

# ADEQUACY OF FEDERAL RESPONSE TO HOUSING NEEDS OF OLDER AMERICANS

---

---

HEARINGS  
BEFORE THE  
SUBCOMMITTEE ON  
HOUSING FOR THE ELDERLY  
OF THE  
SPECIAL COMMITTEE ON AGING  
UNITED STATES SENATE  
NINETY-SECOND CONGRESS  
FIRST SESSION

PART 5—WASHINGTON, D.C.

OCTOBER 29, 1971



Printed for the use of the Special Committee on Aging

U.S. GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1972

65-725

---

For sale by the Superintendent of Documents, U.S. Government Printing Office  
Washington, D.C. 20402 - Price 20 cents

## SPECIAL COMMITTEE ON AGING

FRANK CHURCH, Idaho, *Chairman*

HARRISON A. WILLIAMS, Jr., New Jersey	HIRAM L. FONG, Hawaii
ALAN BIBLE, Nevada	JACK MILLER, Iowa
JENNINGS RANDOLPH, West Virginia	CLIFFORD P. HANSEN, Wyoming
EDMUND S. MUSKIE, Maine	PAUL J. FANNIN, Arizona
FRANK E. MOSS, Utah	EDWARD J. GURNEY, Florida
EDWARD M. KENNEDY, Massachusetts	WILLIAM B. SAXBE, Ohio
WALTER F. MONDALE, Minnesota	EDWARD W. BROOKE, Massachusetts
VANCE HARTKE, Indiana	CHARLES H. PERCY, Illinois
CLAIBORNE PELL, Rhode Island	ROBERT T. STAFFORD, Vermont <sup>1</sup>
THOMAS F. EAGLETON, Missouri	

WILLIAM E. ORIOL, *Staff Director*

DAVID A. AFFELDT, *Counsel*

JOHN GUY MILLER, *Minority Staff Director*

---

## SUBCOMMITTEE ON HOUSING FOR THE ELDERLY

HARRISON A. WILLIAMS, Jr., New Jersey, *Chairman*

FRANK CHURCH, Idaho	PAUL J. FANNIN, Arizona
EDMUND S. MUSKIE, Maine	EDWARD J. GURNEY, Florida
EDWARD M. KENNEDY, Massachusetts	WILLIAM B. SAXBE, Ohio
WALTER F. MONDALE, Minnesota	EDWARD W. BROOKE, Massachusetts
CLAIBORNE PELL, Rhode Island	ROBERT T. STAFFORD, Vermont

---

### Adequacy of Federal Response to Housing Needs of Older Americans:

Part 1. Washington, D.C., Aug. 2, 1971.

Part 2. Washington, D.C., Aug. 3, 1971.

Part 3. Washington, D.C., Aug. 4, 1971.

Part 4. Washington, D.C., Oct. 28, 1971.

Part 5. Washington, D.C., Oct. 29, 1971.

---

<sup>1</sup> Senator Winston Prouty, Vermont, served as ranking minority member of the committee from September 1969, until his death September 10, 1971. Senator Robert T. Stafford, Vermont, was appointed to fill the vacancy on September 17, 1971.

# CONTENTS

## CHRONOLOGICAL LIST OF WITNESSES

Watson, Norman V., assistant secretary for housing management, HUD, accompanied by Marie McGuire, special assistant on the elderly, and Robert M. Gair, budget analyst.....	Page 300
McCarthy, Holly, The Nonprofit Housing Center, accompanied by Thomas D. Ryan, Jr., executive director, Jacksonville Improved Living of the Methodist Church, Inc.....	335
Ryan, Thomas D.....	335

## APPENDIXES

Appendix 1. Prepared statement of George Romney, Secretary of Housing and Urban Development.....	341
Appendix 2. Additional material submitted by witnesses: List of local housing authorities involved in modernization program and total number of units to be modernized, submitted by Norman Watson, HUD.....	346
Appendix 3. Letters from individuals and organizations: Letter and statement from Albert A. Walsh, administrator, New York City Housing and Development Administration, to Senator Harrison A. Williams, Nov. 3, 1971.....	349

# ADEQUACY OF FEDERAL RESPONSE TO HOUSING NEEDS OF OLDER AMERICANS

FRIDAY, OCTOBER 29, 1971

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

The subcommittee met at 10:18 a.m., pursuant to recess, in room 4232, New Senate Office Building, Senator Harrison A. Williams, Jr. (chairman) presiding.

Present: Senator Williams.

Committee staff members present: William E. Oriol, staff director; William Laughlin, professional staff member; John Guy Miller, minority staff director; and Shirley Rakosky, clerk.

Senator WILLIAMS. We will convene with the continuation of our hearings of the Subcommittee on Housing for the Elderly.

Norman V. Watson, Assistant Secretary for Housing Management, and Marie McGuire, Special Assistant on the Elderly.

Have you been before this committee before to help us in our deliberations, Mr. Watson?

Mr. WATSON. No; I have not.

Senator WILLIAMS. Well, Marie, you have been here before. You are a regular visitor to this committee.

Mrs. McGUIRE. Yes; many times.

Senator WILLIAMS. We welcome you.

Why don't we proceed with your statement, Mr. Watson?

## STATEMENT OF NORMAN V. WATSON, ASSISTANT SECRETARY FOR HOUSING MANAGEMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, ACCOMPANIED BY MARIE McGUIRE, SPECIAL ASSISTANT ON THE ELDERLY, AND ROBERT M. GAIR, BUDGET ANALYST

Mr. WATSON. Mr. Chairman, members of the Senate Special Committee on Aging, it is a pleasure to appear before you this morning to represent Secretary George Romney and the Department of Housing and Urban Development. May I first leave with you a detailed statement from the Secretary outlining the Department's position on housing considerations related to the elderly, including responses to the questions you posed in your letter of October 19, 1971.\*

Senator WILLIAMS. Very good.

\*See appendix 1, p. 341.

Mr. WATSON. I would like this morning to tell you something of the housing management efforts to improve living environments in all HUD-assisted programs with special emphasis on the needs of the elderly. You are aware that the Department has undergone reorganization, which, among other changes, places housing production in one section and housing management in another regardless of the program or type of financing or sponsorship.

In short, the Assistant Secretary for Housing Management directs programs and functions relating to and affecting the management of all housing programs of the Department. Once housing is produced, management has the responsibility for realizing and protecting the Federal commitment to the investment in HUD-assisted housing.

To this end, the housing management effort must concern itself with the continued financial stability and physical maintenance of HUD-assisted housing and to insure the satisfaction and well-being of its residents.

### HOUSING MANAGEMENT RESPONSIBILITIES

To attain these broad objectives, there are a number of specific operational responsibilities which make up the housing management mission. They include:

Requiring that management considerations are fully taken into account at all key points in the planning and production process;

Administering the annual subsidization of HUD-insured housing; Approving budgets and modernization programs; and allocating operating subsidies for low-rent public housing;

The servicing of HUD-held mortgages and management of HUD-held properties;

Selling HUD-held properties;

Administering homeownership counseling programs for section 235, 237, Turnkey III and IV housing applicants;

Conducting reviews and inspections to evaluate the effectiveness of management performance in all HUD housing programs;

Providing technical assistance ranging from advice on community and tenant services to utility operations and maintenance;

Provide housing assistance in presidentially declared disasters.

Assistant Secretary-Commissioner Eugene Gullledge stated in his testimony before this committee on August 4, 1971, that the Department is acutely aware of the housing needs of a large number of our senior citizens, particularly those of restricted incomes who must rely on our assisted programs if they are to enjoy safe and comfortable housing within their paying ability.

As this committee knows, the housing provided must be responsive to the varying needs of older people. Some can use housekeeping units; others need meal service and housekeeping help; still others need the intermediate care and nursing home facilities. Each of these types of housing programs also must be responsive to the incomes of the elderly. HUD programs generally respond both to the health and income realities of the elderly.

While housing types, special design for safety and comfort, location close to facilities all are important to the well-being of older persons, the quality of the living environment is dependent on management policies which determine the atmosphere and tone of the development

as well as the safety and security of the older occupant. It is for this reason that Housing Management has a special section on housing for the elderly and handicapped under its Office of Program Development.

Since establishment of Housing Management as a separate and cohesive approach to professionalizing housing management, a number of significant steps have been taken to develop guidelines and policies to improve the living environment of residents, to involve them in decisionmaking, and to improve services that are needed to assure opportunities for self-improvement and a more enriching life. The elderly, of course, benefit as do all residents from these activities. I would like to mention a few.

We have recently issued a management guidebook entitled "Guide for the Management of HUD Insured Multifamily Projects Under Section 221(d)(3) and Section 236," which covers all phases of good management practice. While the low-rent public housing program has for some time had a comprehensive management guide, the section 236 and section 221(d)(3) FHA programs did not have such a manual in the detail necessary to assist the inexperienced sponsor. We believe this guide will assure management practices that will maintain financial soundness and also will encourage tenant participation in decisions affecting their lives in the development as well as equity in handling tenant-landlord disputes.

There are now over 2,400 dwelling units under management in the section 236 program specifically designed for the elderly. In the section 202 direct loan program, there are approximately 41,000 units in management; in the section 231 program for the elderly, over 37,400 dwelling units are in management.

The largest single program for the elderly is the low-rent public housing program, with more than 175,000 dwelling units specifically designed for the elderly under management. In addition, a significant number of small units in family public housing developments are occupied by the elderly.

As the Secretary's statement which I am submitting today states, congregate housing holds great promise as a deterrent to premature institutionalization, will afford nutritious meals, and probably attract other local services as needed, such as housekeeping aides and home health aides. In this environment, the older person should be able to remain in his home for a longer period of time with supportive services as needed.

Food service is a characteristic of congregate housing. As stated above, other services such as housekeeping aid, home health services, and personal services will from time to time be needed if we are to extend the span of at least semi-independent status. Since congregate housing success will depend on the availability and continuity of services, it is obvious that we must be assured of these services as a condition of program approval. This in turn indicates the need for interagency and cross-disciplinary involvement.

The delivery of a nutritious food service is, itself, a separate art if it is to contain those elements to sustain good health as well as the special diets that might be needed.

The median income of elderly couples in public housing today is approximately \$2,500; for the single individual—some 70 percent of the occupants—approximately \$1,500. It is apparent, therefore, that

some of these older persons of limited income would have difficulty or inability to pay both the rent and food costs.

The Brooke amendment, which has been in effect since March 24, 1970, limits the rents of public housing tenants to 25 percent of family income, as defined, with exception that rents of families on welfare could not be reduced if it resulted in reduction of their welfare grants. Prior to the Brooke amendment, more than half of the elderly tenants living in low-rent public housing were paying over 25 percent of their total incomes for rent.

We cannot estimate what percentage of the elderly population did not benefit because of the condition affecting welfare families, but it can be assumed that a large proportion did benefit. Based on a statistical sample, the average monthly rent reduction for the elderly was double that for nonelderly families.

#### RETROACTIVE RENT REBATES

Within the last 2 months HUD approved retroactive rent rebates for welfare families, many elderly, living in low-rent public housing in Rhode Island and in Massachusetts. These payments, retroactive to March 24, 1970, will substantially benefit many elderly families.

Another important step to simplify life for the housing authorities has been the development of our new forward funding policy for the payment of operating subsidies. This new system has two major aims. One aim is to reduce the several different types of subsidy payments, with their separate complex computations, to essentially a single operating subsidy to fill the gap between income and operating expenses.

The second aim is to accelerate the obligations of the operating subsidy so that a firm commitment of subsidy funds will be made at the time a housing authority's budget is approved, rather than later, as is presently the case.

The simplification and acceleration will increase the ability of the housing authorities to operate their program with full knowledge of the amount of subsidies they will have available in the fiscal year ahead.

We intend to provide funding assurance by amending all annual contribution contracts to guarantee payment of the subsidies which are committed at the time the budget is approved.

The single operating subsidy will be paid in lieu of the special family, rental assistance, and operating deficits that are now separately computed and paid, except that we will continue to pay special family subsidies in those rare cases where the subsidy requirements exceed the statutory maximum annual contribution.

#### STEPS TAKEN TO PROTECT ELDERLY

Now let me turn to three specific questions posed by the committee which are related to question 10 in the chairman's letter of October 19 to the Secretary, which asks about the action HUD is taking to deal with the effects of crime on the elderly. One question inquires about the HUD contract to be let to the Law Enforcement Assistance Administration of the Department of Justice. This is a four-part research project to formulate guidelines for controlling crime in

residential areas. The first two stages of the study were announced on October 21, 1971.

The first stage, to be conducted by Urban Systems Research & Engineering, Inc., of Cambridge, Mass.—contract let August 12, 1971—is designed to determine the nature and pattern of neighborhood crimes.

Urban Systems will collect data from a number of sources, including police files, offenders, and victims. It will also study the characteristics of several neighborhoods. The data will then be analyzed to determine the factors which encourage or inhibit crime in different residential settings. The amount of the contract with Urban Systems is \$149,512.

The second stage, to be performed by the Boise Cascade Center for Community Development and the Security Planning Corp., both of Washington, D.C.—contract let August 13, 1971—involves the development of total security systems to reduce the number and severity of crimes in these areas, with particular emphasis on housing design.

The security systems will have to satisfy a variety of sometimes conflicting criteria, among them cost effectiveness, low false alarm rates, reliability, and degree of acceptability by residents. The contract for the second phase amounts to \$138,512.

The first two stages will be monitored by the National Institute of Law Enforcement and Criminal Justice of LEAA in the Department of Justice. Funds for these projects were supplied largely by HUD's Office of Research and Technology, with LEAA furnishing additional financial support.

The third and fourth stages will be administered by HUD's Office of Research and Technology.

In the third phase, innovative architecture will be developed to minimize risk to residents of crimes committed in their neighborhoods.

The final phase will develop standards for security systems, applicable to both new and existing buildings. When implemented, the standards are expected to go a long way toward significantly reducing the levels of crime in residential areas.

Meanwhile, staff in the Office of the Assistant Commissioner for Technical and Credit Standards has been collecting data and information on the nature and occurrence of crime in housing for the purpose of preparing and publishing an interim HUD guide on security. It was felt that the results of the two research studies could not be put into a guide for at least another 2 or 3 years and that an interim guide, even if more elementary, should be issued as soon as possible.

In the course of the preparatory work, it was found that the Institute of Planning and Housing of New York University, under its director, Prof. Oscar Newman, has been for the past 2 years deeply engrossed in amassing data on criminal behavior in New York City low-rent housing projects and has been acting as consultant to the New York City Housing Authority on its \$10 million modernization program aimed at increasing security in its projects.

