or where there is assurance that they will be brought up to the standards. It is hoped that this program will (1) conserve and improve residential neighborhoods, (2) serve as the focus or as an integral part of the improvement and rehabilitation of neighborhoods in combination with the assistance provided in the Housing and Urban Development Act of 1965 for code enforcement, demolition of substandard housing, construction of neighborhood centers, open spaces in built-up areas and urban beautification, and (3) be utilized to maintain or enhance the heterogeneous social or economic characteristics of a neighborhood. Buildings of various types, ranging from apartment hotels and multifamily projects to row houses and free-standing single dwellings, may be appropriate to an acquisition and rehabilitation program. In determining the suitability of building types, careful consideration is to be given to the specific livability requirements of families in need of housing in the community who will occupy the buildings. In many situations the use of existing housing can produce low-rent housing more speedily than new construction, which may be especially important in meeting relocation needs; provide housing at a lower capital cost; provide housing for large families; provide housing on scattered sites; and be an integral part of rehabilitation in urban renewal areas.

Where rehabilitation of the structure is required to bring it up to the established standard, such rehabilitation may be accomplished before or after acquisition of the property by the local authority. Under a new method in this field, properties which have been selected or approved by the local authority are acquired and rehabilitated by qualified homebuilders or rehabilitators, and are then sold to the local authority. This method has the advantage of eliminating most of the problems and delays involved in direct local authority rehabilitation work and reducing the administrative burden on the local authority and the PHA. Such a program will also effectively mobilize and utilize the skills and resources of real estate brokers and agents, homebuilders, rehabilitators and lending institutions who do not ordinarily participate in new low-rent housing construction.

Mutual help housing.—A unique variation of the "low-rent" type of federally aided public housing was developed in 1962 to meet special conditions encountered on Indian reservations. In this program, the occupant of the PHA-aided housing is not a tenant, but a participant, who acquires an equity in his home by contributing labor and in some cases land and/or material. The participant makes regular monthly payments to cover the costs of insurance and administration, and in addition he makes payments toward equity in accordance with his income. The PHA pays annual contributions at the highest authorized rate, and when the total amount of such annual contributions and equity payments are sufficient to repay the funds borrowed by the tribal housing authority in the development of the housing, title to the property passes to the participant. Where the participant's contribution amounts to 20 percent of the development cost of the housing, he may achieve ownership in about 17 years.

3. History

A brief history of the program would take note of the fact that its present basic approach was established in the United States Housing Act of 1937. The process of establishment took note of predecessor activities in the Housing Division of the Public Works Administration.