarily to listen to the witnesses who have come to inform us of their experience with the rent supplement program, but I want to express my appreciation that you have scheduled this very timely hearing on the role of rent supplements in meeting some of the enormous problems involved in assuring good housing for our elderly citizens which this committee has from time to time identified.

I feel very personally involved in this subject. Almost 5 years ago I served as chairman of an ad hoc subcommittee which investigated the problems of rehousing older people displaced by urban renewal, high-way building, and other programs. One of the facts that stood out clearly in our research was that elderly people dislocated, usually from substandard housing, simply did not have the resources to pay for the better housing which might be found for them by the relocation agencies. Time and again local public officials who had struggled with this problem pointed out to us that some sort of direct rent subsidy was essential to make this relocation a positive benefit rather than a personal disaster for the elderly people involved.

We had not heard much about rent supplementation in those days. It was a new idea. The first to put it before my subcommittee as a formal recommendation was my friend, Mrs. Eone Harger, who is director of the division on aging in my State. Then as the subcommittee moved about the country in field hearings we heard it again and again; it became a recurrent theme. Labor representatives, planning officials, a welfare council director in Los Angeles, a concerned private citizen in Portland, Oreg., a nationally known redevelopment director in San Francisco; all pointed to rent supplements as a necessary approach to the problem of making suitable housing available to persons on limited and fixed retirement incomes.

When President Johnson proposed this program, this committee endorsed the concept. I worked hard, and I know many of my colleagues on the committee worked hard, to advocate the enactment of the program.

Now that rent supplements have been available, at least on a limited basis, in housing for the elderly for a little over a year it is time to look at the results and see to what extent it has fulfilled the hopes we had for it and how it might be perfected to realize its potential benefit.

Mr. Chairman, I like to believe that the information gathered by my subcommittee and my advocacy as an individual Senator played some part in putting this program across. Of course, this betrays my bias in favor of it, but I am glad we have this opportunity to evaluate its effect and to consider where we should go from here to meet more responsibly and more effectively our responsibility for the well-being of our elders.

Senator Moss. Our first witness to be heard this morning is the Assistant Secretary for Mortgage Credit and Federal Housing Com-

missioner, Department of Housing and Urban Development, the Honorable Philip N. Brownstein.

Mr. Brownstein, would you come forward and bring with you your associates, if you would like to have them at the table.

STATEMENT OF HON. PHILIP N. BROWNSTEIN, ASSISTANT SECRETARY FOR MORTGAGE CREDIT AND FEDERAL HOUSING COMMISSIONER, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; ACCOMPANIED BY MORTON A. BARUCH, DIRECTOR, MODERATE AND LOW INCOME HOUSING BRANCH; AND CARTER McFARLAND, ASSISTANT COMMISSIONER FOR PROGRAMS

Mr. BROWNSTEIN. I surely will.

With me today are Mr. Carter McFarland, Assistant Commissioner for Programs, and Mr. Morton Baruch, who is in charge of our Low and Moderate Income Section.

Senator Moss. Thank you. We are glad to have you gentlemen with us today.

Mr. BROWNSTEIN. Mr. Chairman, I am pleased to be here this morning to represent the Department of Housing and Urban Development before this subcommittee and to present testimony on the operation of the rent supplement program as it affects the elderly.

This subcommittee is most knowledgeable about the Nation's senior citizens and their housing needs and problems, and all of us in the Department of Housing and Urban Development deeply appreciate your continuing concern.

Your studies and reports with respect to housing for the elderly not only have been valuable and significant, but a number of your recommendations have been translated effectively into legislation of real benefit to older people throughout the United States.

There are now about 19 million older Americans age 65 or over, and they represent about 9.4 percent of the approximately 198 million people in the country. It is estimated that there is a net increase of somewhat over 800 people age 65 in our population each day.

Projections based on reasonable assumptions indicate that it is possible that there will be 19.4 million persons aged 65 and over in the country in 1970, increasing to 25 million by 1985 and to more than 28 million by the beginning of the 21st century.

As the members of this subcommittee very well know, the housing needs of this growing number of our elderly citizens are great. They are also unique in several significant ways.

First, a higher proportion of our elderly citizens live in substandard or deteriorating housing than the rest of the population. According to the 1960 census, nearly 3 million elderly households, or 30 percent of all such households, lived in this type of housing.

Second, because their incomes are lower, the capacity of the elderly to improve their housing conditions is, on the average, poorer than the rest of the population. Among the elderly living in substandard or deteriorating housing, nearly 40 percent had incomes of less than \$1,000 per year, and over 80 percent had annual incomes under \$3,000.

Third, a substantial and always growing proportion of our elderly citizens, because of physical infirmities, senility, or simple loneliness, needs housing especially designed for its needs.

This ranges all the way from rental or sales housing of appropriate size and location with amenities to meet the special needs of the elderly, through facilities for congregate living with common dining rooms, infirmaries, and minor care, up to nursing home or facilities with comprehensive care.

HUD PROGRAMS AND PROGRESS

Our HUD programs for housing for the elderly go back in time only to the Housing Act of 1956, which first provided for housing specially designed for senior citizens in the low rent public housing program and under our FHA section 207 rental housing program.

The Housing Act of 1959 not only provided for our FHA section 231 program, but also for the section 202 direct loan program for the lower middle income elderly.

The great bulk of our progress under these programs has been achieved in the period from 1961 on. While we are still only beginning to meet the need for good housing for the elderly under these programs, I would like to summarize our progress for you briefly.

Cumulatively, through the end of March 1967, HUD, under low rent public housing, our FHA insurance programs, and the direct loan program, had made net commitments for a total of nearly 200,000 units. Over 128,000 of these units have been committed under our low rent public housing program for the low income elderly, who are most in need of decent housing.

Our FHA 231 program for the elderly has made net commitments of nearly 43,000 units and nearly 28,000 units have been approved under the direct loan program through this period.

Of these 200,000 units, through March 1967, nearly 145,000 had been placed under construction, of which 103,000 had been completed. Nearly 57,000 specially designed units for the elderly have been completed under the low rent public housing program, almost 34,000 completed under the FHA program, and nearly 12,500 completed under the direct loan program.

Although the FHA nursing home program is not intended exclusively for residential housing of the elderly, I would be remiss in not calling the program to the attention of the subcommittee. Because nursing homes are mainly oriented toward the needs of the aged and long-term care, they are a form of home for the aged.

The purpose of FHA's section 232 program is to encourage the construction of nursing homes for the care and treatment of convalescents and others who are not acutely ill or in need of hospital care, but who do require skilled nursing care and related medical services.

Prior to the enactment of the Housing Act of 1964, an FHA-insured nursing home had to be a proprietary facility, that is, organized for profit. Section 232 was amended in 1964 so as to make private non-profit nursing home sponsors eligible for FHA mortgage insurance on the same terms as proprietary sponsors.

Also, because of the amendment, it is now possible for the sponsor of a non-profit nursing home to qualify for a combination FHA-insured mortgage and Federal grant or loan made by the Department of Health, Education, and Welfare under the Hill-Burton program.

I believe that some of the results of a survey of FHA-insured nursing homes which FHA made in 1965 will be of interest to the subcommittee. FHA sent questionnaires to 185 nursing homes which had been finally endorsed for FHA insurance as of March 15, 1965.

Results of the survey substantiate the fact that long-term care facilities today unquestionably serve a very aged group. At the time of the study, 9,693 patients were in the 158 nursing homes that responded to a question concerning age of patients. Of these patients, less than 17 percent were under 70 years of age, while about 41 percent were in their seventies and 42 percent were in their eighties. The median age of these patients was slightly over 78 years.

As might be expected because of their age, most of the patients were in the lower income bracket. The median income reported was \$2,825.

During the approximately 8 years of its existence, the section 232 program has made a significant contribution to the nursing home bed inventory of the United States. As of May 31, 1967, FHA had insured 439 nursing home projects, containing 40,853 beds, financed by mortgages amounting to a little over \$269 million.

THE RENT SUPPLEMENT PROGRAM

President Johnson has described the rent supplement program as the most crucial new instrument in our effort to improve the American city, and our limited experience with the program so far underscores President Johnson's statement.

The rent supplement program permits HUD to make monthly payments to the owners of housing participating in the program for a period of up to 40 years on behalf of certain qualified low-income tenants, including the elderly and physically handicapped.

The amount of the rent supplement is based on the difference between 25 percent of income and the FHA-approved rental.

I would like to discuss some of the basic ideas behind the program to illustrate some of the more significant aspects of the program and what it is intended to do and is doing.

First of all, the rent supplement program is designed to complement the low-rent public housing program in providing good housing for low-income citizens. We expect that the elderly will be among the greatest beneficiaries of the rent supplement program, just as they have been in low-rent public housing.

Most of the rent supplement funds—90 percent—are to be used in housing developed under our FHA section 221(d)(3) program, with construction financed by insured mortgages carrying a market rate of interest.

Participation in this program is limited to owners of housing sponsored by nonprofit groups, cooperative, and limited dividend corporations.

Another 5 percent of the rent supplement funds may be used in housing developed under the section 202 direct loan program and the FHA section 231 program of insured loans for housing for the elderly.

Eligible sponsors under section 202 program include nonprofit groups, cooperatives, and certain public agencies.

Among sponsors building housing under FHA's section 231 program, only nonprofit groups are eligible for use of rent supplement.

The other 5 percent of the rent supplement funds may be used in certain FHA section 221(d)(3) below market interest rate housing projects intended for all age groups. Eligible sponsors under this program are limited to nonprofit organizations, cooperatives, and limited dividend corporations.

A vital aspect of the rent supplement program is its emphasis on the role of the private sector, and I suggest that this point cannot be overemphasized. It was and is expected that a substantial amount of private capital will be induced by the program to flow into the construction of low-income housing.

Except for the possibility of sponsorship by certain local public agencies under the section 202 direct loan program, all rent-supplemented housing is or will be privately built, owned and managed, and the great bulk of the housing will be privately financed.

This program makes it possible for the private sector to enter into the construction or rehabilitation of housing to meet the needs of the low-income population, including the elderly.

There are other significant benefits which are and will be achieved under the rent supplement program.

Our citizens, including the elderly, at the lower end of the income scale, now have a real choice in choosing a decent home—either in public housing, or in privately sponsored, privately financed, privately built, and privately operated housing.

The rent supplement program also provides low-income people with an opportunity to share a living environment with a wide income mix instead of being isolated only among other victims of poverty, since occupancy is open to those who can pay the full market rents without any assistance.

Like the low-rent public housing program, the rent supplement program, as it relates to FHA 221(c)(3) market rate financing, permits entire projects to be developed and designed for the elderly. It also permits units to be designed for the elderly in projects where families of all age groups will live.

All older people do not need or want units specially designed for them. These elderly families of low income are eligible to occupy any housing developed under the rent supplement program.

THE ALLOCATION OF RENT SUPPLEMENT FUNDS

The Congress has given us a total contract authority for rent supplements of \$32 million through fiscal 1967, and I would like to describe the current situation with respect to our allocations of these funds and the continuing demand we are experiencing for participation from the private sector.

As of June 26, 1967, we had received applications, under all of the eligible programs, for a total of over \$44½ million for 561 rent supplement projects involving nearly 62,000 units.

About 48,000 of the units were planned for families and individuals requiring rent supplements. Over 27,500 of the units are in nonprofit projects, and well over 20,000 are under limited dividend sponsorship.

Over \$13 million represents applications for participation in the rent supplement program which cannot be covered with presently authorized contract funds. These will have to be rejected on the basis of no available funds, if no new contract authority is authorized.

We have obligated all of the \$32 million of contract authority so far authorized except that reserved for contingencies. Funds have been reserved for 419 projects in 277 cities in 45 States, the District of Columbia, and Puerto Rico. The 419 projects include nearly 47,000 units, of which over 33,000 would be supplemented.

Under the portion of the rent supplement program relating to the section 202 and section 231 programs for the elderly alone, all rent supplement funds authorized, or \$1.6 million, have been allocated.

These 113 projects are located in 35 States and 100 cities. The total number of units in these projects for the elderly amounts to 13,601, of which 2,439 units, or 18 percent, are or will be supplemented.

More than half of the \$1.6 million, or over \$825,000, is under contract already, and another \$629,000 is under formal reservation. On the average, the rent supplement allocation for each of these units amounts to \$52.62 per month.

For the most part, the allocations of rent supplements to section 202 and section 231 have been made to projects already completed, and a smaller proportion to projects under construction.

This has permitted the distribution of the funds to projects where low-income tenants can use the funds the quickest, and thereby begin to experience the benefits of the program as soon as possible.

In addition to the funds allocated for rent supplements in section 202 and section 231 elderly projects, there are 17 regular rent supplement projects planned for the elderly under the 221(d)(3) market rate program.

These projects are planned to contain a total of 1,629 dwellings, of which 1,571 would be supplemented. The total rent supplement allocation for the 17 projects is \$1,377,683. Of these projects, nine are to be sponsored by limited dividend corporations and the other eight by nonprofit sponsors.

Thus, the rent supplement program already has allocated a total of nearly \$3 million for housing for the elderly in specially designed housing, with supplements available for 4,010 units.

Of the total amount allocated—\$31,458,688—9.5 percent is for housing for the elderly, and of the total units to be supplemented—33,284—12 percent are for the elderly.

In addition to these units in housing projects especially designed for elderly persons, there undoubtedly will be a very large number in regular projects which will come to be occupied by tenants who are elderly in years, but who do not need—or wish—specially designed facilities.

From many expressions of interest, we are convinced that in the years ahead the rent supplement program will come to be a major housing resource for elderly persons. The elderly, then, are important beneficiaries of the program, with a substantial amount of specially designed housing available for their occupancy through rent supplements, in addition to the regular dwellings they will occupy through this program.

SUMMARY

All of this means that a substantial number of poverty stricken elderly people are now able, or will be able, to live in decent housing using only a reasonable portion of their severely limited incomes for rent.

It means that they no longer must surrender 35 or 40 or 50 percent or more of their monthly funds for shelter. They can begin to live again, at least somewhat free of the desperate fear that their retirement years will outlast their savings, reducing them to paupers.

It means that older people no longer have to depend on their adult sons and daughters for independence, nor suffer the knowledge that such contributions are being given at the expense of their grandchildren.

I know that in the course of this hearing and from the evidence you gather, your record will be filled by those who have firsthand knowledge of how the rent supplement program is in reality improving the lives of older people who are its beneficiaries, as well as contributing to a better life for their children and grandchildren.

This is a program which has an immediate impact on human misery, and permits its displacement by decency and dignity.

There is, of course, a great need for additional funds to permit the rent supplement program to grow. Essentially, all funds currently available have been allocated. Yet applications are coming in at the rate of 5,000 units per month.

In the direct loan program for the elderly, as of April 1967, a total of 223 projects with 28,582 units had been approved for loans. A loan of 102 projects already are participating in the rent supplement program, and many more probably would participate if additional funds were available.

Many new sponsors interested in serving the needs of the elderly for decent housing would be encouraged to join in the effort under each of our programs, but unless the Congress appropriates additional funds, they, and many of our existing projects, cannot assist the thousands of our elderly poor whose needs are real and challenge all of us to overcome.

Senator Moss. Thank you, Mr. Brownstein, for your very fine and comprehensive statement. It has brought a good deal of information and data to us as to how the program is being operated under the present funding.

On about page 3 of your statement you referred to a very large backlog of need shown by the 1960 census; about 30 percent of the elderly households, most of whom cannot afford to improve their housing in the private market. Since that time we have made commitments for about 200,000 units, I think it is. Now, at the same time, our elderly population, and presumably the need, has been growing. So, my question is about the magnitude of our total effort. Are we making inroads on the total problem? Are we holding our own? Or are we losing ground in trying to make good housing available for all of our elderly?

Mr. BROWNSTEIN. Certainly the facilities that we have, Mr. Chairman, are not adequate to cover the need. I believe, however, it is significant that we are making inroads by virtue of the creation of new programs, and the ability better to cope with the problems of housing our elderly.

I think of extreme significance is the rent supplement program, and as this generates activity, and as the program proceeds, I believe we will at last be coming to grips with some of these very dire problems that you outlined.

Senator Moss. And at this time are we holding our own, or are we going ahead a little bit in meeting the problem?

Mr. BROWNSTEIN. Well, with 800 persons reaching the age of 65 every day, at this time I would have to say that the likelihood is that we are not doing any more than holding our own, certainly, although I think it is significant also that with social security and other of the benefits that have been approved in recent years there are more of our elderly who are able to compete in the private market for standard housing.

Senator Moss. You have testified that there are 17 projects for the elderly planned under the 221(d)(3) program. What is the total of projects committed under this section?

Mr. BROWNSTEIN. I think that it is a little under 10 percent of the total, Mr. Chairman, but let me say that the 17 projects that I mentioned are exclusively for the elderly.

This is not to say that there will not be elderly occupying many if not all of the other projects which have been approved. We would expect that a substantial number of elderly will occupy these other projects, although they are not designed exclusively for the elderly.

Senator Moss. Do you know why the sponsoring groups interested in the elderly have not come forward with more project proposals?

Mr. BROWNSTEIN. Well, there is such a need for this kind of a program to house all of our citizens, including the elderly, that I think most of the sponsoring groups wanted to provide projects that would serve the broader area of any of our citizens, including elderly, who might be eligible.

Senator Moss. Do you believe the regulations, the construction cost limits, and other requirements of the 221(d)(3) program are as well adapted to developing projects for the elderly as those of the other programs that were designed for this purpose?

Mr. BROWNSTEIN. Unquestionably one of the problems is the limitation that has been provided on the rent limits and on the construction costs.

Many elderly citizens prefer living in high-rise apartments. Also, in the usual case, the elderly prefer in-town living, which means that you would have to go high rise, and under the limitations that have been prescribed, it would be quite difficult to build high-rise construction, because the costs are higher, the land costs are higher, as are the construction costs.

And unless there is coupled with the rent supplement program some relief in the form of land writedown or tax abatement, it would be very difficult to build high-rise construction, which means in-town construction.

Senator Moss. Congress has released contract authority totaling \$32 million through fiscal year 1967. When you appeared before the House Appropriations Subcommittee in April, you estimated that all but about \$5 million of that authority would be used by the end of the fiscal year.

Today you stated that at the end of the fiscal year you had applications totaling \$44½ million, considerably in excess of your authority.

Would you comment on this difference?

Mr. BROWNSTEIN. Yes.

This program really started moving in a hurry, Mr. Chairman, after the appropriations hearings in the House. It was moving rather slowly during the initial period.

But I think there were several things that account for this. First, more people became knowledgeable in the kind of a program that we had undertaken.

