

not want to be categorical about what those types will be now. It will vary, I am sure, from city to city.

Mr. WIDNALL. This could be in direct competition with private planning, could it not?

Secretary WEAVER. I do not think so. I think you would have to have a private planner to develop the planning or the city might decide to hire its own people. We will not send in a team of technical people who will actually do the planning. They might be consultants to help to get the plan done, but the plan would have to be developed by the city out of its resource or any resources that it gets from us. The technicians from Washington and the agency will not do the planning.

Mr. BARRETT. Mrs. Sullivan?

Mrs. SULLIVAN. Thank you, Mr. Chairman.

Mr. Secretary, we think you will agree that you sent us two very challenging new proposals: (1) To give a tremendous stimulus to supplemental grants on top of existing grants, and to the rebuilding or rehabilitation of large areas of our city; and (2), a second bill using a similar mechanism to stimulate and give incentive to orderly metropolitan growth.

I think we have much to learn yet about the details and the actual way in which this program would work. But I do have one question that comes immediately to mind, and that is whether a given city could qualify for both programs at the same time, in other words, could city X have both a demonstration city program and a program for metropolitan development grants?

Secretary WEAVER. I think the answer would have to be "Yes and no." It would have to be "Yes" in the sense that a given city might participate in both activities, but it would not always be the direct recipient or the local sponsor in both. It would obviously be a direct recipient in the demonstration cities program. But the metropolitan development grants would go to the city in some cases and in some cases to a special-purpose agency of government or to an ad hoc committee or a State body or some other body other than or larger than the city itself. But the city would participate in and benefit from the metropolitan grant although it would not always be the agency that would develop the program and apply for it to the Department. Projects or activities assisted under the demonstration cities program could not receive metropolitan development grants.

Mrs. SULLIVAN. Secretary Brownstein, last Thursday, I was pleased to introduce a bill, H.R. 13063, which hopefully for the first time would provide a financing mechanism to encourage bona fide nonprofit organizations to rehabilitate existing houses for sale to low-income prospective homeowners at the very low 3-percent interest rate made possible under section 221(d)(3), the low-market-interest-rate program. May I have it inserted in the record at this point?

(The material referred to follows:)

[H.R. 13063, 89th Cong., 2d sess.]

A BILL To amend the National Housing Act to authorize a limited experimental program of insurance for mortgages executed by nonprofit organizations to finance the purchase and rehabilitation of deteriorating or substandard housing for subsequent sale to low-income purchasers

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 221 of the National Housing Act is amended by adding at the end thereof the following new subsection: