Public Law 88-560

AN ACT

To extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Housing Act of 1964".

TITLE I—AMENDMENTS TO THE NATIONAL HOUSING ACT

TIME LIMIT ON FHA RECOUPMENT OF TITLE I INSURANCE PAYMENTS

Sec. 101. Section 2(g) of the National Housing Act is amended by striking out "after December 31, 1957, ".

MORTGAGE LIMITS FOR HOMES UNDER SECTION 203 PROGRAMS

Sec. 102. (a) Section 203(b)(2) of the National Housing Act is amended by striking out "$25,000", "$27,500", "$27,500", and "$35,000" and inserting in lieu thereof "$30,000", "$32,500", "$32,500", and "$37,500", respectively.

(b) Section 203(i) of such Act is amended by striking out "$9,000" and inserting in lieu thereof "$11,000".

HOME IMPROVEMENT LOANS OUTSIDE OF URBAN RENEWAL AREAS

Sec. 103. Section 203(k) of the National Housing Act is amended by—

(1) striking out in clause (2) "economically sound" and inserting in lieu thereof "an acceptable risk";

(2) striking out clause (4) and inserting in lieu thereof the following: "(4) insurance benefits shall be paid in cash out of the Section 203 Home Improvement Account or in debentures executed in the name of such Account"; and

(3) striking out in the third sentence "Debentures issued with respect to loans insured under this subsection shall be issued" and inserting in lieu thereof "Insurance benefits paid with respect to loans insured under this subsection shall be paid".

ADDITIONAL RELIEF FOR HOME MORTGAGORS IN DEFAULT DUE TO CIRCUMSTANCES BEYOND THEIR CONTROL

Sec. 104. (a) Section 204(a) of the National Housing Act is amended by striking out the fourth proviso and inserting in lieu thereof the following: ": And provided further, That with respect to any mortgage covering a one-, two-, three-, or four-family residence insured under this Act, if the Commissioner finds, after notice of default, that the default was due to circumstances beyond the control of the mortgagor, he may, upon such terms and conditions as he may prescribe, (1) approve the request of the mortgagee for an extension of the time for the curing of the default and of the time for commencing foreclosure proceedings or for otherwise acquiring title to the mortgaged property to such time as the Commissioner may determine is necessary and desirable to enable the mortgagor to complete the mortgage payments, including an extension of time beyond the stated maturity of the mortgage, and in the event of a subsequent foreclosure or acquisition of the property by other means the Commissioner is authorized to include in the debentures an
amount equal to any unpaid mortgage interest, or (2) approve a
modification of the terms of the mortgage for the purpose of
changing the amortization provisions by recasting, over the remain-
ing term of the mortgage or over such longer period as may be
approved by the Commissioner, the total unpaid amount then due, as
determined by the Commissioner, with the modification to become
effective currently or to become effective upon the termination of an
agreed-upon extension of the period for curing the default; and the
principal amount of the mortgage, as modified, shall be considered to
be the 'original principal obligation of the mortgage' as that term is
used in this Act for the purpose of computing the total face value of
the debentures to be issued or the cash payment to be made by the
Commissioner to a mortgagee'.

(b) Section 230 of such Act is amended by striking out the first
sentence and inserting in lieu thereof the following: "Upon receiving
notice of the default of any mortgage covering a one-, two-, three-, or
four-family residence heretofore or hereafter insured under this Act,
the Commissioner, in his discretion and for the purpose of avoiding
foreclosure of the mortgage, and notwithstanding the fact that he has
previously approved a request of the mortgagee for an extension of
the time for curing the default and of the time for commencing fore-
closure proceedings or for otherwise acquiring title to the mortgaged
property, or has approved a modification of the mortgage for the
purpose of changing the amortization provisions by recasting the
unpaid balance, may acquire the loan and security therefor upon pay-
ment of the insurance benefits in an amount equal to the unpaid prin-
cipal balance of the loan plus any unpaid mortgage interest plus reim-
bursement for such costs and attorney's fees as the Commissioner finds
were properly incurred in connection with the defaulted mortgage and
its assignment to the Commissioner, and for any proper advances
thereof made by the mortgagee under the provisions of the mort-
gage. After the acquisition of such mortgage by the Commissioner,
the mortgagee shall have no further rights, liabilities, or obligations
with respect there to."

CHANGES IN FHA INSURANCE BENEFITS AND SIMPLIFICATION OF
PAYMENT PROCEDURES

Sec. 105. (a) Section 204 of the National Housing Act is amended
by—

(1) striking out in the third sentence of subsection (a) the
words "insurance on the mortgaged property, and any mortgage
insurance premiums paid after either of such dates" and insert-
ing in lieu thereof the following: "charges for the administration,
operation, maintenance and repair of community-owned property
or the maintenance and repair of the mortgaged property, the
obligation for which arises out of a covenant filed for record and
approved by the Commissioner prior to the insurance of the mort-
gage, insurance on the mortgaged property, and any mortgage
insurance premiums";

(2) inserting after the colon following the second proviso of
subsection (a) two additional provisos as follows: "And provided
further, That with respect to a mortgage accepted for insurance
pursuant to a commitment issued on or after the date of enact-
ment of the Housing Act of 1964, the Commissioner may include
in debentures or in the cash payment an amount not to exceed the
foreclosure, acquisition, and conveyance costs actually paid by
the mortgagee and approved by the Commissioner: And provided
further, That with respect to a mortgage accepted for insurance
pursuant to a commitment issued prior to the date of enactment
of the Housing Act of 1964, the Commissioner may, with the consent of the mortgagee (in lieu of issuing a certificate of claim as provided in subsection (e)), include in debentures or in the cash payment, in addition to amounts otherwise allowed for such costs, an amount not to exceed one-third of the total foreclosure, acquisition, and conveyance costs actually paid by the mortgagee and approved by the Commissioner, but in no event may the total allowance for such costs exceed the amount actually paid by the mortgagee;'

(3) striking out "and the payment of insurance premiums" in the third proviso in subsection (a) (as numbered prior to the amendment made by paragraph (2)), and by inserting before the colon at the end of such proviso the following: "And provided further, That where the claim is paid in cash there shall be included in the cash payment an amount equivalent to the compensation for loss of debenture interest that would be included in computing debentures if such claim were being paid in debentures";

(4) striking out "$50" in the second sentence of subsection (c) and inserting in lieu thereof "'$500";

(5) striking out in the second sentence of subsection (d) "except that debentures issued pursuant to the provisions of section 220(f), section 221(g), and section 233 may be dated as of the date the mortgage is assigned (or the property is conveyed) to the Commissioner, and" and inserting in lieu thereof "Provided, That debentures issued pursuant to claims for insurance filed on or after the date of enactment of the Housing Act of 1964 shall be dated as of the date of default or as of such later date as the Commissioner, in his discretion, may establish by regulation. The debentures';

(6) (A) inserting "(1)" after "(e)" in subsection (e); striking out "The certificate" in such subsection and inserting in lieu thereof "Subject to paragraph (2), the certificate"; and adding at the end of such subsection a new paragraph as follows:

"(2) A certificate of claim shall not be issued and the provisions of paragraph (1) of this subsection shall not be applicable in the case of a mortgage accepted for insurance pursuant to a commitment issued on or after the date of enactment of the Housing Act of 1964.

(7) striking out the first paragraph of subsection (f) and inserting in lieu thereof the following:

"(f)(1) If, after deducting (in such manner and amount as the Commissioner shall determine to be equitable and in accordance with sound accounting practice) the expenses incurred by the Commissioner, the net amount realized from any property conveyed to the Commissioner under this section and the claims assigned therewith exceed the face value of the debentures issued and the cash paid in exchange for such property plus all interest paid on such debentures, such excess shall be divided as follows:

(8) redesignating the second paragraph of subsection (f) as paragraph (i), and striking out "207; and" at the end of the paragraph and inserting in lieu thereof the following: "207: Provided, That on and after the date of enactment of the Housing Act of 1964, any excess remaining after payment to the holder of the full amount of the certificate of claim, together with the accrued interest increment thereon, shall be retained by
the Commissioner and credited to the applicable insurance fund; and"

(9) redesignating the third paragraph of subsection (f) as paragraph (ii);

(10) designating the last paragraph of subsection (f) as paragraph (2) and inserting the following before the period at the end thereof: "Provided, That the settlement authority created by the Housing Amendments of 1955 shall be terminated with respect to any certificates of claim outstanding as of the date of enactment of the Housing Act of 1964"; and

(11) inserting at the end of subsection (f) a new paragraph as follows:

"(3) With the consent of the holder thereof, the Commissioner is authorized, without awaiting the final liquidation of the Commissioner's interest in the property, to settle any certificate of claim issued pursuant to subsection (e), with respect to which settlement had not been effected prior to the date of enactment of the Housing Act of 1964, by making payment in cash to the holder thereof of such amount not exceeding the face amount of the certificate of claim, together with the accrued interest thereon, as the Commissioner may consider appropriate: Provided, That in any case where the certificate of claim is settled in accordance with the provisions of this paragraph, any amounts realized after the date of enactment of the Housing Act of 1964, in the liquidation of the Commissioner's interest in the property, shall be retained by the Commissioner and credited to the applicable insurance fund."

(b) Section 207(g) of such Act is amended by adding at the end thereof the following: "Notwithstanding any other provision of this Act, upon receipt, after the date of enactment of the Housing Act of 1964, of an application for insurance benefits on a mortgage insured under this Act, the Commissioner may terminate the mortgagee's obligation to pay premium charges on the mortgage."

(c) (1) Sections 203(k), 220(f), 220(h), and 233(g) of such Act are each amended by adding at the end thereof the following: "If the insurance payment is made in cash, there shall be added to such payment an amount equivalent to the interest which the debentures would have earned, computed to a date to be established pursuant to regulations issued by the Commissioner."

(2) Section 221(g)(3) of such Act is amended by striking out "or" at the end thereof and inserting in lieu thereof a period and the following: "If the insurance is paid in cash, there shall be added to such payment an amount equivalent to the interest which the debentures would have earned, computed to a date to be established pursuant to regulations issued by the Commissioner."

(d) Section 604 of the National Housing Act is amended by—

(1) inserting after the colon following the first proviso in subsection (a) an additional proviso as follows: "Provided further, That with respect to any debentures issued on or after the date of enactment of the Housing Act of 1964, the Commissioner may, with the consent of the mortgagee (in lieu of issuing a certificate of claim as provided in subsection (e)), include in debentures, in addition to amounts otherwise allowed for such costs, an amount not to exceed one-third of the total foreclosure, acquisition, and conveyance costs actually paid by the mortgagee and approved by the Commissioner, but in no event may the total allowance for such costs exceed the amount actually paid by the mortgagee;"

(2) striking out "$50" in the second sentence of subsection (c) and inserting in lieu thereof "$350";
(3) striking out "default, and" in the second sentence of subsection (d) and inserting in lieu thereof the following: "default, except that debentures issued pursuant to claims for insurance filed on or after the date of enactment of the Housing Act of 1964, shall be dated as of the date of default or as of such later date as the Commissioner, in his discretion, may establish by regulation. The debentures;"

(4) striking out the first paragraph of subsection (f) and inserting in lieu thereof the following:

"(f) (1) If, after deducting (in such manner and amount as the Commissioner shall determine to be equitable and in accordance with sound accounting practice) the expenses incurred by the Commissioner, the net amount realized from any property conveyed to the Commissioner under this section and the claims assigned therewith exceed the face value of the debentures issued and the cash paid in exchange for such property plus all interest paid on such debentures, such excess shall be divided as follows:";

(5) redesignating the second paragraph of subsection (f) as paragraph (i), and striking out "property; and" at the end of the paragraph and inserting in lieu thereof the following: "property: Provided, That on and after the date of enactment of the Housing Act of 1964, any excess remaining after payment to the holder of the full amount of the certificate of claim shall be retained by the Commissioner and credited to the War Housing Insurance Fund; and;"

(6) redesignating the third paragraph of subsection (f) as paragraph (ii);

(7) designating the last paragraph of subsection (f) as paragraph (2) and inserting the following before the period at the end thereof: "Provided, That the settlement authority created by the Housing Amendments of 1955 shall be terminated with respect to any certificate of claim outstanding as of the date of enactment of the Housing Act of 1964"; and

(8) inserting at the end of subsection (f) a new paragraph as follows:

"(3) With the consent of the holder thereof, the Commissioner is authorized to settle, without awaiting the final liquidation of the Commissioner's interest in the property, any certificate of claim issued pursuant to subsection (e), with respect to which a settlement had not been effected prior to the date of enactment of the Housing Act of 1964, by making payment in cash to the holder thereof of such amount, not exceeding the face amount of the certificate of claim, together with the accrued interest increment thereon, as the Commissioner may consider appropriate: Provided, That in any case where the certificate of claim is settled in accordance with the provisions of this paragraph, any amounts realized after the date of enactment of the Housing Act of 1964, in the liquidation of the Commissioner's interest in the property, shall be retained by the Commissioner and credited to the applicable insurance fund."

