to thank also all of the witnesses who furnished us with excellent statements and expert testimony so that the members could have a better understanding of the legislation before us.

(The statement of the Chicago Property Owners Association follows:)

CHICAGO PROPERTY OWNERS ASSOCIATION,
Chicago, Ill., March 22, 1966.

Hon. WILLIAM A. BARRETT,
Chairman, Subcommittee on Housing,
Committee on Banking and Currency,
House Office Building, Washington, D.C.

DEAR CONGRESSMAN BARRETT: We regret that your crowded schedule does not permit us to personally appear before the Subcommittee on Housing of the Committee on Banking and Currency, during the hearings in which you are now engaged.

We submit the following views and recommendations on this legislation, with your assurance that they will be brought to the attention of the Housing Subcommittee members and also incorporated in the printed record of the hearings.

At this time, we hasten to assure you that Chicago Property Owners Association does not knowingly, and will not, represent anyone who owns or manages slum property in or about the city of Chicago and, furthermore, does not condone this type of building. We want to comply with the city administration in its great effort to rehabilitate wherever necessary and to assist in this work for the good of all.

Many owners of these buildings are elderly folk who live on what is left over after paying the usual expenses which are ever increasing. All they have in the world is their building. The income from rents has not kept up with the cost of operating a building today and they are again faced with a sharp increase in real estate taxes.

During the 1965 hearings before your subcommittee, the Chicago Property Owners Association requested federally subsidized payments or liberal subsidized loans to owners of apartment buildings forced to comply with the retroactive building codes. This is necessary to prevent most owners so affected, from losing the assets which they have invested in their buildings.

Fortunately, Congress did amend the 1965 act to grant $1,500 of federally subsidized payments to owners of single-family homes, plus liberal loans. The liberal loans were made up to 40 years with subsidized interest at 3½ percent to owners of small apartment buildings "if" they lived on the premises, and the building was owner occupied. The above applied only if the private home or apartment building was in an urban renewal project or code enforcement area and was no more than one to four units. It also applied to buildings from 5 to 11 units, investor owned, located in the 2 mentioned areas.

This is extremely inadequate because no relief is given to either investor-owned or owner-occupied apartment buildings in excess of 11 units in other parts of the city. The cities, under the Federal urban renewal program, are compelled to enforce retroactive building codes in all areas of the cities.

We recommend the above subsidies and loans be granted or made available to owners of apartment buildings, in excess of 11 units, whether the buildings be owner occupied or investor owned, in all parts of any city that has passed and is enforcing compliance to retroactive building codes.

Without the above recommended provisions, the assets of our citizens, who were unaware of the fact that our elected officials would pass retroactive laws, will continue to lose their equity and be plunged into poverty under the Federal urban renewal law as it now stands.

We know of many unfortunate cases in which these people have invested their entire life savings in buildings and are now called upon by the city to make drastic changes in the structure of their buildings in order to conform with the retroactive code requirements, as well as new code requirements.

They have had to lose their property because no lending agency will grant them a loan, due to the age and neighborhood in which the property is located. Older people like to enjoy their later years being free from debt. Now their only hope is to appeal to the Government for assistance through the Chicago Property Owners Association and they are herewith making this earnest request.