

by the Bureau of the Budget proposal, would provide an adequate substitute in most cases for the present payment for actual direct losses of property. It should be noted in this connection, that we are advised by the Bureau of the Budget that it is their understanding that such compensation could also be made available to the business concern which disposes of personal property, but which closes its doors and does not move to new location. This would be under the general authority given the President under section 805 to issue regulations spelling out the types of losses for which compensation would be provided.

(2) Have payments for direct losses proved to be a significant part of total payments made?

Any comments you care to make on this would be appreciated.

Out of some 51,300 relocation payments made to business concerns under the urban renewal program as of December 31, 1967, approximately 19,700 involved payments for property loss. Of this number, 12,880 were for property loss, alone, and 6,298 involved moving expenses and property loss. Thus, relocation payments for property loss were involved in somewhat more than one-third of the number of relocation payments made. The dollar amount of relocation payments for property loss was approximately \$29 million, reflecting some 40 percent of the total relocation payments to business concerns (exclusive of the Small Business Displacement Payment) totalling \$72.2 million.

VI. PAYMENTS ABOVE FAIR MARKET VALUE FOR OWNER OCCUPANTS

The Bureau of the Budget has suggested that the owner of real property taken under a Federal or federally assisted program who purchases another home within a year be paid an amount of up to \$5,000 which when added to the acquisition payment, equals the average price for a standard dwelling adequate to accommodate the displaced owner. This proposal has been supported by the testimony of other witnesses, including the National Association of Housing and Redevelopment Officials.

Questions

(1) Do you feel this to be a desirable addition to the relocation benefits available under the Act?

The Department's testimony before the subcommittee, strongly endorsed the proposal for a payment of up to \$5,000 for lower income displaced homeowners. The Department believes that this is a needed addition to the relocation benefits now proposed in S. 698. When the value of the home which is taken is adequate to afford a decent, suitable replacement, the practical consequence of the displacement has been the loss of homeownership.

(2) Do you feel that the \$5,000 limitation is adequate in the light of present day costs in the housing market?

Although we have had no experience in administering a payment of this kind, we believe that the \$5,000 limitation should be adequate.

VII. CITIZEN PARTICIPATION

A number of witnesses have testified on the need for a greater degree of participation by area residents in the planning of renewal or development projects. They are particularly concerned that the families and citizens that will eventually be displaced by the project will have a full opportunity to express their views before final decisions are reached.

I am aware that in the case of some of your programs, the Workable Program must provide for citizen participation. How far does this go in accomplishing the kind of full citizen participation we are talking about?

I note that in the case of Camden, New Jersey, when disputes arose in the community over the inadequacy of relocation provisions for urban renewal and highway projects, your Department obtained agreement by the local authorities that there would be established a relocation review board to hear complaints from citizens and refer them to appropriate agencies for action. Should not such a review board be required in all programs where people are to be displaced by federally assisted public projects?

The Citizens Advisory Committee required under the Workable Program provides a city-wide forum for citizen participation in the community's efforts to eliminate slums and blight and to prevent further deterioration. The degree of participation by citizen groups with respect to particular aspects of the program varies as between localities. HUD policies encourage communities to establish