

loan contract may be used by the local public agency to secure financing on the private market at lower interest rates than the going Federal rate. Temporary loans are repaid from proceeds of land sales made by the project and the local and Federal grants contributed toward the project.

4. Long-term "definitive" loans used to capitalize the value of land disposed of under lease agreements. These loans are repaid from lease proceeds.

5. Capital grants to cover the Federal share of net project cost—the total cost of carrying out the project less the proceeds derived from land sales and other proceeds of project operations. The Federal share may be (a) two-thirds of net project cost, or (b) three-fourths of net project cost for cities with a population under 50,000 or for cities located in areas designated under the Economic Development Act, (c) three-fourths of net project cost for cities which assume the costs of planning and administration without charge to the project, or (d) nine-tenths of net project cost for certain Alaskan cities affected by the 1964 seismic disturbance. The local share may be in the form of cash or public works which are a necessary part of the project undertaking. Some States make direct contributions to the locality to assist in meeting the non-Federal share of project costs.

In addition to the above forms of Federal financial assistance, see also the separate reports on relocation payments to displaced individuals, families, and businesses; loans and grants for rehabilitation; grants for code enforcement and demolition; and the various programs of the Federal Housing Administration to provide special mortgage insurance for the construction and rehabilitation of housing in urban renewal areas.

Of increasing significance in the urban renewal process has been the development of community renewal programs. Such programs are concerned with inventorying and evaluating the overall community needs and resources for renewal actions and the development of positive programs for carrying out renewal on a communitywide basis. Community renewal programs are very deeply concerned with the question of the human resources of the community and with integrating social welfare actions with programs for physical improvement.

The relocation of displaced families from existing substandard dwellings into decent, safe, and sanitary housing has been a cornerstone of the urban renewal program since its inception. See the separate discussion of relocation programs for a fuller exposition of the human resources aspects of this activity.

The rehabilitation of existing housing is an increasingly important part of the total urban renewal program. Experience has shown that rehabilitation cannot be successfully carried out without the full and active cooperation of the area residents. Considerable effort is devoted to the development of community organizations as a means of reaching the area residents and soliciting their cooperation. Projects involve extensive counseling service to the residents to assist them with the financial, architectural, and construction aspects of carrying out the rehabilitation of their housing. In many cases the technical counseling must be supplemented by the mobilization of the social service aids in the community to help the residents solve their personal