This is to be accomplished by designing what he calls defensible space and installing security hardware, electronic audio and video control devices as well as rapid communication systems with the police.

The Institute presently has the staff, expertise, and material to prepare within a period of 3 months a 100-page guide that would



admirably fill HUD needs. We are presently exploring the possibilities of funding the Institute in the amount of \$25,000 necessary to complete such a guide.

Also the minimum property standards (MPS) for multifamily housing have been rewritten. The following requirements designed to increase security have been included:

Living units shall be equipped either with (a) a baffle-protected, self-locking latch and a dead bolt or (b) with a self-locking dead latch on exterior doors and doors leading into garage areas or public hallways, except that sliding doors shall be equipped with a deadlock device of any kind.

First floor and basement windows, and windows opening onto stairways, porches, platforms, or other areas affording easy access to the premises, shall be equipped with locking devices.

Required deadlocks shall have a minimum throw of one-half inch or have interlocking bolts and striker.

Also being reviewed are tests submitted by the American Aluminum Manufacturers Association for resistance of aluminum sliding doors and windows to forced entry. We have requested the National Woodwork Manufacturers Associations to consider tests for resistance to forced entry through wood sliding doors and windows. After approval of the tests, we expect to require in the MPS forced-entry-resistant sliding doors and windows.

The Office of Research and Technology as part of its program to further urban application of advanced communication systems will install an experimental mobile ultrasonic alarm network for emergency communications in a housing for the elderly project as part of one of the "Operation Breakthrough" sites.

In case of an emergency, a resident will be able to send a signal to a central location in the building by using a simple device that is about the size of a pen. Someone at the central location will know that a person needs assistance near the location where the signal originated.

The system which will be installed is similar to one that was developed as part of a NASA-sponsored program for emergency signaling in large schools. This will be the first test of an installation in a housing situation. If the system is successful in this application, it can be replicated in a great number of housing for the elderly projects and provide for a greater sense of security among this portion of the population.

In October 1970, a questionnaire on the cost effect of vandalism and characteristics of involved projects was transmitted to all local housing authorities with projects under management. This questionnaire was circulated in order to obtain sufficient data to be able to respond to the Senate Appropriations Committee and to arrive at a better understanding of the extent of the problem and its cost and to determine what remedial or preventive steps could be taken to alleviate the problem. For the purposes of this survey, vandalism was defined as any willful or malicious destruction or defacement or theft of LHA property. The survey was made as of the last completed fiscal year of operation for the authorities.

A review of the questionnaire submitted by the area offices indicates that 660 LHA's out of a total of 2,043 as of December 31, 1970—preliminary count—replied to the inquiry. These 660 LHA's had about 481,000 units under management or about 52 percent of the 918,000 total units under management as of April 30, 1971.

The total cost of ordinary maintenance and operations for the 660 LHA's responding to the questionnaires was approximately \$84.4 million. Of this amount, the LHA's estimated that approximately \$11.4 million was caused by vandalism, or 13.5 percent of the total ordinary maintenance and operations expense.

In addition to the \$11.4 million, the authorities estimated that \$1.4 million of expense caused by vandalism was charged to extraordinary maintenance or replacement of equipment, thus the total estimated vandalism cost would have been \$12.8 million. On an overall average for the reporting authorities, the \$12.8 million would represent a per unit month amount of \$2.21, or an average of about \$27 per unit annually.

Assuming that 50 percent of the balance of dwelling units under management as of April 30, 1971, incurred vandalism at an annual average rate of \$13 per unit, the total average annual cost of vandalism for all projects in management would be about \$15.6 million. This estimate would cover approximately 700,000 units in those projects estimated to be subject to vandalism—an average of about \$22 per unit annually.

Your committee also requested information about the joint HUD-HEW agreement for services. A copy of the formal agreement is attached to this testimony for the record.\* In brief, this joint agreement, developed after many months of meetings, can serve to channel social services on a coordinated basis to public housing residents. Housing authorities will be able to use their expenditures as the State's share to earn matching funds under the HEW formula.

As you may know, the Administration is committed to increasing the effectiveness of services available under the HEW program. Many local housing authorities have provided social and community services for residents, in varying degrees, since the early days of the low-rent public housing program. Recent housing legislation has emphasized the importance of developing programs for unmet needs of resident individuals and families.

Present emphasis is on job training and placement, education, welfare, health and other community services which are directly related to meeting tenant needs and providing a wholesome living environment. Services will be preventive as well as rehabilitative. Such a program for the aged may include homemaker, nursing, recreation, and casework services.

#### PHYSICAL, SOCIAL, AND SPIRITUAL HELP FOR ELDERLY

The objectives of the program are to help the aged remain physically, socially, and spiritually within the life of the community. In so doing, we effect a human saving as well as a financial one. Prevention of emotional and physical breakdown will save the cost of hospitalization at public expense which often extends into many years. This can best be accomplished by providing efficient supportive, social and human services in a coordinated manner readily available when and where needed.

In pursuit of these services goals, the local housing authorities may contribute 25 percent of the financing of social service activities in

\*Retained in committee files.

low-rent public housing to the State Department of Welfare which in turn may then secure 75 percent in Federal matching funds. The LHA contribution is an eligible expense of their operating budget and can be either a cash transfer or consist of costs incurred by the LHA which apply to the social service activities being performed by LHA staff.

We have guidelines to implement this joint agreement which are available. This agreement will greatly increase the role and opportunities of the community services advisors in the HUD field offices to achieve the objectives of our community services programs. This agreement holds promise for the future.

Another question posed by the committee has to do with our activity in the modernization program. The modernization program was designed to update and rehabilitate older projects in order to improve their serviceability and extend their useful life through the modernization of buildings and grounds; expansion of community service programs and facilities, where needed, to meet the requirements of the program; involvement of the tenants in the plans and programs for the modernization of the project and in management policies and practices; intensification of efforts to assist low-income families to realize their potential for economic advancement and increased employment of low-income tenants by local authorities.

In addition, the modernization program finances additional or enlarged facilities, such as community space and maintenance shops, that are found to be necessary in the management of public housing properties. For housing occupied by the elderly it includes installation of amenities directed toward improvement of the quality of life of the older residents, including features contributory to their health, comfort and physical security.

For example, modernization funds have provided added amenities for the elderly units including showers and grab bars; more suitable cooking ranges, refrigerators and cabinets; security screens, door peep-holes, alarm systems, and improved outdoor lighting.

Under development is a controlled floor warming system to be used for floor coatings in the bathroom; also phosphorescent arrows painted or placed on corridor walls (invisible in the daylight, glow in the dark) to provide guides to exits under emergency conditions.

In the design of the modernization program it was recognized that its success would depend to a substantial degree on the extent to which the residents themselves had a voice in the formulation of not only the planning of the rehabilitation of the grounds and structures, but in the updating and simplification of policies and procedures which affected their living environment.

#### IMPROVED MANAGEMENT-TENANT RELATIONSHIP

As a consequence, noticeable improvement in relationships between management and tenants has developed, a model lease and grievance procedure has been developed and is presently being implemented nationally, local housing authorities have proceeded to arrange for training and employment opportunities through negotiations with contractors, labor unions and, as positions become available on authority staff, the employment of tenants on either administrative or maintenance staffs.

Through planning and programing community facilities and services with the resident population, needed and pertinent activities are developed with local public and private agencies, resulting in enhanced opportunities for social and economic advancement of the tenant population. Because we are aware of the need for improved security measures, this item in the modernization program has had a high priority.

Modernization funding is based on amendments to annual contribution contracts and is financed by increased borrowing by the LHA which, in turn, is supported by increased annual contribution payments to cover debt service costs.

As a formal program, modernization was started in fiscal year 1968. Through June 30, 1972, a total of \$67.5 million will have been set aside for this purpose out of total available contract authority. This includes \$20 million specifically designated for modernization in the Housing and Urban Development Act of 1969.

In a breakdown of modernization funds approximately 1.3 percent is spent for public space lighting; 4 percent for doors, locks and closet doors; 0.1 percent for stair treads; and 5.9 percent for bathroom improvements (such as grab bars, and so forth).

The following table shows the use of authority for modernization purposes through fiscal year 1972 and the estimated capital costs supported (in thousands):

Fiscal year	Use of contract authority		Estimated capital costs supported	
	Annual	Cumulative	Annual	Cumulative
1968 (actual).....	\$10,000	\$10,000	\$125,000	\$125,000
1969 (actual).....	10,000	20,000	135,000	260,000
1970 (actual).....	7,500	27,500	90,000	350,000
1971 (actual).....	20,000	47,500	235,000	585,000
1972 (estimate).....	20,000	67,500	235,000	820,000

HUD has determined that sufficient time and experience has elapsed since the first program was approved in 1968, to provide a sound basis for analyzing the effectiveness of the process through which the achievement of the stated goals is being realized.

Based on several factors including the age of the projects, the complexity of problems, geographical location, and the assignment of funds, an evaluation of the modernization program has been designed and it is anticipated that it will be implemented within the next 30 days, by staff members of the Office of Program Development.

In conclusion, this committee will recognize that many of the management improvements discussed are directed toward general management concerns. However, all these improvements and others to follow will be equally applicable to the elderly tenants in all programs. We know that crime is a serious problem particularly to older people with less ability to protect themselves; we know that social services are essential to our older residents if they are to remain in a residential setting. We know also that many of our elderly residents will have much to contribute in experience and wisdom to overall improvement of living environments and managerial approaches.

## BUDDY SYSTEM

In addition, it has been our experience that older residents in specially designed housing soon develop a buddy system that assures a neighbor's assistance in time of stress. All of these characteristics bolster good management and help create a desirable tone and status in the living environment.

To more quickly achieve these goals, a contract has just been awarded to the National Corporation for Housing Partnerships to develop a pilot training program for housing managers and to propose to HUD a plan for organizing an entity such as an institute for housing management to serve as a continuing center for education, training, accreditation, certification, and text development in housing management. Within these professionalizing efforts, the special concerns of housing management for the elderly will be emphasized.

Senator WILLIAMS. We will recess for 10 minutes and be back here and we will go over the full statement.

(Whereupon a 10-minute recess was taken.)

Senator WILLIAMS. Now we will reconvene. One of the reasons why we have this 24-hour rule is so we don't have to sit for a preliminary receipt of the messages, so we don't have to recess this way, but I gather we didn't make that clear. But, at any rate, let me begin the questioning, and on this committee we do turn to staff. Mr. Watson, you do speak of and address yourself to the reasons that Housing Management has a special section on housing for the elderly and handicapped under the Office of Program Development. Now, I would like to first inquire just about that and get a description of the special section on housing for the elderly because, of course, that is what we are zeroed in on here.

Mr. WATSON. Before I do, I would like to introduce for the record Mrs. McGuire who is special assistant on the elderly and Mr. Bob Gair with our budget division who keeps our money straight and figures in line.

Yes, under the organization of housing management, Office of Assistant Secretary for Housing Management, we have a special section that deals with program development which is primarily concerned with how programs are working and evaluating them with special emphasis on certain programs, Indian housing, for example, and elderly housing, in addition to other functions.

We have approximately four people involved in this and they are concerned with developing policy and providing feedback on design criteria and management policies in the use of elderly housing. On security, they monitor security contracts in order to pick up during the evaluation of research process anything that can be fed back into operations. This process very quickly would have an effect on the program.

In short, they are evaluators of the program; how it is working and how it can be improved.

Senator WILLIAMS. How long have we had under congregate housing the meal program for the elderly in public housing, Mrs. McGuire. Is that in part of your area?

Mrs. MCGUIRE. Yes, I have been participating in meetings we have been holding on the problem of food needs with reference to public housing in particular.

Senator WILLIAMS. How far have you gotten on congregate—what do you call it when you have meals in public housing for the elderly in a community dining room?

Mrs. McGUIRE. This is called congregate housing.

Senator WILLIAMS. That was my amendment and that is a law that passed in December, a year ago. How are we proceeding?

Mrs. McGUIRE. There has to my knowledge been issued one regulation to the local housing authorities as to what to charge under the law; what may be charged to administrative expenses and what may not be charged to administrative expenses. There has been one general issue on the concept of congregate housing and the special groups of people it is designed to serve as opposed to other types in individual housekeeping units. We are at work on a manual on congregate housing that has not yet been issued.

#### NO MANUAL—NO MEALS?

Senator WILLIAMS. In other words, no meals will be served in congregate housing arrangements until the manual has been issued?

Mrs. McGUIRE. Well, I don't know whether I can answer that. There are a number of applications for such housing.

Mr. WATSON. Yes; I think the question of food service in congregate housing is very central. In the first place, I think the program has followed a pattern of most new programs. When a new program is passed, usually it takes a year or 18 months before those who are responsible for actually doing the work, getting it built, pick up on it. Regardless of whether HUD pushes it or not, it takes time. I think that accounts for some of the slowness.

The question on food service is one that is central and I think the Department's position on that is that if congregate housing is to be successful, some kind of arrangement has got to be made on food services and their costs. Until that issue is resolved, I think congregate housing is probably going to go fairly slow.

Senator WILLIAMS. What was the issue that has not been resolved?

Mr. WATSON. Exactly how food services should be provided. We are of the opinion that it is central to the issue, but the resolution of how to do it has not been resolved.

Senator WILLIAMS. For me to understand this, I will have to ask a couple of more questions. Now is this development to realize food services, congregate food services, is that in the Housing Management section and all of the buildup that is necessary which takes time?

Mr. WATSON. The actual implementation of that program would come under the Assistant Secretary of Housing Management; yes.

Senator WILLIAMS. Well, this is for the elderly. This only deals with the elderly?

Mr. WATSON. Mr. Chairman, let me explain something here. It is confusing. As we have said before, management is under one Assistant Secretary. Production and management are separated. In order to make a project feasible, in the production stage, the inclusion of some provision for food services would have to be in it. That comes under Assistant Secretary for Housing Production, Eugene Gullledge. Once that unit is built and provisions for that food service were implemented, then it is up to the Assistant Secretary of Housing Management to see that that function continues.

Senator WILLIAMS. Wait a minute. I thought this program was to be applied in the existing as well as new production units?

Mr. WATSON. On the existing side, it would fall under the Housing Management Assistant Secretary.

Senator WILLIAMS. You said you have about four people. You mean you have maybe three and one part timer working in this section?

Mr. WATSON. No. We have a secretary and three professionals full time.

Senator WILLIAMS. I am only talking about the elderly area.

