

*6. Prospective changes in program orientation*

(a) Pending legislative proposals: There are none at the present time.

(b) Proposed administrative and organizational changes: The program is not yet in operation. Program experience must be gained before the need for change becomes evident.

(c) Probable changes in the conditions under which the program will function in 1970: As indicated above, it is possible that the elderly will constitute an increasing segment of the effective market.

It should be also noted, at this time, that the rent supplement program authorizes 10 percent of the funds to be used under an experimental program. Five percent, or half, can be used in connection with projects which are financed under the FHA section 221(d)(3), below-market-rate-of-interest program. The combination of more advantageous financing (presently authorized at 3 percent) and rent supplements will allow families with extremely low incomes to be served. The other 5 percent will be used in housing-for-the-elderly projects, financed either under the market-rate-of-interest, FHA section 231 program, or under the below-market-rate-of-interest, Community Facilities Administration section 202 direct loan program. The latter will also allow elderly families of very low income to be served. If the experience gained with regard to this experimental effort proves to be a feasible method of housing very low-income families, it might be expanded.

*7. Coordination and cooperation*

(a) *Within your bureau, division, or office.*—The Secretary's office will develop criteria and standards for more precise evaluation and measurement of needs for rent supplement housing, and it will develop improved measures for coordinating programs which serve this same market. It will define the market to be served in various localities, and it will allocate, by region and housing market, the amounts of rent supplement housing to be built.

These activities will be lodged in the Office of Program Policy, which is a comparatively small organization. No problems of internal coordination are anticipated.

(b) *With other units of your department or agency.*—As indicated previously, day-to-day administration of the program is delegated to the Federal Housing Administration. The FHA will be headed, by statute, by an Assistant Secretary of HUD. No problems of coordination or cooperation are anticipated.

With the increasing number and complexities of housing programs, there will be greater need to obtain improved program coordination and more precise allocations of all HUD program resources to individual housing markets. This will be pursued, and one of the most important mechanisms for securing these goals will be a stepped-up program of housing market analysis.

(c) *With other Federal Government departments or agencies.*—Since the rent supplement program is intended to serve the poor, we anticipate that coordination and cooperation will be strengthened with all agencies and departments that have programs serving this group. In addition to the Office of Economic Opportunity and its local extensions through the community action programs, we expect close cooperation, for example, with HEW. Such coordination has already