

NATIONAL ASSOCIATION OF COUNTIES,
Washington, D.C., June 14, 1968.

Hon. EDMUND S. MUSKIE,
Subcommittee on Intergovernmental Relations, Senate Office Building, Washington, D.C.

DEAR ED: This is a follow-up to our testimony of May 14 to advise you that the National Association of Counties is strongly in favor of section 807(b) of S698, the Intergovernmental Cooperation Act of 1968, which would permit the federal government to reimburse 100% of state and local government relocation costs up to \$25,000 for each individual or business displaced as the result of a federally-aided program. A cost sharing formula is established for any portion of the cost above \$25,000 per displacement. We believe the approach you have taken in your bill is a most desirable and workable one. It would broaden relocation compensation sufficiently to reduce much of the frustration now occurring at the local level over the compensation program.

We feel strongly that by adopting this uniform approach, expensive delays and reviews of plans occasioned by citizen opposition would be avoided. This relocation problem has also become most apparent in hearings we have testified at on the federal highway program. The great disparity between relocation assistance under that program and under other programs such as urban renewal creates terrific citizen misunderstanding for our local officials. Altho individuals attempts are being made at the local level to avoid some of the problems which federal relocation programs presently pose, uniform program of federal assistance for all its myriad relocation programs is desperately needed.

The testimony of Mr. Hughes of the Bureau of the Budget indicated some problems that the Bureau had with section 807(b). As our witness on May 14, Gladys L. Spellman, chairman of the Board of County Commissioners pointed out, any attempt to turn back the clock and require local and state governments to provide relocation matching assistance in the same proportion as the grant-in-aid matching ratios, would be catastrophic.

We believe it is impractical and unrealistic to expect a rolling back of HUD programs, not only urban renewal, but also Model Cities, which relocation assistance would go below existing arrangements. Fiscally, the savings would not be very significant in that BOB proposes that a basic formula prevail, and in the case of our federal highway program, the largest relocation assistance program, the matching ratios would be 90-10.

Title VIII would necessitate states and local governments to enact legislation permitting their governments to enter into contractual relationships. Local bodies will have to seek immediate enabling legislation in order to continue programs they are now in. Furthermore, the \$25,000 maximum figure takes away much of the sting in making relocation programs uniform at the local level. The Bureau of the Budget proposal, on the other hand, sets an effective date of 3 years after enactment. This would serve to avoid most of the land-acquisition problems in the federal interstate highway program. The BOB position is that this 3 year interim period would give legislatures time to tool up for the change. I might suggest that a more subtle reason might be to save federal money during this most critical point in our federal spending. We believe that the effective date must be immediate in order to make the job of enabling local legislation easier. The \$25,000 provision of section 807(b) would facilitate immediate enabling legislation by our local governments.

In conclusion NACO believes that the federal government must find the financial resources necessary to support and improve our present relocation programs. Congress can make the programs fair and uniform for all concerned by enactment of title VIII in S698.

Sincerely yours,

BERNARD F. HILLENBRAND, Executive Director.

NATIONAL ASSOCIATION OF HOUSING AND REDEVELOPMENT OFFICIALS,
Washington, D.C., June 5, 1968.

Mr. CHARLES M. SMITH,
Staff Director, Subcommittee on Intergovernmental Relations, Senate Office Building, Washington, D.C.

DEAR CHARLES: NAHRO is glad to respond to your request for our opinion on the proposal of the Bureau of the Budget that relocation payments be shared under a matching formula, rather than reimbursed in full by the Federal government.