

capacity and safety of their road and street systems by application of the principles envisioned in the TOPICS program.

Encouragement alone is not enough, of course. The Legislature in California has taken a positive role in providing the necessary funding for local road and street improvements. A substantial portion of revenues from highway users is now allocated to California cities and these allocations are controlled by the State legislature. The statutory programs which have been developed in California for allocating highway user revenues to the various highway, road and street systems are based on exhaustive studies of the total transportation needs of the State. For this reason we believe that the TOPICS program should be made permissive rather than mandatory so that each State can continue to allocate its total resources to the various highway, road and street systems in accordance with their individual needs.

Because of the massive transportation needs in our urban areas we strongly urge that the funds proposed for the TOPICS program be required to be used in urban areas but on a permissive basis with respect to the specific type of improvements envisioned in the TOPICS program. In this way other types of improvements essential to the proper functioning of the total urban transportation network would be provided for.

Our recommendation for your consideration is that the \$250 million annual apportionment proposed for use exclusively in the Topics program be instead added to the urban portion of the present ABC program. This would insure their availability not only for the Topics program but also for other needed urban transportation improvements. Only in this way do we believe that a truly functional and balanced urban highway transportation system can be achieved.

RELOCATION ASSISTANCE

The last subject which we would like to comment on is relocation assistance.

In some areas in California, freeway locations require the acquisition of large volumes of low-cost housing in economically depressed areas. For example, in Watts we will displace 2,600 families. Many of those displaced are in owner-occupied, single-family dwelling units. Comparable low-cost housing is not available to meet the needs of this volume of displaced families.

The concept of market value alone will not provide equity in this situation. In Watts, there is no real active market. The withdrawal of normal economic forces since the riots has made loans for the purchase and sale of homes almost unavailable. Hence, where sales do not occur, market value cannot be determined by ordinary procedures; if a sale does occur, the distressed economic conditions that exist depress values.

In these cases, where the public agency is seeking to achieve equity for the property owner, the criteria should be to provide adequate replacement housing. The Department of Public Works has been concerned with and has been actively studying this very real urban problem for quite some time.