(e) Section 904 of such Act is amended by—

(1) inserting after the colon following the first proviso in subsection (a) an additional proviso as follows: "Provided further, That with respect to any debentures issued on or after the date of enactment of the Housing Act of 1964, the Commissioner may, with the consent of the mortgagee (in lieu of issuing a certificate of claim as provided in subsection (e)), include in debentures, in addition to amounts otherwise allowed for such costs, an amount not to exceed one-third of the total foreclosure, acquisition, and conveyance costs actually paid by the mortgagee and approved
by the Commissioner, but in no event may the total allowance for such costs exceed the amount actually paid by the mortgagee:

(2) striking out "$50" in the second sentence of subsection (c) and inserting in lieu thereof "$350"; and

(3) striking out "default, and" in the second sentence of subsection (d) and inserting in lieu thereof the following: "default, except that debentures issued pursuant to claims for insurance filed on or after the date of enactment of the Housing Act of 1964 shall be dated as of the date of default or as of such later date as the Commissioner, in his discretion, may establish by regulation. The debentures".

(f) Sections 604 and 904 of such Act are each amended by striking out in the third sentence of subsection (a) "paid after either of such dates".

**MAXIMUM AMOUNT OF SECTION 207 RENTAL HOUSING MORTGAGES**

Sec. 106. Section 207(c)(2) of the National Housing Act is amended by striking out all that follows the first colon and precedes "to mortgages on housing in Alaska", and inserting in lieu thereof the following: "Provided, That this limitation shall not apply".

**FAMILY UNIT LIMITS ON FHA RENTAL HOUSING**

Sec. 107. (a) Section 207(c)(3) of the National Housing Act is amended by striking out the first paragraph and inserting in lieu thereof the following:

"(3) not to exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), $9,000 per family unit without a bedroom, $12,500 per family unit with one bedroom, $15,000 per family unit with two bedrooms, and $18,500 per family unit with three or more bedrooms or not to exceed $1,800 per space or $500,000 per mortgage for trailer courts or parks; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed $10,500 per family unit without a bedroom, $15,000 per family unit with one bedroom, $18,000 per family unit with two bedrooms, and $22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 45 per centum in any geographical area where he finds that cost levels so require."

(b) Section 213(b)(2) of such Act is amended by striking out all that precedes the third proviso and inserting in lieu thereof the following:

"(2) not to exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), $9,000 per family unit without a bedroom, $12,500 per family unit with one bedroom, $15,000 per family unit with two bedrooms, and $18,500 per family unit with three or more bedrooms, and not to exceed 97 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: Provided, That as to projects to consist of elevator-type structures the Commis-
sioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed $10,500 per family unit without a bedroom, $15,000 per family unit with one bedroom, $18,000 per family unit with two bedrooms, and $22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design: Provided further, That the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 45 per centum in any geographical area where he finds that cost levels so require."

(c) Section 220(d) (3) (B) (iii) of such Act is amended to read as follows:

“(iii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), $9,000 per family unit without a bedroom, $12,500 per family unit with one bedroom, $15,000 per family unit with two bedrooms, and $18,000 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed $10,500 per family unit without a bedroom, $15,000 per family unit with one bedroom, $18,000 per family unit with two bedrooms, and $22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this clause by not to exceed 45 per centum in any geographical area where he finds that cost levels so require: Provided, That nothing contained in this subparagraph shall preclude the insurance of mortgages covering existing multifamily dwellings to be rehabilitated or reconstructed for the purposes set forth in subsection (a) of this section; and”.

(d) (1) Section 221(d) (3) (ii) of such Act is amended to read as follows:

“(ii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), $8,000 per family unit without a bedroom, $11,250 per family unit with one bedroom, $13,500 per family unit with two bedrooms, and $17,000 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed $9,500 per family unit without a bedroom, $13,500 per family unit with one bedroom, $16,000 per family unit with two bedrooms, and $20,000 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this clause by not to exceed 45 per centum in any geographical area where he finds that cost levels so require; and”

(2) Section 221(d) (4) (ii) of such Act is amended to read as follows:

“(ii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improve-
ments as defined by the Commissioner), $8,000 per family unit without a bedroom, $11,250 per family unit with one bedroom, $13,500 per family unit with two bedrooms, and $17,000 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed $9,500 per family unit without a bedroom, $13,500 per family unit with one bedroom, $16,000 per family unit with two bedrooms, and $20,000 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this clause by not to exceed 45 per centum in any geographical area where he finds that cost levels so require;”.

(e) Section 231(c)(2) of such Act is amended to read as follows: “(2) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), $8,000 per family unit without a bedroom, $11,250 per family unit with one bedroom, $13,500 per family unit with two bedrooms, and $17,000 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed $9,500 per family unit without a bedroom, $13,500 per family unit with one bedroom, $16,000 per family unit with two bedrooms, and $20,000 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this clause by not to exceed 45 per centum in any geographical area where he finds that cost levels so require;”.

(f) (1) Clause (2) in the first sentence of section 810(f) of such Act is amended by striking out “$2,500 per room (or $9,000 per family unit if the number of rooms in such property or project is less than four per family unit)” and inserting in lieu thereof “$9,000 per family unit without a bedroom, $12,500 per family unit with one bedroom, $15,000 per family unit with two bedrooms, and $18,500 per family unit with three or more bedrooms”.

(2) The second sentence of section 810(f) of such Act is amended to read as follows: “The Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 45 per centum in any geographical area where he finds that cost levels so require.”

(g) If the Federal Housing Commissioner determines that it would be inequitable to apply the provisions of the National Housing Act as amended by this section to a project which had been submitted for his consideration prior to the date of the enactment of this Act, such provisions may be applied to such project without regard to the amendments made by this section.

ELIMINATION OF MANDATORY ACQUISITION OR FORECLOSURE WITHIN ONE YEAR OF MULTIFAMILY PROJECT IN DEFAULT

Sec. 108. Section 207(k) of the National Housing Act is amended by striking out the second sentence.
SUPPLEMENTARY COOPERATIVE LOANS UNDER SECTION 213(j)

Sec. 109. (a) Section 213(j)(1) of the National Housing Act is amended—

(1) by striking out "or" at the end of clause (A);
(2) by striking out the period at the end of clause (B) and inserting in lieu thereof "; or"; and
(3) by adding at the end thereof the following new clause:
"(C) Cooperative purchases and resales of memberships in order to provide necessary refinancing for resales of memberships which involve increases in equity; but in such resales by the cooperative the downpayments by the new members shall not be less than those made on the original sales of such memberships."

(b) Section 305(e) of such Act is amended by adding at the end thereof the following new sentence: "Without regard to any of the limitations of this subsection except the total amount of authorizations available, the Association is authorized to enter into advance commitment contracts and purchase transactions on supplementing cooperative loans with respect to which the Federal Housing Commissioner shall have issued, pursuant to section 213(j), either a commitment to insure or a statement of eligibility; but such commitments and purchases shall be made solely where there is a management-type cooperative involved which is certified by the Federal Housing Commissioner as a consumer cooperative."

MORTGAGE LIMITS UNDER SECTION 220 SALES HOUSING MORTGAGE INSURANCE PROGRAM

Sec. 110. Section 220(d)(3)(A)(i) of the National Housing Act is amended by striking out "$25,000", "$27,500", "$30,000", "$35,000", and "$35,000" and inserting in lieu thereof "$30,000", "$32,500", "$32,500", "$37,500", and "$37,500", respectively.

MORTGAGE LIMITS UNDER SECTION 220 MULTIFAMILY HOUSING MORTGAGE INSURANCE PROGRAM

Sec. 111. Section 220(d)(3)(B)(i) of the National Housing Act is amended by striking out "$20,000,000" and inserting in lieu thereof "$30,000,000".

LOANS TO COVER THE COST OF PUBLIC IMPROVEMENTS

Sec. 112. (a) The second sentence of section 220(h)(1) of the National Housing Act is amended to read as follows: "As used in this subsection—

"(A) the term 'home improvement loan' means a loan, advance of credit, or purchase of an obligation representing a loan or advance of credit made—

"(i) for the purpose of financing the improvement of an existing structure (or in connection with an existing structure) which was constructed not less than ten years prior to the making of such loan, advance of credit, or purchase, and which is used or will be used primarily for residential purposes: Provided, That a home improvement loan shall include a loan, advance, or purchase with respect to the improvement of a structure which was constructed less than ten years prior to the making of such loan, advance, or purchase if the proceeds are or will be used primarily for major structural improvements, or to correct defects which were not known at the time of the completion of the structure or
which were caused by fire, flood, windstorm, or other casualty; or

"(ii) for the purpose of enabling the borrower to pay that part of the cost of the construction or installation of sidewalks, curbs, gutters, street paving, street lights, sewers, or other public improvements, adjacent to or in the vicinity of property owned by him and used primarily for residential purposes, which is assessed against him or for which he is otherwise legally liable as the owner of such property;

"(B) the term 'improvement' means conservation, repair, restoration, rehabilitation, conversion, alteration, enlargement, or remodeling; and

"(C) the term 'financial institution' means a lender approved by the Commissioner as eligible for insurance under section 2 or a mortgagee approved under section 203 (b) (1)."

(b) Section 220 (h) (2) (i) of such Act is amended by inserting before the semicolon at the end thereof the following: "and be limited as required by paragraph (11)."

(c) Section 220 (h) of such Act is further amended by adding at the end thereof the following new paragraph:

"(11) Notwithstanding any other provision of this Act, no home improvement loan made in whole or in part for the purpose specified in clause (A) (ii) of the second sentence of paragraph (1) shall be insured under this subsection if such loan (or the portion thereof which is attributable to such purpose), when added to the aggregate principal balance of any outstanding loans insured under this subsection or section 203 (k) which were made to the same borrower for the purpose so specified (or the portion of such aggregate balance which is attributable to such purpose), would exceed $10,000."

HOME IMPROVEMENT LOANS ON PROPERTY HELD UNDER LEASE

Sec. 113. Section 220 (h) (2) (vi) of the National Housing Act is amended by striking out "a period of not less than 50 years to run from the date of the loan" and inserting in lieu thereof "an expiration date in excess of 10 years later than the maturity date of the loan."
thereby, or consent to the release of parts of the mortgaged property
from the lien of the mortgage."

c) Section 221(d)(3) of such Act is amended by inserting before
the colon at the end of the first proviso in clause (iii): ": Provided
further, That in the case of any mortgagor other than a nonprofit
 corporation or association, cooperative (including an investor-sponsor),
or public body, or a mortgagor meeting the special requirements of sub-
section (e)(1), the amount of the mortgage shall not exceed 90 per
centum of the amount otherwise authorized under this section".

d) The last sentence of section 221(f) of such Act is amended by
striking out "July 1, 1965", each place it appears, and inserting in
lieu thereof "September 30, 1965".

MORTGAGE INSURANCE FOR SERVICEMEN

Sec. 115. Section 222(b) of the National Housing Act is amended—

(1) by striking out "203(b) or 203(i)" in paragraph (1) and
inserting in lieu thereof "203(b), 203(i), or 221(d)(2)"); and

(2) by striking out "such principal obligation shall not exceed
$9,000" in paragraph (2) and inserting in lieu thereof "or section
221(d)(2) such principal obligation shall not exceed the maximum
limits prescribed for such section".

PRIVATE FINANCING OF SALE OF FHA-ACQUIRED PROPERTIES

Sec. 116. Section 223(c) of the National Housing Act is amended by
striking out "limitation upon eligibility contained in this title II" and
inserting in lieu thereof the following: "limitations or requirements
contained in this title upon the eligibility of the mortgage, upon the
payment of insurance premiums, or upon the terms and conditions of
insurance settlement and the benefits of the insurance to be included in
such settlement (except that in any case the payment of insurance shall
be in debentures)".