We also conducted a good many meetings with prospective sponsoring groups.

Furthermore, the money market improved substantially during that particular period. It again has tightened up somewhat, but funds became available, and these projects are financed privately.

I think all of these things combined caused us to exceed our expectations.

Senator Moss. By that amount, up to \$44½ million?

Mr. BROWNSTEIN. Yes, sir.

Senator Moss. What amount of contract authority is the Department requesting of the Senate for the fiscal year 1968?

Mr. BROWNSTEIN. \$40 million.

Senator Moss. Your applications on hand will take some of that.

Mr. BROWNSTEIN. We have now backed up \$13 million, Mr. Chairman. We have reserved funds for about the \$32 million which has been authorized, and in addition to the amount that we have reserved we have backed up applications of \$13 million. And they are coming in at a pretty rapid rate.

I think unquestionably the \$40 million which we have requested will be reserved during the year.

Senator Moss. What would this \$40 million authority mean in terms of the number of people or households which would be given access to good housing, and how many of these would you estimate would be elderly?

Mr. BROWNSTEIN. We would estimate that about 45,000 units would be covered by the \$40 million, and of this it would be difficult, really, to estimate how many of them would be elderly, but certainly a very substantial number of them would.

Senator Moss. But a number of these elderly might very well be served through these programs we have enacted specifically to provide housing for the elderly?

Mr. BROWNSTEIN. Yes, sir. They may very well be.

Senator Moss. Do you believe that the 5-percent limitation on 202 and 231 enables you to give adequate rent supplement support to these projects, or would more flexibility in allocation among the programs be desirable?

Mr. BROWNSTEIN. I think, Mr. Chairman, to answer your question, it is important to bear in mind the basic philosophy of the rent supplement program. It is to bring the private side of the market into the business of housing poor people, getting projects sponsored privately, built privately, financed privately, managed privately.

Therefore, coupling them with other subsidies, such as obtain in the section 202 program of the submarket interest rate, would be somewhat counter to this basic concept.

However, I would say that flexibility is never something to be shunned in a program of this kind, and I believe that additional flexibility in the 231 as well as the 202 programs would not be harmful.

Senator Moss. Mr. Frantz would like to ask a question.

Mr. FRANTZ. Just to clarify in my mind what you said a moment ago: Do you consider that the 202 developments and the 231 developments are not private sponsorship, and not private activity?

Mr. BROWNSTEIN. Section 202 has a submarket interest rate. It is a direct loan program with a submarket interest rate. That is why these projects are not privately financed, as are the rent supplement projects.

Section 231 does have a market interest rate at times. Right now the maximum limit on 231 is 5½ percent, and this is not attracting many private investors.

We have asked Congress to authorize us to go to 6 percent, as our other programs carry.

Senator MOSS. Mr. Brownstein, would the Department furnish the subcommittee with a complete list of all rent supplemented projects for the elderly, those now receiving supplements under 202 and 231, and those planned under 221(d)(3), showing location, sponsorship, and number of units?

Mr. BROWNSTEIN. We will be glad to, Mr. Chairman.

Senator MOSS. Thank you very much. If either of your associates wish to say anything, we would be glad to hear from them. Apparently they are satisfied. We thank you very much.

Our next witness will be Mr. John A. Kervick, who is the chairman of the board of the National Housing Conference.

We are pleased to have Mr. Kervick come to testify for us this morning.

We welcome you, and you may proceed, sir.

STATEMENT OF JOHN A. KERVICK, CHAIRMAN OF THE BOARD OF DIRECTORS, NATIONAL HOUSING CONFERENCE

Mr. KERVICK. Thank you.

Mr. Chairman and members of the committee, on behalf of the National Housing Conference, I welcome this opportunity to appear before your distinguished subcommittee.

May I qualify myself and the conference: As chairman of the board of directors, I am unpaid in that post. My job is treasurer of the State of New Jersey. I have been associated in the housing program of the United States since 1938.

Today, NHC President Nathaniel S. Keith, who normally gives congressional testimony for the conference, has to be out of the city. It is my pleasure to be here in his place.

The membership of the National Housing Conference consists of community leaders, professionals, businessmen, labor leaders, public interest representatives, and public officials from all sections of the country.

We were founded in 1931, then known as the National Public Housing Conference, by a group of public spirited citizens in New York City to lead a drive for good housing and healthy communities for all Americans. In 1944 the headquarters office was transferred to Washington.

And now to the subject of this important hearing.

Why has it become necessary to give so much special attention to older people?

First, there are more older people today than ever before in history because of the general population increase and the longer life

expectancy. From 1950 to 1965 the number of Americans over the age of 52 rose from 15.9 to 22.7 million. Today, there are more than 25 million Americans over 60 years of age, a number greater than the entire population of the United States in 1850. It is expected that this figure will exceed 32 million by 1980.

Second, as people advance in age, their needs change drastically because of physical infirmities which limit their abilities to care for themselves.

Third, the economic circumstances of the aged individual change since in most cases he must depend for the rest of his life on a pension which may be inadequate for him to have the essentials of life.

Fourth, social and economic problems are more prevalent among the elderly than in the younger segments of the population because of the increased isolation of the aged from the social and business life of the community.

Finally, large numbers of the elderly live in housing which is not suitable for their needs because the homes may be substandard or too large for their smaller family size, making it impossible for them to care physically and financially for their homes.

Because of these special problems of the elderly, housing for the aged must meet different requirements and specifications from those for younger families. The housing must be planned to sustain the aged person's dignity and maximum independence.

Because of the diverse needs of the elderly, housing for the aged cannot follow a single pattern or formula. It should offer a wide range of options so that each individual's needs, tastes, and desires can be met.

Because many older people retain good health and full use of their faculties, age in their case is of little significance. However, others need special facilities, which may range from partial to full care.

The HUD elderly programs do offer a wide choice of housing to the elderly. For those of the aged population who qualify for public housing, the low-rent public housing program with specially designed units may meet their special needs. Older people, of course, also live in public housing units not specially designed for their occupancy.

By the end of 1965, 170,000 units—or 29 percent of the total of occupied low-rent public housing units—housed senior citizens.

The section 202 direct loan low interest rate program has also made a significant contribution to the housing of those elderly persons whose incomes are too high for public housing but too low for the private housing market.

The relatively new section 221(d)(3) program offers a housing opportunity to those persons, including the aged, whose incomes exclude them from standard housing in the private market.

The section 231 program, with a market interest rate, is an attraction to the elderly person who cannot qualify for the public housing and direct loan programs.

The section 232 nursing home program, although not strictly an elderly housing program, plays an important role in providing care for those aged persons who need a high level of care over an extended period of time.

A real boon, however, for the elderly poor was the authorization of the new program of rent supplements in the Housing and Urban Development Act of 1965.

Rent supplement enables an elderly person whose income would make him eligible for public housing to live in a section 221(d)(3) project built by private enterprise. All or part of the project may be designed for his special needs and may have the special facilities he requires, such as a central dining room, lounges, and an infirmary.

Also, the Housing and Urban Development Act of 1965 provided for the experimental use of rent supplements in the section 231 and section 202 elderly housing programs.

For the elderly poor, the hope of obtaining a rent supplement so as to enable them to live in decent housing peculiar to their special needs gives them a much-needed feeling of security—not only economic, but also social and emotional security.

The aged poor have a tremendous need for a rent supplement which will permit them to move from inadequate housing demoralizing to the spirit into decent living accommodations which give them not only the security that they need, but also which will uplift their spirits.

The need was borne out by the 1960 census. At that time there were 489,000 households with heads 65 and over occupying dwellings which were classified by the Census Bureau as dilapidated.

In addition to occupying these dilapidated units, elderly households, headed by persons 65 or over, occupied nearly 693,000 deteriorating dwellings lacking some or all plumbing facilities.

In addition, over 839,000 dwelling units were occupied by households headed by persons 65 or over, which in Census Bureau terms were sound, but lacking in some or all plumbing facilities.

Including all of these dilapidated units, the deteriorating units with or without some or all plumbing facilities, and the sound units lacking some or all plumbing facilities, the total number of dwellings in these categories with households headed by persons 65 and over amounted to a total of 2,773,000 units.

Of this total, 39.6 percent were occupied by households with incomes, in 1959, of less than \$1,000, and 80.7 percent had incomes of less than \$3,000. These 2,773,000 units constituted 30 percent of all households headed by people 65 and over.

The 1960 census data also showed that there were over 2 million households in which persons 65 or over lived in households where the head was under 60. Most older people want to live independently and live with their children and relatives generally either because they cannot afford to do otherwise or because of health reasons.

Thus, those who are not maintaining their own homes probably represent a substantial demand for independent housing, if available at rents they can afford.

Even in the 6.5 million households headed by persons 65 and over who were living in housing which the 1960 census described as "sound, with all plumbing facilities," many of the homes were probably unsafe, difficult to maintain, or too large for efficient living, or lacked services which older people need.

The 1959 incomes of these 6.5 million households were under \$3,000 in 53.9 percent of the cases.

Another housing need to be met is the relocation of senior citizens who have been displaced because of urban renewal, highway construction, public works building, and so forth.

The rent supplement program is capable of alleviating many of the problems of the Nation's elderly; that is, if the program is suffi-

ciently funded. The contract authority of \$32 million through fiscal 1967 is inadequate.

FHA has already obligated almost all of the \$32 million of contract authority. Without further authorization of funds, the Nation's poor will suffer. And who will suffer the most from this neglect? The aged poor, who will have lost a genuine opportunity to make their old age a dignified, meaningful period of life, free from fear.

The National Housing Conference urges your full consideration of these problems.

Senator Moss. Thank you very much, Mr. Kervick, for that very strong and rather moving statement, and your documentation of the needs of the elderly.

I was struck by your quoting the figures taken from the 1960 census, where you show the lack of adequate facilities for elderly people.

I have in my hand some excerpts from the findings of a study made by the Bureau of Family Services of the Department of Health, Education, and Welfare, in 1965. I turn to the section which reports on housing conditions and find that 14 percent—these are recipients of old age assistance—14 percent of them live in houses which have no inside running water, for instance, and 8.8 percent have cold water only. And to go on down the list here, those living in housing in which the roof leaks when it rains, 17.7 percent.

I am going to ask that this computation be placed in the record.
(The information referred to above follows:)

CHARACTERISTICS OF OLD-AGE ASSISTANCE RECIPIENTS; HIGHLIGHTS OF FINDINGS
OF THE 1965 STUDY¹

Total OAA recipients, May 1965..... 2, 151, 000

Demographic characteristics:

Location:	<i>Percent</i>
In standard metropolitan statistical area.....	46.2
In central city of 500,000 or more.....	13.3
In central city of 250,000-499,999.....	5.3
In central city of less than 250,000.....	13.7
Outside the central city or cities.....	13.8
Not in a standard metropolitan statistical area.....	53.8
In a town or city of 2,500 or more.....	21.8
On a farm.....	6.9
Not in town, city or farm.....	25.1

Age:

65 to 69.....	19.2
70 to 71.....	8.8
72 to 74.....	14.6
75 to 79.....	23.8
80 to 84.....	19.6
85 to 89.....	10.0
90 and over.....	4.1
Median age (years).....	76.6

Sex:

Male.....	31.6
Female.....	68.4

See footnotes at end of table.

CHARACTERISTICS OF OLD-AGE ASSISTANCE RECIPIENTS; HIGHLIGHTS OF FINDINGS
OF THE 1965 STUDY—Continued

Housing characteristics:

Type of dwelling structure (recipients not in institutions) :	Percent
Single family dwelling.....	75.0
2- to 4-family structure.....	14.0
5 or more family structure.....	9.5
Movable home (house trailer).....	1.6
Tenure of housing unit (recipients not in institutions) :	
Owner occupied.....	48.0
Public housing.....	4.1
Rented—privately owned.....	38.9
United occupied rent free.....	6.3
Basis of tenure not reported.....	2.7
Household plumbing and heating : ²	
No inside running water.....	14.8
Cold water only.....	8.8
Hot and cold water, no bathtub or shower.....	2.6
Bathtub or shower :	
No hot water.....	5.0
With hot water.....	60.0
Bathroom with flush toilet.....	69.4
Every room heated in winter.....	54.1
No report on plumbing or heating.....	8.8
Report on housing condition and vermin : ²	
Saw a rat or mouse last week.....	13.5
Roof leaks when it rains.....	17.7
Holes in plaster wall or ceiling.....	9.1
Other major repair(s) needed.....	27.2
None of these defects.....	54.8
Housing condition not reported.....	8.7

¹ Relevant portions of report excerpted by subcommittee staff.

² Information provided by recipients on mail questionnaire.

Source : Department of Health, Education, and Welfare, May 1967.

Senator Moss. It seems to me that it fills out and updates your figures a little bit, to show that perhaps we are not making nearly the progress that we should be making in this area.

I wanted to ask you just one or two questions.

Do you view the rent supplement approach as a useful device which is incidental to our major lines of attack on substandard housing and urban problems, such as public housing and urban renewal, or is it potentially a major avenue of attack in its own right? Which do you think?

Mr. KERVICK. Mr. Chairman, I think that it is, as the name implies, a supplement to the existing programs. It could be made into a major attack, with a little more experience, but I think it certainly adds to the housing facilities available to the elderly at this time.

My experience in the public housing program through the years indicates that this is a welcome addition as a facility for the elderly, and I feel very strongly, personally, and on behalf of the National Housing Conference, that the committee should give every attention to the program.

Senator Moss. Do you think it has to remain largely supplemental because, for one thing, of lack of adequate funding, appropriation of funds?

Mr. KERVICK. I think that has had a great deal to do with it, Mr. Chairman.

Senator Moss. Do you think that the urban renewal programs can move forward efficiently and successfully with all the redistribution of urban land use and rehousing which would be entailed in our cities without a program of rent supplements?

Mr. KERVICK. I think that the program of rent supplements will certainly help the model cities program, the urban renewal program, and other city aids to move ahead. I think it is a vital part of that movement.

We have recently, in New Jersey, established a department of urban affairs, and for the first time we now have a meaningful program of housing aid in our State. That aid includes a middle-income housing program. It includes State participation in assistance to urban renewal, that is, the State is now beginning to assume part of the local contribution of urban renewal projects, and we feel that the rent supplement program, and facilities for the elderly generally, have got to be a vital part of that State program. And I feel that the same rule of thumb must apply nationally.

Senator Moss. Thank you.

The proposal being made to the Senate is to approve \$40 million for the present fiscal year. Do you think that is a realistic sum?

Mr. KERVICK. Mr. Chairman, based on the growing need of housing for the elderly, and the need for this type of program, I regard it as a minimum sum, certainly not the last word.

Senator Moss. Thank you very much, Mr. Kervick.

Are there any staff questions to be suggested?

Thank you. We appreciate it.

The Reverend George F. Packard, who is president of St. Mary's Roland View Towers, Inc., in Baltimore, Md.

We are very pleased to have you, Reverend Packard.

**STATEMENT OF REV. GEORGE F. PACKARD, PRESIDENT, ST. MARY'S
ROLAND VIEW TOWERS, INC., BALTIMORE, MD.**

Reverend PACKARD. Good morning.

I would like to first of all, Senator, if I may, to answer the question that you addressed to the Honorable Philip Brownstein.

I have had a good bit of experience working with nonprofit groups all over the country who have consulted me about the program of 202 and 221(d)(3), and you asked the question, Why are not more of these active in this program?

The answer is that there is so much redtape involved that the charitable groups interested in this type of program get discouraged.

I can give you a perfect example of this. Just last week we put in an application on 221(d)(3) for Baltimore. Because we left out two social security numbers, the whole application was returned.

This is ridiculous, and this is the kind of thing that people who are working voluntarily, and giving of their time and expenses, where it is costing them money to do it, give up.

Senator Moss. I am very happy to have that on the record. I agree with you fully; that it is ridiculous.

Reverend PACKARD. It just does not make sense, the type of redtape that is thrown in the way of these groups that try to do things for the middle- and low-income people.

I am here to talk about the rent supplement. Let me just give you one illustration as to how this works.

We have one woman who is living in one of our buildings. We have two buildings at the present time. And this woman was living on the third floor of a house. She had a room. She had to walk down to the second floor for cooking privileges. And she only could cook two meals a day in this kitchen that she had access to.

And this woman is now, by virtue of the rent supplement, living in our modern apartment house, high-rise apartment house, with her own completely equipped apartment, in an elevator building. And this woman is now in her eighties.

This gives you an idea as to what it means to the people who need rent supplement in order to help them to live.

Now, I might also say that we have two buildings. One building has 210 apartments, and one has 148. In the building with 210 apartments, we have 132 residents with incomes under \$3,000 a year, and 10 with incomes exactly at \$3,000, or 142 total, and yet only 26 are receiving rent supplement.

I think this is a good indication that this program is not being abused.

You can see this, I think, from our statistics.

In our other building, which we call the St. Mary's Rolling View Towers West, which was our first building, we have 148 units, and we have in that building 83 residents with incomes at \$3,000 or less than \$3,000, and of them only 10 are receiving rent supplement.

Now, I think this justifies the fact that a good nonprofit sponsor will take care of the Government's money, and will not waste it needlessly, and also that these people who are now coming in for rent supplement are not asking for something that is not necessary.

I think you will recognize this fact when you realize that many of these people are well under \$3,000 a year income, most of them around \$2,000 and less than \$2,000, and are not receiving rent supplement, but are struggling to make it on their own—as a good indication of this fact.

I have some pictures here of some of our group activities in our building that some of these people participate in, and if you would like to see them, I would be glad to show them to you.

That is all I have to say, unless you have any questions.

Senator Moss. Thank you.

I was interested to have your figures showing that really a relatively low percentage of your low-income families have found it necessary to utilize rent supplements.

Is this because there is not much available, or is it just because a real effort is made to make other arrangements to care for these people?

Reverend PACKARD. Well, there is a dual answer to that question.

I will not take much time with it.

We are not using all of our allocated rent supplement at the present time. We are trying to dole it out, shall we say, as judiciously as pos-

sible, to help the people who are mostly in need, and therefore we are scrutinizing very carefully our applications that come in for this, because we know that in the future there will be people who will need it who are not now living in the building.

For example, we have a turnover of about 10 a year. We have been in operation for 3 years in one building, by the way, which is a pretty long time for a 202 program. We are one of the first in the country with our first building. And we lose about 10 tenants a year either through death or removal to nursing home facilities.

It has averaged that in 3 years, and we know that in the future there are going to be people coming in who are going to need this rent supplement more than the people who are presently in the building.

And if they are making out all right at the present time, we are encouraging them to keep on, with help from their relatives, and so forth, to have this in reserve for those who are going to be in need of it and cannot get housing without it.