Mr. WATSON. That is right.

Senator WILLIAMS. Around here, every professional thinks that he ought to have a secretary. But at HUD three professionals have one secretary, That seems to be a limited crew to undertake this national buildup of congregate housing and I agree with your philosophy here of the importance of nutrition and nutrition partly arrived at in public housing will reduce the pressures on institutionalization. You have said that.

Mr. WATSON. Right.

Senator WILLIAMS. It seems to me that this would be an overwhelming task for three people to gear the Nation to meeting this objective, even if that were their only job, and that isn't their only job, is it?

Mr. WATSON. Yes.

Senator WILLIAMS. Just the congregate housing?

Mr. WATSON. Just the elderly housing. The whole picture of elderly housing. Let me say that and go further. These are not the only people who work on the elderly housing program.

Senator WILLIAMS. We are just dealing with the meals now, nutrition.

Mr. WATSON. All right. But we have other staff, for example, that are devoting their time to the elderly program and to congregate housing. The delivery service in HUD is not in the central office. The delivery services are at the area office level and that is where the major bulk of the staff exist. The central office basic purpose is one of development of policies so that programs can be implemented. It doesn't take a large number of people to accomplish that task.

Senator WILLIAMS. Well, of course, we have had this congregate housing now for 10 months and how close are you to directives to the field other than how much they should be charging?

Mr. WATSON. Well, in terms of time, I think we are much closer than we were 3 months ago. I would say probably in the next 90 days, 120 days, we will be in a position to begin to direct the field in the ways in which we wish to go.

#### ABSENCE OF SECURITY

Senator WILLIAMS. Well, I will say that as I hear the people from the country come to our committee and tell us what their problems are, those who are older people, in their list of problems this would probably be secondary to security and, of course, that is what we have been focused on here. I am sure your Department had someone here yesterday to listen to the testimony and I have never heard anything quite as heart-tearing as the stories of people who are old, who are in this housing, and there is just a total absence of security.

Take any part of their living needs. They get the Social Security check—total terror. They take the check, and it comes in the mail, go down to the grocery store, buy something and get the check cashed and come back. To get the description of the terror is as ghastly as anything I have ever heard. The description of the hardships of being old and then when they are in their home, you talk about designing for defensible space, it is an awful thing to have to talk that way but that is exactly the way we have to talk, defensible space, talking about bars and screens to keep people out.

A woman from Baltimore explained how they can't get locks on their doors and these are the things that suggest emergency action rather than long involved study. There seems to be certain rudiments of security that don't require that kind of depth of analysis in gathering of data because we know it.

The day before yesterday, and this was not in Government-sponsored housing, an 82-year-old woman was killed here in Washington, putting homicides over the record high of last year already. On October 27 we had a man from Paterson, 72-years-old, a productive guy, who was mugged and beaten and ruined. He is now a welfare case and he was a productive citizen and on a job. These are emergency matters and I wonder if there are any emergency steps that are being taken for greater security?

Mr. WATSON. Regarding the security problem, I had the opportunity, Mr. Chairman, of reading that testimony previous to this meeting and I have to agree that the stories are pretty frightening. I think the security problem in public housing is total in nature rather than directed at any one particular group. It is more so on the elderly because they are less defensible and they are less mobile. They just have more of a problem in the security area.

However, we have taken steps in the past 12 months in public housing to place security as one of the priority items in our Department. For example, a number of authorities have come to us and said, "We would like to replace locks. We don't have money," or "We would like to employ guards or we would like to set up a tenant security control with walkie-talkies," and so forth. We have instructed out budget people across the country, where this happens, that they are to reshift the priorities of money and get that money into the authority to allow them to increase their security.

#### TENANT-SECURITY PROGRAM

We have undertaken some joint programs. In St. Louis, for example, I am sure you have heard of Pruitt-Igoe. We have a very interesting program going there that is a combination of LEAA, the university, the tenants, housing authority, and some special consultants. It is a tenant kind of security program and it has drastically reduced the rate of crime there.

We still have crime and problems in terms of security, but nothing like a year ago. The St. Louis program was funded as an experimental program to see how coordinating all of these forces could reduce the crime rate and it has worked. We think it is a controllable thing. It is something that takes money and attention and that is why we have given it priority during the past year.



Senator WILLIAMS. As a budget item, how much new money have you in request now in the area of security for older people in public housing?

Mr. WATSON. Mr. Chairman, up until 12 months ago, we did not keep separate figures on the cost of vandalism and security. We have since revised the books at the local housing authority level in order for them to account for those kinds of costs. In the past we just considered locks as a maintenance cost. So we just can't answer that question in a definitive way. In terms of budgeting—

Senator WILLIAMS. That is why over at McCullough at Baltimore they don't have any locks.

Mr. WATSON. That is why we have set the priority on budgeting. In other words, if these kinds of things are needed in that budget in the maintenance program, then those are the kinds of things that we will make sure are funded.

Senator WILLIAMS. It seems to me that if this should be separately stated or understood, that there would be no trouble getting that money here, I don't believe because you read in the testimony, I think it was McCullough homes over in Baltimore, the woman described the need for locks and there is no money for locks.

Mr. WATSON. I am very interested in that. I will follow that up.

Senator WILLIAMS. I was out of the room some of the time—over on the floor—when Mr. Hersch was on yesterday, so, Bill, you were here; do you have any questions?

Mr. ORIOL. I wanted to ask, how much of an appropriation and increase have you requested for this particular purpose?

Mr. WATSON. The financing in the public housing program is extremely complicated. If I can reduce it to a simple form, we have not requested an item in the budget of  $x$  number of dollars for security. We look at the cost of operating the public housing over and above the rental income that a local authority receives and then we provide the necessary operating subsidy. That amount this year is around \$110 million in total. That is over and above what the housing authorities will spend out of their total income.

#### WHAT EXTRA EFFORT FOR SECURITY FUNDS?

Mr. ORIOL. I am confused. I don't know what extra effort you have made to get more funds for security.

Mr. WATSON. We have not in effect gotten more funds for security itself. What we had done is reordered our priorities. We have more operating subsidies for public housing this year than we had last year. We have reordered the priorities so that the people who approve the budgets will look very closely at any request to meet security needs.

We have spoken to housing authorities encouraging them even in the middle of the budget year and ask if they have problems in terms of security, let us see what the costs are and see if we can't get started on a program at once.

Mr. ORIOL. The message that came through loud and clear yesterday was that they all have problems and they are trying to get money, but money is not available.

Mr. WATSON. We have nearly a million units now of public housing in management. I guess 500,000 or 400,000 of those units are 20 years old and they were not built for the security needs of 1972 and we

have to go back and modernize those units to achieve that kind of security.

The modernization program can provide for security in many ways. But we will not approve a modernization program without tenant participation in deciding how that money is to be spent. Therefore, if security is a real need among the tenants, it comes through loud and clear in the dollars provided in the modernization budget proposals.

So our budget figures for modernization indicate a number of dollars for peepholes and these kinds of items, all of which relate to the area of security. We have \$67.5 million of contract authority allocated for modernization annual contributions. That will pay the annual debt service on \$220 million required to finance modernization activity.

Mr. ORIOL. You do understand the chairman's point that if there were a way to, maybe in a questionnaire, maybe a survey of getting estimates from public housing managers throughout the Nation on what their total security problem is and getting a total bill to do something about that situation, that would help dramatize the problem in Congress and elsewhere?

Mr. WATSON. We have directed our regional offices to work with the local housing authorities to give us their estimate of need.

Mr. ORIOL. How have you done that?

Mr. WATSON. By directive from our office to the regional offices.

Mr. ORIOL. When was this directive issued?

Mr. WATSON. It is within the last 6 months.

Mr. ORIOL. You haven't had a reply yet?

Mr. WATSON. No; it takes time. We have about 2,200 local housing authorities.

Mr. ORIOL. I think on a matter like this you would get a response by return mail. It is a desperate situation.

Mr. WATSON. It takes time to survey. Many of the authorities may not know all of their needs. When you ask for a total picture, they may have a problem in one project in which somebody was hurt, such as much of the testimony revealed yesterday. But, when you go back and ask an authority that has a thousand units what is the total picture, it takes a little time to assess that.

Mr. ORIOL. With the chairman's permission, may I suggest that our subcommittee get out a questionnaire and we give our findings directly to you. I think we would get some immediate response.

Could you differentiate for me or for the subcommittee what is going to be done in this long, new survey, the four-phase survey for which you let out the contract on October 21, what is going to be done in that survey that has not been done at New York University over the last 2 years or so?

Mr. WATSON. Marie, would you answer?

Mrs. MCGUIRE. I am not familiar enough with these studies to answer in any detail. The Department of Justice study is long range. The New York City one, which was based on New York City Housing Authority experience, has been going on the last 6 months.

Mr. ORIOL. Yesterday also they had a questionnaire, I think, of about 3,000 people, which is hard information. They already are putting into effect several practices, several construction innovations, and so forth. And they are making use of the HUD modernization

program. So I just don't see what this new study is going to show that hasn't already been done, not only information gathered but put into effect.

Mr. Hersh gave us a great deal of information yesterday and he has a great deal more.

Mr. WATSON. I think it is an important point and I would like to provide for the record a breakdown as to the differences.

(The information referred to follows:)

Recognizing the growing need for providing adequate security to residents of all residential housing and taking into consideration the difficulty experienced by law enforcement bodies in providing such security, HUD has taken steps to expeditiously develop systems and procedures for supplementing police protection. These measures benefit elderly tenants as well as families, in low-rise and high-rise structures, and it is the intent that housing authorities, sponsors, architects and management select those measures that best fit each individual case.

The Department of Justice's Law Enforcement Assistance Administration study will determine the characteristics of crime committed on residential property in urban and suburban areas by unlawful intruders. It also will develop effective and practical criteria, data, designs, systems and other information for rendering dwellings secure against crime.

Meanwhile staff in the Office of the Assistant Commissioner for Technical and Credit Standards has been collecting data and information on the nature and occurrence of crime in housing for the purpose of preparing and publishing an interim HUD Guide on Security. It was felt that the results of the research studies could not be put into a Guide for at least another two or three years and that an interim guide, even if more elementary, should be issued as soon as possible. In the course of the preparatory work, it was found that the Institute of Planning and Housing of New York University under its Director, Professor Oscar Newman, has been for the past 2½ years deeply engrossed in amassing data on criminal behavior in New York City low-rent housing projects and has been acting as consultant to the New York City Housing Authority on its \$10,000,000 modernization program aimed at increasing security in its projects. This is to be accomplished by designing what he calls "defensible space" and installing security hardware, electronic audio and video control devices as well as rapid communication systems with the police. The Institute presently has the Staff, expertise and material to prepare within a period of three months a 100-page guide that would admirably fill HUD needs.

From the above it can be seen that the study funded through the Institute is long range. It will affect future land use and design of housing based on causes and effects of crime in residential neighborhoods. It also will speak to the reduction of crime by delineating its causes as well as offsetting its effects.

The New York University study will provide practical, immediate data for increased security and will bolster other steps now being taken by HUD through emphasis on security in the modernization program and specific safety requirements in minimum property standards.

Mr. ORIOL. May I ask how many units or how many projects are affected now by the HUD modernization program? How many projects are actually being affected?

Mr. WATSON. Around 350,000 units. The average age is about 20 years.

Mr. ORIOL. Out of what total?

Mr. WATSON. Out of nearly a million.

Mr. ORIOL. Now is that in the process or is that merely applications that are being considered? How far along are we?

Mr. WATSON. No; this work has been going on since 1968 when the funding of modernization programs started. This year, from what the housing authorities tell me, and from looking at the projects myself, I can report that modernization is now beginning to show results. So the effectiveness of the program is just now reaching us.

Mr. ORIOL. May we have a list of units where this has occurred, especially any that are either all or largely for the elderly?\*

Mr. WATSON. Certainly.

Mr. ORIOL. To return to the chairman's question about congregate housing, the last time HUD was up before the Appropriations Committee, did you make specific request for more funding for congregate housing or for any money for congregate housing?

Mr. WATSON. I would have to say I did not in my testimony. I would have to defer on the question and provide it for the record.

Mr. ORIOL. We would like that information, too.

(The information referred to follows:)

HUD is presently accepting applications for public housing projects from local housing authorities involving congregate facilities for the elderly. Meetings have been held with local housing authorities to discuss congregate facilities for the elderly and to encourage use of the authority available.

Low Rent Public Housing annual contribution requirements for debt service and operating subsidies that may be required covering congregate housing will be included in the Housing Payments appropriation when such projects have been completed and are placed under management. Consequently, the fiscal year 1972 appropriation request did not include funds for congregate housing facilities, except for a few projects completed a number of years ago.

Mr. ORIOL. President Nixon has proposed a corps of federally trained and I think federally paid, I may be wrong on that, inspectors for nursing homes. What would you think of the same type of thing for public housing? We have been told, and I don't know whether this is correct, that the way things are now, there is not even a fire-inspection requirement for public housing. I would think that local authorities would insist on that, but I don't know. Do you have information on that?

Mr. WATSON. Well, under HUD regulations, all public housing projects have to meet the minimum code requirements.

Mr. ORIOL. Once they have met them, what happens then?

Mr. WATSON. They have to continue to meet them. Cities have minimum housing code standards.

Mr. ORIOL. Who inspects?

Mr. WATSON. This is the local responsibility. Under the public housing program, the 1937 Housing Act, and again in 1969 and 1970, Congress has made it perfectly clear to us that the public housing program is a local program to be operated and run by the local housing authorities. This particular area of responsibility gets a little hazy, and we have said—

Mr. ORIOL. That is what worries me, hazy, falling between the contract, and I think we would like more detailed information on that.

(The information requested follows:)

All Local Housing Authorities are required to carry the following types of insurance:

1. Fire and extended coverage (includes hail, wind, tornado);
2. Public liability (covers the physical plant, storage spaces, elevators, etc.);
3. Boiler insurance (covers all pressure vessels);
4. Workman's compensation (covers all personnel).

Local Authority insurance policies provide for a loss prevention and safety inspection service. The insurance companies perform safety and loss prevention inspections and prepare reports directed to the Authority pointing out and suggesting remedies for any hazardous conditions observed.

\* See appendix 2, p. 346.

Many local governments (city, county, and State) require that all boilers and elevators be inspected, tested, and approved periodically (often annually) by their own inspectors as a condition for operation. These requirements apply to public housing as well as privately owned housing.