MORTGAGE INSURANCE FOR NONPROFIT NURSING HOMES

Sec. 117. Section 232(b)(1) of the National Housing Act is
amended by inserting after "proprietary facility" the following: "or
facility of a private nonprofit corporation or association".

EXPERIMENTAL HOUSING

Sec. 118. (a) Section 233(a) of the National Housing Act is
amended by striking out "in the case of mortgages insured under sub-
section (b)(2) of this section, advances on such mortgages" and in-
serting in lieu thereof "home improvement loans, and including
advances on mortgages".

(b) Section 233(b) of such Act is amended to read as follows:

"(b) To be eligible for insurance under this section, a mortgage shall
meet the requirements of one of the other sections of this title; except
that, in lieu of determining the appraised value or the replacement
cost of the property in cases involving new construction or the esti-
mated cost of repair and rehabilitation or improvement in cases involv-
ing existing properties, the Commissioner shall estimate the cost of replac-
ing the property using comparable conventional design, materials,
and construction, and any limitation upon the maximum mortgage
amount available to a nonoccupant owner shall not, in the discretion
of the Commissioner, be applicable to mortgages insured under this
section."
(e) Section 233 of such Act is further amended by striking out sub-sections (e) and (f) and inserting in lieu thereof the following:

"(e) Any mortgagee or lender under a mortgage insured under subsection (b) shall be entitled to insurance benefits determined in the same manner as such benefits would be determined if such mortgage or loan were insured under the section of this title for which it otherwise would have been eligible except for the experimental feature of the property involved."

(d) Section 233 of such Act is further amended by redesignating subsections (g) and (h) as subsections (f) and (g), respectively, and by striking out “subsections (e) and (f)” in the first sentence of the subsection so redesignated as subsection (f) and inserting in lieu thereof “subsection (e)”.

MORTGAGE INSURANCE FOR CONDOMINIUMS

Sec. 119. (a) Section 234 of the National Housing Act is amended—

(1) by striking out the heading and inserting in lieu thereof “MORTGAGE INSURANCE FOR CONDOMINIUMS”;

(2) by striking out “structure” each place it appears and inserting in lieu thereof “project” (and by striking out “structures” in the last sentence of subsection (c) and inserting in lieu thereof “projects”);

(3) by striking out “the term ‘mortgage’ for the purposes of this section” in subsection (b) and inserting in lieu thereof “the term ‘mortgage’ for the purposes of subsection (c)”;

(4) (A) by striking out “this section” each time it appears in subsection (c) and inserting in lieu thereof “this subsection”;

(B) by striking out “under another section” in the first sentence of subsection (c) and inserting in lieu thereof “under any section”;

(5) by striking out “section 213” each time it appears in subsection (c) and inserting in lieu thereof “section 213(a) (1) and (2)”;

(6) by striking out the third sentence of subsection (c) and inserting in lieu thereof the following: “To be eligible for insurance pursuant to this subsection, a mortgage shall (A) involve a principal obligation in an amount not to exceed $30,000, and not to exceed the sum of (i) 97 per centum of $15,000 of the amount which the Commissioner estimates will be the appraised value of the family unit including common areas and facilities as of the date the mortgage is accepted for insurance, (ii) 90 per centum of such value in excess of $15,000 but not in excess of $20,000, and (iii) 75 per centum of such value in excess of $20,000, and (B) have a maturity satisfactory to the Commissioner, but not to exceed, in any event, thirty-five years from the date of the beginning of amortization of the mortgage or three-fourths of the Commissioner’s estimate of the remaining economic life of the project, whichever is the lesser.”;

(7) by redesignating subsection (d) as subsection (g), by redesignating subsections (e) and (f) as subsections (i) and (j), respectively, and by inserting after subsection (c) the following new subsections:

“(d) In addition to individual mortgages insured under subsection (c), the Commissioner is authorized, in his discretion and under such terms and conditions as he may prescribe, to insure blanket mortgages (including advances on such mortgages during construction) which cover multifamily projects to be constructed or rehabilitated in cases where the mortgage is held by a mortgagor, approved by the Commissioner, which—
“(1) has certified to the Commissioner, as a condition of obtaining the insurance of a blanket mortgage under this subsection, that upon completion of the multifamily project covered by such mortgage it intends to commit the ownership of the multifamily project to a plan of family unit ownership under which each family unit would be eligible for individual mortgage insurance under subsection (c) and will faithfully and diligently make and carry out all reasonable efforts to establish such plan of family unit ownership and to sell such family units to purchasers approved by the Commissioner; and

“(2) shall be regulated or restricted by the Commissioner as to rents, charges, capital structure, rate of return, and methods of operation until the termination of all obligations of the Commissioner under the insurance and during such further period of time as the Commissioner shall be the owner, holder, or reinsurer of the mortgage. The Commissioner may make such contracts with and acquire for not to exceed $100 such stock or interest in such mortgagor as he may deem necessary to render effective the regulation and restriction of such mortgagor. The stock or interest acquired by the Commissioner shall be paid for out of the Apartment Unit Insurance Fund, and shall be redeemed by the mortgagor at par at any time upon the request of the Commissioner after the termination of all obligations of the Commissioner under the insurance.

“(e) To be eligible for insurance, a blanket mortgage on any multifamily project of a mortgagor of the character described in subsection (d) shall involve a principal obligation in an amount—

“(1) not to exceed $20,000,000, or not to exceed $25,000,000 if the mortgage is executed by a mortgagor regulated or supervised, under Federal or State law or by a political subdivision of a State or any agency thereof, as to rents, charges, and methods of operation;

“(2) not to exceed 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the project when the proposed physical improvements are completed;

“(3) not to exceed, for such part of the project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), $9,000 per family unit without a bedroom, $12,500 per family unit with one bedroom, $15,000 per family unit with two bedrooms, and $18,500 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed $10,500 per family unit without a bedroom, $15,000 per family unit with one bedroom, $18,000 per family unit with two bedrooms, and $22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 45 per centum in any geographical area where he finds that cost levels so require; and

“(4) not to exceed an amount equal to the sum of the unit mortgage amounts determined under the provisions of subsection (c) assuming the mortgagor to be the owner and occupant of each family unit.

“(f) Any blanket mortgage insured under subsection (d) shall provide for complete amortization by periodic payments within such
term as the Commissioner may prescribe but not to exceed forty years from the beginning of amortization of the mortgage, and shall bear interest (exclusive of premium charges for insurance) at not to exceed $5\%$ per centum per annum on the amount of the principal obligation outstanding at any time. The Commissioner may consent to the release of a part or parts of the mortgaged property from the lien of the blanket mortgage upon such terms and conditions as he may prescribe and the blanket mortgage may provide for such release. The project covered by the blanket mortgage may include five or more family units and such commercial and community facilities as the Commissioner deems adequate to serve the occupants;”;

(8) by striking out “this section” each time it appears in the subsection redesignated as subsection (g) by paragraph (7) of this subsection and inserting in lieu thereof “subsection (c) of this section”;

(9) by inserting after the subsection redesignated as subsection (g) by paragraph (7) of this subsection the following new subsection:

“(h) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall be applicable to mortgages insured under subsection (d) of this section, except that all references to the Housing Insurance Fund, or Housing Fund, shall be construed to refer to the Apartment Unit Insurance Fund.”; and

(10) by amending the subsection redesignated as subsection (j) by paragraph (7) of this subsection to read as follows:

“(j) The provisions of sections 225 and 230 shall be applicable to the mortgages insured under subsection (c) of this section.”

(b) Section 212(a) of such Act is amended by adding at the end thereof the following new sentence: “The provisions of this section shall also apply to the insurance of any mortgage under section 234(d).”

(c) Section 227(a) of such Act is amended by striking out “or (vii)” and inserting in lieu thereof “(vii)”, and by inserting before the semicolon at the end thereof “, or (viii) under section 234(d)”.

PREPAYMENT OF MORTGAGES BY NONPROFIT EDUCATIONAL INSTITUTIONS

SEC. 120. Title V of the National Housing Act is amended by adding at the end thereof the following new section:

“PREPAYMENT OF MORTGAGES BY NONPROFIT EDUCATIONAL INSTITUTIONS

Sec. 517. (a) Notwithstanding any other provision of this Act, no adjusted premium charge shall be collected in connection with the payment in full, prior to maturity, of any mortgage insured under this Act, if the mortgagor certifies to the Commissioner that the loan was paid in full by or on behalf of a nonprofit educational institution which intends to use the property for educational purposes.

(b) The Commissioner shall refund any adjusted premium charge collected subsequent to July 1, 1962, and prior to the date of the enactment of the Housing Act of 1964, in connection with the payment in full, prior to maturity, of any mortgage insured under this Act, if the mortgagor under such mortgage makes the certification prescribed by subsection (a).”
CORRECTION OF SUBSTANTIAL DEFECTS IN MORTGAGED HOMES

SEC. 121. Title V of the National Housing Act is amended by adding after section 517 (added by section 120 of this Act) the following new section:

"EXPENDITURES TO CORRECT OR COMPENSATE FOR SUBSTANTIAL DEFECTS IN MORTGAGED HOMES

"Sec. 518. (a) The Commissioner is authorized, with respect to any property improved by a one- to four-family dwelling approved for mortgage insurance prior to the beginning of construction which he finds to have structural defects, to make expenditures for (1) correcting such defects, (2) paying the claims of the owner of the property arising from such defects, or (3) acquiring title to the property: Provided, That such authority of the Commissioner shall exist only (A) if the owner has requested assistance from the Commissioner not later than four years (or such shorter time as the Commissioner may prescribe) after insurance of the mortgage, and (B) if the property is encumbered by a mortgage which is insured under this Act after the date of enactment of the Housing Act of 1964.

"(b) The Commissioner shall by regulations prescribe the terms and conditions under which expenditures and payments may be made under the provisions of this section, and his decisions regarding such expenditures or payments, and the terms and conditions under which the same are approved or disapproved, shall be final and conclusive and shall not be subject to judicial review."

TITLE II—HOUSING FOR THE ELDERLY AND HANDICAPPED

HOUSING FOR THE ELDERLY—LOAN PROGRAM

SEC. 201. Section 202(a) (4) of the Housing Act of 1959 is amended by striking out "$275,000,000" and inserting in lieu thereof "$350,000,000".

FHA SECTION 221 HOUSING FOR LOW- OR MODERATE-INCOME ELDERLY PERSONS

SEC. 202. Section 221(f) of the National Housing Act is amended by adding at the end thereof the following new sentence: "Any person sixty-two years of age or over shall be deemed to be a family within the meaning of the terms 'family' and 'families' as those terms are used in this section."

HOUSING FOR THE HANDICAPPED

SEC. 203. (a) (1) The heading of title II of the Housing Act of 1959 is amended by striking out "HOUSING FOR THE ELDERLY" and inserting in lieu thereof "HOUSING FOR THE ELDERLY OR HANDICAPPED".

(2) Section 202 of such Act is amended—
(A) by striking out "elderly families and elderly persons" wherever it appears in subsections (a) (1), (a) (2), and (e) and inserting in lieu thereof in each instance "elderly or handicapped families";
(B) by amending subsection (d) (1) to read as follows:
"(1) The term 'housing' means structures suitable for dwelling use by elderly or handicapped families which are (A) new struc-"
(C) by striking out the first sentence of subsection (d) (4) and inserting in lieu thereof the following: "The term ‘elderly or handicapped families’ means families which consist of two or more persons and the head of which (or his spouse) is sixty-two years of age or over or is handicapped, and such term also means a single person who is sixty-two years of age or over or is handicapped. A person shall be considered handicapped if such person is determined, pursuant to regulations issued by the Administrator, to have a physical impairment which (A) is expected to be of long-continued and indefinite duration, (B) substantially impedes his ability to live independently, and (C) is of such a nature that such ability could be improved by more suitable housing conditions.”;

(D) by inserting before the period at the end of subsection (d) (7) the following: “or rehabilitation, alteration, conversion, or improvement of existing structures;” and

(E) by amending subsection (d) (8) to read as follows:

"(8) The term ‘related facilities’ means (A) new structures suitable for use by elderly or handicapped families as cafeterias or dining halls, community rooms or buildings, workshops, or infirmaries or other inpatient or outpatient health facilities, or other essential service facilities, and (B) structures suitable for the above uses provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for such uses.”