Senator Moss. I compliment you on that foresightedness and wisdom in keeping some in reserve and trying to care of those who are in dire need, with those who can find other avenues of support and supplement using those other avenues.

Thank you very much, Reverend Packard. We appreciate it, sir.

Reverend PACKARD. Thank you.

Senator Moss. Mr. Paul Niebanck, of the Institute for Environmental Studies of the University of Pennsylvania.

We will be glad to have you, Mr. Niebanck.

STATEMENT OF DR. PAUL L. NIEBANCK, INSTITUTE FOR ENVIRONMENTAL STUDIES, UNIVERSITY OF PENNSYLVANIA

Dr. NIEBANCK. I think I should identify myself a little more fully.

Senator Moss. All right, sir.

Dr. NIEBANCK. My present position is that of assistant professor in the department of city and regional planning at the University of Pennsylvania. The knowledge that I bring this morning is gained from a recent research project in which I was involved, a project which investigated the effects of relocation on the elderly population. The research was funded by the Ford Foundation under the directorship of Chester Rapkin, who is now Director of the Institute of Urban Environment and professor of urban planning at Columbia University.

I have one request before I read my prepared statement, and that is that there are several tables that are appended to the statement, and I wonder whether they could be entered into the record with the statement.

Senator Moss. Yes. Those tables may go into the record. They will add to the meaning of your statement, I am sure.

Dr. NIEBANCK. Thank you. They are supportive of it, and they could be used at a later date by other people who wanted to undertake their own analysis.

Senator Moss. Yes, sir. You may proceed.

Dr. NIEBANCK. In the time at my disposal this morning, I will attempt to deal succinctly with three questions.

(1) Is the elderly population a proper focus for housing assistance programs in general?

(2) Is rent supplementation particularly suitable as a means to better living conditions for the elderly?

(3) Can the elderly persons who are required to move to make room for redevelopment benefit substantially from a rent supplement program specifically designed to assist them?

In addressing myself to these questions, I will make seven general points, and will then close with a numerical estimate of the market response that could be expected if a program for the elderly relocatee were instituted.

My first point is that the typical older persons places a remarkably high value on the place in which he lives. The housing unit itself and its immediate surroundings are probably of more intense and intimate concern to the older person than they are to many other sectors of the population.

This comparatively high value is expressed in many ways. One is the considerable amount of time an elderly person spends in or near his home. Another is the high proportion of his income that he is often willing to expend to secure appropriate accommodations. Still another is his psychological identification with place and the expression of self that the home seems to represent.

To the extent that the older person does indeed place a comparatively high value on his housing, an investment in housing for the elderly can be expected to produce a high return in the form of what might be called happiness per dollar.

A second point, related to this first, is the fact that an improvement in living conditions for the elderly person is likely to have important "multiplier" effects. If the new unit is situated proximate to shopping facilities, for example, the resident may be able to do more of his own shopping than was previously the case, and his travel costs may be significantly lowered. Or, if the structure containing his own dwelling houses other older persons as well, or if it is adjacent to a social center for older persons, his response to his environment and his involvement at many levels may greatly improve.

Thus, if secondary effects are considered to be important in housing policy, an investment in housing for the elderly would seem to be a sound investment.

Still another point, one that is complementary to what has already been said, is the fact that the elderly, while having an intense interest in housing that supports their dignity and sustains their independence, are quite often totally unable to demand such housing in an unassisted private market. In urban areas generally, large numbers of older households fall below even the most stringent of poverty lines, and are thus unable to compete for good housing. In the case of the elderly who are required to move to make way for redevelopment projects, moreover, fully two out of five are wholly without the ability to sustain themselves and make ends meet at the same time, and only one out of five possess any degree of real financial freedom.

TABLE I.—*Comparison of annual incomes of elderly households displaced by redevelopment action and urban elderly households in general*

[In percent]

Annual income	Displaced households		All urban elderly	
	Two-or-more-person households	1-person households	2-or-more-person households	1-person households
Total.....	100	100	100	100
Under \$1,000.....	10	42	8	37
\$1,000 to \$1,999.....	31	40	12	27
\$2,000 to \$2,999.....	18	8	12	12
\$3,000 to \$3,999.....	13	5	8	7
\$4,000 to \$4,999.....	11	3	11	6
\$5,000 or more.....	17	2	49	11

Source: Estimated from Paul L. Niebanck, "The Elderly in Older Urban Areas," 1965, table 7, p. 18.

Compared to their younger neighbors or to older persons elsewhere, their lot is often a difficult one, and compared to the population as a whole, their capability to lay out substantial amounts of money for housing is weak indeed.

TABLE II.—*Comparison of rent-paying ability of elderly households displaced by redevelopment action and urban elderly households in general*

[In percent]

Monthly rent	Displaced households	All urban elderly
Total.....	100	100
Under \$30.....	33	7
\$30 to \$39.....	19	11
\$40 to \$49.....	21	12
\$50 to \$59.....	11	13
\$60 to \$79.....	12	26
\$80 or more.....	4	31

Note.—Rent-paying ability is, for purposes of comparison, represented here simply by actual rents paid according to the 1960 census.

Source: Estimated from Niebanck, table 26, p. 57.

Dr. NIEBANCK. Thus, on grounds of equity, as well as on grounds of response and net benefit, there is considerable support for special attention to these older households. If housing policy is sensitive at all to the ability of its potential clients to share in the cost of better housing, it must surely count the elderly residents of our urban centers as one of its primary concerns.

Fourth, it has been demonstrated that even the best of the public efforts to reduce housing costs and simultaneously to improve housing quality have not been altogether successful in meeting the needs of the elderly groups that were initially envisioned as the proper beneficiaries of these programs. Land prices, construction costs, and administrative expenses being what they are, it would appear that additional tools are needed to make the programs now in operation more fully effective.

What is more, the housing programs that now serve the elderly—public housing, the 202 program, the 231 program, and to a lesser degree the 221(d)(3) program, have exhibited a genuine "consumer-

orientation" in their recent efforts. By and large, these programs have been innovative and sensitive to the particular housing and locational needs of our older citizens. As such, they deserve all the assistance they can get in extending their services and making full use of the experience that has been gained.

A fifth point, which is of great relevance to the elderly households affected by redevelopment, is that there is no present mechanism of sufficient scope or power that is able to focus directly on their housing and related needs at the time of displacement. The housing programs just mentioned neither are designed specifically to serve the elderly relocatee nor are they coordinated with displacement programs in such a way as to insure their maximum usefulness in this regard. I will spell out exactly what I mean in a moment, but the general point is that public programs designed to take land out of one use and put it to another use have as yet not been coupled with equivalent programs designed to improve the lives of the people who are affected.

What is called for is an annual rate of production of low cost units at least roughly equal to the number that are removed from the inventory by public action. Such a move would not only be a popular one, and one that would rectify the present imbalance, but it would materially speed the relocation process and redevelopment itself.

In the meantime, even the best relocation and rehousing efforts will continue to be thwarted or greatly inhibited. Thus it is clear that supportive mechanisms, such as rent supplementation, must be viewed as one of the primary tools for the reconciliation of the gulf between the need for low cost units that is created by clearance programs and the number that is being provided by housing programs.

Sixth, the simple fact that relocation causes a general increase in housing costs for elderly households would dictate that at least some subsidy be provided. My best calculation shows that rents among elderly households are likely to increase by an average of from 15 to 20 percent after relocation. Considering the limited incomes of most of these households, and the fact that income is quite likely to be lower after relocation than before, it is not difficult to grasp the significance of such increases.

Finally, there is something to be said for housing subsidies on grounds that are hardly ever considered, grounds that take into account the efficiency of the housing market as a whole. If an elderly couple, for example, were induced through a rent supplementation program to move into a small unit at a good location, it is quite likely that it would be vacating a unit that is larger and much more suitable for a younger family than for an older family. In such cases as this, the supplement would not only benefit the elderly couple, but it would effect a more rational and satisfying deployment of the Nation's housing resources at the same time.

Now I would like to provide you with an indication of the degree to which the elderly households who are being displaced by urban renewal, highway construction, and other public improvements could be expected to respond to a program of rent supplementation. My example should be taken only as illustrative, because it is constructed from only one set of possible conditions. Nevertheless, in its general outline I consider it to be quite realistic.

Consider the following: Each year, on the order of 16,000 households headed by an older person are forced to move to make way for redevelopment. Most of these households lay out what would appear to most of us to be rather modest amounts of money for rent—indeed, about half pay less than \$40 per month.

TABLE III.—*Maximum rent-paying ability of elderly households forced to relocate from urban redevelopment sites*

(In percent)

Monthly rent	Based on rents actually paid prior relocation	Based on 20 percent of annual income	Based on sliding scale of rent-income ratio ¹
Total.....	100	100	100
Under \$10.....	9	14	33
\$10 to \$19.....	10	15	19
\$20 to \$29.....	14	21	12
\$30 to \$39.....	19	13	6
\$40 to \$49.....	21	7	3
\$50 to \$59.....	11	5	3
\$60 to \$69.....	7	5	2
\$70 to \$79.....	5	4	2
\$80 to \$119.....	2	5	9
\$120 or more.....	2	11	11

¹ This is the preferred estimate, as it tends to treat rent-paying ability more as a residual, thus taking better account on nonhousing needs. The rent-income ratios used here were:

Income	Ratio (percent)	
	2-person household	1-person household
0 to \$999.....	0-5	0-10
\$1,000 to \$1,999.....	5-10	10-20
\$2,000 to \$2,999.....	10-15	20-25
\$3,000 to \$3,999.....	15-20	25-30
\$4,000 to \$4,999.....	20-25	30-35
\$5,000 or more.....	25-30	35-40

Source: Estimated from Niebanck, tables 7, 13, and 26, pp. 18, 29, and 57.

TABLE IV.—*Range of housing need generated by the annual dislocation of elderly households by redevelopment action*

Maximum monthly rent	Based on rents actually paid prior relocation	Based on 20 percent of annual income	Based on sliding scale of rent-income ratios
Total.....	16,000	16,000	16,000
Under \$10.....	1,400	2,300	5,300
\$10 to \$19.....	1,650	2,350	3,000
\$20 to \$29.....	2,200	3,300	1,900
\$30 to \$39.....	3,050	2,100	900
\$40 to \$49.....	3,350	1,050	550
\$50 to \$59.....	1,800	800	500
\$60 to \$69.....	1,100	800	400
\$70 to \$79.....	800	600	300
\$80 to \$119.....	350	900	1,400
\$120 or more.....	300	1,800	1,700

Note.—See note from previous table.

Source: Estimated from previous table and Niebanck, table 3, p. 13.

Dr. NIEBANCK. Despite these low rents, the real rent-paying ability of most of these households is even lower. Instead of \$40, it would be more appropriate if half of them paid less than \$30, or even \$20 per month.

Parenthetically, it should be noted that my emphasis on low rent-paying ability is not meant to indicate that rents are universally low. In fact, I estimate that fully one-sixth, and perhaps one-fifth, of all elderly relocatees are quite capable of paying more than \$80 per month for their housing, even though only one out of 25 actually pays that much. But by and large, this is not the case.

Next, consider that the rents that are actually paid—to say nothing of real rent-paying ability—are altogether too low to command satisfactory shelter in the private market. Furthermore, the 202, 231, and 221(d)(3) programs serve only the middle and higher income groups, and among relocatees, this demand is very thin. The only program of substantial size that even begins to meet the obvious need is the public housing program.

My estimate is that roughly 3,000 displaced elderly households are provided housing each year under the public housing program, and that the rents they pay range between \$20 and \$55 per month. Much of the real need, however, comes from those who are accustomed to paying less than \$20, or from those who have been accustomed to paying higher rents, but who should not be forced to continue to do so.

Now, consider a different situation wherein every displaced elderly household with an income under, let us say, \$5,000 is entitled to a rent supplement to cover the difference between the market cost of appropriate housing and 20 percent of the household's income. Suppose, further, that in order to assure the recipient of a housing unit of good quality, the use of these supplements is restricted to units built under the public housing program, or the 202, 231, and 221(d)(3) programs. Finally, suppose that the average monthly supplement to the households that respond to the program is held to a mere \$20.

Under these circumstances, it is my conservative estimate that the public housing program, with no change in admissions policy or marketing tactics, could easily expect a demand from elderly relocatees half again as large as is presently the case and the number could very possibly double. That is, public housing, with a supplement totaling about \$250 per year per household, could easily expand its activity for elderly relocatees alone by 1,500 to 3,000 units per year.

The number of households that would now be eligible for and desirous of living in 202, 231, and 221(d)(3) projects would under the stated conditions, rise by a somewhat smaller number, but my opinion would be that an annual demand of about 1,500 units on the part of elderly relocatees is not an improbable figure.

As a cautious estimate of total activity, then, I would venture that 7,000 displaced elderly households each year could be provided satisfactory housing—"a decent home in a suitable living environment," if you will—if a modest program of rent supplements were made available directly to them.

TABLE V.—*Estimated annual response of displaced elderly households to a modest program of rent supplementation*

Rent-paying ability before supplement	Approximate number of relocated elderly households served each year by public housing, 202, 231, and 221-d-3 programs	
	Present experience	Prospective, with rent supplement averaging \$20 per month
Under \$10.....		800
\$10 to \$19.....	100	1,100
\$20 to \$29.....	1,100	2,000
\$30 to \$39.....	1,000	1,000
\$40 to \$49.....	600	600
\$50 to \$59.....	400	500
\$60 to \$69.....		500
\$70 to \$79.....		300
\$80 to \$119.....		200
\$120 or more.....		
Total.....	3,200	7,000

NOTES

1. Rent-paying ability is simplified here by using a flat 20 percent of gross income. This choice is based on the necessity for clarity rather than the logic of the measure itself; (see note, table III).

2. Present experience is for public housing only; data from the other programs are only suggestive, and indicate that service is currently provided to very few relocatees. It is approximated from knowledge of the percent of elderly relocatees entering public housing in a sample of cities, and from knowledge of the rent distribution of public housing units occupied by the elderly.

3. Prospective experience, for public housing, is approximated by applying the proportions extant in col. (1) to the numbers in each rent class after supplementation. For other programs, response percentages were assumed to be roughly the same as for public housing, within the appropriate rent classes.

Dr. NIEBANCK. These 7,000 contrast with a little more than 3,000 at the present time. Thus there is a ready market for 4,000 units per year created by redevelopment displacement alone, a market that could be served with the programs now in existence, aided by a modest rent supplement program.

To summarize, it is my considered opinion that all three of the questions I posed at the outset must be answered in the affirmative.

Direct housing assistance is exceedingly important in the case of the elderly.

Rent supplementation is necessary as a support to other worthwhile programs.

And a supplement program that is tailor made to the elderly relocatee is likely to draw a large response.

Finally, such a program would require the institution of no other new programs, but would be able to rely on existing efforts that have already proven their worth and have found acceptance on the part of the public as a whole.

Senator Moss. Thank you very much Professor Niebanck.

We have your book here before the committee, and this study is an excellent source of information for us.

Your statement indicates to me that you think the rent supplement program is really an essential housing program for the elderly particularly with the degree of displacement we are getting from urban renewal and our other urban programs.

Does that fairly interpret what you have been saying to us?

Mr. NIEBANCK. It does, and it goes back to an earlier discussion you had with Mr. Brownstein, in terms of whether we are keeping up with the need, or whether we are falling behind.

I think for the low income elderly particularly those in urban centers, we are definitely falling behind.

Perhaps, considering all elderly, and all the programs we have to serve them, we may be holding our own. I don't know whether a study has been done on this. I would be only guessing. But as far as the lower income urban elderly are concerned, we are definitely falling behind. There are no substantial programs that anywhere nearly meet the needs that are being created by urban displacement.

Senator Moss. Well, let me put to you the same question I asked Mr. Kervick: Do you think that the model cities program and our urban renewal and redevelopment programs can be carried out effectively and successfully, recognizing the vast amount of redistribution of urban land involved, without a program of rent supplements?

Dr. NIEBANCK. Most decidedly not. The resistance to renewal that has been expressed by Negro groups and representatives of the poor is well grounded. It reflects the lack of attention to the housing and related needs of the poor, and it will continue until a balance is reached. The model cities program has good intent, but it is presently without either the tools or the money needed to convert the rhetoric into good deeds. Rent supplementation is one of the necessary tools.

Senator Moss. You would recommend, then, that there be a substantial increase in the funds available in the rent supplement program?

Dr. NIEBANCK. I certainly would.

Senator Moss. We do appreciate your expertise in this field, and your study is very helpful to us. As I indicated before, the tables you have appended to your statement will appear in the record to give it fuller meaning.

Dr. NIEBANCK. I might say in conclusion that the relocation study that I spoke of has a final report now at press, and it will be forthcoming in late October or early November. It will be made available free of charge to anyone that desires it.

Senator Moss. Our committee certainly would like to receive a copy of that to use here in our studies.

Thank you very much.

Dr. NIEBANCK. Thank you.

Senator Moss. The next witness is Mrs. Dorothy Duke, director of housing, National Council of Negro Women.

Mrs. Duke, we are pleased to have you come to testify. Would you introduce your associate, please?

**STATEMENT OF MRS. DOROTHY DUKE, DIRECTOR OF HOUSING,
NATIONAL COUNCIL OF NEGRO WOMEN, ACCOMPANIED BY MRS.
UNITA BLACKWELL**

Mrs. DUKE. This is Mrs. Unita Blackwell, program director of housing for the National Council of Negro Women.

I would like to say that I am speaking today not as a representative of the National Council of Negro Women. This is the direct experience

I have had with the rent supplement program as president of the board of directors of Firelands Retirement Centers in Lorain and Oberlin, Ohio, United Church of Christ, sponsor.

Congress has been consistent in improving the range of choices and opportunities for specialized housing needs of our elderly population.

The new items, fixed 3-percent interest rate for the 202, the rent subsidy program, \$120 a year allowance for public housing, special grants for elderly, for rehabilitation, all were needed and are being used, in varying degrees.

I am speaking of shelter rent, not of the attendant social services and health services and other needs of the elderly which certainly have been stated many times over.

We seem consistently to miss the point of economic reality for the elderly that is ever present for those of us on the local scene, trying to put the intent of Congress into the bricks and mortar of decent housing for the elderly.

Statistical data on incomes for elderly is monumental, yet we must continue to state again and again and again that there is not now in existence a workable program to meet the housing needs of elderly people of all incomes.

Reviewing the testimony I and others that work in the local scene gave in April 1965 for the omnibus housing bill before Senator Sparkman's committee, not too much has really changed.

We still have thousands of elderly people "dropping through the rent cracks," as I call them, of public housing, the 202 program, and now we have added the rent supplement program.

