

Modifications may also be necessary to reduce the size of an area. SMSA's are based on county boundaries. Particularly in the West, counties may be fairly large. The Duluth SMSA extends up to the Canadian border and the Reno SMSA extends to Oregon. For the purposes of metropolitan planning and development large expanses of wilderness or other open land can be excluded from the SMSA where they are not essential to planned urban growth.

Other modifications may have to be made where adjacent SMSA's form a single metropolitan complex requiring planned and coordinated development. In all cases, modifications and extensions of SMSA's, for this purpose, would be made only after consultation with the Bureau of the Census and appropriate State and regional agencies.

Mr. FINO. Am I correct in saying that currently under the public housing there is a provision for two bathrooms?

Mrs. McGUIRE. Yes, in some cases where there are five to six bedrooms there is a bathroom and a half, not a full bathroom.

Mr. FINO. It is a fact that the President has ruled that two bathrooms are ineligible for rent supplement housing, so doesn't this mean that you cannot accommodate large families in these projects?

Secretary WEAVER. It means that we are not going to be able to accommodate as large families in these projects as are accommodated in some of the public housing units, yes.

Mr. FINO. Mr. Secretary, if you permit and allow cities shifting funds between programs, doesn't this possible negate the will of Congress that now pertains to specific funds for specific programs? And how do you maintain program control if funds can be shifted in and out from one program to another?

Secretary WEAVER. There are no funds that are now legislated by the Congress that would be shifted one iota under this proposed legislation.

Mr. FINO. In other words, funds earmarked for this program will stay in this program?

Secretary WEAVER. Grant funds which are appropriated for any program will stay in that program. And this bill will have nothing to do with how they are spent or with their allocation.

Mr. FINO. You mentioned the possibility of obtaining for lease or purchase of public housing units at less than the Public Housing Administration is paying under its annual contributions contracts method. Why the large difference in costs?

Secretary WEAVER. I tried to explain that earlier. When a public agency contracts for any type of construction, it has certain restraints and requirements that do not apply to a private person doing the same type of operation. In the first place, there is a certain amount of overhead which is there. But more important, there is the matter of advertising for bids, competitive contracts, et cetera, which in turn require much more elaborate types of specifications and architectural details than is true in a private development. If the private builder builds to meet the specifications of the public agency in order to sell to the public agency, this is a fait accompli before the public agency gets in. The public agency either rejects the proposal or accepts the proposal. If it accepts the proposal, it doesn't have to do all of the inspections it would have to do if it were making the product itself.

These are the basic cost-saving factors that are involved here.