

1 merely because of the requirement that non-profit organi-
2 zations had to be sponsoring corporations in order to
3 receive the Federal subsidy, but the net result of the
4 Federal Act has been the creation of a number of enterprises
5 in order to receive the benefit of Federal financial assis-
6 tance, which have also now got as the tail end factor the
7 benefit of local property tax exemption.

8 So that we have projects, apartment buildings,
9 going up sponsored by churches and unions and other non-
10 profit organizations which will be charging rents of
11 100, \$150 a month or more to people who are not necessarily
12 deemed to be needy, but for whom there is a need to provide
13 moderate income housing.

14 At the same time we have this set of circumstances
15 we have the Federal Government involved in a system of
16 finance, in the same housing act, but an older version
17 of it, for public housing. The Federal Government in this
18 case insists that the local government must enter into an
19 agreement with the local housing authority as to the nature
20 of payments in lieu of taxes to be paid by that local
21 housing authority in order that the amount of tax subsidy