As president of the board of trustees for the housing development which received the first rent supplement payment that was made in the country, I would like to illustrate my points with some examples.

These were taken from actual applications made to Firelands Retirement Centers when it became known we were going to have rent supplements available. I believe they speak for themselves.

The first person, here, pays \$35 a month rent with assistance from aid for aging.

The next three are indicative I think of what I am trying to present.

There is a 70-year-old female with an annual income of \$606. She has \$5,100 in assets, including the cash value of her life insurance policy. This person, according to our present regulations, is too wealthy for rent supplements.

The next person, a 71-year-old female, with annual income of \$2,700 (\$2,600 is maximum income allowance in Ohio for single elderly) as long as she continues to work, which will not be much longer—totals assets, \$450—she is also too wealthy for rent supplements.

The next person, with an annual income of \$2,500, and \$4,900 in assets, is poor enough.

I am trying to point out the ridiculous financial limitations that Congress has placed on this program.

I have worked with FHA. The Firelands units are the FHA 231 program. I heard some complaints again this morning about FHA processing.

I would like to say that we have never had a better experience with the local FHA office than in the actual operation of the payments, and the administration of the rent supplement program.

The cooperation and the efforts to make it work were meaningful. Since we had processed other applications with FHA we kept wondering when everything was going to fall in on us. I am happy to report that it did not. The program works very smoothly.

I think the only real panic that occurred in our program happened recently when the House denied the appropriations request.

The elderly people that are under rent supplement—the press coverage and what have you—the morning after this happened were in real confusion. They thought that they would have to move. They of course did not understand that the appropriation denial did not apply to units already covered by a rent supplement contract.

But I think that their concern clearly demonstrates the necessity of this kind of program.

I think you can hear hearts and flowers stories forever about this, but I just have two.

This is in a metropolitan area, not large, but we are not talking about the rural South.

There is this 92-year-old Negro woman who had lived in substandard housing for many years, with no inside facilities, heating from a coal stove for which she had to carry coal, and did, until she moved to the retirement center. She was so crippled with arthritis she could hardly walk, even with a cane, or with the aid of a walker.

Very shortly, the even heat of a modern building, and the conveniences of her small apartment so improved her arthritic condition that she now moves around her apartment without the aid of her walker.

I quote her. She says, "I feel 20 years younger."

Then there is the case of a 42-year-old woman who has worn braces since birth and whose body is racked with this handicap. She tells you her family never gave her the opportunity to help herself, and for the first time in her life she has a life alone.

After 1 month of living under the rent supplement program she was asked how she was getting along, and this is her quote: "In my wildest dreams I never hoped to have a home of my own as beautiful as this."

These are only two cases. We could cite many more.

Again, monumental documentation has substantiated the fact that elderly people need sites in downtown areas, close to transportation, stores, and so forth.

With all the conversation about the rent supplement program being for elderly people, I do not know of one high-rise project being processed for elderly. And I checked this. Maybe there is one, but as of yesterday they could not find even one in downtown.

It is impossible to meet the maximum gross rental figures and unit costs in high rise.

I think the irony of this is a quote directly from the rent supplement handbook, on page 9, section 14. It says:

It is expected that the rent supplement program will be especially helpful in providing good housing for low-income elderly.

I don't want to give the impression that I am condemning the rent supplement program. Quite the contrary. It is absolutely essential.

But the continuation of it, under the present kind of administrative regulations and the limitations that have been imposed by Congress, is not serving the people for whom it was intended.

Look at the list in front of you. It is obvious that we are missing somewhere.

I have one more comment about public housing, if you want to get off of rent supplements.

An actual example of how public housing is missing the boat is the case of an elderly person 78 years old.

This elderly person's income is \$45 a month, with no assets. Now, the minimum she must pay to live in the low-rent public housing project is \$20. This leaves this lady \$25 a month for everything else.

We have too many people who cannot afford even public housing. We have programs to house the low income elderly, but we do not have one program to house the truly poor elderly. This is a category that must have very serious attention, because when you say low income, you are implying that there is some income.

If this testimony is repetitious of previous years, it is because the problem is still there and increasing daily.

Until we stop stratifying and compartmentalizing our elderly population by income and assets and different programs and different administrative departments, we will continue to have to face elderly persons and say, "Sorry. No housing yet."

Mrs. Blackwell has lived in the rural South for many years, and she was listening to all of these wonderful units being built. I wonder if she would talk a little about the fine housing facilities that are available in the rural area.

Senator Moss. Mrs. Blackwell, we will be glad to hear from you.

Mrs. BLACKWELL. Well, we don't know about any. I was just wondering, when the man was talking about the percentages—if you get a \$50 a month check from welfare, and then you have to pay, you know, half of that back in public housing, if we had one, you know, what would be left for food, medicine, and everything else that they have to pay?

I don't know too much about it, but I think that we must look into programs where folks don't have any money.

In the rural areas, they are in bad, bad shape, and when people were talking about \$2,000, and all of these kinds of things—in some counties I have been in, they have found that the income over the whole area for a year was \$495.

And I wonder: How do they come under this kind of a program?

Thank you very much.

Senator Moss. Thank you.

Your testimony is that there are so many people, elderly people who have such a very limited income that they cannot even be reached with the programs that we have?

Mrs. BLACKWELL. That is right.

Mrs. DUKE. I think it might be important to say in some kind of manner that there is no program, because we cannot continue to hold out the hope of these programs to people, such as Mrs. Blackwell is speaking of. This is so not just in the rural South, but in our own cities. We cannot continue to say that it is for them, it is for elderly, and then have these people come up and have to say, "No, it is not, really."

Maybe we had better have a look at addressing ourselves to a new income—or lack of income—situation.

Senator Moss. Referring to your statement that there is no high-rise housing being built downtown, do you mean that for all over the United States?

Mrs. DUKE. Yes, sir.

Senator Moss. You were not speaking of any one city?

Mrs. DUKE. No, sir.

I think Commissioner Brownstein has said this is the case. It also so states in the handbook. It has proved out that it is not financially feasible to build high-rise units under the present regulations. Without tax abatement, without writedown of land, without all kinds of special arrangements, you cannot do it.

We are now forcing the elderly out away from the central city, where there is no transportation or stores or the conveniences that we have spent all these years proving they had to have and would get by living downtown.

Senator Moss. I was just thinking of one or two that I know of, and I just wondered what your definition of "downtown" was? I cannot think of one that is right down in the business section, but I can think of them well within the city limits. One is in my own city of Salt Lake being completed right now.

Mrs. DUKE. Under the present rent supplement program?

Senator Moss. I think so; yes.

Mrs. DUKE. Is it for elderly?

Senator Moss. It is for elderly; yes.

Mrs. DUKE. Well, that is one.

Senator Moss. Well, it is not down in the center of the city, but it is well within the city limits and where buses run by, and so on.

Mrs. DUKE. Buses also cost money to ride, you know.

Senator Moss. Yes; that is true.

Mrs. DUKE. And I continue to ask: Whom does Congress want to house? The answer is very important.

I think you might be interested in this material which I am supplying for the record showing the incomes, and so on, of the people who have rent supplements. We have two development in Lorain and Oberlin. You will see that there is a multiplicity of income and asset variations.

Senator Moss. Thank you.

I think if I may have these, both of these might be appended in the record following your testimony, as indicating the breakdown that you have.

(The documents referred to follow:)

Selected cases eligible and not eligible for rent supplements, Firelands Retirement Centers, Lorain, Ohio

	Income	Assets	Remarks
Age, sex:			
71—female.....	\$1,088	\$2,718.66	With aid for aging, pays \$35. Too wealthy, over asset limitations.
Do.....	606	² 5,100.00	
Do.....	¹ 2,700	450.00	Too wealthy, over income. She is poor enough.
Do.....	2,500	4,900.00	

¹ As long as she works.

² Includes cash-value of life insurance policy, as all assets must.

Age, income, and assets of tenants, Firelands Retirement Center, Lorain, Ohio

Age bracket	Female	Male	Age bracket	Female	Male
55 to 59	2	.....	Income—Continued		
60 to 65	8	1	\$3,000 to \$4,000	4	3
66 to 70	9	.....	\$4,000 to \$5,000	3	.....
71 to 75	22	7	\$5,000 plus	5	2
76 to 80	18	.....	Assets:		
81 to 85	6	1	None	7	.....
86 to 90	1	.....	Less than \$1,000	3	1
90 plus	1	.....	\$1,000 to \$3,000	7	.....
Income:			\$3,000 to \$5,000	5	1
Less than \$1,000	8	.....	\$5,000 to \$10,000	13	4
\$1,000 to \$1,500	25	.....	\$10,000 to \$15,000	9	1
\$1,500 to \$2,000	9	3	\$15,000 to \$20,000	11	1
\$2,000 to \$3,000	13	1	\$20,000 to \$25,000	12	1

Senator Moss. Well, what you are urging in your testimony is, first of all, that we liberalize or discard these limitations that have been set legislatively on those who may qualify for rent supplements and also that we increase considerably the amount that is available?

Mrs. DUKE. I wouldn't want them discarded. I just would like to see them a little bit more realistic in relation to the problem in the field.

Obviously, we must continue rent supplements. It is a very necessary tool, but it must be made to work better, to house the elderly people that it was intended to house.

You cannot tell a group of elderly people, "We will take care of you, but not that other bunch over here, because they are \$2 over."

I think we just need more flexibility to make it work.

Senator Moss. It does need to be liberalized and tailored, then, to fit the people that have a great need for rent supplements?

Mrs. DUKE. Senator Moss, I wish the Congressmen who voted against the appropriations for rent supplements could have been in the lobby of my housing for elderly the next morning, trying to explain their votes. It would have been a pretty rough job.

Senator Moss. Thank you very much. And we appreciate you, Mrs. Blackwell, coming also to testify for us.

Mr. Theodore Dorman?

Mr. Dorman is administrator of the United Church of Christ Home in Silver Spring.

We are glad to have you, Mr. Dorman.

STATEMENT OF THEODORE T. DORMAN, ADMINISTRATOR, UNITED CHURCH OF CHRIST HOME, INC., SPRINGVALE TERRACE, SILVER SPRING, MD.

Mr. DORMAN. Thank you, Mr. Chairman.

To identify our project, we are the nearest 202 project to where we are sitting right now. You can get there in 20 minutes.

We would be delighted if you would come out and visit us sometime, because we are fortunate in that we are operating a highly successful housing for the elderly project.

We have 139 people there, a waiting list of well over a hundred at the present time, waiting to get in.

Senator Moss. You have a waiting list that long?

Mr. DORMAN. Well over a hundred.

Senator, I am turning down five people a day, three of whom at least are eminently qualified, and it is a heartbreaking experience.

This is sponsored by the United Church of Christ, the old Congregational Church, the Evangelical Reformed, in the Washington and Baltimore area, and these churches set up a nonprofit corporation, as was required, of course, under the section 202 amendment, and it has turned out much more successfully than I would have dreamed in my happiest moments.

Actually, these people are leading a very, very independent life there. Of course they are all 62 or older. We do not have any handicapped. These people have organized themselves into committees. They have a town meeting every month, and they organize their own entertainments.

Last week they had an exhibition of karate, which they managed for themselves, and they are taking a very active interest in the community.

You will be glad to know that they participate in politics, too. They have all become registered voters, and the candidates come out and speak to them at Silver Spring, which is a very healthy approach.

Now, what I am here today for is to testify in support of the rent supplement program, and how it has affected us directly, which I think is more germane to the subject.

I certainly do second Mrs. Duke's thoughts regarding the means test.

Now, out of our 139 individuals at Springvale Terrace, I interviewed each one to see whether they would be eligible for rent supplementation.

The thing which stopped nearly 75 of these people was the \$5,000 assets test.

They did not know what I was talking about with assets for a long time, but finally we said savings, and then they got it. Savings. You see, it used to be fashionable and popular for older people to save some of their money for a rainy day, and there are many, many, many of these people who have got just a little bit over \$5,000, which is not too much money any more, and so therefore they are not eligible.

Under the income bracket, 100 of them would be eligible and I think that this is a fair income bracket. Actually, at the present time, we have seven people who are receiving rent supplementation.

It has been administered very, very well by FHA. They have been most, most careful, in checking all of the records of the people. Meticulously this has been done, actually, and I think that we certainly have no complaint whatsoever about their handling of this matter.

I could tell you a number of touching stories. This seems to be a time for touching stories, but we had one lady of 75, badly crippled by arthritis, and she has an income of \$1,272, and her only relative is a young lady who is in and out of mental hospitals, her daughter, so there is no possibility of support there.

This lady would have had to have left Springvale Terrace, but she said she knew God would take care of her, and He came along just in time, with the rent supplement program.

And there are six other individuals in this category.

There seems to be no onus about this. This is a very good thing. There is no pointing at these people and saying, "You are getting charity, and you are not," and it has worked out beautifully.

Senator Moss. That is one thing I wondered about, whether there was any kind of stigma or "charity" brand.

Mr. DORMAN. I was afraid of this, and of course information travels through any establishment very, very rapidly, and people generally know, but they seem to feel if somebody does not have enough money to live on, it is not their fault, and it is very nice of the Federal Government to come along and help them out.

It has worked out very well.

Actually, of course, we have a very interesting group of people there, who are very kindly toward each other, and we have mixed, different social strata there, and they have been very, very pleasant with each other, and there is generally a very lovely spirit which pervades this place.

Senator Moss. How many tenants did you say you have?

Mr. DORMAN. 139, Senator.

Senator Moss. And seven of those receive—

Mr. DORMAN. Seven of those receive rent supplementation.

Now, we are using exactly half of the amount allocated to us, but this is because, of course, the people that we took in had to have some expectation of supporting themselves.

Now, we are able to take in new tenants, who are a little less well endowed, with the assurance that they will have rent supplementation, and this is a fine thing.

You asked about the means test of \$5,000. It would certainly be helpful if that were made seven, at least, and this is not too much money, nowadays, where a dollar is not worth too much.

But these people—I know one woman who is 75 now, and she started teaching school at \$20 a month, you see, and for her to have saved \$6,000 is a very, very noble thing, which she did, you know, by stint, and provident care of her finances.

But I believe that your effort to activate this program and keep it going is an extremely worthy thing.

I would second Mr. Kervick in his thoughts on this, and I just want to tell you as administrator of such a project that it is being well administered, it is doing a very fine job, and I think if it is given enough water to grow and flower, it will be something you will be very proud of, and it will be a very good way of helping the elderly out.

I think it was Oscar Wilde who said, "If you are going to live in poverty, it would be better if you have money," and this is a great truth.

Senator Moss. Thank you, Mr. Dorman. I do appreciate your coming and giving us your opinions.

You who work with this every day can tell us exactly how it works.

Mr. DORMAN. I do work with it every day.

Senator Moss. The Reverend Louis D. Mitchell, associate executive director, Division of Christian Social Concern of the American Baptist Convention.

Mr. Mitchell, we are very glad to have you, sir.

STATEMENT OF REV. LOUIS D. MITCHELL, ASSOCIATE EXECUTIVE DIRECTOR, DIVISION OF CHRISTIAN SOCIAL CONCERN OF THE AMERICAN BAPTIST CONVENTION

Mr. MITCHELL. I attempted to make mine brief, so as to make this "aging" part of the meeting very delightful.

Senator Moss. Very good.

You may proceed.

Mr. MITCHELL. My name is Louis D. Mitchell. I am the associate director of the Division of Christian Social Concern of the American Baptist Convention.

I appear before you today in behalf of the American Baptist Convention's 1,500,000 members and 6,000 churches.

Although we cannot claim to speak for the wishes of each of the individual members and churches, we can represent the official policies of our denomination by way of resolutions adopted at our annual convention sessions, composed of several thousand representatives of local churches from throughout the Nation.

We can also represent their Christian concern for housing, health, and social needs of the elderly that have been historically expressed by a variety of American Baptist institutions and organizations at local, State, and national levels.

American Baptists, as one of many voluntary groups sharing in the establishment of nonprofit community corporations for providing adequate housing for the low-income elderly, established their first three homes for the aged, in Brooklyn, N.Y., the Bronx, N.Y., and Philadelphia, Pa., in 1869. These have been in continuous operation since then.

By 1954 there were 33 homes for the aged, and the American Baptist Home Mission Societies established and staffed a department to work with these homes and similar institutions.

This department, now known as the Division of Health and Social Ministries of the American Baptist Home Mission Societies, currently works with and through over 70 retirement homes and communities.

These agencies serve approximately 3,300 elderly persons each year. Their annual operating budget totals over \$6 million. Combined property values exceed \$40 million, and new building programs range from \$5 to \$10 million annually.

All operate with some charitable subsidy, and 55 operate with substantial charitable subsidy from church sources. For example, 65 percent of the approximately 270 residents of the Baptist Home of Philadelphia do not pay the full cost of housing and care.

Comparable programs of over 100 units each are found in American Baptist homes in Boston, Cleveland, New York, Cincinnati, and Washington, D.C. The home here, by the way, is known as the Baptist Home of the District of Columbia.

The detailed statistics about these homes can be found in our annual yearbook, which gives considerable information about the extent of each of the operations, the resident capacity, and so forth.

We must confess, however, that we have failed to serve adequately the needs of the elderly poor, and that most of our recently developed retirement homes and communities have been developed on a founder's fee principle, whereby the resident shares the capital cost of the con-

struction of the facility. The founder's fees range from \$2,500 to \$8,000.

And here we are underscoring what Mrs. Duke and the others said about this need.

Our one major effort in the last decade to develop a large retirement home complex—Eden Acres in Chicago—for the elderly poor failed, at a loss of approximately one-third of a million dollars of American Baptist money, to say nothing of the loss of Government funds. This program, in all likelihood, would have succeeded if the rent supplement program had been available at the time of its establishment.

We do, by the way, have two smaller homes that are using the rent supplement program, so we have some experience, but very little. The Eden Acres project in Chicago was a real effort, on an integrated basis in an area of great need, to provide a home for those who are actually poor.

We are committed to try again and again, because the needs of the elderly poor are so great.

The 1963 population estimates, using economist Byron L. Johnson's interpretation of figures in the Social Security Bulletin, January 1965, indicate that 17.5 million Americans were aged—that is, older than 65 years—5.2 million, or 30 percent of the aged, were living in poverty. Another 10 percent of the aged, or 1.7 million more, were too poor to get by on their own, but were aided by relatives. Thus, 40 percent of the aged, or 7 million, had incomes below the poverty level.

As American Baptists try again, it is important that the rent supplement program allocations be made in a way to allow ample time to develop housing projects for the elderly poor, and to process applications for needed rent supplement and mortgage insurance commitments.

