

We agree that under these programs the same type of relocation payments, services and assurances as are required for Federal programs should be furnished. However, we believe that the cost of relocation should be considered as a part of the cost of the acquisition of land and should be borne by the party responsible for land acquisition. Where acquisition of land is a prerequisite to a project and the State agency normally would pay for the cost of land, we believe that the cost of relocation should be the responsibility of the State agency. Where the cost of the land is shared on some type of a previously agreed-upon basis, or prescribed by law, we believe that the costs of relocation should be shared on the same basis.

Second, section 803(c)(2) requires assurance of the availability of adequate substitute dwellings within a reasonable period of time prior to displacement for all individuals displaced by the Federal Government. This assurance may be waived in periods of national emergency proclaimed by the President. We believe that there may be other cases when it will be in the national interest to proceed urgently with a land acquisition and that, therefore, the Government must have some additional flexibility in this regard. For example, we have been advised by the Department of Defense that there have been a number of times when it has been necessary to acquire property for urgent national defense purposes when the President has not proclaimed a period of national emergency.

There may well be other situations in addition to the national defense when the Government must move swiftly to protect individuals or a community. We recommend revision of section 803(c)(2) to provide that the President may prescribe by regulations those situations when such assurances may be waived.

Third, title VIII does not recognize the problem of the owner-occupant of real property which is acquired, but for which the fair market value paid is not sufficient to enable the previous owner to obtain a decent, safe, and sanitary dwelling adequate in size to meet his needs. This most frequently occurs as a result of the private market no longer producing a significant volume of new housing in the price ranges comparable to that being acquired under Federal and federally assisted programs. We believe this problem should be dealt with in title VIII by providing for a payment of up to \$5,000 which would represent an amount which, when added to the acquisition payment, equals the average price required for a decent, safe, and sanitary dwelling of modest standards available on the private market.

Fourth, section 802(b) provides that a displaced person who moves or discontinues his business may elect to accept an optional payment of up to \$5,000. If, as we understand it, the intent of this provision is to recognize both the cost of moving and the economic impact of displacement, we recommend that it be clarified by authorizing the payment of (a) actual moving expenses plus (b) a payment equal to the average annual net earnings of the business of \$2,500, whichever is the lesser.

Fifth, section 803(d) would make three changes in section 7(b)(3) of the Small Business Act. Under the current law some businesses are eligible for long term low-interest loans, if they have suffered substantial economic injuries as a result of displacement by a federally-aided urban renewal, or highway construction program, or by any