(b) The last sentence of section 221(f) of the National Housing Act (as added by section 202 of this Act) is amended by striking out “person sixty-two years of age or over” and inserting in lieu thereof “person who is sixty-two years of age or over, or who is a handicapped person within the meaning of section 202 of the Housing Act of 1959.”.

(c) Section 231 of such Act is amended by adding at the end thereof the following new subsection:

“(f) Notwithstanding any of the provisions of this section, the housing provided under this section may include family units which are specially designed for the use and occupancy of any person or family qualifying as a handicapped family as defined in section 202 of the Housing Act of 1959, and such special facilities as the Commissioner deems adequate to serve handicapped families (as so defined). The Commissioner may also prescribe procedures to secure to such families preference or priority of opportunity to rent the living units specially designed for their use and occupancy.”

(d) The second sentence of section 2(2) of the United States Housing Act of 1937 (as amended by section 401(a) of this Act) is amended by inserting after “and includes” the following: “a single person who is handicapped within the meaning of section 202 of the Housing Act of 1959 or who is”.

(e) Section 207 of the Housing Act of 1961 (as amended by section 407 of this Act) is further amended by inserting before the period at the end of the first sentence the following: “and of demonstrating the types of housing and the means of providing housing that will assist low income persons or families who qualify as handicapped families as defined in section 202 of the Housing Act of 1959”.
TITLE III—URBAN RENEWAL

CODE ENFORCEMENT

Sec. 301. (a) Section 101(c) of the Housing Act of 1949 is amended by striking out the period at the end thereof and inserting in lieu thereof the following: "Provided further, That commencing three years after the date of enactment of the Housing Act of 1964, no workable program shall be certified or re-certified unless (A) the locality has had in effect, for at least six months prior to such certification or re-certification, a minimum standards housing code, related but not limited to health, sanitation, and occupancy requirements, which is deemed adequate by the Administrator, and (B) the Administrator is satisfied that the locality is carrying out an effective program of enforcement to achieve compliance with such housing code."

(b) The first sentence of section 110(c) of such Act is amended by inserting after "or rehabilitation or conservation in an urban renewal area," the following: "or a program of code enforcement in an urban renewal area."

(c) Paragraph (5) of the second sentence of section 110(c) of such Act is amended by (1) striking out "a program of" and inserting in lieu thereof "programs of code enforcement or", and (2) adding before the semicolon at the end of such paragraph the following: "Provided, That no program of code enforcement shall be included as part of an urban renewal project unless the locality shall agree to increase its total expenditures with respect to code enforcement, during the period such project is under contract for a loan or capital grant, by an amount equal to the required local grants-in-aid with respect to the code enforcement included as part of such project."

(d) Any contract for a capital grant under title I of the Housing Act of 1949, executed prior to the date of enactment of this Act, may be amended to incorporate the provisions of subsection (c) for costs incurred on or after such date.

SELF-HELP PROGRAMS FOR COMMUNITY IMPROVEMENT

Sec. 302. Section 101(d) of the Housing Act of 1949 is amended by inserting immediately after "local urban renewal programs" the following: "(including rehabilitation projects requiring no additional assistance under this title or self-liquidating redevelopment projects)."

LOAN CONTRACT FOR TWO OR MORE PROJECTS

Sec. 303. (a) Section 102(a) of the Housing Act of 1949 is amended by adding at the end thereof the following: "Notwithstanding any other provision of this title, the Administrator may make a temporary loan, as described in the first two sentences of this subsection, for two or more urban renewal projects being carried out by the same local public agency. The principal amount of any such loan which is outstanding at any one time shall not exceed the estimated expenditures to be made by the local public agency for such projects."

(b) Section 110(g) of such Act is amended by striking out in the first sentence thereof the words "for any project."

CAPITAL GRANT AUTHORIZATION

Sec. 304. Section 103(b) of the Housing Act of 1949 is amended by striking out "not to exceed $4,000,000,000" and inserting in lieu thereof "not to exceed $4,725,000,000".
SEC. 305. (a) (1) Section 105(c) of the Housing Act of 1949 is amended by striking out “families” wherever it appears and inserting in lieu thereof “individuals and families”.

(2) The requirement imposed by the amendments made by paragraph (1) shall not be applicable to any project receiving Federal recognition prior to the date of the enactment of this Act.

(b) Section 105(c) of such Act is further amended by inserting before the period at the end thereof the following: “Provided, That the Administrator shall issue rules and regulations to aid in implementing the requirements of this subsection and in otherwise achieving the objectives of this title which shall require that there be established, at the earliest practicable time, for each urban renewal project involving the displacement of families, individuals, or business concerns occupying property in an urban renewal area, a relocation assistance program which shall include such measures, facilities, and services as may be necessary or appropriate in order (1) to determine the needs of such families, individuals, and business concerns for relocation assistance, (2) to provide information and assistance to aid in relocation and otherwise minimize the hardships of displacement, and (3) to assure the necessary coordination of relocation activities with other project activities and other planned or proposed governmental actions in the community which may affect the carrying out of the relocation program”.

(c) Section 8(b) of the Small Business Act is amended—

(1) by striking out “and” at the end of paragraph (12);

(2) by striking out the period at the end of paragraph (13) and inserting in lieu thereof “; and”;

and

(3) by adding after paragraph (13) the following new paragraph:

“(14) to provide at the earliest practicable time such information and assistance as may be appropriate, including information concerning eligibility for loans under section 7(b)(3), to local public agencies (as defined in section 110(h) of the Housing Act of 1949) and to small-business concerns to be displaced by federally aided urban renewal projects in order to assist such small-business concerns in reestablishing their operations.”

DISPOSAL OF LAND FOR LOW- AND MODERATE-INCOME HOUSING

SEC. 306. Subsections (a) and (b) of section 107 of the Housing Act of 1949 are amended to read as follows:

“(a) Upon approval of the Administrator and subject to such conditions as he may determine to be in the public interest, any real property held as part of an urban renewal project may be made available to (1) a limited dividend corporation, nonprofit corporation or association, cooperative, or public body or agency, or (2) a purchaser who would be eligible for a mortgage insured under section 221(d)(3) or (d)(4) of the National Housing Act, for purchase at fair value for use by such purchaser in the provision of new or rehabilitated rental or cooperative housing for occupancy by families or individuals of moderate income.

“(b) When it appears in the public interest that real property acquired as part of an urban renewal project should be used in whole or in part for a low-rent housing project assisted under the United States Housing Act of 1937, or under a State or local program found by the Administrator to have the same general purposes as the Federal program under such Act, the property shall be made available to the
public housing agency undertaking the low-rent housing project at a price equal to its fair value, as determined in accordance with subsection (a), and such amount shall be included as part of the development cost of such low-rent housing project: Provided, That the local contribution in the form of tax exemption or tax remission required by section 10(h) of such Act, or by analogous provisions in legislation authorizing such State or local program, with respect to the low-rent housing project into which such property was incorporated on or after September 23, 1959, shall (if covered by a contract which, in the determination of the Public Housing Commissioner, will assure that such local contribution will be made during the entire period that the project is used as low-rent housing within the meaning of such Act, or by provisions found by the Administrator to give equivalent assurance in the case of State or local programs) be accepted as a local grant-in-aid equal in amount, as determined by the Administrator, to one-half (or one-third in the case of an urban renewal project on a three-fourths capital grant basis) of the difference between the cost of such property (including costs of land, clearance, site improvements, and a share, prorated on an area basis, of administrative, interest, and other project costs) and its sales price, and shall be considered a local grant-in-aid furnished in a form other than cash within the meaning of section 110(d) of this Act."

REHABILITATION OF PROPERTY IN URBAN RENEWAL AREAS

Sec. 307. Section 110(c) of the Housing Act of 1949 is amended by adding immediately after and below paragraph (7) the following new paragraph:
"Notwithstanding any other provision of this title, no contract shall be entered into for any loan or capital grant under this title for any project which provides for demolition and removal of buildings and improvements unless the Administrator determines that the objectives of the urban renewal plan could not be achieved through rehabilitation of the project area."

PROJECTS INVOLVING THE ACQUISITION AND DEVELOPMENT OF AIR RIGHTS SITES

Sec. 308. (a) Section 110(c)(1) of the Housing Act of 1949 is amended by—
(1) inserting a new clause (iv) before the proviso to read as follows: "(iv) air rights in an area consisting principally of land in highways, railway or subway tracks, bridge or tunnel entrances, or other similar facilities which have a blighting influence on the surrounding area and over which air rights sites are to be developed for the elimination of such blighting influences and for the provision of housing (and related facilities and uses) designed specifically for, and limited to, families and individuals of low or moderate income";
(2) striking out in the proviso "an open land project" and inserting in lieu thereof "projects under clauses (iii) and (iv) hereof"; and
(3) adding before the semicolon at the end thereof the following: ": Provided further, That the aggregate amount of capital grants for projects under clause (iv) shall not exceed 5 per centum of the aggregate amount of grants authorized by this title to be contracted for after the date of enactment of the Housing Act of 1964."
(b) Section 110(c) of such Act is further amended by—
(1) striking out "and" at the end of paragraph (6), and redesignating paragraph (7) as paragraph (8);
(2) inserting after paragraph (6) a new paragraph as follows:
"(7) construction of foundations and platforms necessary for the provision on air rights sites of housing (and related facilities and uses) designed specifically for, and limited to, families and individuals of low or moderate income; and"; and
(3) striking out "paragraph (7)" in the third sentence (as numbered prior to the amendments made by this Act) and inserting in lieu thereof "paragraphs (7) and (8)".
(c) Section 110(d) of such Act is amended by striking out "project)" and inserting in lieu thereof "project, or of air rights over streets, alleys, and other public rights-of-way)".
(d) Section 110(e) of such Act is amended by striking out "and (7)" in clause (i) and inserting in lieu thereof "(7), and (8)".

AMENDMENT OF DEFINITION OF "GOING FEDERAL RATE"

SEC. 309. Section 110(g) of the Housing Act of 1949 is amended by striking out the last sentence and inserting in lieu thereof the following: "Any contract for a loan or advance, authorized by the Administrator after the date of enactment of the Housing Act of 1964, shall provide for a single interest rate which shall be applicable also to future amendments of the contract which provide additional funds thereunder, and shall further provide for a periodic revision of the interest rate on the balance outstanding or to be outstanding on such loan or advance based on the going Federal rate on the date of such revision: Provided, That any contract for a loan or advance authorized prior to the date of enactment of the Housing Act of 1964 shall be amended (with the first amendment to such contract authorized after the date of enactment of such Act) to provide for such a single interest rate (based on the going Federal rate at the time such amendment is authorized) and for periodic revision thereof."

RELOCATION PAYMENTS TO DISPLACED PERSONS AND BUSINESSES

SEC. 310. (a) Title I of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

"RELOCATION"

"Sec. 114. (a) Notwithstanding any other provision of this title, an urban renewal project may include the making of payments as prescribed in this section to displaced individuals, families, business concerns, and nonprofit organizations; and any contract for financial assistance under this title shall provide that the capital grant otherwise payable for the project shall be increased by an amount equal to such payments and that no part of the amount of such payments shall be required to be contributed as part of the local grant-in-aid. As used in this section, 'displaced' refers to displacement from an urban renewal area made necessary by (1) the acquisition of real property by a local public agency or by any other public body, (2) code enforcement activities undertaken in connection with an urban renewal project, or (3) a program of voluntary rehabilitation of buildings or other improvements in accordance with an urban renewal plan.

(b) A local public agency may pay to any displaced business concern or nonprofit organization—
(1) its reasonable and necessary moving expenses and any actual direct losses of property except goodwill or profit (which
are incurred on and after August 7, 1956, and for which reim-
bursement or compensation is not otherwise made): Provided,
That such payment shall not exceed $3,000 (or, if greater, the
total certified actual moving expenses); and
“(2) an additional $1,500 in the case of a private business con-
cern with average annual net earnings of less than $10,000 per
year which (A) was doing business in a location in the urban
renewal area on the date of local approval of the urban renewal
plan (or of acquisition of real property under the third sentence
of section 102(a)), (B) is displaced on or after January 27,
1964, and (C) is not part of an enterprise having establishments
outside the urban renewal area.