Again we are underscoring previous testimony about the time that is needed to get through the redtape that is necessary to make this money available for those who need it most.

At this time, we have applications pending for rent supplements for several projects for the elderly.

The project development and application process requires 18 months to 2 years, or longer. Therefore we recommend making ample funds available for initiating rent supplement projects for approximately 3-year periods.

We would also suggest granting more flexibility to the Secretary of the Department of Housing and Urban Development in the administrative assignment of the rent supplement funds to various mortgage insurance programs.

We commend the Congress for the fact that the rent supplement program makes it financially feasible for privately owned and operated housing to meet the needs of low-income people in ways that increase the hopes and capacities of the poor to participate in the economy without stigma.

The rent supplement program is also an effective way of providing decent housing for the backlog of applicants for public housing in many of our cities.

While more human habitations for the poor, and especially the low-income elderly, are being provided, valuable community problem

solving patterns and relationships are developed, which can be useful in meeting other needs.

As I reported earlier in this statement, the official policy declarations of the American Baptist Convention support the rent supplement program, and the actions by our denominational agencies that are developing housing for the low-income elderly.

As far back as 1959, when the annual session of the American Baptist Convention met in Des Moines, Iowa, we adopted a resolution—

* * * recognizing the fact that rapid and unprecedented increases are taking place in our population among senior adults of retirement years, creating new problems of social adjustment and assimilation, as well as opportunities to reach these persons through effective programs in the church and community * * *

Our responsibility to the larger community was further recognized in a resolution adopted at our annual convention session at Kansas City, Mo., in May 1966, which stated that—

* * * in realizing the goal of an inclusive church in an open, inclusive society, we reaffirm that the church has—responsibility—(for) upgrading living accommodations by supporting such measures as rent subsidies for the poor * * *

During the years, the American Baptist Convention has also greatly strengthened its national staff and services to local Baptist housing projects for the elderly. This strengthening of staff and services has expanded the development and provision of a high quality of program and facilities for housing the elderly.

An improved and enlarged rent supplement program is essential to achieving the long range goal of providing housing within the economic means of all of our elderly citizens. Thank you.

Senator Moss. Thank you very much, Reverend Mitchell, for your statement and for giving us the experience of the American Baptist Convention.

On this large project that you said failed, in Chicago, did it have to go to foreclosure and be taken over by the mortgage holder? Is that what happened?

Mr. MITCHELL. This is my impression.

Perhaps Senator Nye can give more information about it.

I was there at the time, and worked with some of the people out at the community being served that worked to develop this home, and I know they were unable to make it pay off financially.

Senator Moss. At least it was lost to the Baptist Convention which was trying to put the home together?

Mr. MITCHELL. Yes.

Senator Moss. And you think if there had been rent supplements available, so that the housing units could have been rented in full, it would have paid out as planned in the first instance?

Mr. MITCHELL. Yes.

It was a very large operation, 400 units, and it had a number of its units rented, even at the time they went out. They did not have sufficient commitments to keep it going.

Dr. Gerald Gingrich, who is the secretary of our division of health and social ministries, is very sure that had the rent supplement program begun earlier, at the time they were initiating this program, they could have arranged to make it work.

I must say that we don't regret having made this kind of investment. We think this sort of thing must be done, and I am proud of our convention that they were willing to go for broke to do what needed to be done. We are willing to do it again.

Senator Moss Well, we must find ways to provide housing for the elderly, and it is the initiative and willingness of religious, nonprofit groups that give us a lot of the strength that we find in this field. We appreciate what the Baptists do in this regard.

To what extent are you using rent supplements now on a percentage basis of the people in your homes for the elderly?

Mr. MITCHELL. We have two small projects, about 30 units, and I don't know the percentage of these that are set up to make use of rent supplement programs now. One is in Riverton, N.J. The other is in Brattleboro, Vt.

We have made application for two projects that we now have in Milwaukee. One project is a 221(d)(3) project, 104 units, all to be under rent supplement—there are presently 1,000 applicants for such units. The other is 202 housing for the elderly—a facility that we acquired from another organization—20 percent allowable for rent supplement. This is the extent of our present involvement.

Senator Moss. Did you have, though, applicants for housing that you were unable to care for because they are unable to meet the rent requirements and have not been assigned rent supplements to enable them to do that?

Mr. MITCHELL. As I indicated in the testimony, practically all of our present programs involve some subsidies from many sources. As we said, 55 homes involve a very substantial amount of aid that we are giving from individual and church sources to people who otherwise could not afford to pay. Even though some of those who receive aid had sufficient money to pay the founder's fee—their incomes were such that they could not maintain the monthly payments. We have found sources through some of our Baptist organizations and through individual donors, to supplement this.

But we are admitting even with this, we are not beginning to serve those who need it most, who don't have the founder's fees.

Senator Moss. Mr. Frantz has a question he would like to ask.

Mr. FRANTZ. Reverend Mitchell, this question deals with financing and it may not be within your area of responsibility. If not, perhaps your organization would submit a paragraph of their comments on it, which, with the permission of the chairman, we can include.

But what I am interested in is this: As you know, the rent supplement program is designed to be used in conjunction with section 221(d)(3) projects, primarily.

The experience of your organization, and most of the church groups that have been in this field, has been with 231?

Mr. MITCHELL. Yes.

I believe the Eden Acres was 231, if I remember correctly.

Mr. FRANTZ. Now, does it pose any problem for sponsors such as your group to shift now from the 231 program to using 221(d)(3)?

Is 221(d)(3) equally applicable to your kind of project?

Mr. MITCHELL. In view of our commitment to be more involved in sharing in the provision of housing for those who are the poorest of our elderly, the information I have from Dr. Gingrich would indicate to me that he would be quite interested in this shift.

In fact, he was unable to appear, and asked me to draw up the testimony, because of his interest in promoting this kind of an opportunity for serving the elderly poor.

Mr. FRANTZ. His view, then, would be that from the standpoint of processing, planning, and financing the project, 221(d)(3) might be even more favorable?

Mr. MITCHELL. Yes.

And this is one of the reasons for requesting or recommending that there be more flexibility given to the Secretary of Housing and Urban Development in assigning rent supplement funds in larger percentages to the mortgage insurance programs at below-market interest rates.

But I think that we need to maintain, on the other hand, the principle behind the present legislation, which recognizes the role of private enterprise and what they can do in this.

We think that with the willingness of organizations like ours to be engaged in 221(d)(3) programs combined with this recommended flexibility, we might be able to get more housing available sooner to those who need it most.

If this additional statement is not sufficient and you want us to submit more, I can have Dr. Gingrich write a statement.

Mr. FRANTZ. No. That is fine. That is a very interesting response.

Senator MOSS. Thank you very much, Reverend Mitchell. We are most pleased to have you and to have your testimony here for our record.

The record will remain open for a matter of 10 days.

We have a number of letters that have been submitted and others that are coming that I would like to make part of the record, that come from organizations, institutions, and individuals that are dealing with this problem, and I think it will fill out our record.

I have one here from Mr. Blish, who is the manager of the Friendship Manor Corp. in Salt Lake City, my hometown, and I think it is a very fine letter, and I will place this in the record at this time, and additional letters will be placed as they are received.

If any of the witnesses here today have anything further to supplement their testimony, they may submit it to the committee within the next 10 days, before the record is then put in print.

At this point in the record I order printed any material on hand and other pertinent information received for the record.

FRIENDSHIP MANOR CORP.,
Salt Lake City, Utah, July 7, 1967.

HON. FRANK E. MOSS,
U.S. Senate, Special Committee on Aging,
Washington, D.C.

DEAR SENATOR MOSS: Your letter to Mr. Richard K. Nelson with regard to our experience with The Rent Supplement Program, has been referred to me as being better acquainted with our local experience.

Friendship Manor Corporation and specifically I, as manager and administrator of Friendship Manor have been delighted with the opportunity the program has afforded us to be helpful to people who are financially embarrassed and usually through no fault of their own. We are still in the beginning stages of our program and can only base our remarks on our experience with the first of our applicants for this kind of aid.

Most of them are widows, many of them having seen better days during the lifetime of their spouse, who confess to waking up at night in a cold sweat not knowing what is going to happen to them on the morrow. To see their look of

delight when they know we can help them and give them a degree of respectability and at least minimum security, is a real privilege.

I am sure that after having done all we can within our institution, there are vast unmet needs within the community which could be met under an expanded rent supplement program. It is too early as yet to evaluate our total program and suggest changes or improvements.

In my humble opinion the rent supplement program is one of the best of the programs for helping those who are impoverished and who must live in sub-standard housing because they must have money with which to eat and maintain themselves. Most of these people have resisted falling back upon the general welfare program. If they can have adequate housing often-times they can maintain themselves. This adds greatly to their sense of being self-sufficient and gives a bit more meaning to life.

Senator Moss, I hope when you come to Salt Lake City you can visit Friendship Manor and see at first hand what we are trying to do for our elderly citizens. We have much to learn, but we are making a real effort to supply a long-felt need of these fine people of retirement age.

Any further information we can give to assist the program in continuance we will be most glad to give.

Sincerely,

Rev. FRANK M. BLISH.

THE THEODORA,
Seattle, Wash., July 7, 1967.

MR. FRANK E. MOSS,
Chairman, Subcommittee on Housing for the Elderly,
U.S. Senate,
Washington, D.C.

DEAR MR. MOSS: I was out of the city when your letter arrived, sorry for this delay.

The Theodora is a participant in the Rent Supplement Program and I believe this is the best possible means of really reaching the low-income elderly. I would urge and recommend the expansion of this service as strongly as I could. It would be of vital assistance to The Volunteers of America in providing housing services to this group in the new Theodora facilities we are in the process of building. So far I would have no suggestion for changes in this program. As long as we have older people with low income, so long would there be a need of a Rent Supplement Program.

Sincerely,

NAOMI O. FOULKES, Lt. Colonel.

FOUR FREEDOMS HOUSE OF SEATTLE, INC.,
Seattle, Wash., July 8, 1967.

HON. FRANK E. MOSS,
Chairman, Subcommittee on Housing for the Elderly,
Washington, D.C.

DEAR SENATOR: Thank you for your letter of June 27, 1967, in regard to the Rent Supplement Program as it affects the elderly.

I appreciate the opportunity to contribute my comments based on actual experience since the program was inaugurated at the Four Freedoms House of Seattle with the first rent supplement payment to apply on February 1967 rent.

Based on a total of 308 rental units, the Four Freedoms House was allocated 60 units for rent supplement purposes. We believe a ratio of 20 per cent is equitable at this time; 40 units or two thirds of our quota is now covered and the balance will be utilized when a change of residents take place.

The Four Freedoms House has a waiting list of 180 applicants with deposits and does have several inquiries every day from persons seeking a place to live. Our turn-over is very small and an applicant is advised an average waiting period of eight months is to be expected.

We are pleased to supply actual figures that may assist your Committee in understanding more fully the operation of the Rent Supplement Program and its effect upon the recipients.

Case No. 1 has an income of \$102.50 per month. Her rent is \$85.00 per month or 83% of her monthly income. Before receiving a rent supplement of \$59.00 per month, she had \$17.50 per month to pay for food, clothes, drugs, laundry,

toothpaste and other personal incidentals, not to mention entertainment, for there was none.

Case No. 2 has an income of \$146.33 per month. His rent is \$79.00 per month or 54% of his monthly income. Before receiving his rent supplement he had \$67.33 per month to spend on the necessities of life. He is now able to have at least one hot meal a day as opposed to the coffee he drank all day long before.

Case No. 3 has an income of \$859.00 annually from Social Security and \$919.00 annually from Public Assistance, or a monthly income of \$148.00. She paid \$85.00 per month for her apartment or 58% of her income for rent. After which she retained \$63.00 per month for the necessities of life plus a \$10.00 per month rent supplement.

Case No. 4 has a monthly income of \$141.50. Her rent is \$85.00 per month or approximately 60% of her income. She retains \$56.50 per month for the necessities of life plus a ten dollar a month rent supplement.

While the last three cases have approximately the same income, there is a vast difference in the rent supplement awarded. The last two receive a part of their income from Public Assistance and therefore are allowed a lesser supplement. This in essence penalizes those unfortunate enough to require aid, even though there is little difference in amounts available for use. There is certainly no difference in the amount required for the barest existence. All of our Senior Citizens should most certainly have one hot meal a day and they are hard put to find the means without the aid of their rent supplement.

There are 42 people on rent supplement at the Four Freedoms House of Seattle. There are 36 females and six males, including 2 married couples whose average age is 77. The breakdown of the average annual income is as follows:

Social security.....	\$754. 50
Other income or retirement.....	343. 00
Military.....	100. 00
Welfare.....	494. 00
Interest.....	37. 00
Total assets.....	923. 00
Average monthly rent.....	82. 00
Average rent supplement.....	32. 40

Total average annual income..... 1,728. 00

Among the recipients receiving rent supplement, 11 residents are 100% on Public Assistance and 7 residents on partial Public Assistance. Total rent supplement paid to this group is \$288.00 per month.

Of the 350 residents at the Four Freedoms House occupying 308 units, a total of 42 residents were found eligible to receive rent supplement assistance, based on annual income and total assets, or 12%.

The rent schedule of the Four Freedoms House is from \$69.00 per month to \$89.50 per month for an efficiency unit. This includes all utilities except telephone and we furnish wall to wall carpets, draperies, stove and refrigerator. We have 28 bedroom units from \$89.00 per month to \$130.00 per month. The rent schedules are established by the F.H.A.

A special study to determine the positive need for public housing for the elderly was recently conducted by the United Good Neighbor Planning Division and the use of Census figures showed 30,000 elderly households in Seattle which qualify by age and income for public housing, and it placed a minimum market for low-rental housing units at 8,960.

To illustrate, a 300 unit low-cost housing apartment building scheduled to open its doors in September at a minimum rental of \$45.00 per month has a waiting list of 1,700. Eligibility is based on annual income with 90 percent of the applicants on Public Assistance receiving not more than \$150.00 per month to cover food, clothing, shelter and medical aid areas not provided by Public Assistance or Medicare.

By giving aid through the help of rent supplement these unfortunate Senior Citizens will have more than seventy cents per day for sufficient food to sustain themselves.

Statistics show that an average of 13 percent of approximately 75,000 persons over 65 in Seattle are receiving Public Assistance either 100 percent or in part, along with Social Security benefits.

Of all the Federal Aid programs made available to our citizens of all ages, the rent supplement program is by far the best operated, without pretense, without

fanfare and without political or Social Welfare (experts) interference and due credit should be given to the Federal Housing Administration, Department of Housing and Urban Development.

At this time we cannot suggest any changes or improvements in the program other than making it possible for more Senior Citizens to benefit through Rent Supplement by appropriating sufficient funds as requested by the Administration.

More low-cost housing units must be provided and this cannot be accomplished without Federal funds. The health and welfare of our older Americans is paramount and they are entitled to live in dignity for the few remaining years of their lives.

Please feel free to call us for any further assistance. We feel the Rent Supplement program fills a drastic need and should be retained as well as strengthened.

Sincerely,

MICHAEL WOLFSTONE,
Administrator.

WARM BEACH MANOR,
FREE METHODIST CHURCH,
Stanwood, Wash., July 5, 1967.

HON. FRANK E. MOSS,
*Special Committee on Aging,
Chairman, Subcommittee on Housing,
Washington, D.C.*

DEAR MR. MOSS: It is my pleasure to express the delight of those who are living here at the Manor, under the rent supplement program. This project, SE-WASH-12, opened May 1, with an allowable quota of 8 apartments covered under the program. This was quickly filled, and we could easily fill at least 12 more under this program.

Of those covered under rent supplement program, we have a widow with an income of \$1,626. One widower with only \$1,485. One couple with only \$1,769, and a retired lady school teacher with \$2,685. Another couple have combined benefits of \$202 with one couple coming near the limit of income, but with assets of just above \$1,000.

The availability has allowed us to have these folks live here in good surroundings and good housing, which would not have been possible without the supplement program.

While in the paragraph earlier, I noted that we could easily fill 12 more, yet from those who have been interested, I fully believe that we could accommodate more than that figure under enlarged rent supplement. There are many here daily who would like to live with us except they do not have the income to allow it.

The program is quite generous, and at this time I do not have any suggestions for improving it other than adequate financing. In this day of spiraling prices, it is these folks in this age bracket who are caught in the bind of high prices, with fixed incomes.

I believe this is one of the finest things for help for the Senior Citizens that has been devised up to now.

We shall look forward with anticipation to an enlarged program in this department, hopefully.

Sincerely yours,

ELMER McDOWELL,
Administrator.

JONES MEMORIAL HOMES, INC.,
San Francisco, Calif., July 13, 1967.

HON. FRANK E. MOSS,
*Chairman, Subcommittee on Housing for the Elderly,
U.S. Senate, Washington, D.C.*

DEAR SENATOR MOSS: I am very pleased to have been selected by your committee to give comments on the Rent Supplement Program and how it affects the elderly. Although, my experiences have been on a limited basis, I can see how the program is very beneficial to elderly people who are on a fixed income. As with any other housing, rents in projects for the elderly must come within the ability of the prospective residents to pay. The elderly usually pay a greater proportion of their income for rent than other families do. However, their incomes

tend to be fixed and unresponsive to changes in the cost of living. Also, the general level of the income of the elderly is relatively low.

First of all I'll address myself to your particular question. Number one, the availability of rent supplements have been very limited in San Francisco. The program is just beginning to catch on, interest has been created, people are more knowledgeable about the program, and what happens—no more funds. I have found elderly people are extremely concerned and they should be because the whole economy has been "stacked" against them. They will pay high rents and do without other small pleasures because a decent place to live is very important to them in their declining years. There would be more rent supplement housing made available if funds were made available. This is a fact.

Number two, there is a great market among the elderly and these people just are not able to afford the high cost areas such as cities like San Francisco. I have never seen such happy faces as those few rent supplement recipients, when notified they were eligible. It was a new lease on life for them. To see these peoples incomes and meager assets would make one wonder how on earth do they survive. We have and do keep our commitments all over the world but we do also have some commitments to our low-income elderly people in this country.

Number three, the only improvement necessary in the rent supplement program is to make it a reality. At present it is a mere reluctant token amounting to almost nothing and especially when compared to programs that offer housing to upper and middle income people who do not need help or assistance. I would like to see all the elderly people in our project, Jones Memorial, receiving rent supplements because they are all eligible, but the way it stands now only a few are recipients and all the tenants are eligible. This is a ridiculous situation brought about by a lack of funds.

