

three amendments to make this proposal more workable as an initial experiment in the development of new communities. First, we recommend that the disposition of land by the land development agencies be permitted on the basis of long-term leases as well as sale of the land, subject in both instances to obligatory conformity to the community development plan. Second, in order to accommodate long-term leasing where desirable, we recommend that the maximum term of the Federal loan be increased to 40 years from 15 years; this would be in line with comparable provisions for 40-year loans to finance the capital value of leaseholds under the urban renewal program. Third, we recommend an amendment authorizing the use of Federal loans to cover the necessary costs of site improvements such as basic public utilities and major streets by the land development agencies.

With respect to title 3 of the Urban Development Act, we are fully in accord with the essentiality of an extension of the grant authorization under the Urban Mass Transportation Act of 1964. However, in our opinion, the extension of the funding of this program for only 1 year is inadequate both in amount and in relation to advance planning requirements. The board of directors of the National Housing Conference recommended in December 1965 that additional mass transportation grants be authorized at the rate of \$750 million per year for the next 3 years.

With regard to the grants for urban information centers proposed in title 4 of the Urban Development Act, we believe that such centers would perform a most useful service and we recommend favorable action on this proposal.

We have also reviewed H.R. 13064, the Housing and Urban Development Amendments of 1966. We support the proposed amendments of the flexible formula for the low-rent public housing program to extend the period of use of private housing for public housing purposes and to permit the use of this formula for newly constructed housing as well as existing housing. Comparable amendments were recommended by the board of directors of the National Housing Conference in December 1965.

We also support the proposal in section 106 of the bill to establish a program for research and encouragement of the use of new and improved techniques and methods of construction, rehabilitation and maintenance of housing and other urban development facilities. We likewise support section 107 to repeal the limitations on the use of urban renewal grant authority for grants for rehabilitation and code enforcement which were imposed by the Supplemental Appropriations Act of 1965.

It is our understanding that this committee will consider consolidating the three pending bills which I have commented on and thus reporting a comprehensive single bill. In that event, we would urge the committee to consider incorporating certain expansions in and extensions of existing programs to improve housing conditions for families and individuals in farm and nonfarm rural areas. As this committee well knows, the percentage of substandard and dilapidated housing in rural areas is even greater than in the urban blighted areas to which the other legislation pending before the committee is directed.

We therefore recommend to the committee that it consider amendments increasing from \$1,000 to \$1,500 the maximum limit on the