Notwithstanding the provisions of clause (1) of the preceding sen-
tence, a business concern which is not being displaced from an urban
renewal area shall be eligible for payments under such clause (1) of
its certified actual moving expenses with respect to its outdoor adver-
tising displays being removed from the urban renewal area in the
same manner as though such business concern were being displaced.
“(c) (1) A local public agency may pay to any displaced individual
or family his or its reasonable and necessary moving expenses and
any actual direct losses of property (which are incurred on and after
August 7, 1956, and for which reimbursement or compensation is not
otherwise made): Provided, That such payment shall not exceed
$200: And provided further, That the Administrator may authorize
payment to individuals and families of fixed amounts (not to exceed
$200 in any case) in lieu of their respective reasonable and necessary
moving expenses and actual direct losses of property.
“(2) A local public agency may pay (in addition to any amount
under paragraph (1)), on behalf of any displaced family or any dis-
placed individual sixty-two years of age or over, during the first five
months after displacement, a relocation adjustment payment, not to
exceed $500, to assist such displaced individual or family to acquire
a decent, safe, and sanitary dwelling. The relocation adjustment pay-
ment shall be an amount which, when added to 20 per centum of the
annual income of the displaced individual or family at the time of dis-
placement, equals the average rental required, for a 12-month period,
for such a decent, safe, and sanitary dwelling of modest standards ade-
quate in size to accommodate the displaced individual or family (in the
urban renewal area or in other areas not generally less desirable in
regard to public utilities and public and commercial facilities): Pro-
vided, That such payment shall be made only to an individual or family
who is unable to secure a dwelling unit in a low-rent housing project
assisted under the United States Housing Act of 1937, or under a State
or local program found by the Administrator to have the same general
purposes as the Federal program under such Act: Provided further,
That payments under this paragraph shall be available only in the case
of families, and individuals sixty-two years of age or over, displaced
on or after January 27, 1964.
“(d) The Administrator is authorized to establish such rules and
regulations as he may deem appropriate in carrying out the provisions
of this section and may provide in any contract with a local public
agency, or in regulations promulgated by the Administrator, that
determinations of any duly designated officer or agency as to eligibility
for and the amount of relocation assistance authorized by this section
shall be final and conclusive for any purposes and not subject to rede-
determination by any court or any other officer. Such regulations shall
include provisions to assure that relocation payments, as authorized
by this section, shall be made as promptly as possible to all families,
individuals, business concerns, and nonprofit organizations found to be
eligible for such payments by reason of their having been displaced
from property in the urban renewal area, without regard to any subse­
quent proceedings, determinations, or events relating to such property
which do not bear upon whether such displacement in fact occurred.”

(b) Any contract with a local public agency which was executed
under title I of the Housing Act of 1949 before the date of the enact­
ment of this Act may be amended to provide for payments authorized
by section 114 of the Housing Act of 1949.

(c) Section 106 of the Housing Act of 1949 is amended by striking
out subsection (f).

ACQUISITION OF PROPERTY AFFECTED BY COAL MINE SUBSIDENCE OR
UNDERGROUND MINE FIRES

SEC. 311. (a) Section 110(e) of the Housing Act of 1949 is amended
by adding at the end thereof the following new paragraph:

“Where a project includes the acquisition of property which has been
damaged because of the collapse or subsidence of underlying coal
mines, or underground mine fires, and the property is to be acquired
from an individual, family, business concern, or nonprofit organiza­
tion which was the owner of such property at the time the damage
first occurred, the amount otherwise allowable as the acquisition price
of such property may be increased by an amount equal to so much
of any diminution in the value of such property as is determined to be
reasonably attributable to such damage and to represent an otherwise
uncompensated and (but for such acquisition) uncompensable loss
actually sustained by such owner.”

(b) Any contract under title I of the Housing Act of 1949 executed
prior to the date of enactment of the Housing Act of 1964 may be
amended to provide for payment of the increased amounts authorized
under the amendment made by subsection (a) with respect to any
uncompleted project if the project includes acquisitions which, under
any State or local law in effect on such date, would involve expendi­
tures by a local public agency that could not otherwise be included in
the costs of such project.

REHABILITATION LOANS

SEC. 312. (a) To assist rehabilitation in an urban renewal area and
thereby reduce the need for demolition and removal of structures, the
Housing and Home Finance Administrator is hereby authorized,
through the utilization of local public and private agencies where
feasible, to make loans as herein provided to the owners or tenants of
property in such area to finance rehabilitation required to make the
property conform to applicable code requirements or to carry out the
objectives of the urban renewal plan for the area. No loan shall be
made under this section unless the Administrator finds (1) that the
applicant is unable to secure the necessary funds from other sources
upon reasonable terms and conditions, and (2) the loan is an accept­
able risk taking into consideration the need for the rehabilitation, the
security available for the loan, and the ability of the applicant to repay
the loan.

(b) For the purposes of this section—

(1) the term “rehabilitation” means the improvement or re­
pair of a structure or facilities in connection with a structure, and
may include the provision of such sanitary or other facilities as
are required by applicable codes or the urban renewal plan to be
provided by the owner or tenant of the property;
(2) the term "urban renewal area" means a slum area or a blighted, deteriorated, or deteriorating area as defined in section 110(a) of the Housing Act of 1949;

(3) the term "tenant" means a person or organization who is occupying a structure under a lease having a period to run at the time a rehabilitation loan is made under this section of not less than the term of the loan; and

(4) the term "Administrator" means the Housing and Home Finance Administrator.

(c) A rehabilitation loan made under this section shall be subject to the following limitations:

(1) The loan shall be subject to such terms and conditions as may be prescribed by the Administrator.

(2) The term of the loan may not exceed twenty years or three-fourths of the remaining economic life of the structure after rehabilitation, whichever is less.

(3) The loan shall bear interest at such rate as the Administrator determines to be appropriate but not to exceed 3 per centum per annum of the amount of the principal outstanding at any time, and the Administrator may prescribe such other charges as he finds necessary, including service charges and appraisal, inspection, and other fees.

(4) The amount of the loan may not exceed—

(A) in the case of residential property, the amount of a loan which could be insured by the Federal Housing Commissioner under section 220(h) of the National Housing Act: Provided, That, within the limitations otherwise applicable on the amount of a loan under such section, the loan may exceed the cost of rehabilitation in order to include an amount approved by the Administrator to refinance existing indebtedness secured by such property if such refinancing is necessary to enable the applicant to amortize, with a monthly payment of not more than 20 per centum of his average monthly income, such loan and any other indebtedness secured by his property; and

(B) in the case of nonresidential property, whichever of the following is the least: $50,000, or the cost of rehabilitation, or an amount which when added to any outstanding indebtedness related to the property securing the loan creates a total outstanding indebtedness that the Administrator determines could be reasonably secured by a first mortgage on the property.

(5) A loan shall be secured as determined by the Administrator.

(d) There is authorized to be appropriated not to exceed $50,000,000 which shall constitute a revolving fund to be used by the Administrator in carrying out this section.

(e) In the performance of, and with respect to, the functions, powers, and duties vested in him by this section, the Administrator shall have (in addition to any authority otherwise vested in him) the functions, powers, and duties set forth in section 402 of the Housing Act of 1950 (except subsection (c) (2)).

(f) The Administrator is authorized to delegate to or use as his agent any Federal or local public or private agency or organization to the extent he determines appropriate and desirable to carry out the objectives of this section in the area involved.

(g) The Administrator is authorized to issue such rules and regulations and impose such requirements and conditions (in addition to those specified in this section) as he determines to be desirable to carry out the objectives of this section, including limitations on the amount of a loan and restrictions on the use of the property involved.
URBAN RENEWAL DEMONSTRATION PROGRAM

SEC. 313. Section 314 of the Housing Act of 1954 is amended—
(1) by inserting "(a)" after "314." at the beginning of the section;
(2) by inserting before the period at the end of the second sentence the following: "but such a grant may in addition cover the full cost of writing and publishing the reports on such activities and undertakings";
(3) by inserting "activities and" before "undertakings" in the third sentence;
(4) by striking out the fourth and fifth sentences; and
(5) by adding at the end thereof the following new subsections:
"(b) The Administrator is further authorized to pay for the cost of (1) writing and publishing reports on activities and undertakings financed by grants made under this section, as well as reports on similar activities and undertakings, not so financed, which are of significant value in furthering the purposes of this section, and (2) writing and publishing summaries and other informational material on such reports.
"(c) The aggregate amount of grants made under subsection (a), and other costs incurred pursuant to subsection (b), shall not exceed $10,000,000 and shall be payable from the grant funds provided under and authorized by section 103(b) of the Housing Act of 1949. The Administrator may make advance or progress payments on account of any contract entered into pursuant to this section, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended."

URBAN AND REGIONAL PLANNING GRANTS

SEC. 314. (a) Section 701 (a) of the Housing Act of 1954 is amended by striking out "resulting from rapid urbanization" in clause (B) of paragraph (1).

(b) Section 701(a) of such Act is further amended by—
(1) striking out "and" at the end of paragraph (4); (2) striking out the period at the end of paragraph (5) and inserting in lieu thereof a semicolon; and (3) adding two new paragraphs after paragraph (5) as follows:
"(6) metropolitan and regional planning agencies, with the approval of the State planning agency or (in States where no such planning agency exists) of the Governor of the State, for the provision of planning assistance within the metropolitan area or region to cities, other municipalities, counties, groups of adjacent communities, or Indian reservations described in clauses (A), (B), (C), and (D) of paragraph (1) of this subsection;
"(7) to official governmental planning agencies for any area where there has occurred a substantial reduction in employment opportunities as the result of (A) the closing (in whole or in part) of a Federal installation, or (B) a decline in the volume of Government orders for the procurement of articles or materials produced or manufactured in such area; and".

(c) Section 701(a) of such Act is further amended by striking out "(a)" after "section 5" in paragraph (3).

(d) Section 701(b) of such Act is amended by striking out the proviso in the first sentence and inserting in lieu thereof "Provided, That such a grant may be in an amount not exceeding three-fourths of such estimated cost to an official governmental planning agency for an area described in subsection (a) (7), or for planning being carried out for a city, other municipality, county, group of adjacent communi-
ties, or Indian reservation in an area designated by the Secretary of Commerce as a redevelopment area under section 5 of the Area Redevelopment Act”.

PLANNING GRANTS FOR INDIAN RESERVATIONS

SEC. 315. (a) Section 701 (a) of the Housing Act of 1954 is amended by—

(1) striking out “and” at the end of clause (B) of paragraph (1);
(2) inserting “, and (D) Indian reservations” before the semicolon at the end of paragraph (1); and
(3) inserting a new paragraph after paragraph (7) (added by section 314 (b)) as follows:

“(8) tribal planning councils or other tribal bodies designated by the Secretary of the Interior for planning for an Indian reservation to which no State planning agency or other agency or instrumentality is empowered to provide planning assistance under clause (D) of paragraph (1) above.”

(b) Section 701 (d) of such Act is amended by—

(1) striking out “and urban regions” in the first sentence and inserting in lieu thereof “urban regions, and Indian reservations”; and
(2) inserting after “instrumentalities” in the second sentence the following: “; and to Indian tribal bodies.”

ELIGIBILITY OF COUNTIES FOR PLANNING ASSISTANCE

SEC. 316. Section 701 (a) of the Housing Act of 1954 is amended by striking out clause (A) of paragraph (1) and inserting in lieu thereof the following: “(A) cities and other municipalities having a population of less than 50,000 according to the latest decennial census, and counties without regard to population: Provided, That grants shall be made under this paragraph for planning assistance to counties having a population of 50,000 or more, according to the latest decennial census, which are within metropolitan areas, only if (i) the Administrator finds that planning and plans for such county will be coordinated with the program of comprehensive planning, if any, which is being carried out for the metropolitan area of which the county is a part, and (ii) the aggregate amount of the grants made subject to this proviso does not exceed 15 per centum of the aggregate amount appropriated, after the date of enactment of the Housing Act of 1964, for the purposes of this section,”.

PLANNING GRANT AUTHORIZATION

SEC. 317. Section 701 (b) of the Housing Act of 1954 is amended by striking out “$75,000,000” in the last sentence and inserting in lieu thereof “$105,000,000”.

PLANNING PROBLEMS RESULTING FROM CHAMIZAL TREATY OF 1963

SEC. 318. Notwithstanding the provisions of section 701 of the Housing Act of 1964 with respect to the eligibility of a city for a grant thereunder, the Housing and Home Finance Administrator is authorized to make planning grants to the city of El Paso, Texas, for the purpose of assisting it to solve those urban planning problems that have resulted or are expected to result from the Chamizal Treaty of 1963 between the United States of America and the Republic of Mexico. Any such grants shall be subject to all other conditions and requirements contained in such section 701.
SMALL BUSINESS ADMINISTRATION LOANS

Sec. 319. Section 7(b)(3) of the Small Business Act is amended by inserting before the period at the end thereof the following: "and the purposes of a loan made pursuant to this paragraph may, in the discretion of the Administrator, include the purchase or construction of other premises whether or not the borrower owned the premises from which it was displaced".