Number four, the long range potential of rent supplement housing can be the most revolutionary economic development in housing if it is given an opportunity, if not we shall never know one way or the other. If rent supplements do not become a reality for elderly people, the country is going to have to give these people money in some other manner. The Government has been giving rent supplements indirectly for many years in many different ways, but with no organized uniform program as subsidies have provided. There has been Public Housing owned by the Government, Welfare payments, Below Market Interest Rate housing projects, etc. These are all supplements but none provide the incentive nor dignity the supplements do. Rent supplements permit a flexibility and individuation that the massive public housing program can never do. To knock off \$10 million of the Rent Supplement Program has no real material affect on a multi-billion-dollar budget. It does one great harm though, and that is to disillusion a lot of elderly people and make their few remaining years miserable.

The cost of producing decent housing and the incomes of elderly people just do not match. It simply costs more to produce good housing than poor people can afford to pay. The inescapable conclusion is the necessity of expanded subsidies to make housing available to elderly people.

Sincerely yours,

FLOYD L. PIERCE,
President.

JULY 11, 1967.

HON. FRANK E. MOSS,
Chairman, Subcommittee on Housing for the Elderly, U.S. Senate, Washington, D.C.

DEAR SENATOR MOSS: Please pardon the makeshift letterhead. Your communication was forwarded to me at a convention here in New York.

Rohlf's Manor was planned, financed and constructed under Section 202 of the Housing Act of 1959, and, therefore, serves that segment of the population 62 years and older and the physically disabled. My opinions, therefore, relative to the Rent Supplement Program are based on my experience with that group of people.

In reply to question No. 1, the answer is yes. The program has enabled us to provide housing for people living on pension or other limited incomes, between the ages of 62 and 65, who cannot receive public welfare assistance until they reach age 65. It also enables us to serve those over the age of 65 whose pride will not allow them to accept the charity stigma attached to public welfare, but apparently not attached to the Rent Supplement Program.

Question No. 2. Expansion of the Rent Supplement Program is not necessary, in my opinion, to meet unmet needs for housing in our community.

Question No. 3. The most needed change or improvement in the program is basically not one which can be solved at the Federal level. The program as it is set up at present, permits a maximum supplement of 70 percent of the established rent schedule. Recipients of State Old Age Security benefits are granted a rental allowance which exceeds the 70 percent. In every case, the income of these O.A.S. recipients is well below the \$3,000 annual income limitation in the Federal Rent Program. All of these people are automatically ruled out of participation in the Rent Supplement Program. The only change that would alleviate this situation from the Federal level would be to delete the requirement of declaring welfare rent allowance in lieu of the 25 percent of monthly income.

Question No. 4. I believe that the Federal Rent Supplement Program is a very excellent means of meeting the general goal of providing suitable housing within the economic means of our elderly citizens.

Yours truly,

A. C. BANGERT,
Administrator.

MEMORIAL HOSPITAL,
Phoenix, Ariz., July 7, 1967.

Senator FRANK E. MOSS,
Chairman, Subcommittee on Housing for the Elderly, U.S. Senate, Washington, D.C.

DEAR SENATOR MOSS: I am replying to your letter of June 27, 1967 addressed to me as Chairman of the Senior Citizens Towers Committee of the Board of Trustees of Memorial Hospital.

I am sure that your Department knows that through Housing and Urban Development we have constructed two Senior Citizens Towers on the property of Memorial Hospital comprising a total of 153 apartments. These Towers have now been occupied for a little more than two years.

We happen to be the only Senior Citizens apartment development in Arizona that has to this date been approved for the Rent Supplement Program. This program is going into effect as of July 1, 1967 and, therefore, it is impossible to answer your questions too accurately. However, I will give you the benefit of our experience and our anticipation as of this date. I wish to answer the questions according to the numbers in which you asked them.

No. 1.—It is undoubtedly true that the Rent Supplement Program will enable us to serve needs in the community that could not otherwise be met. The Rent Supplement applications allocated to our project have been filled out and are now in the hands of the F.H.A. office here in Phoenix. In my opinion, the Rent Supplement is helpful principally in two ways. It enables elderly people who have only Social Security or a very small pension program from some company or Labor Union or State Old Age Pension program to live in decency in our modern, air-conditioned, refrigerated apartments. As you may know, there has been some question in the past as to the eligibility of people living in refrigerated, air conditioned, apartments to receive the rent subsidy. However, when you realize that the temperatures at the present time in Phoenix are currently running from 105° to 115°, that air conditioning is not a luxury but an absolute necessity especially for those in the aging group.

Still under point No. 1, I believe from our experience one of the most important values of the rent subsidy program will be in relieving the children of these Senior Citizens from the burden of subsidizing their parents in fairly decent housing, with the other burdens of food, clothing, etc., when these children have growing families of their own to support. We have observed that because of the age of the tenants in our Towers, their children have children of their own who are in the high school or college level group and this imposes an almost impossible burden upon these children to support both their parents and their growing children.

No. 2.—As to the extent of the unmet need in this community, it is extremely difficult to estimate. The only figures that we have are those of the 1960 census both as to age and to income. The area in which our Senior Citizens Towers and our hospital is located is commonly referred to as the Inner City of Phoenix. It comprises more than 100,000 people a great majority of whom are in the extremely lower income bracket and are also in the racial minority groups. I would say after looking at the census figures and after conferring with the City officials who are handling the O.E.O. program which in Phoenix is called LEAP (Leadership for the Education and Advancement of Phoenix) that there are some

15,000 families that need assistance either as to rent supplement or health care. The unmet need seems almost insurmountable.

No. 3—As to changes or improvements in the program, we have not yet had enough experience with it to be able to answer this question.

No. 4—Regarding the long range need and potential of the rent supplement approach, it seems quite evident that some form of assistance is going to be necessary for these Senior Citizens because of inflation on the one hand, rising medical and hospital costs on the other, and the fact that the number of elderly citizens is constantly increasing.

Because our program is just beginning, it is impossible to be more specific and definite than this but I hope that this letter may be of some assistance to you.

Very sincerely yours,

W. A. ROBINSON,
Chairman, Towers Committee Memorial Board of Trustees.

MARSHALL, GILL & HEAZLE,
PUBLIC ACCOUNTANTS,
Boise, Idaho, July 10, 1967.

Mr. FRANK E. MOSS,
*Chairman, Subcommittee on Housing for the Elderly,
U.S. Senate, Washington, D.C.*

DEAR MR. MOSS: The availability of rent supplements will most certainly enable a community to provide better housing for the elderly.

The extent of unmet need for adequate housing has not been determined for two reasons. Namely, the lack of a criteria to determine or define adequate housing and the lack of a door to door survey of present housing facilities classifying those substandard units which do not meet the standards for adequate housing for the elderly.

The proposed High Horizons project has found the Rent Supplement program inadequate from the standpoint of adequate housing since our definition of adequate housing transcends just the shelter aspects of housing to include other amenities so vital to the welfare of our low income senior citizens. These amenities include other than living space, such as hobbyrooms, dining facilities, and limited medical care facilities and a location near downtown facilities and activities.

Our project was first submitted under 231 NP for 118 units, which included the above items. This project, which was switched to the rent supplement program, was later defeated because the mortgage allowance has no provisions for elevators, hobbyrooms, restaurant facilities, lounge, nor very limited medical facilities, all of which are vital to the welfare of senior citizens who for various reasons have found it desirable or necessary to live in a housing project.

It appears that the program was sociologically obsolete at its inception because the emphasis was on housing, not housing coupled with the need of low income elderly who are handicapped financially, physically or sociologically.

If the definition of suitable housing is expanded to recognize the sociological needs of the elderly, then this program would most certainly rank with the Social Security programs in meeting our responsibility as custodians of great national wealth to those in less fortunate circumstances.

Sincerely,

WILLIAM C. HEAZLE,
President, High Horizons, Inc.

GOLDEN WEST MANOR,
Boulder, Colo., July 11, 1967.

Hon. FRANK E. MOSS,
*Chairman, Subcommittee on Housing for the Elderly,
U.S. Senate, Washington, D.C.*

DEAR SENATOR MOSS: This letter is in answer to your recent request for comments on the rent supplement program as it affects our project and in this locality.

First, I would like to express to you my appreciation for this opportunity. Although our project is only in its beginning stages of experience with rent supplement, we are most enthused about its positive ramifications. Golden West Manor has 115 apartments. It was built under the C.F.A. 202 program of gov-

ernment finance and so is serving the middle income elderly group. Under rent supplement our allocation of funds covers 20 percent of our project or 22 units. We are finding that we must allocate this quota to those in the most need, as presently over 30 percent of our residents meet the eligibility requirements for rent supplement.

I am answering your suggested questions as follows:

1. We do feel that the availability of rent supplement has enabled us to serve needs in our particular project which we, very frankly, have been much concerned about meeting. Examples: A couple each 74 years of age, one with emphysema and the other with Paget's disease, still attempting to work as insurance salesman and babysitter—now so grateful for their less tense situation because of rent supplement; four ladies on state pension and social security income previously paying from \$66 to \$79 per month rent—cases where the family interest is almost nil and the elderly person barely having adequate food from check to check before rent supplement; a couple with serious health problems who had just depleted all of their saving, only a meager social security check coming in, not in the state long enough for pension, and straining a daughter with a young family to help them; a woman with small social security check, working part-time, she paying part of her mother's care in a nursing home, her only son who has been helping just going through lung cancer surgery; and the ladies still working as a saleslady and babysitter in spite of failing health, but so that they might have decent independent living—not in the state long enough to get state pension. Needless to say, we were appalled at the need under our noses—elderly in need, not complaining, trying desperately to hang on to their independence and dignity. The rent supplement help has brought many tearful, thankful expressions of gratitude.

2. We are not in a position to accurately state the unmet need for adequate housing of the elderly in this community. Our project alone has a waiting list of close to 150 people desiring this type of apartment living. We are doing preliminary study for building additional facilities. We are certainly hopeful that the rent supplement program can be a continuing government program, and that we might include additional facilities under it. The City of Boulder has done extensive study, found the need, and has the approval for a Public Housing complex for the elderly in Boulder.

3. We have not worked with the rent supplement program long enough to suggest constructive improvements. At this point, we are happy with it—except, of course, for the fact that all of our eligible units cannot be served on the present allocation.

4. In our assessment the rent supplement approach is an answer that helps meet a need of the elderly in a dignified manner—that is to say, they could have independent freedom of choice from a variety of approved living quarters. They do not have the humiliation of being classified in an income strata group because of where they might live. As church sponsored, non-profit housing for the elderly, such as ours, faces property taxes in Colorado in the next few years, the concern we have for this income group increases by leaps and bounds—a concern that encompasses the total person and not just the provision of a roof over his head. In our locality, less expensive rentals which are desirable are not to be found. Rent supplement seems a logical, equitable answer to many of the housing problems of the older American.

We hope this is helpful for your purposes. Please feel free to make further inquiries, if you feel that we can be of assistance.

Sincerely,

Mrs. CATHERINE J. FRANK.

ST. JOHN'S LUTHERAN HOME,
Billings, Mont., July 12, 1967.

HON. FRANK E. MOSS,
Chairman, Subcommittee on Housing for the Elderly, Special Committee on Aging, U.S. Senate, Washington, D.C.

DEAR MR. MOSS: Thank you for your letter of June 27. The rent supplement project has certainly meant a lot to the senior citizens in our retirement establishment. However, it is inadequate as explained below under the comments regarding your four different questions. I trust that at a hearing it can be brought out that there is a difference between rent supplements in a housing project where middle income and lower income families live, where the bread winner is a wage earner, as compared to an elderly citizens housing project.

The little income that so great many of the senior citizens have is a fixed income and very limited. It is far from adequate to live in a housing project where they are properly taken care of without getting welfare help and also be supplemented by their family. There are a great many who have no family to help them. That is why I feel that the rent supplement project is a worthwhile project and should be expanded, especially in projects for the elderly.

Below I have answered your questions in the order in which they appeared in your letter of June 27:

1. Yes, however, it is too limited considering the number of units we have. Most senior citizens do not have enough income to warrant living in decent housing without some form of help. I feel that where we have 117 units, one-third should be eligible for rent supplements.

2. I can only speak as pertains to elderly who inquire at our home for housing. From this, it is evident that we need more units eligible for supplements.

3. There are so many elderly citizens who have very little income or no income and no family to supplement their needs, that it should be clearly stated that any rent supplement should not be deducted from any form of welfare income.

4. I think it is definitely a step in the right direction to help elderly citizens who need help, so they too can live in fairly comfortable housing. However, as there are so many elderly in this low income bracket, I feel that the rent supplement project is important enough to warrant cutting other projects, if necessary, but not rent supplements. It should be under proper surveillance to avoid abuse, however, strictly senior citizens housing projects should have more than 16%. We can serve the community a lot better if we could have about one-third of our units eligible for supplements.

Yours truly,

A. C. BROMGARD.

EAGLES MANOR,
Great Falls, Mont., July 3, 1967.

Mr. FRANK E. MOSS,
Chairman, Subcommittee on Housing for the Elderly,
Washington, D.C.

DEAR MR. MOSS: As manager and administrator of Eagles Manor in Great Falls, Montana, and one of the units that is participating in the rent supplement program, I would like to express to you my views regarding this project.

We have been allocated 23 units under rent supplement, and at the present time, have eighteen of these units actively being lived in and have applications being processed for the additional five. All of the people that are living at our retirement home under this program would not have been able to do so without the help of rent supplement. These people are in an income bracket of less than \$2800 a year and less than \$5000 in assets. In 95% of the cases they actually have no assets and are far below the minimum income.

We find that in our area a great number of people are still living in inadequate and what we would call slum area housing, simply because they do not have adequate income to enable them to live in a better place.

We have found that in many cases in signing up people for rent supplement programs that even with the help of the supplement they are still unable to live in our particular unit. We supply to the people, single apartments, plus all utilities and meal service for a total of \$150 per month. The average amount of supplement received by the applicants is approximately \$50 per month, therefore, enabling people to live here for an additional \$100 per month. In the past five months we have had approximately forty people that have checked on rent supplement programs and even with this subsistence have not had enough income to be able to live in our facility. In most cases these people are 75 years of age or older.

We have found that we have had very fine cooperation from the welfare department in our particular area, who in the cases of many of our rent supplement applicants, have increased their welfare payment so that with the rent supplement these particular people could have sufficient income to take advantage of this beautiful retirement residence.

It would be my suggestion, therefore, that a closer cooperation between our local housing programs and welfare departments and the rent supplement program be in effect so that more people can become aware of this additional subsistence and can take advantage of living in adequate facilities instead of some

of the types of units that they are now forced to call their home. I would also like to state that for too many years we have forgotten about our senior citizens. If this rent supplement program is applied frequently to the elderly we certainly would be able to raise their living condition standards far above what they now are. I feel that any assistance made available to them is certainly money well spent.

Sincerely,

GENE TODD,
Manager and Administrator.

LINCOLN MANOR,
Lincoln, Nebr., July 7, 1967.

Congressman FRANK E. MOSS,
Washington, D.C.

HONORABLE SIR: In replying to your request for our reaction to the Rent Supplement program for the elderly let me first explain the situation as to Lincoln Manor, in Lincoln, Nebraska, of which I am president:

This is a non-profit corporation which has built an apartment building for elderly people of modest income, not the low income people but those of the lower middle income group. As I understand it Congress allowed 2% of the appropriation made for rent supplement to be used in projects such as Lincoln Manor. We were allowed to have up to \$450.00 a month, which permits us to give rent supplement for eight apartments only. With that we have been able to supply needs which otherwise would have been unmet. The persons aided could have gotten along with a lesser amount than was given them.

There is great need in our community for much rent supplement for the elderly. Lincoln now has a Housing Authority which expects to get their Rent Supplement program in operation soon and that will take care of many low income elderly folk but not all who need help. It is amazing to me to find so many elderly who cannot afford suitable housing without outside financial assistance. If the Rent Supplement program, now financed by an appropriation voted by Congress, is to help all who need, in securing suitable housing, is to accomplish the task, then appropriations must be increased.

As to any change I might suggest: I feel that if the Rent Supplement were given up to 50% instead of 70%, as at present, the appropriation would be extended to a greater number of persons and no doubt most of these could afford to pay up to 50% of the needed rent. At least that is true to those with whom we have dealt.

I am aware that too many people feel now that the government owes them a living. If everybody is made to feel that they do not need to provide for their later years then they would squander their resources when they have an income and expect someone else to care for them when they are old. Hence, the above statement that probably the Rent Supplement should not be more than 50% of the total rent.

Respectfully submitted.

BERT A. BESSIRE,
President.

FERNDALE COOPERATIVE, INC.,
Ferndale, Mich., July 11, 1967.

Mr. FRANK E. MOSS,
*Chairman, Subcommittee on Housing for the Elderly,
U.S. Senate, Washington, D.C.*

DEAR Mr. MOSS: Your letter dated June 27, 1967, to Donald J. Murray of Ferndale Co-op Credit Union was forwarded to me for reply.

As the General Manager of Ferndale Cooperative, Inc., I am charged with the responsibility of managing our Senior Citizens Housing development called "Rochdale Court."

The availability of Rent Supplement for our development (twelve units out of seventy) has enabled us to serve low income elderly. We have allocated \$50 per month per unit to twelve units. This enables us to charge \$30 a month rent. These units compare most favorably to public housing. A widow on Social Security can now afford to live in our development.

Since it is the function of our Cooperative to serve and provide economic benefits, we are delighted with the Rent Supplement Program. We wish that all of our seventy units could have the Supplement.

Our experience indicates that there is a great need for a broader Rent Supplement Program in our community. Since it is impossible to build low cost housing for senior citizens, a comprehensive Rent Supplement Program can be an effective tool in providing decent housing that senior citizens can afford.

Our long range assessment of this need would be that with each passing year the need for low cost senior citizen housing will get more acute. We, therefore, strongly support expanding the present Rent Supplement Program. Our conclusion is based on experience, talking to applicants and a number of surveys our Cooperative has conducted.

Sincerely,

JOHN CHERVENY,
General Manager.

COOPERATIVE SERVICES, INC.,
Detroit, Mich., July 11, 1967.

Mr. FRANK E. MOSS,
*Chairman, Subcommittee on Housing for the Elderly,
U.S. Senate, Washington, D.C.*

DEAR CHAIRMAN MOSS: Your inquiry of June 27, 1967, concerning housing needs of the elderly is appreciated. Our cooperative built a 161-unit senior citizen's apartment under Section 202 of the Housing Act. The apartment has 22 one-bedroom units and 139 studio units. A folder is enclosed.

