

"4. The Small Business Administration Act should be broadened to authorize disaster loans to small business concerns (a) that suffer substantial economic injury as a result of a construction program conducted by State and local government, as well as one conducted by a Federal or federally aided program; or (b) that are adversely affected but not actually displaced by government property takings.

"5. The executive branch should: (a) authorize and encourage all Federal agencies causing displacements in urban areas to centralize in a single local agency in each major urban jurisdiction, through formal or informal agreement, responsibility for administering relocation planning, payments, and services; and (b) require all displacing agencies to give advance notice at the earliest practicable time to local units of general government of any construction programs which will cause displacement."

Title VIII of S. 698 would carry out these recommendations. Basically, it would establish a uniform policy of relocation payments and advisory assistance for persons and businesses displaced by Federal direct and grant-in-aid programs. Thus, under Section 802, heads of Federal agencies are required to make relocation payments in direct Federal programs causing displacement, such as GSA, the Post Office Department, or the Defense Department, in accordance with regulations established by the President. Section 803 requires the same agencies to provide relocation assistance programs and specifies that these include (a) determining needs for assistance, (b) assuring the availability of standard housing within a reasonable period of time prior to displacement, (c) assisting businesses and farm operators in relocating, (d) supplying information regarding FHA, SBA, and other assistance programs, (e) helping in minimizing readjustment problems, and (f) coordinating relocation with other project activities and governmental activities in the community or nearby areas. This section also broadens the Small Business Administration Act to authorize disaster loans to small concerns that suffer substantial economic injury from construction conducted by State and local government or that are adversely affected but not actually displaced by government property takings.

Section 807 extends the requirements of Sections 802 and 803 with respect to payments and advisory assistance to federally assisted programs conducted by State and local governments.

Section 807(b) is in accord with the Commission recommendation that the Federal Government fully reimburse State and local governments for relocation payments up to \$25,000 in federally aided programs and on a formula cost-sharing basis for any portion above \$25,000 per displacement. The Federal reimbursement would be contingent on the State or local agency's agreeing to provide relocation payments and advisory assistance as prescribed by Federal law and regulations.

Finally, Section 805(c) follows the Commission recommendation that the executive branch encourage Federal agencies causing displacements in urban areas to centralize in each major urban jurisdiction responsibility for relocation administration. It provides that the President may require any Federal agency to carry out its relocation functions by entering into contracts or agreements with any State or local agency for use of its relocation facilities, personnel, and services.

To sum up, the Commission's recommendations are precisely in accord with those in Title VIII with respect to (a) uniformity among Federal and federally assisted programs concerning relocation payments and advisory assistance, (b) assurance of provision of a supply of standard housing for those displaced, (c) Federal reimbursement for relocation expenses in federally aided programs, and (d) Federal encouragement of coordination of relocation administration in major urban areas.

A relevant question is: What would be the cost to the Federal Government of the proposed provisions for relocation payments compared to the cost of present provisions? It is extremely difficult to make an estimate because of the lack of recent data on displacement of people and businesses by programs other than the HUD and highway programs, and on the number of displacees likely to be eligible for the \$1,000 adjustment payments for families and the \$1,000 and \$5,000 relocation payments for farmers and businesses, respectively. Within these limitations, it is our very rough estimate that the cost to the Federal Government for FY 1967 under Title VIII of S. 698 would have been about \$79 million, compared to an estimated \$40 million cost under the relocation payments provisions existing at that time. Of the total increase of about \$39 million, about \$29 million is