TITLE IV—HOUSING FOR LOW-INCOME FAMILIES

ELIGIBILITY OF DISPLACED INDIVIDUALS

Sec. 401. (a) Section 2(2) of the United States Housing Act of 1937 is amended to read as follows:

"(2) The term ‘families of low income’ means families (including elderly and displaced families) who are in the lowest income group and who cannot afford to pay enough to cause private enterprise in their locality or metropolitan area to build an adequate supply of decent, safe, and sanitary dwellings for their use. The term ‘families’ includes families consisting of a single person in the case of elderly families and displaced families, and includes the remaining member of a tenant family. The term ‘elderly families’ means families whose heads (or their spouses), or whose sole members, have attained the age at which an individual may elect to receive an old age benefit under title II of the Social Security Act, or who are under a disability as defined in section 223 of that Act. The term ‘displaced families’ means families displaced by urban renewal or other governmental action.”

(b) Section 10(g)(2) of such Act is amended by—

(1) striking out “those displaced by urban renewal or other governmental action” and inserting in lieu thereof “displaced families”; and

(2) striking out “; and” at the end thereof and inserting in lieu thereof the following: "Provided, That in establishing such admission policies the public housing agency shall accord to families of low income such priority over single persons as it determines to be necessary to avoid undue hardship; and".

(c) Section 15(7)(b) of such Act is amended by striking out “family displaced by urban renewal or other governmental action” and inserting in lieu thereof “displaced family”.

ADDITIONAL SUBSIDY FOR URBAN RENEWAL AND LOW-RENT HOUSING DISPLACEDS

Sec. 402. The first proviso in section 10(a) of the United States Housing Act of 1937 is amended to read as follows: "Provided, That the Authority may, in addition to the payments guaranteed under the contract, pay not to exceed $120 per annum per dwelling unit occupied by an elderly family, or a displaced family if such family was displaced by an urban renewal or low-rent housing project on or after January 27, 1964, on the last day of the project fiscal year where such amount, in the determination of the Authority, was necessary to enable the public housing agency to lease the dwelling unit to an elderly or displaced family at a rental it could afford and to operate the project on a solvent basis, and, in the case of displaced families, if and to the extent that the average or estimated average rental for units so occupied by such families was less than the rental which the Authority determines, on the basis of the average or estimated average project rentals, would have been established in leasing the units to families which were neither elderly nor similarly displaced".
INCREASE IN AUTHORIZATION FOR ANNUAL CONTRIBUTIONS

Sec. 403. Section 10(e) of the United States Housing Act of 1937 is amended by striking out "$336,000,000" and inserting in lieu thereof "$366,250,000".

PAYMENTS IN LIEU OF TAXES BY LOCAL HOUSING AUTHORITIES; LOCAL CONTRIBUTIONS

Sec. 404. Section 10(h) of the United States Housing Act of 1937 is amended by striking out all that follows the first colon and inserting in lieu thereof the following: "Provided, That, with respect to any such project which is not exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, such contract shall provide, in lieu of the requirement for tax exemption and payments in lieu of taxes, that no annual contributions by the Authority shall be made available for such project unless and until the State, city, county, or other political subdivisions in which such project is situated shall contribute, in the form of cash or tax remission, the amount by which the taxes paid with respect to the project exceed 10 per centum of the annual shelter rents charged in such project: Provided further, That, prior to execution of the contract for annual contributions the public housing agency shall, in the case of a tax-exempt project, notify the governing body of the locality of its estimate of the annual amount of such payments in lieu of taxes and of the amount of taxes which would be levied if the property were privately owned, or, in the case where the project is taxed, its estimate of the annual amount of the local cash contribution, and shall thereafter include the actual amounts of such payments or contributions in its annual report. Contracts for annual contributions entered into prior to the effective date of the Housing Act of 1964 may be amended in accordance with the first sentence of this subsection."

RELOCATION OF FAMILIES AND INDIVIDUALS DISPLACED FROM PROJECT SITES

Sec. 405. (a) Section 15(7)(b) of the United States Housing Act of 1937 is amended by striking out "and" before "(ii)" and by inserting before the period at the end thereof the following: "; and (iii) unless the public housing agency has demonstrated to the satisfaction of the Authority that there is a feasible method for the temporary relocation of the individuals and families displaced from the project site, and that there are or are being provided, in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of such individuals and families, decent, safe, and sanitary dwellings equal in number to the number of and available to such individuals and families and reasonably accessible to their places of employment."

(b) The amendments made by subsection (a) shall not be applicable to any project for which an application for preliminary loan has been approved by the local governing body prior to the date of the enactment of this Act.

RELOCATION PAYMENTS

Sec. 406. Section 16 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new paragraph: "(8) The Authority may authorize the cost of relocation payments made by public housing agencies to be included with the development
or acquisition cost of any project for purposes of determining the amount of loans and annual contributions authorized to be made with respect to such project under sections 9 and 10, but such costs shall be separately stated as relocation costs. For purposes of this paragraph, a 'relocation payment' is a payment (i) which is made to an individual, family, business concern, or nonprofit organization displaced on or after January 27, 1964, from a low-rent housing project site as a result of the acquisition of real property by a public housing agency, (ii) which is not otherwise authorized under any Federal law, and (iii) which is made only on such terms and conditions, and subject to such limitations, as are authorized (as of the time such payment is approved) under section 114 (b) or (c) of the Housing Act of 1949 for relocation payments made to individuals, families, business concerns, or nonprofit organizations, as the case may be."

LOW-INCOME HOUSING DEMONSTRATION PROGRAM AUTHORIZATION

SEC. 407. Section 207 of the Housing Act of 1961 is amended by striking out "$5,000,000" and inserting in lieu thereof "$10,000,000".

TITLE V—RURAL HOUSING

EXTENSION OF RURAL HOUSING PROGRAMS

SEC. 501. (a) The second sentence of section 511 of the Housing Act of 1949 is amended by—
(1) striking out "June 30, 1965" and inserting in lieu thereof "September 30, 1965"; and
(2) striking out "$700,000,000" and inserting in lieu thereof "$850,000,000".

(b) Section 512 of such Act is amended by striking out "June 30, 1965" and inserting in lieu thereof "September 30, 1965".

(c) Section 513 of such Act is amended by striking out "June 30, 1965", each place it appears, and inserting in lieu thereof "September 30, 1965".

(d) Section 515 (b) of such Act is amended by—
(1) striking out "$100,000" in clause (1) and inserting in lieu thereof "$300,000"; and
(2) striking out "1964" in clause (5) and inserting in lieu thereof "1965".

DEFINITION OF DOMESTIC FARM LABOR

SEC. 502. Section 514 (f) (3) of the Housing Act of 1949 is amended to read as follows:

"(3) the term 'domestic farm labor' means persons who receive a substantial portion (as determined by the Secretary) of their income as laborers on farms situated in the United States and either (A) are citizens of the United States or (B) reside in the United States after being legally admitted for permanent residence therein."

LOW-RENT HOUSING FOR DOMESTIC FARM LABOR

SEC. 503. (a) Title V of the Housing Act of 1949 is amended by adding at the end thereof the following new section:
"FINANCIAL ASSISTANCE TO PROVIDE LOW-RENT HOUSING FOR DOMESTIC FARM LABOR"

"Sec. 516. (a) Upon the application of any State or political subdivision thereof, or any public or private nonprofit organization, the Secretary is authorized to provide financial assistance for the provision of low-rent housing and related facilities for domestic farm labor, if he finds that—

"(1) the housing and related facilities for which financial assistance is requested will fulfill a pressing need in the area in which such housing and facilities will be located, and there is reasonable doubt that the same can be provided without financial assistance under this section;

"(2) the applicant will contribute, from its own resources or from funds borrowed under section 514 or elsewhere, at least one-third of the total development cost;

"(3) the types of housing and related facilities to be provided are most practical, giving due consideration to the purposes to be served thereby and the needs of the occupants thereof; and

"(4) the construction will be undertaken in an economical manner, and the housing and related facilities will not be of elaborate or extravagant design or material.

"(b) The amount of any financial assistance provided under this section for low-rent housing and related facilities shall not exceed two-thirds of the total development cost thereof, as determined by the Secretary, less such amount as the Secretary determines can be practically obtained from other sources (including a loan under section 514).

"(c) No financial assistance for low-rent housing and related facilities shall be made available under this section unless, to any extent and for any periods required by the Secretary, the applicant agrees—

"(1) that the rentals charged domestic farm labor shall not exceed such amounts as may be approved by the Secretary, giving due consideration to the income and earning capacity of the tenants, and the necessary costs of operating and maintaining such housing;

"(2) that such housing shall be maintained at all times in a safe and sanitary condition in accordance with such standards as may be prescribed by State or local law, or, in the absence of such standards, in accordance with such minimum requirements as the Secretary shall prescribe; and

"(3) an absolute priority will be given at all times in granting occupancy of such housing and facilities to domestic farm labor.

"(d) The Secretary may make payments pursuant to any contract for financial assistance under this section at such times and in such manner as may be specified in the contract. In each contract, the Secretary shall include such covenants, conditions, or provisions as he deems necessary to insure that the housing and related facilities, for which financial assistance is made available, be used only in conformity with the provisions of this section.

"(e) The Secretary shall prescribe regulations to insure that Federal funds expended under this section are not wasted or dissipated.

"(f) All laborers and mechanics employed by contractors or subcontractors on projects assisted by the Secretary which are undertaken by approved applicants under this section shall be paid wages at rates not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary shall not extend any financial assistance under this section for any project.
without first obtaining adequate assurance that these labor standards will be maintained on the construction work; except that compliance with such standards may be waived by the Secretary in cases or classes of cases where laborers or mechanics, not otherwise employed at any time on the project, voluntarily donate their services without compensation for the purpose of lowering the costs of construction and the Secretary determines that any amounts thereby saved are fully credited to the person, corporation, association, organization, or other entity undertaking the project. The Secretary of Labor shall have, with respect to the labor standards specified in this section, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133z-15), and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

"(g) As used in this section—

"(1) the term 'low-rent housing' means rental housing within the financial reach of families of low income consisting of (A) new structures suitable for dwelling use by domestic farm labor, and (B) existing structures which can be made suitable for dwelling use by domestic farm labor by rehabilitation, alteration, conversion, or improvement;

"(2) the terms 'related facilities' and 'domestic farm labor' shall have the meaning assigned to them in section 514(f); and

"(3) the term 'development cost' shall have the meaning assigned to it in section 515(d)(4)."

(b) Section 513 of such Act is amended by redesignating clauses "(c)" and "(d)" as clauses "(d)" and "(e)" respectively, and by inserting after the semicolon at the end of clause (b) the following: "(c) not to exceed $10,000,000 for financial assistance pursuant to section 516 for the period ending September 30, 1965.

(c) Section 506(a) of such Act is amended by striking out "sections 514 and 515", each place it appears, and inserting in lieu thereof "sections 514-516".

TITLE VI—COMMUNITY FACILITIES

PUBLIC FACILITY LOANS

SEC. 601. (a) Section 202(a) of the Housing Amendments of 1955 is amended by striking out in clause (1) of the first sentence "instrumentalities of States" and inserting in lieu thereof "instrumentalities of one or more States", and by striking out "in the same State" and inserting in lieu thereof "of one or more States".