The one-bedroom units were all reserved before the foundation was completed. Although still unfinished, the building began to be occupied October 1, 1965. We have had a waiting list for over one year. About three couples a week are turned away because there is just no hope of their getting a one-bedroom apartment. Even so, four couples are now living in the one-room efficiencies. The cooperative has been asked by community officials to build more apartments with one-bedroom units. One building is to be located in Wyandotte, another in Highland Park, and one in Detroit. Judging from the number turned away, the many inquiries, and the waiting list of 20 names or more, one can say there is a real need.

Our building was being built when there was much news in the papers about the rent supplement. So, although our rule is that a person must be self-sufficient to live in the building, we allowed several to move in who had minimum monthly social security and some savings, on the basis that the rent supplement would be coming along soon. Time dragged on and it seemed that not much consideration was being given by F.H.A. to the needs of the elderly in the allocation of the funds. The pressure on us was continuous.

When one lady died, the lady across the hall came over and asked if she could please have what was left in the refrigerator so she could have something to eat. I overheard another lady with a small bank account say that she hoped she would die before her money ran out. One husband came to me and asked about the rent supplement many times. Their bank account had gotten down to \$2,000. He had had a bad heart attack and could not work at all. We have given work to some of the women and two of the men to try to help.

Finally, Senator Hart got the program set for us, thank God. Until one gets to know these people, one has no way to realize their troubles. About 40 applied, of whom 28 were allowed rent supplement. All receiving rent help have an annual income below \$2,000. Two were rejected because they had over \$5,000 in assets. With \$6,000 in a bank account @ 5% interest, the annual income is \$300. With social security, the total annual income is \$984. You know that with shelter costing \$936 yearly, the bank account will soon be gone. With the rent supplement, our senior citizens can live with greater peace of mind because their savings are used up less quickly. We have had no time to make a survey, but we believe suitable housing for senior citizens of low to moderate income is very poor and in many cases, not available at the price they can afford.

As for changes, I believe there is too much difficulty in obtaining sufficient funds—both for rent supplement and for Section 202 housing construction. Also the Chicago office where we got our loan should handle the rent supplement because they are acquainted with the problems. I believe the 202 projects are the logical recipients for rent supplement and elderly-housing construction funds.

As for the long-range program, as long as rent supplement is for the senior citizens, in non-profit projects, the government is giving a service to the whole community. If it becomes a tool for builders to make larger profits, it will be a social failure. Officials at F.H.A. do not believe we built the entire project for \$1,540,000—161 units at a little over \$9,000 each. As a consumer cooperative, we

were building for our members—not for profit. Through public housing, a 12-story, 87-unit project for about \$1,500,000 (about \$20,000 a unit) is being built in the downriver area. The building is not being built by the consumers. Our building is beautiful and the occupants know it is theirs—ask Senator Hart.

The rent supplement program should consider the construction costs as well as the operating costs so that government funds benefit our elderly whose needs are great. The continued uncertainty of the present programs—both financing and the supplement—cause great difficulty in planning for the future.

Thank you for your consideration.

Sincerely yours,

FRED THORNTHWAITE,
Manager.

KIWANIHOMES, INC.,
Charlotte, Mich., July 10, 1967.

Mr. FRANK E. MOSS,
*Chairman, Special Committee on Aging,
U.S. Senate, Washington, D.C.*

DEAR MR. MOSS: Relative to your letter of June 27, 1967, regarding the Rent Supplement Program and the effects on assistance to the Elderly.

I would like to state my position and the uses I foresee for the program.

Kiwanis Manor is situated in a town of about 8000 population, 20 miles from the Capital City of Michigan. We have been known principally as a retired farming community until the last few years, as the manufacturing in Charlotte has been on a small scale, and it is the county seat of Eaton County. The feasibility study made at the time of our Federal loan application did not show us to be in the area of either Public Housing or Rent Supplement due to the high income and high asset values recorded for the majority of our Senior Citizens. The few elderly welfare cases handled by our County Welfare Dept. had been using privately owned facilities for their cases and when Kiwanis manor was opened they were satisfied to shift about 5 of their cases to our facilities and pay the regular rates in the manor which were less than they had been paying for the privately owned housing. In as much as we do not have an administrative staff in our organization (other than the Trustees and Officers of the non profit corporation) the detail work on the rent supplement program would have required that we hire other labor to handle the details.

Question no. 2. At present we are not in need of additional rental housing in our community, as we are filled to capacity, but have a partial occupancy from other areas outside of our community. However, many communities around us, Lansing, Battle Creek, Kalamazoo, Detroit and other large towns and cities in Michigan are greatly in need of housing facilities for the Elderly.

Many of these cities have Urban Renewal, expanded highway projects and clearance projects, that are eliminating the homes of our elderly citizens without the benefit of expanded housing facilities for them.

I am personally involved in three housing projects in Michigan, one in Detroit, one in Owosso and one in Adrian as advisor and consultant. All three of the projects will very likely be developed under the Housing and Urban Development 202 program, Non-Profit. In all three of these projects it is planned to use the Rent Supplement program for the allowable allocation due to the need of lower rents in these areas. Our studies have shown that these areas have a predominantly lower income per capita of the Senior Citizens than was shown in Charlotte, Mich.

The long range potential use of the Rent Supplement program will be the answer to many of the ills of building Senior Citizen Housing. With the constantly rising building costs and costs of operation many housing developments would not be able to keep their rental rates within the means of the Senior Citizen without a program of this kind.

Many Senior Citizens who have been retired for a period of five years or more and who find their assets now seriously depleted find that social security or pensions alone will not supply them with food, clothing, medical care, and pay for desirable housing as well.

Sincerely,

JASON BRADFIELD,
President.

LURIE TERRACE,
Ann Arbor, Mich., July 8, 1967.

HON. FRANK E. MOSS,
Chairman, Subcommittee on Housing for the Elderly,
Washington, D.C.

DEAR SENATOR MOSS: Thank you for the privilege of adding my experience to those of others who know, first hand, what a wonderful tool the Rent Supplement Program can be to those who daily face the problems surrounding housing the elderly.

It had been my intention to bring Ann Arbor's experience directly to Washington so that I could personally hear the testimony of your committee. However, illness prevents it at the last minute; I hope, however, that the statement reaches you in time for incorporation in the completed record. It will say, like the testimony of others, that there is desperate need for the continuation of the Rent Supplement Program as a means by which older people may continue to find adequate, decent housing at prices that they can afford.

Sincerely,

SHATA LING,
Director.

REPORT ON NEED FOR CONTINUANCE OF THE RENT SUPPLEMENT PROGRAM

Lurie Terrace was the locale of a Rent Supplement Experiment which tested the mingling of low-income with the moderate-income elderly. The Terrace, a nonprofit apartment house, was built under the Community Facilities Administration 202 direct loan program. Incomes of all residents in the Terrace are very modest, considerably below the \$4000, single, \$4800 couples established criteria of eligibility established in 202 projects. The median annual income of the occupants, in 1967, with full occupancy, is \$2400, with a range of income from \$568 to \$5600.

All the residents represent the lower half of the middle class and occupationally were teachers, librarians, small businessmen, clergymen, store clerks, salesladies, and some factory supervisory personnel. Many of the women in the upper age brackets had never been employed outside the home. For the most part, the income is derived from social security payments, augmented by either small pensions or help from children or other relatives.

The Rent Supplement Experiment phased out at about the time that Congress funded the nationwide program of Rent Supplement. All persons eligible for public assistance were transferred to the proper agency, not without traumatic experience. In that way, the Terrace through its contract for Rent Supplement could provide housing for those who were not eligible for public assistance but whose incomes would not permit residency in Lurie Terrace. Rents range from \$68 per month, all utilities included, to \$150 for two bedroom apartment, occupied by a couple with medical need for two bedrooms or two single occupants. Presently, there are 20 residents on the Rent Supplement; there is a waiting list of 150 with perhaps 50% of those eligible for rent supplement.

The Rent Supplement Program has made it possible for the residents to remain in the Terrace without dipping into meager savings to augment monthly income; it has allowed the mature, middle-aged children to carry only the responsibility of the immediate family; it has given management—the Board of Directors—the comforting feeling that when a vacancy occurs it will be filled, possibly by someone who has been waiting some two years. That person may very well be among those who have waited for a year or more only to change his mind when the apartment becomes available. The excuses are varied and pitiful: "maybe it would be better if I stayed at my son's house and continued to help out"; maybe it will be, "I've just changed my mind." This last translates into, "I had prayed that the apartment coming up would be only \$68 which I might be able to handle. I can't handle this one."

The Rent Supplement Program has made it possible for a woman, 83, with an annual income of \$568 and a savings account of less than \$1,000 to live in comfort and decency. The Rent Supplement Program in another instance has freed a son of the rent subsidy for his parents. Verifiable income for the parents is \$2701; they are in their 80's and now the son only has to help with the \$100 a month drug needs. Think what it must mean to the parents that, through Rent Supplement, they can remove a part of the burden from the son's shoulders.

The Rent Supplement Program was the answer to this situation: A couple in their late 70's had been on the waiting list for almost two years. A few times

there would be a vacancy; the couple would be notified; each time, they would inquire what was the rent and then say, in an apologetic manner, "Well, we have talked it over and decided to stay in our present place. We've been here over 25 years and you know how it is to move after that long a time." The "present place" was a little substandard house on the back of a lot, behind a larger, substandard house in the center of the city. The site represented prime development land and luckily the owner's decision to sell and the Rent Supplement arrived at the same time. The first one-bedroom apartment in six months came vacant. The prospective tenants were interviewed; again they thought they'd have to give it up. Their total income, available for rent purposes, was \$3,700 per year, with \$208 in the savings account. The Rent Supplement, in their own words, "made it possible for us to move into that beautiful place before we died. We just didn't have the courage to take our names off the waiting list and we didn't have the money to live there. Where would we go when they pull the house down? Thank God, for the help we'll get."

The Rent Supplement Program is easy to administer and the initial interview, for the elderly, is not too traumatic. From my experience with it, I can say that the applications are quickly processed and payments reach our office within 10 days of the request, which I consider phenomenally good service. Our project revamped the rent collection procedures in order to give complete anonymity to the recipients. All rents are collected in a room behind a closed door; this is a departure from collecting at the counter where people have a chance to overhear a figure or look directly at the amount written on a check (an all too common procedure among, at least, our elderly at the Terrace). Our own rent cards are marked only with #2501, denoting the tenant is on Rent Supplement; the amount of the supplement is kept on a separate sheet away from the possibility of prying eyes. The fact that the check comes directly to the owner is still further "protective covering" for the recipient. Again, at the last for the elderly, people tend to live in each other's pockets and anything out of the ordinary, like two "government checks"—they all get social security checks in the brown envelopes—would create suspicion and might lead to stigma among their peer group.

The Rent Supplement Program is, by far, the most effective method yet devised to meet the general goal of providing suitable housing within the economic means of the elderly. It protects their privacy because it does not say, "You live in Public Housing so you're poor." And what about the cities like Ann Arbor that do not have public housing yet? Ann Arbor is starting on its program but it has set aside only 100 apartments for the elderly and the availability of those apartments are at least three years away. Lurie Terrace has over 150 on its waiting list and many of those will die before a vacancy will open up at the Terrace. Requests for housing is the most frequently listed by the Counseling and Information Service of the Senior Citizens Guild, a multi-purpose activity center.

The Rent Supplement Program allows the older person to retain enough income to buy an occasional garment; make a small gift to a relative or a friend; a contribution to the United Fund; take a newspaper or a short bus trip to visit someone in another city—all the things that the younger generation takes as his "Civil Rights but which are denied the elderly when 40 to 70 percent of income goes for rent."

I know of no program approved by Congress which does more to maintain the dignity of man, except Medicare. The elderly have always had two major problems; health and housing, both related to income levels. With the Rent Supplement, the elderly have a new, effective weapon against his war on poverty and the appearance of the bulldozer. At least, with the Supplement, for the first time, the elderly need not panic when he learns that the sleazy, run down house has been sold to a developer who is going to build nice, clean, shiny, modern apartments—unfortunately, not for him.

When the Rent Supplement Program is used as conceived in the minds of the lawmakers of this country, then the elderly will have mobility, can remain with their peer group, and will not be penalized, along with other segments of the population, by being pushed into public housing, if available.

With the Rent Supplement Program the developer or builder gets his price for an apartment and the elderly get a clean, decent place close to town and accessible to bus lines and other public facilities. The only spot in this rosy dream is that there are not enough apartments to take care of those who need accommodations now and the need seems to increase almost by geometric progression.

Finally, the private developer will not commit himself to building for the elderly if his assurance of continuity lasts only for six months or a year and depends on the political philosophies of an ever-changing Congress. It takes

"guts" of a peculiar kind to evict older people from their apartments; no builder wants to earn that kind of community enmity. So the Rent Supplement must continue and its appropriations must be increased not decreased if the elderly of the future are to be housed as decently as the younger segment of the population.

SHATA LING,

Secretary, Senior Citizens Housing of Ann Arbor, Inc.

CENTRAL TOWERS,

St. Paul, Minn., July 5, 1967.

HON. FRANK E. MOSS,
*Chairman, Subcommittee on Housing for the Elderly,
U.S. Senate, Washington, D.C.*

DEAR MR. MOSS: Thank you very much for your letter of June 27, regarding the hearing of the subcommittee on Housing for the Elderly with particular regard to the Rent Supplement Program.

I am most happy to testify to the effectiveness of the Rent Supplement Program, since I have used it personally and am well acquainted with most of its ramifications.

You asked if it would be possible to address myself to several questions which I hope to be able to do.

You asked concerning the "availability of rent supplements and if they have enabled us to serve needs which would otherwise be unmet". The only thing that I can say in reply to this is, that if I had six or seven pages and you had the time to listen, you would be thrilled by the stories I could tell. I can testify under oath that most of those who are under our present Rent Supplement Program would not be able to qualify under any other present program for assistance. The reason being is that their assets are too high for public housing; they are too proud to apply for old age assistance. These, along with other factors, simply result in silence and people would live in conditions and surroundings which they felt they simply had to accept, since they were helpless to correct them.

Regarding "the unmet need for adequate housing which could be met by expanding the rent supplement program", my reaction to this would be that this is, without a doubt, the finest program which Congress has conceived and devised. There is far more unmet need for adequate housing among the elderly, in our community, than any other single factor.

Undoubtedly you know from the statistics which are available from the Housing Authority itself, what the numbers of elderly citizens who are desirous of living in public housing are. In the City of Saint Paul, at the present time, there are well over 1,500 persons but there is absolutely no housing for these men and women, and they are living in conditions and under situations which are completely inadequate and makes one feel guilty as he sees other programs receiving money but these people being neglected. There is much unmet need which could be and ought to be met by the supplement program rather than by Public Housing, Old Age Assistance, etc. Under the Supplement Rent program, I have seen individuals stand on their feet, hold their heads high, and feel like human beings.

As far as "changes or improvements in the program", I can think of none at the present time. We have had superb cooperation from the Minneapolis Federal Housing office. They have been more than cooperative and helpful in all of our dealings with them. My only suggestion would be that, if it were possible, the asset limit of \$5,000 be raised slightly to perhaps \$5,500 or \$6,000 which would allow another good sized portion of elderly citizens to qualify.

As far as "my assessment of long range potential in meeting the general goal of providing suitable housing", I think this is the answer in more ways than one. In the first place, it allows those who are private developers to proceed on a profit making basis, and allows older men and women to live in full dignity, where they wish. For the non-profit housing group, the program is of great assistance for it enables and lifts the level of those who apply and in addition provides a higher percentage of occupancy than might otherwise be possible. For this program will enable us to curtail public housing somewhat which perhaps would be to the good, for this is the one area where citizens rebel, perhaps the most, as they see their tax money being spent for this. The Supplemental Rent program enables people to live in dignity and with a freedom which they could not otherwise have.

I can only offer you congratulations on a job well done, and hope that the committee, of which you are the chairman, will continue the excellent work which they have begun. In this way our older citizens can avail themselves of adequate

housing, and those of us who are growing older, when the time comes for us to retire, will have ample places to reside, and feel that we can truly live on an independent basis with perhaps a little assistance where it will help the most.

With best wishes to you and your Committee in all of your work. Thank you for the opportunity of presenting a few of my viewpoints, I am

Sincerely yours,

HARRY P. SWEITZER.

FRANCISCAN TERTIARY PROVINCE OF THE SACRED HEART,
Chicago, Ill., June 29, 1967.

Hon. FRANK E. MOSS,
Chairman, Subcommittee on Housing for the Elderly,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: Our experience with the rent supplement program at Mayslake Village, Oak Brook, Illinois, has been most satisfying. Our facility, built and now being expanded, under Section 202 of the Housing Act of 1959, is intended for middle income aged.

To enable us to admit the aged on as broad a basis as possible of economic ability, the rent supplement program has been most useful. About 20% of our population of 130, to be expanded to 260, would eventually make use of the rent supplement program as their resources become more limited. That, at least, is our experience so far.

The rent supplement program, with direct payment to the owner, preserves the dignity of the individual and obviates in most instances, the necessity of applying for Old Age Assistance and other measures that become very upsetting and often degrading to the aged who have maintained a degree of economic independence all of their lives.

Our experience with the procedures, once the contract had been signed, has been very good and I cannot recommend any changes at this time.

I sincerely hope that the rent supplement program will be continued for it would bring severe strain to those who are at the present recipients should it be cut off. At the same time, I would wish to see the program with a greater degree of stability than it presently appears to have.

Thank you for inviting our comments.

Sincerely yours,

Rev. MARK HEGENER, O.F.M.,
President.

SELFHELP HOME FOR THE AGED,
Chicago, Ill., July 10, 1967.

Senator FRANK E. MOSS,
Chairman, Subcommittee on Housing for the Elderly,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: I received your letter of June 27 inviting my comments to the Rent Supplement Program.

Our facility is a small one, but I am happy to give you my comments for whatever they may be worth.

Our facility has room for 70 people. More than 15 of our residents could have applied. We encouraged applications only for people who do not have children in good financial circumstances, as we feel that the children have a definite obligation towards their parents. We would have applied, though, if the parents or children would have wanted us to do so. We discussed the program with these children and were glad to find that they shared our views. Only 8 people for whom the Rent Supplement Program was of great importance did apply and rent subsidy was obtained for all of them. Some of these people had to accept charity from our organization as they were unable to pay the regular rent and retain enough money for their other necessities. This made them feel very much like second-class citizens. Unfortunately, Medicare does not, as you know, take care of drugs and pharmaceutical bills for the elderly, which usually are much higher than for most of the younger population.

Our waiting list is very long, practically 4 times our capacity. We found that most of the people on our waiting list would rather endure quite some hardships

than to move into public housing (Federal or city) as they feel that this type of housing carries the "stigma" of charity and public welfare.