A Local Authority's modernization program to upgrade older existing low-rent projects, as well as its new conventional or turnkey construction, must meet HUD's own Minimum Property Standards for multifamily or elderly housing, whichever applies; and the Minimum Property Standards require compliance with local housing codes. Public housing projects are built and are generally maintained at a standard that meets all local, regional, and national code requirements. Primary responsibility for checking for compliance with the local housing code rests with the Local Authority's architect or staff; city housing inspectors are expected to report any code violations to the LHA for corrective action.

HUD personnel make a thorough inspection of new projects at the completion of construction. Within a year thereafter an Area Office maintenance engineer makes an initial engineering survey of the physical property, taking special care to note hazardous conditions to be corrected by the Local Authority.

The initial survey is followed by periodic engineering surveys performed at two, three, or four year intervals depending upon the ability of the Local Authority to maintain the properties without direct monitoring. The HUD maintenance engineers encourage the LHA to initiate preventive maintenance programs, conduct their own inspections of the physical plant on a semi-annual basis, and participate in HUD/LHA co-sponsored maintenance clinics which provide for an exchange of technical information, methods, and ideas on various aspects of maintenance and fire and safety practices.

HUD engineers have prepared and HUD has issued a series of 16 maintenance guides for the guidance of the Local Authorities. Their express purpose is to train and instruct LHA maintenance personnel in the servicing of the physical plant and project equipment. The subjects covered by the guides include: The Maintenance Program; Vermin Control; Boiler Plants; Painting; Underground Utilities; Ranges, Refrigerators, and Water Heaters; Inspection of the Physical Plant; Electrical Facilities; Cathodic Protection Systems; Care of Lawns, Shrubs and Trees; Maintenance of Paved Areas; Roof Repair; and Safety.

Mr. WATSON. The Secretary has repeatedly said one of the greatest problems today is split responsibility.

Mr. ORIOL. You mentioned Pruitt-Igoe before. Do you know how many elderly people are there?

Mr. WATSON. There are about 200 out of 600.

Mr. ORIOL. I thought it was a larger project than that.

Mr. WATSON. It is a larger project. It is 2,700 units.

Mr. ORIOL. Of those 2,700 units, only 300 are for the elderly?

Mr. WATSON. Out of the 2,700 units, only 600 are occupied. Out of the 600, 200 are elderly.

Mr. ORIOL. What would you say is the level of training and professional experience of those now managing HUD-supported housing projects for the elderly?

#### MANAGEMENT TRAINING PROGRAM

Mr. WATSON. I think again, not only for the elderly but for all of our programs, the capabilities of training across the board is minimal. We, of course, had a contract with the National Corporation of Housing Partnerships to look into developing a model training program.

Mr. ORIOL. Again, it is in the future tense.

Mr. WATSON. It is in the future tense. We have a problem we are trying to do something about. The training report has been completed and we are now in the process of implementing the recommendations. One of the fundamental findings in that report was an analysis of what was needed in the way of training and what existed in the way of training throughout the country.

Housing management has not been a profession and there has been very little career opportunity. If we are going to do anything about upgrading the quality we have to make it a profession.

This is a priority with us at the present time and we do have a strategy for implementing that kind of a training program and getting it going across the country.

Mr. ORIOL. Is that directed at people who yet haven't entered the management field or those who are now managing units?

Mr. WATSON. It is directed at both. Initially, it will be directed at those who are in the field at the project manager level. In other words, the person on site.

Mr. ORIOL. What is the strategy? You say you have a strategy for this. What is that strategy?

Mr. WATSON. Well, we would like to develop an entity devoting its time to developing a training program and then "franchising" that program, out across the country so that all local bodies could participate in the training program. Rather than have a centralized training program in Washington or one place, we feel that it would be much better to get a model training program and then get groups across the country to use it. Then we can calibrate that training level.

Senator WILLIAMS. You mean franchising, contracting with a school of public administration?

Mr. WATSON. It could be a school of public administration. It could be a university, or part of the educational system. It could be a program that would be developed by the National Real Estate Board. It could be a combination of user groups and nonprofit groups that could come together to develop such a training program.

Senator WILLIAMS. How far have you gotten with this strategy? That is very interesting and seems to make a great deal of sense.

Mr. WATSON. Well, at the present time we are developing the cost factor, what it will cost and the budgets, exactly what HUD's involvement would be, what HUD could do to support such an effort, how much Federal involvement should there be versus private. Many of these issues are resolved. We are meeting with the Office of Management and Budget on this.

Senator WILLIAMS. I don't get the private factor here. What do you mean? I thought we were talking about management of Federal public housing, a training program for management of public housing.

#### PROFESSIONAL CAREER IN HOUSING MANAGEMENT

Mr. WATSON. What we are talking about is developing a professional career in housing management basically. In the beginning it will be for low- and moderate-income housing, low-rent public housing, sections 236, 221, that kind of housing. By private I mean the 236 program which is limited to nonprofit or limited dividend organizations or cooperative associations versus public housing. So we want to involve both sectors in the training program.

Senator WILLIAMS. But it could speed up the strategy if you took the first step and dealt with the public housing, the Federal public housing, and this is our most acute problem I would think.

Mr. WATSON. In all probability that is exactly where the thrust will be, directed at improving the public housing area.

Mr. ORIOL. Is HUD merely developing a model training program and then relying on others to implement it or are you providing the actual funding that will make this training possible?

Mr. WATSON. HUD will support the training. We will have to support the training initially.

Mr. ORIOL. You are paying it in full or just part?

Mr. WATSON. If a housing authority sends someone to be trained, it comes out of their income. If they don't have enough income in the year to pay the bills, we give them an operating subsidy if they qualify, so it is a simple kind—

Mr. ORIOL. Then you will pay full cost?

Mr. WATSON. Essentially we will be paying full cost of the training.

Mr. ORIOL. Speaking of housing authority income, I think when the Brooke amendment was first implemented, the public housing authorities had a serious problem because they had a revenue loss and no compensation. Has that been straightened out?

Mr. WATSON. Yes. Well, you get two kinds of pictures here, Mr. Chairman. It is confusing. Those few authorities that were living strictly on their income with no reserves whatsoever didn't have enough money to pay the bills when the Brooke amendment hit them. We immediately moved to give them necessary operating funds until we could work out the mathematics and procedures.

Mr. ORIOL. So there is no problem here?

Mr. WATSON. There is no problem. A lot of complaints on this issue have arisen where authorities had a lot of reserves, maybe 95 percent of normal reserves, and the Brooke amendment rolled back their income. Rather than HUD replacing that income, the authorities had to pay expenses out of the reserves. They had the money.

Mr. ORIOL. In Secretary Romney's statement that you have submitted,\* it indicates that one of the two criteria which HUD goes by in determining whether housing is unsatisfactory is plumbing, and one of them is overcrowding.

Now, with the elderly, I think those two are rather misleading criteria because I think 70 percent of the elderly own their own homes. Most of their homes were, we assume, built in the last 50 years or so and most of them are likely to have plumbing. And the other criteria, overcrowding, well, so many elderly people are living alone and 70 percent do own their own homes so that is misleading criteria on determining unsatisfactory housing. In fact, the elderly quite often have a problem of overhousing. They live in homes that are too big for them to care for perhaps and on which property taxes go up continually.

Has HUD ever given any thought at all to a program or service, a housing exchange type of thing for those people who have a surplus of room and perhaps would like to accommodate others and get income, or for those who would like to move to smaller quarters? Do you think this would be feasible in conjunction, perhaps, with local authorities, even encouraging local authorities to do this or on a State basis?

\*See appendix 1, p. 341.

Mr. WATSON. I certainly think there is some feasibility in looking at such areas to see if we can't free up some of the housing and to see if we can't better house the elderly with housing more suitable to their needs.

Mr. ORIOL. Did you say you will look into it?

Mr. WATSON. I am sure the Department would.

#### SIX MILLION ELDERLY LIVE IN UNSATISFACTORY HOUSING

Mr. ORIOL. Now, the report of the White House Conference on Aging seemed to agree on the Senate Committee on Aging estimate of the great housing need for the elderly. In fact, that publication comes to conclusions very similar to the one in Development in Aging, the 1970 annual report. We estimated that about 6 million older Americans live in substandard, well, I don't like to use substandard because that has a fixed meaning when you talk about housing, but let's talk about unsatisfactory housing. It points out that under all Federal programs put together, only about 300,000 units have been built and that is roughly equal to the net increase in the number of people reaching age 65 in a year.

Doesn't that indicate the magnitude of the job, the nature of the housing crisis that we now have or at least one estimate of it?

Mr. WATSON. I think our testimony from the Secretary's standpoint and mine certainly agreed that there is a tremendous need for housing in the elderly area. Yes, that is another indication of need.

Mr. ORIOL. I have nothing else.

Senator WILLIAMS. Do you have anything, Jack?

Mr. MILLER. Yes, Mr. Chairman. I am interested in the reference to your questionnaire to the local housing authorities. I have several questions related to that. I know that there were 660 replies which is something less than one-third accounting for 52 percent of the units involved. Why was the response level not higher?

Mr. WATSON. I can speculate and I think the reason is that of the 2,200 housing authorities, a lot of our housing authorities are very small, 200 units, 100 units, even down to 50 units in some places, and I suspect that they felt that they didn't have any vandalism and they didn't respond.

Mr. MILLER. Was any particular followup to your knowledge made from the regional offices, or whoever would do that, to fill in the gaps?

Mr. WATSON. No, I don't think so because I think in all probability 660 cover all of the major authorities where vandalism is a problem.

Mr. MILLER. Was there any difference in response on a geographic or regional basis to this?

Mr. WATSON. That I don't know but I can provide that.

Mr. MILLER. I think this might be interesting for the record if you could provide it.



(The information referred to follows:)

Regional office and States included in the region:	Number of LHA's responding
Region I Boston, Mass. (Maine, Vermont, Connecticut, New Hampshire, Massachusetts, Rhode Island)-----	33
Region II New York, N. Y. (New York, New Jersey, Puerto Rico, Virgin Islands)-----	35
Region III Philadelphia, Pa. (Maryland, Pennsylvania, Virginia, Delaware, West Virginia, District of Columbia)-----	47
Region IV Atlanta, Ga. (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)-----	212
Region V Chicago, Ill. (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)-----	123
Region VI Fort Worth, Tex. (Arkansas, Louisiana, Oklahoma, Texas, New Mexico)-----	102
Region VII Kansas City, Mo. (Kansas, Missouri, Nebraska, Iowa)-----	64
Region VIII Denver, Colo. (Colorado, Montana, North Dakota, Utah, South Dakota, Wyoming)-----	4
Region IX San Francisco, Calif. (California, Arizona, Nevada, Hawaii)-----	35
Region X Seattle, Wash. (Washington, Oregon, Idaho, Alaska)-----	5
Total responses-----	660

Mr. MILLER. You give the costs imposed by vandalism directly and indirectly which add two elements, and my mathematics suggest a figure of about 50.2 percent totalwise. How much difference was there among the 660 that responded? Part of my question is motivated by the concern as to whether the ones that had vandalism problems responded and those who did not, did not, and what kind of breakdown is there in this regard?

Mr. WATSON. I think, for example, that our area and regional offices, would go back if for example, New York City Housing Authority had not responded. I think what you have here is 660 housing authorities that have definite vandalism problems. All of your major authorities. Therefore, by using that base figure of 660, your per unit vandalism cost is much higher. We could have taken the base of 2,043 LHA's and divided it and said the average cost in public housing is down to a much lower level, but that would not get to the point that we are concerned with, which is how much is it really costing us in those housing authorities that have the problem.

Mr. MILLER. I think that is all I want to ask, Mr. Chairman.

Mr. ORIOL. Another question or two. You refer to a new management guidebook, "Guide for Management of HUD Insured Multifamily Projects under Section 221(d)(3) and Section 236." Is there a special section within that guidebook dealing with the elderly? Section 236 deals with multifamily housing, and so often the needs of the elderly are limited to one person.

Mr. WATSON. Well, in each category like community services, for example, where we point out kinds and examples of needs in terms of service, we will devote attention to particular kinds of needs of the elderly. By and large this manual tells a manager that these are the things that you have to do in managing and if you have elderly, you have got these kinds of particular problems that you need to make some kind of provision for. That is in the manual.

Mr. ORIOL. But there is no separate section?

Mr. WATSON. There is no section in there that says elderly. You would find elderly concerns under community services.

Mr. ORIOL. May we have a copy of that guidebook?\*

Mr. WATSON. Certainly.

Mr. ORIOL. In Secretary Romney's statement,\*\* he announces that new criteria, specifically designed for the elderly, will be established under the 236 program. At our hearings in August, several persons called attention to the need for this, pointing out that 236 program has been designed for large families for the most part. Now, is that correct that you are announcing today the new criteria under 236?

Mr. WATSON. Let me say that I cannot speak for the Department in terms of that particular subject. The Secretary's testimony does allude to that and whatever is in his testimony—

Mr. ORIOL. Is that strictly in terms of design for construction?

Mr. WATSON. Physical design, that is right.

Mr. ORIOL. And there is nothing in the new criteria relating to management?

Mr. WATSON. Not in that particular section, no. That would be in production.

Mr. ORIOL. Well, do you see a need for a criteria for management?

Mr. WATSON. In particular on the elderly projects?

Mr. ORIOL. Yes.

Mr. WATSON. Well, I don't see a need for a manual on how to manage elderly housing in the public housing sector. We have hit a number of different kinds of concerns and issues that housing authorities have, but to issue a formal guide on elderly housing management, at this point in time, no. I think it would be nice to have but I don't think that it is of great enough importance. I don't think it would improve the management that much at this point in time.

Mr. ORIOL. Let me interrupt because we have testimony, we have statements and all sorts of studies indicating that this is a pretty specialized field and this group of tenants need a special type of attention and management. So I am sorry you don't think it is important enough to have such—

Mr. WATSON. Let me clarify it. What I think I am saying is that housing authorities have been in the business for a long time. They have been managing housing for the elderly and I think have done a creditable job. I am certain we can improve that with that kind of an issuance. But compared to a program where there is no manual, no input from HUD, no experience—that I think should take precedence over this particular area. We do think it is important.

Mr. ORIOL. Just one final question. Does HUD keep a record of the income levels of tenants in 236 housing?

Mr. WATSON. At this point in time, we are formulating a policy on income certification under the 236 program.

Mr. ORIOL. I have to say again it is the future tense. But what will that tell you when you have it? Will that tell you how much income the people in 236 housing have?

Mr. WATSON. Yes, it will tell us based on the certifications as to what the break is.

Mr. ORIOL. But right now you don't have it?