(b) Section 202(b)(4) of such Amendments is amended by—

(1) striking out "the second sentence of section 5(a) of the Area Redevelopment Act" and inserting in lieu thereof "section 5 of the Area Redevelopment Act"; and

(2) inserting "(A)" before "to any municipality" in the first sentence, and by striking out everything following the phrase "most recent decennial census, or" in that sentence and inserting in lieu thereof the following: "; (B) to any public agency or instrumentality serving one or more municipalities, political subdivisions, or unincorporated areas in one or more States, unless each municipality, political subdivision, or unincorporated area to be served by the specific public work or facility for which assistance is sought under this section has a population less than the applicable figure under clause (A) according to such census."
SEC. 602. (a) Section 702(e) of the Housing Act of 1954 is amended to read as follows:

"(e) In order to provide moneys for advances in accordance with this section, the Administrator is hereby authorized to establish a revolving fund which shall comprise (1) all moneys heretofore or hereafter appropriated pursuant to this section, together with all repayments and other receipts heretofore or hereafter received in connection with advances made under this section, and (2) all repayments and other receipts received after June 30, 1964, and all advances (and claims in connection with advances) outstanding as of such date, under title V of the War Mobilization and Reconversion Act of 1944 (58 Stat. 791) and the Act of October 13, 1949 (63 Stat. 841-2). There are authorized to be appropriated to such revolving fund, in addition to amounts authorized to be appropriated for the purposes of this section prior to the date of the enactment of the Housing Act of 1964, such sums, not to exceed $20,000,000, as may be necessary to carry out the purposes of this section."

(b) Section 702 of such Act is further amended by adding at the end thereof the following new subsection:

"(h) (1) Notwithstanding any other provision of law, if a public agency or Indian tribe undertakes to construct only a portion of a public work planned with an advance under this section, under title V of the War Mobilization and Reconversion Act of 1944, or under the Act of October 13, 1949, it shall repay only such proportionate amount of the advance relating to the public work as the Administrator determines to be equitable.

"(2) The Administrator is authorized to terminate, upon such terms and conditions as he shall deem equitable, all or a portion of the liability for repayment of any advance made under this section, under title V of the War Mobilization and Reconversion Act of 1944, or the Act of October 13, 1949. Whenever the Administrator determines that there is no reasonable likelihood that the public work, or a portion of the public work, planned with such advance will be constructed, he may terminate the agreement for the advance. Such determination shall be conclusive and shall be based on standards prescribed by regulations to be issued by the Administrator."

(c) Section 702 of such Act is further amended—

(1) by striking out "public agencies" wherever that term appears in subsection (a) and inserting in lieu thereof "public agencies and Indian tribes";

(2) by striking out "public agency" in clause (3) of subsection (b) and inserting in lieu thereof "public agency or Indian tribe";

(3) by striking out "to any public agency" and "by the public agency" in subsection (c) and inserting in lieu thereof "to any public agency or Indian tribe" and "by the public agency or Indian tribe", respectively, and by striking out "by such agency" in such subsection and inserting in lieu thereof "by such agency or tribe"; and

(4) by striking out "That if" and all that follows down through "And provided further," in subsection (c).

(d) Section 702(f) of such Act is amended by striking out "$50,000" and inserting in lieu thereof "$100,000".

(e) Section 702(a) of such Act is amended by inserting immediately before the first colon the following: "including, in the case of public works to be constructed in connection with the development of a medical center, a general plan for the development of such center".

(f) Section 702(b) of such Act is amended by striking out the last sentence.
Sec. 701. (a) Section 302 of the National Housing Act is amended by adding at the end thereof a new subsection as follows:

"(c) Notwithstanding any other provision of this Act or of any other law, the Association is authorized under section 306 to create, accept, execute, and otherwise administer in all respects such trusts, receiverships, conservatorships, liquidating or other agencies, or other fiduciary and representative undertakings and activities as might be appropriate for financing purposes; and in relation thereto the Association may acquire, hold and manage, dispose of, and otherwise deal in any first mortgages in which the United States or any agency or instrumentality thereof may have a financial interest. The Association may join in any such undertakings and activities notwithstanding that it is also serving in a fiduciary or representative capacity; and is authorized, consistent with section 307, to guarantee any participations or other instruments, whether evidence of property rights or debt, issued for such financing purposes. Any participations or other instruments so guaranteed shall to the same extent as securities issued or guaranteed by the United States or its instrumentalities be deemed to be exempt securities within the meaning of laws administered by the Securities and Exchange Commission. The amounts of any mortgages acquired by the Association under section 306, pursuant to this subsection, shall not be included in the total amounts set forth in section 306(e)."

(b) (1) Section 811 of such Act is amended by inserting after "obligations" the following: "participations, or other instruments".

(2) Sections 304(b) and 306(b) of such Act are amended respectively by striking out "or obligations which are lawful investments" and inserting in lieu thereof "or obligations, participations, or other instruments which are lawful investments".

(3) Section 810 of such Act is amended by striking out "or in obligations which are lawful investments" and inserting in lieu thereof "or in obligations, participations, or other instruments which are lawful investments".

(c) The penultimate sentence of paragraph Seventh of section 5136 of the Revised Statutes is amended by striking out "or obligations of the Federal National Mortgage Association" and inserting in lieu thereof "or obligations, participations, or other instruments of or issued by the Federal National Mortgage Association".

(d)(1) Section 11(h) of the Federal Home Loan Bank Act is amended by striking out "in obligations of the Federal National Mortgage Association" and inserting in lieu thereof "in obligations, participations, or other instruments of or issued by the Federal National Mortgage Association".

(2) The last sentence of section 16 of such Act is amended by striking out "in obligations of the Federal National Mortgage Association" and inserting in lieu thereof "in obligations, participations, or other instruments of or issued by the Federal National Mortgage Association".

(e)(1) Section 1820 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"(e)(1) The Administrator is authorized from time to time, as he determines advisable, to set aside first mortgage loans, and installment sale contracts, owned and held by him under this chapter as the basis for the sale of participation certificates as herein provided."
For this purpose the Administrator may enter into agreements, including trust agreements, with the Federal National Mortgage Association, and any other Federal agency, under which the Association as fiduciary may sell certificates of participation based on principal and interest collections to be received by the Administrator and the Association or any other such agency on first mortgage loans and installment sale contracts comprising mortgage pools established by them. The agreement may provide for substitution or withdrawal of mortgage loans, or installment sale contracts, or for substitution of cash for mortgages in the pool. The agreement shall provide that the Federal National Mortgage Association shall promptly pay to the Administrator the entire proceeds of any sale of certificates of participation to the extent such certificates are based on mortgages, including installment sale contracts, set aside by the Administrator and he shall periodically pay to the Association, as fiduciary, such funds as are required for payment of interest and principal due on outstanding certificates of participation to the extent of the pro rata amount allocated to the Administrator pursuant to the agreement. The agreement shall also provide that the Administrator shall retain ownership of mortgage loans and installment sale contracts set aside by him pursuant to the agreement unless transfer of ownership to the fiduciary is required in the event of default or probable default in the payment of participation certificates. The Administrator is authorized to purchase outstanding certificates of participation to the extent of the amount of his commitment to the fiduciary on participations outstanding and to pay his proper share of the costs and expenses incurred by the Federal National Mortgage Association as fiduciary pursuant to the agreement.

"(2) The Administrator shall proportionately allocate and deposit the entire proceeds received from the sale of participations into the funds established pursuant to sections 1823 and 1824 of this chapter, as determined on an estimated basis, and the amounts so deposited shall be available for the purposes of the funds. The Administrator may nevertheless make such allocations of that part of the proceeds of participation sales representing anticipated interest collections on mortgage loans, including installment sale contracts, on other than an estimated proportionate basis if determined necessary to assure payment of interest on advances theretofore made to the Administrator by the Secretary of the Treasury for direct loan purposes. The Administrator shall set aside and maintain necessary reserves in the funds established pursuant to sections 1823 and 1824 of this chapter to be used for meeting commitments pursuant to this subsection and, as he determines to be necessary, for meeting interest payments on advances by the Secretary of the Treasury for direct loan purposes."

(2) Section 1823 of title 38, United States Code, is amended by—

(1) inserting before the period at the end of the last sentence of subsection (a) the following: "and a reasonable reserve for meeting commitments pursuant to subsection 1820(e) of this title"; and

(2) inserting before the period at the end of the last sentence of subsection (c) the following: "and for the purposes of meeting commitments under subsection 1820(e) of this title".
FNMA—REMOVAL OF $20,000 MORTGAGE AMOUNT LIMITATION

SEC. 702. Section 302(b) of the National Housing Act is amended—
(1) by striking out “any mortgage” in clause (3) and inserting
in lieu thereof “any mortgage under section 305”; and
(2) by striking out the proviso in clause (3).

FNMA—NINETY PER CENTUM LOANS

SEC. 708. Section 304(a)(2) of the National Housing Act is
amended by striking out “80 per centum” and inserting in lieu thereof
“90 per centum.”

FNMA—PURCHASE OF PARTICIPATIONS

SEC. 704. Section 304(d) of the National Housing Act is hereby
repealed.

TITLE VIII—TRAINING AND FELLOWSHIP PROGRAMS

PART 1—FEDERAL-STATE TRAINING PROGRAMS

FINDINGS AND PURPOSE

SEC. 801. (a) The Congress finds that the rapid expansion of the
Nation’s urban areas and urban population has caused severe problems
in urban and suburban development and created a national need to
(1) provide special training in skills needed for economic and efficient
community development and (2) support research in new or improved
methods of dealing with community development problems.

(b) It is the purpose of this part to assist and encourage the States,
in cooperation with public or private universities and colleges and
urban centers, to (1) organize, initiate, develop, and expand programs
which will provide special training in skills needed for economic and efficient
community development to those technical and professional
people who are, or are training to be, employed by a governmental or
public body which has responsibilities for community development;
and (2) support State and local research that is needed in connection
with housing programs and needs, public improvement programing,
code problems, efficient land use, urban transportation, and similar
community development problems.

MATCHING GRANTS TO STATES

SEC. 802. (a) Subject to the provisions of this part and in accordance
with regulations prescribed by him, the Administrator may make
matching grants to States to assist in—

(1) organizing, initiating, developing, or expanding programs
to provide special training in skills needed for economic and efficient
community development to those technical and professional
people who are, or are training to be, employed by a governmental or
public body which has responsibilities for community development;
and

(2) supporting State and local research that is needed in connection
with housing programs and needs, public improvement programing,
code problems, efficient land use, urban transportation, and similar
community development problems, and collecting, collating, and publishing statistics and information relating to such research.
(b) No grants may be made to a State under this part unless the Administrator has approved a plan for the State which—

1. sets forth the proposed use of the funds and the objectives to be accomplished;
2. explains the method by which the required amounts from non-Federal sources will be obtained;
3. provides such fiscal control and fund accounting procedures as may be reasonably necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State under this part;
4. designates an officer or agency of the State government who has responsibility and authority for the administration of a statewide research and training program as the officer or agency with responsibility and authority for the execution of the State program under this part; and
5. provides that such officer or agency will make such reports to the Administrator, in such form, and containing such information, as may be reasonably necessary to enable the Administrator to perform his duties under this part.

(c) No grant may be made under this part for any use unless an amount at least equal to such grant is made available from non-Federal sources for the same purpose and for concurrent use.

(d) There is authorized to be appropriated for grants under this part, without fiscal year limitation, not to exceed $10,000,000.

STATE LIMIT

Sec. 803. Not more than 10 per centum of the total amount authorized to be appropriated by section 802(d) may be used for making grants to any one State.

TECHNICAL ASSISTANCE, STUDIES, AND PUBLICATION OF INFORMATION

Sec. 804. In order to carry out the purpose of this part, the Administrator is authorized to provide technical assistance to State and local governmental or public bodies and to undertake such studies and publish and distribute such information, either directly or by contract, as he shall determine to be desirable. Nothing contained in this part shall limit any authority of the Administrator under any other provision of law.

MISCELLANEOUS

Sec. 805. (a) As used in this part, the term “State” means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands; and the term “Administrator” means the Housing and Home Finance Administrator.

(b) There are authorized to be appropriated such sums as may be necessary for administrative and other expenses in carrying out this part.

PART 2—FELLOWSHIPS FOR CITY PLANNING AND URBAN STUDIES

Sec. 810. (a) There is hereby authorized to be appropriated not to exceed $500,000 annually, for a three-year period commencing on July 1, 1964, to be used by the Housing and Home Finance Administrator for the purpose of providing fellowships for the graduate training of professional city planning and urban and housing technicians and specialists as herein provided. Persons shall be selected for such fellowships solely on the basis of ability and upon the recommendation of the Urban Studies Fellowship Advisory Board estab-
lished pursuant to subsection (b). Fellowships shall be solely for training in public and private nonprofit institutions of higher education having programs of graduate study in the field of city planning or in related fields (including architecture, civil engineering, economics, municipal finance, public administration, and sociology), which programs are oriented to training for careers in city and regional planning, housing, urban renewal, and community development.