The Program is, in our opinion, a good one and from what we know we believe that no changes are necessary. The only point where we feel different is the responsibility of children who can well afford support of their parents.

It is our belief that the long range potential of this Program is of major importance to the well-being of our elderly citizens, in fact, we feel that this Program is the only one which will help them to obtain decent housing at their own apartments within the community or at Housing for the Elderly provided by not-for-profit corporations.

We were and still are very much concerned when we learned about the unfortunate fate of this Program in Congress. It is our hope as well as the hope of most elderly citizens and of the agencies concerned with their welfare that the Program will be revived.

I hope that my comments may be of some value to your Committee.

Sincerely,

FREDERICK AUFRECHT,
President.

THE LUTHERAN HOME
OF GREATER PEORIA,
Peoria, Ill., July 6, 1967.

Hon. FRANK E. MOSS,
Chairman, Subcommittee on Housing for the Elderly,
U.S. Senate,
Washington, D.C.

SIR: Since March 1967, five residents of the Lutheran Home in Peoria, Illinois, have received rent supplement payments under the Rent Supplement Program. The amounts received range from \$39 to \$56. We know that the recipients are deeply grateful for the assistance they are receiving. For a number of years these residents have been depending upon the support of one or more relatives in order to meet the monthly payments required by our home. Several of the relatives have written me expressing their appreciation that they had been relieved of supplying some of the financial support needed.

Our experience with the program and with those who are the administrators has been most satisfactory.

We trust that it will be the constant concern of the administrators of this program that the benefits of the Rent Supplement Program will really accrue to those for whom it is intended.

We are sure that in the future the program will make it possible for some, who in the past due to insufficient monthly income have not been able to avail themselves of our facilities, to do so.

Sincerely yours,

L. F. BRANDES,
Administrator.

BREMEN MANOR,
Bremen, Ind., July 6, 1967.

Mr. FRANK E. MOSS,
Subcommittee on Housing for the Elderly,
U.S. Senate,
Washington, D.C.

DEAR SIR: Bremen Manor has just recently been qualified to come under Subsidy for Rentals for Elderly and at this time we have just sent in our application for our first resident. Hence our experience has been most limited at this point.

However, our Board is firmly behind the Rent Supplement Program and we certainly hope it will be continued. We expect to have more applicants in the future for this subsidy since, of course, our contacts are all with persons of 62 and over.

We feel we will be better qualified to answer a query of this sort in the future than we are at this time.

Thanks for giving us the opportunity of at least going on record in our support of the program.

Sincerely,

Mrs. ROBERT L. HARBIN.

COUNCIL HOUSE REDEVELOPMENT CORP.,
St. Louis, Mo., July 7, 1967.

Senator FRANK E. MOSS,
Chairman, Subcommittee on Housing for the Elderly,
U.S. Senate, Washington, D.C.

DEAR SENATOR MOSS: On behalf of Teamsters' Joint Council No. 13, its directors, President Harold J. Gibbons, and the writer, allow me to extend our appreciation to your solicitation of our opinion and experiences in regard to your request of us pertinent to the Rent Supplement Program as it affects housing for the elderly.

Our intimacy with the housing problems of the elderly stems from actual field experience at the \$20,000,000 non-profit development known as Council Plaza sponsored by Teamsters' Joint Council No. 13 located in St. Louis, Missouri. In totality, this urban redevelopment concept is a compendium of separate structures all inter-related in function consisting of housing for the elderly (two-300 unit buildings financed under Section 202 of the National Housing Act), related ancillary commercial facilities (financed conventionally), an extended care facility (to be financed through Hill Burton and F.H.A.), the regional headquarters for the various organizations that comprise Teamsters' Joint Council No. 13 (financed conventionally), and related parking, park, and open space areas.

The statements contained herein are a direct resultant of our exposure to over 2,383 applicants for the 600 units of housing for the elderly here at Council Plaza (300 of which are now occupied and the remaining 300 to begin construction on this fall). For the sake of clarity, I am restating those questions raised in your letter of June 27th with my corresponding statement that addresses itself to the particular question.

(1) Has the availability of rent supplements enabled you to serve needs in your community which would otherwise be unmet?

Prior to the enabling legislation that made the Rent Supplement Program possible, the elderly housing market was being serviced at its lowest income level by public housing and on its highest income level by the private entrepreneur with conventional financing or in certain cases, Section 231 was employed which had a net effect of the same rental levels as conventional financing within a very small margin.

Here again in another sector of the housing market, we find the "forgotten American" who possibly is over-incomed for public housing and yet substantially under-incomed for the product of the private market. Having the tools of rent supplement available, we find that we are able to service this in-between grey area completely . . . which prior to rent supplement was not being serviced at all.

(2) What is the extent of the unmet need for adequate housing among the elderly of your community which might be met by expanding the Rent Supplement Program?

Categorically, rent supplement allows us to:

(a) Effectively reduce the waiting list of the elderly for public housing . . . which in general we find to be "backed up" not only here in St. Louis, but in other parts of America where we are presently conducting similar types of development.

(b) Meet in great part the Negro elderly market which is now being completely by-passed except for the limits available under public housing.

(c) For the first time, satisfy those people as defined in preceding item (1) who are in a "no-mans land" because of their financial situation . . . which places them between the lows and highs of what is available in housing today.

(3) What changes or improvements in the program would you suggest on the basis of your experience with it?

While extremely valid in what it attempts to do, the program does create a certain financial surcharge upon the management operation of the owner. Skilled personnel must be trained to administer the program and in effect, a special management unit must be created who have these skills as well as their absorbing the additional work load which goes beyond the traditional leasing procedures. Presently, there is no compensation made available under this program for such extra participation as required or for the incurred additional payroll costs.

This, in itself, we strongly feel is a dampening factor to a non-profit organization which receives no financial return for its efforts or equity participation . . . and still further, cannot afford to subsidize this form of management

requirement. In the case of the limited-dividend sponsorship, we find this cost still not compensatory under the particular F.H.A. or conventional means that the developer may have financed his project with. This particular problem is felt even more strongly when the permanent financing originates from either Section 202 or Section 221(d)(3) Market or Below-Market Rate programs.

(4) What is your assessment of the long-range potential of the rent supplement approach to meeting the general goal of providing suitable housing within the economic means of all of our elderly citizens?

We firmly believe that the question also states the merit of the Rent Supplement Program and this, of course, is engendered through "providing suitable housing within the economic means of all of our elderly citizens". We can state unequivocally from experiences that unless such a program is continued, we will have failed to bring the "Great Society" to more than 50 percent of our elderly citizens.

It is my thinking that rent supplement goes far beyond just providing shelter housing. For within the framework of that legislation, we are given the opportunities to rid ourselves and our communities of low-income ghettos and of the stigmatism that people living in such areas are considered as second-class citizens. We find a complete solution through rent supplement in that not only does it provide housing, but it gives us an opportunity to take our poor out of a restricted environment, introduce them to a more affluent surrounding and by their close association with higher-income persons, they themselves can become better citizens. In effect, they see a more proper example set for them in the everyday living patterns of those more financially fortunate. It is through this inter-disbursement that higher social, moral, and civic values can be obtained by those people, who possibly never before had the opportunity to see such examples of standards set before them.

With time being of the essence in our attempt to have you receive our letter prior to July 14th, we are unable to have available to you through this correspondence all of the statistical data that could be researched from our files. Notwithstanding, however, please feel free to call upon our organization at any time to provide whatever information your Subcommittee on Housing for the Elderly may find useful in your preparation of such legislation that will make for a "Great Society" for all of us and these citizens.

Thanking you again for giving this opportunity to us, I am,

Respectfully yours,

ARTHUR E. KLIEN,
Consultant.

MERTOPOLITAN NASHVILLE TEACHERS APARTMENT, INC.,
Nashville, Tenn., July 13, 1967.

MR. FRANK E. MOSS,
Chairman, Subcommittee on Housing for the Elderly,
Washington, D.C.

DEAR MR. MOSS: I just returned home and found your letter concerning the Rent Supplement Program. I am anxious to have an opportunity to let you know how fine we think the program is and how much it has helped us.

It has enabled us to offer housing to some people who could not afford to live in our building. There is still a great unmet need in our community for adequate housing among the elderly which could be met in part by expanding the rent supplement program.

I feel that projects built before the program went into effect should not be limited in the number of units which would qualify. It should not be necessary for a building to be built by the government in order to qualify. Any structure should be able to qualify if the current operation and conditions of the building meets the standards of the rent supplement program. This would give private enterprise an opportunity to develop projects for the rent supplement program. Since the builders would be competing with one another, the better developers would survive. Because of this competition, they will bring new ideas for improved public housing.

The most important single benefit of the rent supplement program is the fact that you can offer the needy public housing rental rates without at the same time depriving them of their dignity.

Sincerely yours,

Mrs. HELEN BAIN.

CHRISTOPHER HOMES INC.,
New Orleans, La., July 7, 1967.

Senator FRANK E. MOSS,
Chairman, Special Committee on Aging,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MOSS: In reply to your communication of June 27, 1967, I would like to note the following:

Because of the availability of rent supplements our organization as well as many other non-profit sponsors throughout the country have been provided with the means to help the needy.

Our organization was formed a year ago under the leadership and direction of the Most Reverend Archbishop Philip M. Hannan solely for the purpose of providing livable housing wherever possible.

Because of the many programs made available through the Housing Act of 1959, as well as the Housing and Urban Development Act of 1965, our organization was formed. We have taken the initiative to approach builders, architects and attorneys to work for our non-profit group. The motivating force behind this project has been the non-profit nature of the sponsorship which will result in lower rents.

The people that we will help are persons whose income are equal to that of the poverty level, but unable to live in public housing because these provisions are virtually non-existent. The demand and need far exceeds the resources available.

New Orleans, like many other large cities in America is experiencing tremendous urban growth. Housing availability is critical as a direct result of this urban evolution, substandard housing is already overcrowded due to many industrial and governmental projects. New interstate highways alone has compounded the need for relocating many low-income families.

Our organization is one of many that is grateful for the rent supplement program as it provides direct assistance to people forced out of public housing because of income limitations and therefore they provide tennant market for slums.

My response to your inquiry concerning our organization is by no means comprehensive or complete. In candor, however the assistance provided by the rent supplement program is truly the action of a responsible government recognizing that this assistance is one contribution in an effort to solve many of the problems the big cities of America are confronted with.

Further, a most detailed expression of the continued need of rent supplement programs will be submitted to your committee by the Reverend Eugene P. McManus, S.S.J. the Chairman of the Board of Christopher Homes, Inc.

His expression of need indigenous to that of New Orleans as well as that of many big cities, will more than adequately be presented.

Your interest in our work is gratifying and I hope that these comments in some way contribute to the continued approval of rent supplement appropriations.

Sincerely,

WILLIAM J. CONNICK.

SUNSHINE VILLAS,
Lehigh Acres, Fla., July 5, 1967.

Hon. FRANK E. MOSS,
Chairman, Subcommittee on Housing for the Elderly,
Special Committee on Aging,
U.S. Senate, Washington, D.C.

DEAR MR. MOSS: Thanks very much for the opportunity to comment on the Rent Supplement Program. I hope these observations will assist you in the determination that this is a most worthwhile program.

Although we are new in the use of the program our experience thus far, and our study of the provisions of the program, have enabled us to make these observations:

(1) In the initial allocation of funds based on 20% of our available apartments, the funds available was not sufficient to take care of our needs. Among those who were occupying our apartments at the time of instituting the program there was a real need. These people used all available funds and we still had a sizable group who could have qualified had the funds been available.

(2) The 202 Program, designed for a group of elderly persons in an income status slightly above "low income", needs this supplemental program very much. Many in this group are unwilling to apply for public housing. Furthermore, our area does not have public housing in quantity that could accommodate them. The pride of a large part of these retirees prevents them from seeking public housing.

(3) I would suggest a more generous percentage of housing units be made eligible for rent supplement. This is especially true of non-profit housing such as the 202 Program. The scrutiny with which the operating budgets of the 202 Projects are examined by H.U.D. to determine that rents are kept at the lowest possible level, coupled with the fact that this is a specific program to help elderly persons in their housing needs, would argue for a majority of such units being made eligible for Rent Supplement instead of the present 20%.

I would also suggest a more liberal allowance in assets. The present \$5,000.00 allowable for a man and his wife, bars many in this retiree group whose income comes largely from interest on investments or their life savings.

With increasing life expectancy most of those who have accumulated modest savings are reticent to dissipate these savings on housing.

(4) It is my opinion that this is one of the fine and most helpful programs of assistance for the elderly. It makes provision for assisting in an area where housing costs are constantly rising, and rising more rapidly than in most other necessities. These elderly, retired persons are on a fixed income, so the constantly rising cost of shelter means the constant lessening in the quality of the shelter they can afford. This idea of bridging the gap between decent and adequate housing and what can be afforded is a dignified and most helpful method of assistance. And, I reiterate, this is especially effective in non-profit programs such as the 202.

Regardless of what may be said, Public Housing does cause a regimentation of the poor, and regardless of how good and well kept they may be, there is, in the minds of many, a certain stigma attached to living in them. The 202 Program, coupled with Rent Supplement, is the ideal way to integrate the living accommodations of those who need financial assistance, and those who do not.

I am happy to have the privilege of giving you my comments on this fine program. I hope I have been helpful in encouraging its extension and strengthening.

If I can be of any further help, please let me know.

Sincerely,

RAYMOND ALLISON HORN,
President, Presbyterian Homes of South Florida, Inc.

QUINCY POINT CONGREGATIONAL CHURCH HOMES, INC.,
Quincy, Mass., July 3, 1967.

Senator FRANK E. MOSS,
*U.S. Senate,
Special Committee on Aging,
Washington, D.C.*

MY DEAR SENATOR: I have received your letter asking for our reaction to the rent supplement program based on our experience.

We have 216 units of senior housing built under 202 of the Housing Act and have 42 of these apartments under rent supplement. The total rent supplement we receive is \$21,000, or about 8% of our total rental income. The person receiving the largest supplement is receiving \$63.00; the person receiving the smallest receives \$27.00 and our rent spread for those receiving the supplement is \$93.50 gross to \$98.50.

In answering your 4 questions specifically, 15 of the residents in our building are receiving Old Age Assistance and an additional 5 help through veterans' services. Since the income of these people is at a minimum, we have been able to supplement their rent to make it possible for them to live at this facility. The average income of the 42 who are receiving rent supplements, aside from the supplement amount, is approximately \$1,800. One might wonder how these people would dare to pay out \$1,100 on rent on such a meager income.

Our community is probably average income-wise and I am certain that if the Rent Supplement Program were expanded, it would help meet further unmet needs among the elderly.

I have several suggestions to help improve and change the program based on our experience. I find it hard to accept the theory that, if a person receives rent supplement, we must supplement his rent to the extent that only 25% of his income goes for his rent.

This percentage is too low and, frankly, none of our tenants are paying that small a percentage of their income for rent. Under the Housing Act under which 202s are established, the maximum for a single person in our area is \$4,000. Our rents for single people average \$1,152; thus, all of our residents, in order to qualify under the income limits, must pay over 25% of their income for rent (without the supplement). For people with families there may be justification for the 25% figure. For senior citizens, especially with heat, light, hot water included in the rent, 35-40% would be a far more realistic figure. To illustrate this further, Resident A, with a total income of \$1,400, is receiving rent supplement of \$63.00 towards a \$98.50 apartment. She also has cash assets of \$4,500 on which she is living. If these assets become depleted, she would be eligible for a small amount of Old Age Assistance as income, but we have several other residents whose income, while higher than Resident A's, is not as high as her income plus rent supplement added. We are not able to give them any assistance whatsoever in a 202 project such as ours. I think we would better serve the needy elderly by, while not increasing the total amount given to us as a supplement, being able to spread it over a wider number of people in a smaller average supplement. It seems incongruous to me that the rent of 42 people should be supplemented by about 50% each, while others, whose income is just above those who we are able to help, are not able to receive anything and, therefore, have an ultimate lower standard of living than those receiving the supplement aid. A further improvement might be, in the case again of 202 projects, to apply the supplement directly to the interest payment, reducing, in our instance, our interest from 3 $\frac{1}{2}$ % to 3%, and enabling us to drop the average rent approximately \$8.00 a month for all residents.

Rent Supplement is still just a drop in the bucket and I'm not sure that it can be expanded to the point where it will meet the needs of all of our elderly citizens. I, frankly, would rather see the 202 housing program expanded, and some of its criteria that make it difficult for sponsors to become involved eased, for I feel that this is, by far, the better method (along with public housing for senior citizens) to try to provide suitable housing than through the individual supplement program.

I appreciate the opportunity to make these suggestions to your sub-committee.

Sincerely,

BEDROS BAHARIAN,
Executive Director.

KATE FRANK MANOR,
Muskogee, Okla., July 19, 1967.

Senator FRANK E. MOSS,
Chairman, Subcommittee on Housing for the Elderly,
U.S. Senate, Washington, D.C.

DEAR SENATOR MOSS: I regret that your letter of June 27 did not reach me until July 14 as I was on vacation and did not receive my mail.

I am pleased to give my experience and evaluation of the Rent Supplement Program as it affects the elderly.

First, I will answer your questions:

1. The rent supplement program has enabled us (the Kate Frank Manor, an apartment house for the elderly) to serve the needs for decent housing for the elderly in our community.

2. We have been allocated \$9,000 annually under the rent program at present this amount will suffice for the most urgent needs if we can be assured of this amount each year.

3. The rules and regulations for qualifying for rent supplement are very liberal. I suggest no change.

4. I approve the long-range potential of rent supplement approach to meeting the housing needs of the elderly in the very low income class.

My experience with rent supplement is very limited. Our first rent supplement occupant moved into the Manor in April, 1967.

There are 93 apartments in our housing project. Five apartments are occupied by elderly persons who otherwise could not have a decent place to live if it were not for the rent supplement. There are several other elderly persons in our community who could qualify for a single efficiency apartment if we had vacancies.

When I visited our rent supplement occupants in their homes and some who were existing with relatives who did not want them, it made me heartsick to think that any human being in these United States had to live in such places.

I have witnessed such marvelous changes physically and emotionally in our rent supplement occupants that in my opinion it is worth every cent that the Federal Government invests in bringing happiness and comfort to low income elderly persons.

I am 100 percent for the continuation of the rent supplement program for the elderly.

I trust that Congress will appropriate enough money to carry on the present program and extend it if deemed necessary to meet the housing needs of the elderly through Rent Supplement Program.

Sincerely,

KATE FRANK, *President.*

Senator Moss. The hearing this morning is concluded.

(Whereupon, at 12:05 p.m., the subcommittee was adjourned subject to the call of the Chair.)

