

[From the Cleveland Press]

GOING TO CAPITAL—HOPE SEEKS U.S. REHABILITATION FUNDS

A delegation from HOPE, Inc., a nonprofit corporation to rehabilitate residences in the western Hough area, will travel to Washington next week to seek Federal financial aid.

The Reverend Walter A. Grevatt, Jr., pastor of the Hough Avenue United Church of Christ, 1650 East 65th Street, will lead a delegation of about 12 in a meeting Tuesday with Philip N. Brownstein, Commissioner of the Federal Housing Administration.

HOPE seeks a liberalization of FHA rules on insuring long-term, low-interest loans to get a stalled rehabilitation program going in the Superior-Chester area, a section of Hough, west of East 79th Street. The area is not in an urban renewal project.

HOPE stands for housing our people economically.

"We are especially interested in getting funds through 100-percent mortgages," the Reverend Grevatt said.

Under a section of the 1965 Housing Act, FHA insures loans for rehabilitation for the full cost of acquisition and renovation at 3-percent interest.

However, under present rules, the Superior-Chester area is not eligible for such financing.

The area, according to William H. Hackman, Cleveland FHA director, lacks the necessary qualifications because of the risk of marked deterioration in the area.

HOPE, which was incorporated last June, has been stalled because of the lack of funds. It has rehabilitated one structure, a two-story frame house at 6516 Hough Avenue NE.

HOPE also purchased two brick buildings at 6215 and 6303 Belvidere Avenue NE. The structures contain 22 units. Without more liberal financing terms, however, HOPE has been unable to fix up the buildings.

HOPE's plea to Brownstein would be based on its feeling that the area has a potential for rehabilitation if more liberal financing terms are allowed, the Reverend Grevatt said.

Brownstein, in a letter to HOPE, said that the discussions will center on "a search for any way the FHA program could be helpful."

Because Superior-Chester is not in any present urban renewal program, the area is ineligible for many of the low financing aids for rehabilitation.

Residents call the area "the forgotten Hough."

Among those making the trip will be the Reverend Grevatt; the Reverend Albert Koklowski, pastor of Our Lady of Fatima Church, 6822 Lexington Avenue NE.; Mrs. Pearl Crawford, secretary, 7019 Burnham Court NE.; and Mrs. Archie B. Lewis, director of the League Park Neighborhood Center.

Mr. BARRETT. Mr. Fino?

Mr. FINO. Congressman Vanik, I want to compliment you on your wonderful presentation here this morning. I agree with you wholeheartedly with what you said and more particularly in reference to 221(d)(3), the abuses, and I have been very much concerned with the abuses on 221(d)(3).

Let me say right here for the record that these abuses that have cropped up in this program are not abuses that originate from the legislation itself. The problem is not in the legislation. It is in the administration of this legislation. The fact that abuses have come from the administration of the legislation is something that we have to concern ourselves with.

I asked the Secretary of HUD to submit to me a report on these 221(d)(3) a year ago and I only received it last week. For some reason they did not want to give me this study and this report because it would point out exactly what you are pointing out here this morning.