Mr. WATSON. We have it for 18,000 units that are under management at the present time. We made a special effort to determine what kind of income ranges we are seeing in 236 programs.

\* Retained in committee files.

\*\* See appendix 1, p. 341.

Mr. ORIOL. That is 18,000 out of how many?

Mr. WATSON. Out of 33,000 receiving payments.

Mr. ORIOL. How long have you had that information roughly?

Mr. WATSON. We have had it for about 4 months.

Mr. ORIOL. That is all.

Senator WILLIAMS. I want to say finally that in this area of crime involving older people and limiting it in areas where they are housed in public housing, it seems that the dimensions of the problem can be accurately described as a crisis in terms of personal integrity and security. And the nature of the lack of security is pretty well understood where there are attacks on the integrity of the individuals.

I am trying to figure out where the resistance is for dealing with this as a crisis and moving indecisively to meet the clear and present dangers.

For example, as we all know, there is the business of going out of your house and doing the rudiments of meeting your necessities of going down to the store. There are no areas of economic resistance. There are so many things we all want to do and there is all kinds of resistance because of hard problems in the way of change.

We want to clean up the water and we don't have technology to take care of the sewage. We want to clean up the air, and there is no way for companies just to break even to put the money into changing their systems of exhaust, et cetera. There is no resistance that I know of in meeting crime as crime affects older people in public housing areas. The criminals aren't organized and they won't come forward and plead their case, so there is no economic resistance here.

Mr. WATSON. Mr. Chairman, I think that problem lies in location of many of our housing projects. We can modernize our programs. We can put locks on doors and bars on widows. We can employ guards, and so forth, but many of the projects are located in neighborhoods which surround the project which we have very little control over and these are very bad neighborhoods.

When we go in and say, "Why aren't you doing something about your security problem in terms of organizing yourselves?" most of the tenants always tell me that they are working at this angle of it. When I ask, "can you do something on your side with a reporting system or other aids?" They always indicate to me, that it is not the people who live in the housing projects that are causing the problems, but outsiders that come into the project from the surrounding neighborhood.

So that is a very difficult problem to deal with. As far as the funding, as far as the priority, concern or direction, you are absolutely correct, there is no resistance to HUD's point of view. It takes time, however, when you are dealing with large numbers of units to get contracts out and to get these things accomplished. We have started on this concentrated effort. The Secretary directed us to move in this area after a visit to Cabrini Green, Chicago, a little over a year ago. He came back very much concerned with this problem and he directed us to start moving and we have, but it is a big problem in terms of the hardware, and in terms of the surroundings.

Mr. ORIOL. One of the things Mr. Hersch said yesterday is that it is possible in a high crime neighborhood to remodel old public housing in such a way that there is single entrance to the housing and that this is a major security measure.

## REMODEL OLD PUBLIC HOUSING

Mr. WATSON. That is very true and under the modernization program, we are doing this in many areas. In fact, we have three cities in which we are doing what we call innovative modernization. It is a demonstration. One is San Francisco and another one is the Allegheny Housing Authority. In San Francisco, that is one of the very things that we are demonstrating can be done—sealing entrances, changing the entrances and securing egress in the project.

Mr. ORIOL. Once you have demonstrated it, how do you get other people to do it, too?

Mr. WATSON. By feeding it into our area offices who in turn feed it into the housing authority when the modernization programs are presented.

Mr. MILLER. Do you find any inertia or resistance from the local housing authorities? And I am particularly referring to inertia in meeting these problems.

Mr. WATSON. No. I was a housing director myself once and I know most of the directors throughout the country. I know of no one who is not really concerned about doing something about it. Maybe in some instances directors just don't know how to go about it. Some are more effective than others in getting the job done.

There is a wide range of effectiveness. But, no, I wouldn't say there is any resistance. Most of these housing authorities are made up of boards of citizens who are giving their time freely to do something for the community and I think there is a great concern on their part to do something significant. Crime grows very quickly and few people have ideas of what to do about it. When the ideas began to come forth, then the programs had to be developed, funded, contracted and put into action.

We are dealing with over a quarter of a million units under modernization and that is one of the biggest problems. Also there will be a housing authority whose capacity to do things is not 100 percent. Maybe they have four projects that need all of this but they do not have the capacity to contract all four projects so they take two this year and two next year. We are seeing that kind of pattern.

Of course, the tenant who lives in the one where nothing is happening feels that there is no attention being given.

Mr. MILLER. The division of responsibility between the local authority and the Federal Government, is this a factor in the effectiveness with which this is met?

Mr. WATSON. I don't think so in this particular case. I think they have the authority to move. It is up to us to fund it and we have directed our people to do this and at the local level. If you are a director of the housing authority and you have to answer to a board of citizens, it gets pretty responsive when you have crime and that kind of thing going on.

Mrs. MCGUIRE. Don't you think there is also a tendency on the part of a local authority to look to local enforcement agencies to give that kind of protection and aid that is necessary?

Mr. WATSON. That was the original concept for many years—that the local community would provide the protective services the same as they would in any neighborhood. But the density of people in public

housing is great and, therefore, the service has to be greater. We are all familiar with the plight of the cities and we won't get off on that. So the housing authorities have suffered in that sense also.

We have some authorities that have projects that were built back in the 1940's, and they are almost like a jungle and there is very little you can do about security. In those we are proceeding to eliminate some units, cut down the density. About 120 days ago we went out for requests for proposals from all housing authorities across the country saying, "We want demonstrations of things that can be innovative in the management of public housing. If security is your problem, give us a proposal and we will fund it through our demonstration programs, through our modernization program or through operating subsidies." We have put that charge to all of our housing authorities across the country.

We have received those proposals as of the day before yesterday and will begin evaluation of them. Hopefully out of them, authorities will focus attention on security and we can move in that direction. Because as I said, sometimes security isn't just putting locks on doors. It may be the demolition of 20 percent of the units in the project.

Senator WILLIAMS. Finally, Mr. Watson, you are Assistant Secretary for Housing Management. Now this, of course, is far broader than just the housing for the elderly. In this area, housing broadly and for elderly, too, it seems to me your Department is in a most-favored position here in Congress.

I was trying, and I asked Bill Oriol, to recall where in housing broadly and then programs for the elderly in housing the Congress has reduced in its appropriations process the amount of money requested by the administration. I can't think of any area where we have reduced. We, over the last 3 years, have appropriated less money than the Executive has requested and we know that the foreign aid program and space and other major areas have had substantial reductions here from the administration request. I don't think in this area we have ever cut you on your request. Do you recall any?

Obviously, if we did, it wasn't painful because you don't recall.

Mr. WATSON. No.

Senator WILLIAMS. That is why I say you are in a favored position with the Congress that is very economical. In fact, with overall reduction of the national budget requests, we have been a reducing Congress, but here, on the other hand, I think we have increased, well, Bill reminds that one great program we have appropriated that has not been used, 202 housing, direct loans to churches to build housing for the elderly and the money is there and it is not being used. And now, you see, you are getting my temperature up. Is that in your Department by any chance?

Mr. WATSON. Fortunately, Mr. Chairman, that is under production. Whatever they build, we manage.

Senator WILLIAMS. At any rate, all I want to do is say that you request it and it seems as though this Congress responds. So give it to us. Put those requests in. I will say, however, that this committee does not do the authorizing. Other committees do and we obviously don't do the appropriating. I am speaking for the Senate or the Congress as a whole. We have been very sensitive to the needs of housing for poor people and certainly particularly for housing for older people.

Thank you very much.

Miss Holly McCarthy and Rev. Thomas Ryan. We have been looking forward to your statement.

**STATEMENT OF HOLLY McCARTHY, THE NONPROFIT HOUSING CENTER, ACCOMPANIED BY THOMAS D. RYAN, JR., EXECUTIVE DIRECTOR, JACKSONVILLE IMPROVED LIVING OF THE METHODIST CHURCH, INC.**

Miss McCARTHY. Good morning. The first thing I would like to do is express Mr. Toomey's regrets for not being able to be here in person. To the center, housing for elderly is a critical concern and that is why we are anxious to testify and share with you some of our experiences.

Housing sponsored by nonprofit organizations is today one of the few bridges over the gap between privately financed units and public housing. Millions of Americans are caught in this gap—but probably none are as adversely affected as our senior citizens.

Modest pensions and fixed income seldom are adequate to pay spiraling prevailing market rentals—although they may be just enough to disqualify the elderly for public housing.

We are increasingly aware of the problems and frustrations in seeking to provide adequate, comfortable, and decent homes for the elderly. Rather than offer generalities and abstractions, I would like to discuss obstacles faced by housing producers on a day-to-day basis.

Rev. Thomas D. Ryan, Jr., is such a housing producer. Mr. Ryan has for 12 years been working with nonprofit groups in developing housing for low-and moderate-income people. Nine of those years were devoted exclusively to housing the elderly. His efforts were recognized nationally by HUD in 1964 when his Wesley Manor project was awarded the National Housing Award of the Year for concept and design of elderly housing.

Senator WILLIAMS. Where is Wesley Manor?

Miss McCARTHY. In Jacksonville.

Senator WILLIAMS. Are they all called Wesley Manor? I was in Wesley Manor in Ocean City this past year.

Mr. RYAN. There are three of them in the Nation, sir.

Senator WILLIAMS. Yes. Very good. Miss McCarthy, you know why they are called Wesley, don't you?

Miss McCARTHY. Yes. Mr. Ryan is currently with Jacksonville Improved Living. I am going to let him make the full presentation.

Senator WILLIAMS. Very good. Thank you very much.

**STATEMENT OF THOMAS D. RYAN, JR., EXECUTIVE DIRECTOR, JACKSONVILLE IMPROVED LIVING OF THE METHODIST CHURCH, INC.**

Mr. RYAN. Mr. Chairman, it is a pleasure and an honor to offer these remarks on the subject of housing for the elderly to the U.S. Senate Special Committee on Aging. It is a privilege to speak on behalf of the Nonprofit Housing Center and to express some views largely held by nonprofit sponsors of housing for the elderly.

Also, by way of introduction, I wish to commend your subcommittee for its profound interest in elderly housing and for conducting these extended hearings aimed at getting all the input from individuals and organizations having experience and interest in such housing.

I think the Congress and the Administration are to be commended for their current attempts to update all housing legislation and to codify all the amendments which have accumulated over the past 30 years, to the original housing bill. I view the possibility of such a codified bill with hope that it will be better than anything which has previously existed and also with some fear and trepidation that some aspects of the good programs of the past might be lost or omitted. It is for this latter reason that I am happy to express some views concerning current legislation as it affects housing for the elderly.

As you are aware, within the last 10 years, the sections of the Housing Act under which low-income elderly housing has been possible are sections 231, 221(d)(3), and 236.

In addition to these programs, there is section 235 which allows for private ownership by the elderly as well as low-income families with children.

There are aspects of the programs possible under these sections of the housing bill which, from the standpoint of the elderly, and the nonprofit sponsor have both positive and negative values. I am particularly concerned about some of the possibilities and limitations confronting the nonprofit sponsors under section 202, which is no longer funded, as compared to section 236 which is the current program available to nonprofit sponsors as well as limited dividend corporations.

Under section 202, the nonprofit sponsor in cooperation with FHA/ HUD did the planning of the housing for the elderly project from the conceptual stage to the point of occupancy and management. This program allowed for the subsidy to come to the sponsor by way of a 3-percent direct interest loan.

It also allowed for the planning, and construction of amenities and ancillary facilities which made the project a meaningful community for the elderly. When such a project was constructed in the proper environment; that is, where it was set in a community with transportation and community services such projects were almost always a success, especially when under the sponsorship of a competent nonprofit sponsor.

Under section 236, it is practically impossible to design the amenities desired for an elderly housing project and make the total cost of the project come within the FHA commitment for such a project. Under section 236, projects are more contractor and mortgagee oriented and the addition of fees not common to projects under section 202, such as mortgage insurance premium, examination fee, inspection fee, brokerage, AMPO, mortgage discount, and conventional interest during construction, adds tremendously to the cost of the project.

In a recent project proposed to my nonprofit sponsor by a mortgagee in the city of Jacksonville, under Project Rehab and section 236, the total fees which were outlined, from the architect's fees to include those mentioned above, and others, to include the marketing fees amounted to over 30 percent of the cost of acquisition and rehabilitation. Our board of directors refused to consider the project since the cost of the rehabilitative structure would have been above \$22 per square foot. This was not housing just for the elderly but the example serves to demonstrate how fees upon fees escalate the cost when building a project under section 236.

Also under section 236, the sponsor is at a disadvantage, especially in the tight money market when he has to shop for financing. Under section 202 with a direct loan, this was not a problem.

The fact that section 236 encourages a mix of the elderly with young families as well as "economic mix" where some are subsidized and some are not, creates some real problems which, I think, contributes substantially to the high foreclosure rate on 236 projects. In projects built under section 202 the elderly can retreat into their own "enclave" just a few minutes removed from community services and neighbors which they also need.

They can also live with the feeling that their nonprofit sponsor is treating each of them in a similar fashion rather than favoring one and discriminating against another where the incomes of individuals or couples may be only a few dollars different each month.

Since section 236 is more oriented toward the contractor and mortgagee, the tendency has been for the private sector to develop the attitude that we can build and finance and the nonprofit can manage the project, if his services are needed at all. Under section 202, the historic concern of a bona fide nonprofit sponsor, and especially churches, has been evident in all aspects of the project from concept, and design through construction and including management.

#### DIRECT LOANS TO NONPROFIT SPONSORS

In summary, I would like to urge this committee to consider including in future housing legislation tools which will allow for direct loans to nonprofits, specifically for elderly housing. In my judgment, no housing program previously authorized by the Congress has been more successful or has done a better job than has the 202 program. It has been estimated by competent authority that the direct interest subsidy to the nonprofit sponsor cost only one-fourth of the dollars which subsidized rents cost the taxpayer under section 236.

Under the 202 program adequate facilities are designed to include ancillary accommodations whereas under section 236, the elderly can get little more than his apartment.

Under section 202 a nonprofit sponsor which was created to exist in perpetuity is able to project "tender loving care" to tenants from the point of initial contact by the tenant until his death, in most cases.

Under section 236 even the nonprofit sponsor does not have this latitude and, meaningful and well intentioned limited dividend sponsors can hardly be expected to maintain this concern over the long haul.

In your consideration of the aspects the new housing legislation, it is hoped that the bill includes provision which will provide for direct loans to qualified nonprofit sponsors which will allow for all the facilities to include the ancillary ones to which our low-income elderly are certainly entitled.