(b) There is hereby established the Urban Studies Fellowship Advisory Board (hereinafter referred to as the “Board”), which shall consist of nine members to be appointed by the Housing and Home Finance Administrator as follows: Three from public institutions of higher learning, and three from private nonprofit institutions of higher education, who are the heads of departments which provide academic courses appropriately related to the fields referred to in subsection (a), and three from national organizations which are directly concerned with problems relating to urban, regional, and community development. The Board shall meet upon the request of the Administrator and shall make recommendations to him with respect to persons to be selected for fellowships under this section. Members of the Board shall be entitled to receive transportation expenses and a per diem in lieu of subsistence as authorized for members of advisory committees created pursuant to section 601 of the Housing Act of 1949.

TITLE IX—SAVINGS AND LOAN ASSOCIATIONS

Sec. 901. (a) The first sentence of section 5(c) of the Home Owners’ Loan Act of 1933 is amended by striking out “fifty miles” and inserting in lieu thereof “one hundred miles”.

(b) The third sentence of section 403(b) of the National Housing Act is amended by striking out all that precedes the first semicolon and inserting in lieu thereof the following: “Each applicant for such insurance shall also file with its application an agreement that during the period that the insurance is in force it will not make any loans beyond one hundred miles from its principal office, except (1) loans in the area beyond such one-hundred-mile limit in which it was operating prior to June 27, 1934, and (2) loans which are made pursuant to regulations of the Corporation: Provided, That such agreement shall further provide that any loan made beyond fifty miles from the applicant’s principal office (and outside the territory in which it was operating on such date) shall also be subject to such regulations”.

Sec. 902. The first proviso in section 5(c) of the Home Owners’ Loan Act of 1933 is amended—

(1) by striking out “$35,000” and inserting in lieu thereof “$40,000”; and

(2) by striking out “, except that the aggregate sums invested pursuant to the two exceptions in this proviso shall not exceed 30 per centum of the assets of such association”.

Sec. 903. The next to last paragraph of section 5(c) of the Home Owners’ Loan Act of 1933 is amended to read as follows:

“Without regard to any other provision of this subsection, any such association is authorized to invest not more than 5 per centum of its assets in, or in interests in, real property located within urban renewal areas as defined in subsection (a) of section 110 of the Housing Act of 1949 and obligations secured by first liens on real property so located, but no investment shall be made by an association under this sentence in real property or any interest therein if the aggregate investment of the association under this sentence in real property and interests therein, determined as prescribed by the Board, would therefore exceed 2 per centum of the assets of the association.”
SEC. 904. Section 5(c) of the Home Owners' Loan Act of 1933 is amended by adding at the end thereof a new paragraph as follows:

"For the purpose of this section the terms 'real property' and 'real estate' shall include a leasehold or subleasehold estate in real property under a lease or sublease the term of which does not expire, or which is renewable automatically or at the option of the holder (or at the option of the association) so as not to expire, for at least fifteen years beyond the maturity of the debt."

SEC. 905. Section 5(c) of the Home Owners' Loan Act of 1933 is further amended by adding at the end thereof (after the paragraph added by section 804 of this Act) the following new paragraph:

"Any such association is authorized to invest in the capital stock, obligations, or other securities of any corporation organized under the laws of the State, District, Commonwealth, territory, or possession in which the home office of the association is located, if the entire capital stock of such corporation is available for purchase only by savings and loan associations of that State, District, Commonwealth, territory, or possession and by Federal savings and loan associations having their home offices therein, but no association may make any investment under this sentence if its aggregate outstanding investment under this sentence, determined as prescribed by the Board, would thereupon exceed 1 per centum of its assets."

SEC. 906. Section 10(b) of the Federal Home Loan Bank Act is amended—

(1) by striking out "twenty-five" in clause (1) and inserting in lieu thereof "thirty"; and

(2) by striking out "$35,000" in clause (2) and inserting in lieu thereof "$40,000".

SEC. 907. The second proviso in the first paragraph of section 5(c) of the Home Owners' Loan Act of 1933 is amended to read as follows: "And provided further, That any portion of the assets of such associations may be invested in obligations of, or fully guaranteed as to principal and interest by, the United States, or in the stock or bonds of a Federal Home Loan Bank, or in obligations, participations, or other instruments of or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association or any other agency of the United States; or in general obligations of any State or of any political subdivision thereof; and as used in this proviso the term 'State' shall include the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States".

SEC. 908. The first sentence of the second paragraph of section 5(c) of the Home Owners' Loan Act of 1933 is amended to read as follows: "Without regard to any other provision of this subsection except the area requirement, any such association is authorized to invest a sum not in excess of 20 per centum of the assets of such association in loans insured under title I of the National Housing Act, in home improvement loans insured under title II of the National Housing Act, in unsecured loans insured or guaranteed under the provisions of the Servicemen's Readjustment Act of 1944, as amended, or chapter 37 of title 38 of the United States Code, and in other loans for property alteration, repair, or improvement: Provided, That no such loan, unless so insured or guaranteed, shall be made in excess of $5,000."

SEC. 909. Title IV of the National Housing Act is amended by adding at the end thereof the following new section:
"INVESTMENT OF CERTAIN FUNDS IN ACCOUNTS OF INSURED INSTITUTIONS

"SEC. 409. The savings accounts and share accounts held by institutions insured by the Corporation, to the extent they are insured by the Corporation, shall be lawful investments and may be accepted as security for all public funds of the United States, fiduciary and trust funds under the authority or control of the United States or any officer or officers thereof, and for the funds of all corporations organized under the laws of the United States (subject to any regulatory authority otherwise applicable), regardless of any limitation of law upon the investment of any such funds or upon the acceptance of security for the investment or deposit of any of such funds."

Sec. 910. Section 5(c) of the Home Owners' Loan Act of 1933 is amended by inserting after the second paragraph the following new paragraph:

"Without regard to any other provision of this subsection, any such association is authorized to invest in loans, obligations, and advances of credit (all of which are hereinafter referred to as 'loans') made for the payment of expenses of college or university education, but no association shall make any investment in loans under this paragraph if the principal amount of its investment in such loans, exclusive of any investment which is or which at the time of its making was otherwise authorized, would thereupon exceed 5 per centum of its assets."

TITLE X—MISCELLANEOUS

OPEN-SPACE PROGRAM—GRANT AUTHORIZATION

Sec. 1001. Section 702(b) of the Housing Act of 1961 is amended—
(1) by striking out "$50,000,000" and inserting in lieu thereof "$75,000,000"; and
(2) by adding at the end thereof the following: "All funds so appropriated shall remain available until expended."

COLLEGE HOUSING

Sec. 1002. The second paragraph of section 404(b) of the Housing Act of 1950 is amended by inserting before the period at the end thereof the following: "Provided, That where the law of any State in effect on the date of enactment of the Housing Act of 1964 prevents the institution or institutions, for whose students or students and faculty the housing is to be provided, from cosigning the note, the Administrator shall require the corporation and the proposed project to be approved by such institution (or by any one or more of such institutions) in lieu of such cosigning."

ACQUISITION OF CERTAIN HOUSING BY SECRETARY OF DEFENSE

Sec. 1003. The first sentence of section 404(a) of the Housing Amendments of 1955 is amended by inserting before the period at the end thereof the following: "(3) any housing situated on or adjacent to a military installation which was (A) completed prior to July 1, 1952, (B) considered by the Department of Defense, prior to construction, as being necessary to meet an existing military family housing need and considered as military housing by the Federal Housing Commissioner, and (C) financed with mortgages insured under section 608 of the National Housing Act, including adjacent property constructed primarily to provide commercial facilities for the occupants of such housing."
REAL ESTATE LOANS BY NATIONAL BANKS

SEC. 1004. Clause (3) of the third sentence of the first paragraph of section 24 of the Federal Reserve Act is amended to read as follows: "(3) any such loan may be made in an amount not to exceed 80 per centum of the appraised value of the real estate offered as security and for a term not longer than twenty-five years if the loan is secured by an amortized mortgage, deed of trust, or other such instrument under the terms of which the installment payments are sufficient to amortize the entire principal of the loan within the period ending on the date of its maturity, and".

FOREST HILLS PROJECT IN PADUCAH, KENTUCKY

SEC. 1005. The Federal Housing Commissioner is authorized and directed to sell to the Paducah-McCracken County Development Council, Incorporated, of Paducah, Kentucky, for use as a public facility (including such use by the Paducah Junior College as may be deemed appropriate by such Council), and for a total price of $1,000,000, all right, title, and interest of the United States in and to the housing project in Paducah known as Forest Hills (a project constructed under title VIII of the National Housing Act as in effect prior to August 11, 1955, and subsequently acquired by the Federal Housing Administration).

PAYMENT IN LIEU OF TAXES BY HAWAII HOUSING AUTHORITY

SEC. 1006. Notwithstanding the provisions of any other law or any contract or rule of law, the Public Housing Commissioner shall approve a payment in lieu of taxes to be made for the fiscal year ended June 30, 1959, in the amount of $24,167.78, by the Hawaii Housing Authority to the city and county of Honolulu.

TRANSFER OF LAND FOR URBAN RENEWAL PURPOSES BY PHILADELPHIA HOUSING AUTHORITY

SEC. 1007. (a) Notwithstanding the provisions of title I of the Housing Act of 1949 and the United States Housing Act of 1937, the Housing and Home Finance Administrator and the Public Housing Commissioner are authorized and directed to consent to the transfer by the Philadelphia Housing Authority to the Philadelphia Redevelopment Authority of all property acquired by the Housing Authority for low-rent housing project numbered Pennsylvania 2-51, on condition that (1) an amount which, together with any funds of the Housing Authority available for the purpose, is sufficient to pay and discharge all obligations incurred by the Housing Authority in connection with such low-rent housing project and owing at the time of transfer, will be paid by the Redevelopment Authority to the Public Housing Administration to be applied in satisfaction of the Housing Authority's obligations which it cannot meet with its own funds available for the purpose, and (2) the total amount so paid by the Redevelopment Authority will be included in the gross project cost of its Whitman urban renewal project, Pennsylvania R-35.

(b) The Housing and Home Finance Administrator and the Public Housing Commissioner are authorized to modify any contracts heretofore entered into and to take any other appropriate action necessary to carry out the provisions of subsection (a).
ELIGIBILITY OF CERTAIN LOCAL GRANTS-IN-AID

SEC. 1008. (a) Notwithstanding the date of the commencement of construction of the Fox Point hurricane dam in Providence, Rhode Island, local expenditures made in connection with such dam shall, to the extent otherwise eligible, be counted as a local grant-in-aid to the railroad relocation urban renewal project (Rhode Island R-8) in accordance with the provisions of title I of the Housing Act of 1949.

(b) Notwithstanding the provisions of section 112(b) of the Housing Act of 1949, expenditures made by the Methodist Hospital of Central Illinois, and Saint Francis Hospital, Peoria, Illinois, for the purchase of two parcels of land on or about June 25 and July 28, 1956, for a price of not more than $82,980, shall if otherwise eligible be counted as local grants-in-aid to the Peoria "Medical Center" urban renewal project (Illinois R-61) in accordance with the remaining provisions of title I of that Act.

Approved September 2, 1964.

Public Law 88-561

AN ACT

To provide for the payment of compensation, including severance damages, for rights-of-way acquired by the United States in connection with reclamation projects the construction of which commenced after January 1, 1961.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the existence of any reservation of right-of-way for canals under the Act of August 30, 1890 (26 Stat. 371, 391; 43 U.S.C. 945), the Secretary of the Interior shall pay just compensation, including severance damages, to the owners of private land utilized for ditches or canals in connection with any reclamation project, or any unit or any division of a reclamation project, provided the construction of said ditches or canals commenced after January 1, 1961, and such compensation shall be paid notwithstanding the execution of any agreements or any judgments entered in any condemnation proceeding, prior to the effective date of this Act.

Approved September 2, 1964.

Public Law 88-562

AN ACT

To remove certain conditions subject to which certain real property in South Boston, Massachusetts, was authorized to be conveyed to the Massachusetts Port Authority.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act entitled "An Act to authorize the Secretary of the Navy to transfer to the Massachusetts Port Authority, an instrumentality of the Commonwealth of Massachusetts, certain lands and improvements thereon comprising a portion of the so-called E Street Annex, South Boston Annex, Boston Naval Shipyard, in South Boston, Massachusetts, in exchange for certain other lands", approved July 7, 1960 (Public Law 86-602; 74 Stat. 555), is repealed.

Approved September 2, 1964.