Thank you, Mr. Chairman.

Senator WILLIAMS. Thank you very much. I will say I am not too sure I understand part of your conclusion: "Under section 202 a nonprofit sponsor which was created to exist in perpetuity is able to project tender loving care to tenants from the point of initial contact by the tenant until his death in most cases. Section 236 does not have this latitude."



There could be a 235 sponsor. I don't understand why. There could be a 236 sponsor similar under 202 who could be there. The Methodist Church, for example, could be 236.

Mr. RYAN. This is correct, but we have found that it is almost impossible to put 236 together and the Methodist Church now has an application in with the local HUD office in Jacksonville. With the most competent leadership we put that project together, and it has been there for 2½ years and everything from reported lack of funds to necessity for a market analysis has thrown up roadblocks despite the fact that this church has a waiting list filed for every unit if it was constructed today.

And they have difficulty making the figures fit together to build ancillary facilities even if the money is available.

Senator WILLIAMS. Let me ask you this and this is a tough question, and you may have to generalize. From time of application to tenancy, what was the period under 202 and how is it running under 236? Any idea? From the beginning to tenancy, from the beginning of a project, not the real beginning but actually putting an application in?

Mr. RYAN. In most cases in my area the length of time is 2 to 3 years. With 231, with which I had personal experience, Wesley Manor in Jacksonville, it was a total of 5 years, from 1964 to 1969.

Senator WILLIAMS. And 202?

Mr. RYAN. About 3 years, sir.

Mr. WILLIAMS. How is it going under 236?

Mr. RYAN. I have not personally put one together under 236, but Riverside Park United Methodist Church is trying to put one together now. They made a preliminary application 2½ years ago and they still do not have a commitment or even a letter of feasibility.

Senator WILLIAMS. Is that right? So in the time that it took from application to tenancy under 202, under 236 they haven't even gotten the feasibility?

Mr. RYAN. That is correct, sir.

Senator WILLIAMS. Well, you know, I am sure you know how we feel here about 202 in this committee. This is one of our major fights to hold it and bring it back to life. It is a very viable tool and certainly the best tool that Congress has ever put forth for nonprofit sponsor projects.

You say you would like to urge this committee concerning the future housing legislation tools which will direct or allow for direct loans. Well, we agree with you. I think that is a majority view on this committee. More than a majority, almost a unanimous view. Do we have any minority views on that? We had a report that said this. Do we have any minority view on that?

Mr. MILLER. There has been no dissent.

Senator WILLIAMS. We have a unanimity here on this committee. As a matter of fact, you know the roadblock we ran into on 202 when it came to getting money on it was that it would not be used and that was not in the debate as much as in trying to persuade the Appropriations Committee leaders, why do a vain thing, it won't be used, and I had to persuade, let's give them a chance anyway and we got \$20 million in the first time and then we went through with it on the \$10 million.

Florida is still the leading State to receive people into retirement?

Mr. RYAN. Florida is the leading State. It has the largest percentage of elderly of any State in the Nation.

Senator WILLIAMS. On another matter, you know this is one that comes to us from the side. With this increase of the population of retired people, with their needs for medical service, with this demand on doctors, retired doctors, and I am thinking of one particularly, a retired doctor from New Jersey who goes to Florida and would like to help his neighbors who are elderly and it is almost impossible to be licensed to practice medicine out of State.

Mr. RYAN. Yes, it is.

Senator WILLIAMS. I was thinking of trying to develop a bill providing for a limited license for Medicare patients. Has that been discussed at all?

Mr. RYAN. I do not know whether it has been discussed in the Florida Legislature or not. It is difficult to become licensed there. There are people from many professions who move to Florida and the general policy of the professional groups who are responsible for recommending licensing procedures is that they not receive these people en masse, including the clergy.

Senator WILLIAMS. Is that right?

Mr. RYAN. Yes.

Senator WILLIAMS. What is the penalty for practicing without a license?

Mr. RYAN. I don't know, but there were 170 Methodist ministers who wanted to transfer last year and only one was successful.

Senator WILLIAMS. This is what we call a closed shop. Well, Bill.

Mr. ORIOL. The chairman addressed a question to Secretary Romney for this hearing and that question was: Is HUD giving any consideration at all to the development of separate criteria on housing for the elderly under section 236? The Secretary's reply was, or is: "HUD has separate design standards and will soon have separate criteria for establishing the feasibility of elderly section 236 applications. Instructions covering these matters have been developed and are in the last stages of review prior to publication."

Now, several of our witnesses have said that these criteria are badly needed. Others have said that FHA is the problem and no matter what criteria you establish, 236 for elderly is not going to work under FHA.

You haven't seen these criteria yet, no one has, but what is your view on that matter? Can 236 be made to serve the elderly if it has a good set of criteria?

Mr. RYAN. This would help considerably. Our own FHA insuring office has been very cooperative with us in the past and I am sure if the criteria are usable, this will make 236 a much more viable tool. But still 236 is oriented primarily toward the contractor and the mortgagee, rather than to the nonprofit sponsor as was 202.

It would be my judgment that nothing that could be done to 236 would make it as good for the nonprofit sponsor as the 202 program, or something quite similar to 202, in a direct loan to nonprofit.

Senator WILLIAMS. Thank you very much.

I wish to thank everyone for appearing before this subcommittee today.

This hearing stands adjourned.  
(Whereupon at 12:15 p.m. the subcommittee adjourned, subject to  
the call of the Chair.)

# APPENDIXES

## Appendix 1

### PREPARED STATEMENT OF GEORGE ROMNEY, SECRETARY OF HOUSING AND URBAN DEVELOPMENT

Mr. Chairman and members of the subcommittee, I am pleased to submit, as requested by your letter of September 30, this statement on HUD's housing programs for the elderly for inclusion in the record of your subcommittee's hearings on "Adequacy of Federal Response to Housing Needs of Older Americans".

In view of the comprehensive testimony relating to our department's elderly housing programs presented to this subcommittee on August 4 by Assistant Secretary Eugene Gullledge, this statement will primarily address the important questions which you posed to me in your letter of October 19.

The first question in that letter quite appropriately asked "What are HUD's goals in terms of meeting the housing needs of older Americans?" In order to answer that question, it is first necessary to analyze the basic nature of the elderly housing problem. Such an analysis requires hard data. For this reason, the second question in your letter correctly asked "What efforts has HUD undertaken to document the dimensions of—the elderly housing—problem?" I would like to answer both of these questions together.

In recognition of the urgent program need for improved data on the elderly housing problem as well as the importance of such data for the forthcoming White House Conference on Aging, our department funded a special 1970 Census study on elderly housing conditions.

The results of that study are presently being compiled and it is expected that they will be ready prior to the White House Conference. Your subcommittee, of course, will be sent a copy of the results immediately upon their availability.

The elderly housing data will include the value placed on their homes by elderly homeowners, rent paid by those not owning homes, and the quality of elderly occupied housing in terms of crowding and adequacy of plumbing facilities. The information will be displayed in two sets of tables for each subject; the first will provide national totals and the second State totals. Limited information on the income of elderly persons and elderly households, obtained from sample surveys conducted by the Bureau of the Census, will be shown since such data will not become available for the 1970 Census until 1972.

I would like to share with you at this time some of the preliminary information derived in the Special Census study.

First, it is clear that the condition of elderly occupied housing has greatly improved over the 1960's in terms of the two key Census housing criteria: (1) availability of adequate plumbing facilities and (2) incidence of overcrowding.

In 1970, 1,605,061 or about 8.5% of the elderly population lived in units which lacked some or all plumbing facilities. The estimate of this figure for 1960 is 18%. This figure compares to a national percentage of people in units lacking adequate plumbing of 6.9%, (down from 16.8% in 1960). Elderly overcrowding which was estimated to be 3.8% in 1960 has dropped to 2.8%. This compares with a national average of 8.2% (down from 11.5% in 1960). These data indicate not only that the condition of elderly-occupied housing has improved over the decade but also that the condition of such housing is, on the whole, not significantly worse than the national average.

Nevertheless, this department does recognize the existence of acute housing problems for many elderly Americans. Many elderly are faced with rising housing costs relative to low and relatively fixed incomes. As a result, many elderly tenants spend a disproportionate percentage of their income on rent and a significant number of elderly who are homeowners spend a disproportionate percentage of

income of homeownership costs. This income/cost squeeze is particularly aggravated by rapid increases in property taxes and home maintenance and repair costs. However, it is expected that the Administration's general revenue sharing bill, if passed would significantly relieve elderly homeowners from the burden of rising property taxes.

Serious health problems compound the income/cost squeeze described above. Thus, it is estimated that as many as 40% of the elderly population have chronic health conditions which limit or even prohibit the conduct of major activity. These problems are particularly severe for those elderly living alone: widows, widowers and others who lack necessary family support.

Many of these vulnerable elderly people, without an alternative, are forced prematurely into long-term care institutions. The incidence of elderly institutionalization has risen from an estimated 3.7% in 1960 to almost 5% (960,000) in 1970.

Given this background, I would like to return to your question relating to HUD's elderly housing goals. HUD's general housing goal is to achieve the 10-year national housing goals established by the Congress in 1968 and, in doing so, to provide decent housing for all Americans at rents and sales prices within their means. As you know these goals call for the construction of 20 million units of housing without subsidy (some of which will be financed under HUD's mortgage-insurance programs, and many of which will be financed conventionally). The national housing goals also call for the production (or major rehabilitation) of 6-million subsidized units to meet the housing needs of families who could not afford housing at normal market prices or rents.

The President's third Annual Report on National Housing Goals indicated that housing production turned sharply upward in Calendar Year 1970—reaching the highest production rate in 20 years by year end. Total production—including starts, mobile home shipments and subsidized rehabilitation amounted to 1.9 million units in Calendar 1970. A figure of at least 2.4 million units is expected in Calendar 1971. If the picture continues to brighten, it is possible that by the end of fiscal 1972, total production for the first four years could be pushed slightly ahead of the goals schedule.

While figures are not readily available for the percentage of elderly families who buy or rent housing produced at market rents or sales prices in the general housing market (the 20 million figure mentioned in the housing goals) there is no reason to suspect that elderly families with adequate income cannot compete effectively in the general housing market, and, therefore, achieve their appropriate share of the housing produced.

The 6 million units to be produced over a 10-year period with Federal subsidies are those over which HUD has the greatest direct control over occupancy. These also represent the housing units directed toward those families in greatest financial need.

Over the last decade, as indicated in our submission to your report entitled "Developments in Aging—1970," there was a rapid expansion in the annual production of specially designed elderly public housing. Because of this expansion, as well as the increased occupancy by relatively healthy and mobile elderly in regular public housing units, the elderly now occupy 39% of all occupied public housing units. It is estimated that as of December 30, 1970, about 35% of all HUD-subsidized housing was elderly occupied—a figure which is far greater than the percentage of elderly within the population (10%) and the percentage of elderly within the poor (20%).

During fiscal year 1971, the volume of HUD-subsidized housing starts reached about 375,000 units. During fiscal 1972, it is expected that HUD-subsidized production will reach 585,000 units which together with USDA starts will exceed the goals target of 650,000 starts. Within these high production levels, HUD will continue to allocate a fair share of funds for the production of specially designed and regular units for elderly occupancy. For example, the target figure for elderly specially designed public housing will be 1/4 of all public housing annual contributions contracts executed.

As Assistant Secretary Gullede pointed out in his August testimony to this subcommittee, production levels under the Section 236 program during FY 1972 will continue to exceed by far those achieved under the old 202 program.

Specifically, to answer your fourth question, HUD will abide by the mandate contained in the 1972 appropriations bill's conference report to earmark \$35 million of the \$200 million FY 1972 Section 236 contract authority exclusively for the production of elderly housing. It is presently estimated that there will be sufficient demand to utilize at least \$17.5 million of this authority during FY 1972 to support production of an estimated 22,000 units.

At this point, I would like to address your sixth question: "Is HUD giving any consideration at all to development of separate criteria on housing for the elderly under Section 236?" HUD has separate design standards (HUD PG-46) and will soon have separate criteria for establishing the feasibility of elderly Section 236 applications. Instructions covering these matters have been developed and are in the last stages of review prior to publication. HUD PG-46 has recently been revised and I am making available to the Subcommittee and for the record a summary of these revisions as well as the latest complete version of PG-46.

I would like to now turn to your question relating to our "intentions" with respect to congregate housing. As stated above, our department recognizes the urgent need for better alternatives to long-term care institutions.

Congregate housing can provide an alternative for many elderly who with adequate supportive services and housing could continue to live independently or even, in many cases, leave the institutions in which they now reside. HUD has for some time had in its public housing processing instructions a set of guidelines for congregate housing for the elderly. Since the 1970 HUD Act, a further handbook dealing with congregate public housing has been in development. This document is in the last stages of review and will go the Federal Register soon. In addition, a Housing Management Circular defining those central dining facility operating costs eligible for treatment as administrative expenses within congregate public housing projects was published earlier this year. A copy of that circular is being made available for your information and for the record. Finally, a handbook which would implement the Section 236 and Rent Supplement congregate housing program is presently being developed.

No significance should be attached to the fact that HUD's appropriations request contained no separate item for congregate housing. HUD is presently accepting applications for public housing involving congregate facilities for the elderly. Moreover, we have had meetings with representatives of local housing authorities to discuss congregate facilities for the elderly and to encourage use of this authority.

To summarize our subsidized elderly housing production goals, it is expected that 1972 housing subsidy funds will support the production of approximately 72,000 units for eventual elderly occupancy. Such a figure is considerably more than 10% of expected subsidized housing reservations in this year.

In addition to the subsidized housing programs, there are many FHA mortgage insurance programs which serve the elderly. Some of them such as the Section 232 Nursing Home and Intermediate Care Facilities program are occupied by those elderly needing skilled or semi-skilled nursing care. Insurance of nursing homes has increased from 11,000 bed units in FY 1969 to an expected level of 14,100 beds in FY 1972—a 28% increase. As of June 1971, FHA had written insurance on nursing home projects with over 80,000 beds. Elderly constitute about 95% of the occupants of these projects. A special set of minimum property standards apply to these FHA-insured homes which have successfully prevented major fires and structural failures. While the 242 hospital mortgage insurance program is not strictly a housing program, it continues to serve the needs of an increasing number of elderly.

FHA programs also include condominium, cooperative and even mobile home units which assist those elderly who wish to retain ownership but live more efficiently in reduced living space. Other FHA project insurance programs help those elderly who prefer rental status. These insurance programs primarily serve middle income families and individuals—including the elderly.

It should also be noted that many non-housing programs have direct impact upon the elderly housing problem. For example, the Urban Renewal program reduces new construction costs through land cost write-down benefits and development of community infra-structure. Our Water-Sewer program reduces assessments on homeowners in many instances. Finally, Operation Breakthrough—a research program—has made substantial impact on reducing housing costs through the encouragement of factory-built housing and aggregation of housing markets.

In your letter, you referred to a series of pending bills which propose creation of an additional assistant secretary at HUD for housing for the elderly who would administer all HUD programs which provide assistance to the elderly.

Our department is opposed to the enactment of these provisions for the following reasons. First, we do not believe that such an additional assistant secretary is needed to give special impetus and coordination to HUD programs which assist the financing of housing for the elderly. The internal reorganizations of HUD have already centralized housing production in one Assistant Secretary and housing management functions in another.

Moreover, other assistant secretaries in the research, community planning and management, and community development areas perform key functions relating to the elderly. All of these assistant secretaries have designated staff to deal with special elderly concerns. Moreover, the Assistant Secretaries for HPMC and Housing Management have offices which deal on a full-time basis with elderly housing issues. I have directed all of these assistant secretaries to closely coordinate those program areas which directly relate to the elderly and to ensure that all of their programs are sensitive to the particular needs of the elderly.

To summarize, I feel strongly that fractionalization of broad program areas on the basis of the beneficiaries to be served through assignment to a separate assistant secretary would lead to inefficient administration and be to the detriment of all groups aided by such programs.

I shall now turn briefly to the last four questions which you wished me to address in this statement.

In your letter, you asked whether our housing consolidation bill would result in less identification and concern about housing for the elderly. Let me answer your question by first explaining the basic philosophy of legislative simplification and consolidation which underlies not only this bill but also our special revenue sharing and departmental reorganization bills presently pending before Congress.

The great proliferation of special categorical programs over the past years is a major concern of this Administration. We now have a great number of individual housing programs. Many of these programs duplicate one another. Each has special requirements and provisions which are different from the others and often contradictory and confusing. This great variety of programs has produced complexity that discourages many from participating in our programs and puts great strain on those in HUD who must administer these programs. This bureaucratic and legislative maze produces inefficiency and long processing delays and threatens to defeat the purposes for which the legislation was passed—good housing for those who need it.

The purpose of the housing consolidation bill is to eliminate the complexities, inconsistencies, and rigidities of present programs and to make them more efficient and easier to use and to administer, as well as more flexible in their application to various types of needs.

We are convinced that this bill if enacted will make the delivery of Federal assistance for housing more effective in meeting the housing needs of all our population. We also believe that this can be accomplished without any sacrifice of the many special housing needs that our programs are designated to serve, including the special housing needs of the elderly. On the contrary, we believe that this legislative consolidation will provide improved programs with greater capacity for serving the special needs of elderly families and individuals.

In your letter, you correctly stated that it is HUD's policy to decentralize our department to bring decision-making functions to the local level. You then asked what emphasis would be given to elderly housing during this transition.

Let me begin by saying that this transition has already occurred. Control over housing processing and management has passed to our Area and insuring offices. Within the production area, program managers will coordinate overall HUD program response to their particular jurisdiction. The program manager has a team of functional specialists—one of the most important being the multifamily representative who will not only have expertise in elderly housing, but will have particular knowledge of special elderly housing needs in his area. Responsiveness to such needs is increased by decentralization of project approval authority to the Area or insuring office director.

Closely related to the issue of decentralization is your question about the effect on elderly housing of my recent order for a 5 percent cut in HUD employment. As mentioned above, decentralization of processing and management functions should increase this department's responsiveness to elderly housing problems. This responsiveness will not be reduced by the employment reduction order because Area and insuring offices are not being cut. In fact, we are aiming at augmenting the staff of those offices in order to bring about the levels of service which we—and you—desire. It is our intention to reduce employment in Washington and the ten Regional offices by 1,200. However, 400 of these people will be redeployed to field offices so that the overall departmental reduction target is 5% rather than 7.5%.

Your final question concerned research and action taken by HUD to deal with the effect of crime upon elderly tenants in public housing. Our Assistant Secretary for Housing Management, Norman Watson, will be testifying before you directly on that matter. Therefore, I have asked him to communicate to you the department's position on this subject.

Before concluding this statement, I would like to go into two other matters. First, our department is further increasing efforts to inform the public and consumers about our elderly housing problems. Let me summarize some of our current efforts. We have recently completed a filmstrip entitled "A Stranger Just Once" which is available on free loan from the Modern Talking Picture Service office in New York and other MTPS offices around the country. A brochure describing this filmstrip is attached to this statement. Secondly, we have recently completed a "Guide to Elderly Housing" which describes in detail how to sponsor elderly housing under HUD programs. Publication is imminent and I have requested that an advance copy be sent to you. Next, our department has sent to the printer a 54 table statistical handbook which not only contains the 1970 Census elderly housing needs information described earlier in this statement but also contains data on the major elderly housing programs administered by HUD, USDA, the Veterans Administration and the Bureau of Indian Affairs within the Department of the Interior. Finally, I am directing all assistant secretaries at HUD to consider carefully the quality of their program information relating to the elderly as well as the need for new information pieces.

Secondly, I would like to point out that our department in conjunction with the newly created Domestic Council Committee on the Aging is presently engaged in a thorough review of our elderly housing programs. We are carefully considering the desirability and feasibility of various new program proposals—particularly those which could bring a greater measure of assistance to low and moderate income elderly homeowners either in their own homes or in new subsidized condominiums.

This completes my statement. I have asked Assistant Secretary Gullidge to respond within the next few weeks to the second group of follow-up questions contained in your October 19 letter.



## Appendix 2

### ADDITIONAL MATERIAL SUBMITTED BY WITNESSES

LIST OF LOCAL HOUSING AUTHORITIES INVOLVED IN MODERNIZATION PROGRAM AND TOTAL NUMBER OF UNITS TO BE MODERNIZED, SUBMITTED BY NORMAN WATSON, HUD

LHA	Units to be modernized, June 30, 1971	Units occupied by elderly, Dec. 31, 1970 <sup>1</sup>	LHA	Units to be modernized, June 30, 1971	Units occupied by elderly, Dec. 31, 1970 <sup>1</sup>
<b>REGION I</b>			<b>REGION II—Continued</b>		
<b>Connecticut:</b>			<b>New Jersey—Continued</b>		
Bridgeport.....	2,629	270	Long Branch.....	516	232
Danbury.....	150	25	Newark.....	10,026	2,456
East Hartford.....	100	14	New Brunswick.....	306	93
Hartford.....	1,501	117	North Bergen.....	172	31
New Britain.....	340	99	Orange.....	280	67
New Haven.....	1,608	339	Passaic.....	600	184
Meridan.....	140	43	Paterson.....	2,002	618
Stamford.....	671	154	Plainfield.....	248	70
Waterbury.....	371	71	Salem.....	258	110
<b>Maine:</b>			Trenton.....	1,439	391
Bangor.....	348	63	Union City.....	355	97
Fort Fairfield.....	36	7	West New York.....	483	332
Portland.....	200	48	<b>New York:</b>		
Van Buren.....	90	41	Binghamton.....	150	41
<b>Massachusetts:</b>			Buffalo.....	3,487	1,178
Boston.....	9,238	2,870	Lackawanna.....	271	62
Cambridge.....	981	306	New York City.....	49,903	19,567
Fall River.....	879	280	Syracuse.....	1,659	778
Holyoke.....	629	351	Troy.....	606	175
Lowell.....	1,074	618	Tuckahoe.....	99	20
Lynn.....	292	49	Utica.....	213	81
Quincy.....	180	16	<b>Puerto Rico:</b>		
Springfield.....	384	49	Puerto Rico.....	12,100	2,285
Worcester.....	600	134	Virgin Islands.....	1,094	161
<b>New Hampshire:</b>			<b>REGION III</b>		
Manchester.....	400	56	Delaware: Wilmington.....	1,209	152
Nashua.....	130	24	District of Columbia.....	5,447	937
Somersworth.....	56	6	<b>Maryland:</b>		
<b>Rhode Island:</b>			Annapolis.....	676	97
Newport.....	511	47	Baltimore.....	10,709	2,761
Pawtucket.....	310	72	Cumberland.....	230	76
Providence.....	2,531	735	Frederick.....	256	69
Woonsocket.....	600	224	<b>Pennsylvania:</b>		
Vermont: Burlington.....	98	50	Allegheny County.....	1,271	393
<b>REGION II</b>			Allentown.....	426	120
<b>New Jersey:</b>			Beaver County.....	418	92
Asbury Park.....	482	201	Bethlehem.....	1,252	430
Bayonne.....	820	488	Chester.....	1,390	359
Berkeley.....	70	31	Chester County.....	46	19
Beverly.....	71	14	Delaware County.....	200	41
Boonton.....	74	45	Easton.....	228	40
Bridgeton.....	200	77	Fayette County.....	490	158
Burlington.....	90	23	Harrisburg.....	461	140
Camden.....	1,198	544	Johnstown.....	211	81
Edison.....	60	18	Montgomery County.....	307	81
Elizabeth.....	1,579	1,006	Philadelphia.....	9,198	1,326
Florence.....	50	3	Pittsburgh.....	1,260	1,377
Garfield.....	150	43	Scranton.....	464	360
Glassboro.....	100	45	Somerset County.....	150	74
Guttenberg.....	154	72	York.....	400	74
Hackensack.....	344	168	<b>Virginia:</b>		
Harrison.....	268	148	Alexandria.....	691	132
Hoboken.....	1,153	463	Hopewell.....	96	36
Jersey City.....	3,518	1,109	Lynchburg.....	100	12

See footnote at end of table, p. 348.

LHA	Units to be modernized, June 30, 1971	Units occupied by elderly, Dec. 31, 1970†	LHA	Units to be modernized, June 30, 1971	Units occupied by elderly, Dec. 31, 1970†
<b>REGION III—Continued</b>			<b>REGION V—Continued</b>		
<b>Virginia—Continued</b>			<b>Illinois—Continued</b>		
Newport News.....	1,352	390	La Salle County.....	542	325
Norfolk.....	3,428	950	Mason County.....	50	22
Portsmouth.....	1,537	369	Moline.....	184	59
Richmond.....	3,809	452	Perry County.....	96	24
Roanoke.....	600	179	Quincy.....	309	150
South Norfolk.....	170	31	Rock Island City.....	147	47
<b>West Virginia:</b>			Rock Island County.....	100	0
Charleston.....	834	259	Rockford.....	200	82
Wheeling.....	441	179	Saline County.....	261	164
Williamson.....	110	53	Springfield.....	623	178
<b>REGION IV</b>			<b>Indiana:</b>		
<b>Alabama:</b>			Evansville.....	592	156
Birmingham.....	5,725	2,345	Delaware.....	106	53
Boaz.....	60	29	Gary.....	1,287	330
Collinsville.....	20	14	Hammond.....	400	161
Dothan.....	339	65	Indianapolis.....	748	219
Hanceville.....	30	24	Kokomo.....	200	103
Mobile.....	2,199	681	Muncie.....	358	129
Montgomery.....	1,662	375	New Albany.....	790	321
Tuscaloosa.....	504	94	Vincennes.....	164	127
<b>Florida:</b>			<b>Michigan:</b>		
Dade County (Miami).....	2,230	625	Albion.....	100	16
Jacksonville.....	1,759	602	Bessemer.....	60	44
Key West.....	390	142	Belding.....	25	4
Orlando.....	990	256	Benton Harbor.....	180	48
St. Petersburg.....	613	159	Bronson.....	30	7
Tampa.....	3,582	1,329	Detroit.....	7,955	3,585
<b>Georgia:</b>			Inkster.....	500	41
Athens.....	868	257	Mount Clemens.....	160	32
Atlanta.....	8,954	2,937	Muskegon.....	200	79
Augusta.....	926	304	Pontiac.....	400	79
Cedartown.....	204	88	Saginaw.....	365	43
Columbus.....	1,838	745	<b>Minnesota:</b>		
Commerce.....	50	11	Chisholm.....	70	28
Decatur.....	200	74	Duluth.....	300	80
Glennville.....	70	12	Hibbing.....	100	46
West Point.....	50	8	Minneapolis.....	1,386	492
<b>Kentucky:</b>			St. Paul.....	2,046	747
Covington.....	798	270	Virginia.....	110	36
Lexington.....	1,169	276	Winona.....	160	8
Louisville.....	4,631	1,425	<b>Ohio:</b>		
<b>Mississippi:</b>			Akron.....	1,120	591
Bay St. Louis.....	36	10	Butler.....	533	191
Biloxi.....	553	174	Cincinnati.....	5,797	2,484
Clarksdale.....	160	107	Cleveland.....	7,450	2,628
McComb.....	260	182	Columbus.....	2,494	841
<b>North Carolina:</b>			Dayton.....	1,915	397
Asheville.....	878	202	Portsmouth.....	384	179
Charlotte.....	1,420	444	Steubenville.....	523	345
Fayetteville.....	512	44	Toledo.....	2,048	983
Greensboro.....	1,036	230	Youngstown.....	1,411	454
High Point.....	450	157	Warren.....	574	224
Kingston.....	644	207	<b>Wisconsin:</b>		
Raleigh.....	912	305	La Crosse.....	206	10
Salisbury.....	240	78	Milwaukee.....	2,538	909
Tarboro.....	100	46	Superior.....	352	51
Winston-Salem.....	1,538	380	<b>REGION VI</b>		
<b>South Carolina: Columbia.....</b>	<b>1,298</b>	<b>228</b>	<b>Arkansas:</b>		
<b>Tennessee:</b>			Blytheville.....	208	66
Chattanooga.....	4,766	1,046	Little Rock.....	372	78
Knoxville.....	1,637	428	Magnolia.....	70	14
Memphis.....	5,045	1,624	Texarkana.....	80	2
Nashville.....	4,187	1,371	<b>Louisiana:</b>		
<b>Illinois:</b>			Crowley.....	150	19
Alton.....	100	20	Lake Charles.....	473	193
Bloomington.....	200	77	Morgan City.....	75	22
Champaign County.....	265	45	Rayne City.....	76	31
Chicago.....	28,730	3,422	<b>New Mexico:</b>		
Cook County.....	523	64	Jicarilla Apache Tribe.....	25	0
Danville.....	570	299	Mescalero Reversion.....	54	0
Decatur.....	434	186	Pueblo.....	40	53
East St. Louis.....	1,708	567	Oklahoma: Oklahoma City.....	352	232
Joliet.....	436	58	<b>Texas:</b>		
			Austin.....	1,022	315
			Baytown.....	160	44

See footnote at end of table, p. 348.

LHA	Units to be modernized, June 30, 1971	Units occupied by elderly, Dec. 31, 1970 <sup>1</sup>	LHA	Units to be modernized, June 30, 1971	Units occupied by elderly, Dec. 31, 1970 <sup>1</sup>
<b>REGION VI—Continued</b>			<b>REGION IX—Continued</b>		
<b>Texas—Continued</b>			<b>Arizona—Continued</b>		
Borger.....	150	76	Maricopa County.....	300	93
Brownwood.....	234	116	Mesa.....	103	19
Corpus Christi.....	740	274	Phoenix.....	1,588	576
Del Rio.....	126	25	<b>California:</b>		
Denison.....	200	69	Benecia.....	75	14
Edinburg.....	100	11	Butte County.....	170	41
El Paso.....	1,320	289	Contra Costa County.....	901	282
Galveston.....	1,034	201	Eureka.....	100	21
Harlington.....	270	46	Fresno County.....	324	152
Hearne.....	120	66	Los Angeles City.....	3,468	585
Henrietta.....	30	17	Los Angeles County.....	1,505	424
Houston.....	1,563	496	Marin County.....	300	78
Killeen.....	75	8	Merced County.....	245	60
Kingsville.....	140	8	Monterey County.....	100	5
Laredo.....	272	75	Oakland.....	916	323
McAllen.....	150	18	San Bernardino County.....	941	260
Olney.....	50	42	San Buena Ventura.....	180	22
San Antonio.....	2,756	660	Richmond.....	300	57
Taylor.....	70	5	Sacramento City.....	760	12
Texas City.....	80	6	Sacramento County.....	268	54
Waco.....	653	274	San Francisco City and		
Wichita Falls.....	640	224	and county.....	5,848	1,547
<b>REGION VII</b>			San Joaquin County.....	1,140	152
Iowa: None.....			Soledad.....	26	2
Kansas: Kansas City.....	646	111	Stanislaus County.....	240	56
Missouri:			Sutter County.....	130	61
Fulton City.....	74	17	Upland.....	100	19
Jefferson City.....	170	47	Yolo County.....	176	10
Kansas City.....	2,276	584	Hawaii: Hawaii.....	3,042	320
Kinloch.....	150	50	Nevada:		
New Madrid.....	70	11	Las Vegas.....	840	96
St. Charles.....	48	11	Reno.....	400	279
Sikeston.....	150	49	<b>REGION X</b>		
St. Louis.....	3,742	944	Alaska: Alaska.....	325	48
Steele.....	58	39	Idaho:		
Nebraska:			Nampa.....	75	29
Auburn.....	51	50	Twin Falls.....	114	74
Omaha.....	2,358	991	Oregon:		
<b>REGION VIII</b>			Douglas County.....	124	53
Colorado:			Lane County.....	516	460
Denver.....	3,239	1,105	Lincoln County.....	60	27
Pueblo.....	224	69	Portland.....	879	408
Montana:			Umatilla.....	118	83
Butte.....	225	147	Washington:		
Helena.....	132	41	Asotin County.....	50	24
Richland County.....	54	15	Clallam County.....	70	21
<b>REGION IX</b>			Everett City.....	400	135
Arizona:			Grant County.....	31	7
Glendale.....	121	16	Grays Harbor County.....	96	14
			Kalama.....	16	0
			Kennewick.....	125	50
			Tacoma.....	752	206

<sup>1</sup> Age, disability, and handicap.

## Appendix 3

### LETTERS FROM INDIVIDUALS AND ORGANIZATIONS

LETTER AND STATEMENT FROM ALBERT A. WALSH, ADMINISTRATOR,  
NEW YORK CITY HOUSING AND DEVELOPMENT ADMINISTRATION,  
TO SENATOR HARRISON A. WILLIAMS, NOVEMBER 3, 1971

Dear Chairman Williams: It is my understanding that the Subcommittee on Housing of the Senate Special Committee on Aging recently completed hearings on "Housing for the Elderly." I would be most appreciative if you would have the attached statement outlining the position of the New York City Housing and Development Administration with respect to housing for the aging inserted in the Hearings' Record.

Thank you so much for your cooperation in this matter.

Sincerely yours,

ALBERT A. WALSH,  
*Administrator.*

Enclosure.

I am most pleased to have the opportunity to submit this statement on housing for the aging on behalf of the New York City Housing and Development Administration.

New York City is particularly concerned with the housing needs of its elderly residents. Those over 65 years of age now constitute more than 12% of the City's population and the number of elderly persons is increasing at a greater rate than that of the general population. Between 1960 and 1970 overall population growth in New York City amounted to 1.5% while the number of elderly grew by 16% and those in the 75 and over age bracket increased by 40%.

Given the growing number of elderly in New York City and across the nation and because of the lower fixed income status of the elderly as a group, insuring that the housing and other needs of this segment of our population are met is in large measure a responsibility of the public sector. The New York City Housing and Development Administration is most cognizant of this responsibility and in 1969 we established an Office of Problem Housing within HDA to deal exclusively with expediting the provision of housing and related facilities and services for the elderly and single non-elderly. In the City's moderate and middle income housing programs a total of 1,497 units built to date were earmarked specifically for the elderly and an additional 1,926 units now in planning or under construction will likewise be set aside for our aging residents. Moreover, over 27% (41,200 units) of the units produced under the City's public housing program as of January 1, 1971 were occupied by families headed by persons over 60 years of age.

However, in spite of these accomplishments, our efforts in New York City and the exertions of other localities throughout the country to provide adequate housing opportunities for the elderly have not been enough to narrow the widening gap between the housing needs of this group and the resources available to meet these needs. The impact of rising costs associated with new construction and rehabilitation as well as rent increases resulting from higher operating and maintenance costs in older housing have become a particular burden of the elderly. All low and moderate income families whose incomes are not keeping pace with rapidly rising housing costs are caught in the same dilemma; but the aging are the most vulnerable since there is little expectation that their income will rise or that a second job can provide relief during the continuing cost squeeze.

Achievement of the 1949 goal of "a decent home in a suitable living environment for every American family" takes on particular urgency when considered in the framework of the aging. Many of our elderly citizens, to whom time is both so long and so short, are forced to count the passing hours and days in decaying housing, seldom venturing out on the street for fear of crime, and all

but shut out from a world in which they were once so involved. And all this is happening while we "drag our feet" in enacting and funding programs which are equal to meeting the nationwide housing needs of all families, including the elderly.

Senators Brooke and Mondale recently announced their intention to jointly sponsor a bill "The Housing Reform Amendments Act of 1971" which, together with the Administration's "Housing Consolidation and Simplification Act of 1971" (S. 2049) could provide the comprehensive approach which is required to meet our requisite, but, due to present funding and program inadequacies, currently unattainable goals.

The Brooke-Mondale proposal in concert with S. 2049 would eliminate existing program coverage gaps, inconsistencies, and widely differing eligibility criteria, definitions of income and rent income ratios, which so often prove bewildering and inequitable not only to non-profit sponsors and potential beneficiaries of the programs but also to local and federal housing and renewal officials themselves. The Federal subsidy under this program would cover the difference between the total monthly costs of a project and total project revenue and would include payment for adequate tenant services which are so essential particularly in conjunction with housing for the elderly.

The proposed subsidy mechanism would permit assistance to a broader range of families who cannot afford the cost of standard housing. It would aid those in the lowest income group, many of whom are effectively excluded from participating in existing programs. These very low income families and individuals cannot afford the rentals or homeownership payments under Sections 236 and 235 since these are tied to the high capital cost of the housing involved.

Often they cannot muster enough money to pay 30% of the market rental required under the Rent Supplement program and, if they live in an area where there is no Local Public Authority or Workable Program, they do not even have the option of placing their names on the long waiting lists for Public Housing or Section 23 Leased units. Moreover, all families and individuals with incomes up to the median for the area as adjusted for family size would be eligible for assistance under the new program. Thus, for the elderly, as well as for other low and moderate income families, this approach would mean housing assistance on a "first come, first served" basis rather than help for only those who happen to fit within current narrow program eligibility strictures or live in areas with active local authorities.

Adoption of the "Housing Reform Amendments of 1971" along with the "Housing Consolidation and Simplification Act of 1971" would rescue non-profit sponsors of housing for the elderly from the dilemma which they now encounter when they attempt to build under Section 236. Unrealistic statutory mortgage limits, which force projects back to the drawing board for "cost cutting" redesign, which so often, in terms of final output, means poorer quality at the original cost as a result of increased construction costs during the delay for redesign, would be eliminated. Instead, regionally adjusted prototype construction cost limits would be utilized and the maximum development cost for a project could equal 120% of the prototype construction cost plus the actual cost of land and site improvements, the cost of non-residential space and facilities and the cost of eligible relocation activities. In projects to serve elderly or handicapped families, special design features and community facilities could be included as non-residential parts of the mortgages.

I urge the members of the Subcommittee on Housing of the Senate Special Committee on Aging, who understand the urgency of the housing needs of the elderly and are familiar with the plethora of problems which now confront non-profit sponsors of housing for the aging in their attempts to meet these needs, to give serious consideration to the Brook-Mondale proposal, a Section-by-Section Summary of which is appended to my remarks. We, in the New York City Housing and Development Administration are convinced that its adoption would make possible the quality and volume of construction of housing for our older citizens which we all agree are so patently required.

Pending enactment of such a simplified comprehensive housing program, however, we must attempt to operate within the narrow confines of existing legislation. To enable current programs to work more effectively, immediate legislative action is needed in the following areas:

1. Section 236 Authorizations and Appropriations—Since Public Housing is now being held to a level of approximately 95,000-100,000 units a year nationwide according to the Administration, and in light of the fact that the Sec. 235

Homeownership Program is not a viable alternative for many elderly families and individuals, the major vehicle at present to provide housing for the aging at a cost which they can afford is the Sec. 236 program. However, to date, Sec. 236 authorizations and appropriations have been far below the amount required to meet the nationwide need for these funds, not only for the elderly but also for the increasing number of other low and moderate income families who cannot afford the cost of standard housing at market rentals.

In New York City, for example, a total of \$24.2 million in Sec. 236 funds will be required to reduce rentals and carrying charges in City assisted developments alone during fiscal year 1972. Yet, for this period, HUD is apparently making available only \$18 million to the New York area, and this inadequate amount must be allocated to provide funds for City, State and Urban Development Corporation assisted projects within New York City and for developments in six additional counties outside of New York City.

Within the context of current Federal Housing Assistance programs, the ability of New York City and other localities to provide expanded housing opportunities for their elderly residents hinges in great measure on the availability of Sec. 236 subsidies. Consequently, a prime element in any short-term strategy to achieve such expanded housing opportunities for our aging citizens should be an immediate and significant increase in Sec. 236 authorizations and full funding of such increased authorizations.

2. FHA Subsidized Mortgage Limits and Public Housing Prototype Cost Limits—Housing designed primarily for the elderly and handicapped results in increased costs because of the overall small size apartment distribution, the inclusion of certain design features in the dwelling units and related facilities, and the need for adequate community and other space for supportive services. The *Federal Minimum Property Standards for Housing for the Elderly* point out that "specially designed housing is necessary to meet the widely varying needs of aged and handicapped persons" and prior to the adoption of the Housing and Urban Development Act of 1970, Section 15(5) of the U.S. Housing Act of 1937, as amended, provided higher cost limits per room in cases of accommodations designed specifically for the elderly or handicapped in recognition of the increased costs associated with such units.

Yet, today, we find that those who attempt to build for the elderly or handicapped under the Section 236 and Public Housing programs are in a uniquely disadvantaged position. In the case of the Sec. 236 program, sponsors must deal with statutory mortgage limits which are now, in most areas of the country, far below actual costs for any type of housing. Thus, to build inherently more costly housing for the elderly, non-profit sponsors, with severely limited financial resources, must either find the money to subsidize the difference between the statutory mortgage limits and actual project costs, have the project redesigned in the hope that costs can be cut or, if these attempts fail, abandon their plans altogether.

For fiscal year 1971, New York City was forced to appropriate over \$24 million in scarce municipal funds to assist such nonprofit sponsors to pay the difference between the Sec. 236 statutory mortgage limits and actual project costs, and to subsidize the gap between Public Housing cost limits and actual per unit costs in New York City; and, for fiscal year 1972, an additional \$10 million has been authorized by the City to provide "excess equity" for FHA insured Sec. 236 projects sponsored by non-profit organizations.

In the Public Housing program the enactment of regionally adjusted prototype construction cost limits last year resulted in limits which, on the whole, are reflective of actual local cost situations. However, in the case of zero and one bedroom units, which in projects for the elderly or handicapped constitute the entire apartment distribution, it does not appear that sufficient leeway was permitted in the limits to allow for the added costs of housing for the elderly and handicapped. While the New York City Housing and Development Administration strongly recommends the extension of prototype construction cost limits to the FHA subsidized programs, we also believe it is imperative that features necessary in housing for the aging and handicapped be "costed out" in determining the limit for zero and one bedroom apartments.

3. Congregate Housing Arrangements—The Housing and Urban Development Act of 1970 provided for congregate living arrangements for the elderly, handicapped and displaced persons under Sec. 236 and the Public Housing program. These provisions were prompted by the increasing realization that there could be a viable alternative to institutionalization with its concomitant high costs and independent living arrangements which can, in some cases, severely tax the capabilities of those whom we are attempting to assist. Congregate housing in

conjunction with a variety of ancillary services can be an invaluable aid in providing a suitable living environment for many of our aging, handicapped and displaced residents. To properly implement this program, realistic prototype construction cost limits are a prerequisite as is coordination between HUD and the Department of Health, Education and Welfare to fund essential social and supporting services.

4. Rent Supplements—Present law restricts Rent Supplements in conjunction with Sec. 236 projects to 20-40% of the total number of units. However, a great number of elderly families and individuals are unable to afford Sec. 236 rentals without additional subsidization. Consequently, in projects designed primarily for the elderly and handicapped, the New York City Housing and Development Administration urges that eligibility for Rent Supplements be extended to 100% of the units.

It is my hope that the foregoing recommendations will be of assistance to the Subcommittee on Housing of the Senate Special Committee on Aging in its continuing efforts to make real the promise, implicit in our 1949 National Housing Goal, of a better life for all our aging citizens.

