

## Public Law 89-754

## AN ACT

November 3, 1966  
[S. 3708]

To assist comprehensive city demonstration programs for rebuilding slum and blighted areas and for providing the public facilities and services necessary to improve the general welfare of the people who live in those areas, to assist and encourage planned metropolitan development, 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 "Demonstration Cities and Metropolitan Development Act of 1966".

Demonstration  
Cities and Met-  
ropolitan De-  
velopment Act  
of 1966.

## TITLE I—COMPREHENSIVE CITY DEMONSTRATION PROGRAMS

### FINDINGS AND DECLARATION OF PURPOSE

SEC. 101. The Congress hereby finds and declares that improving the quality of urban life is the most critical domestic problem facing the United States. The persistence of widespread urban slums and blight, the concentration of persons of low income in older urban areas, and the unmet needs for additional housing and community facilities and services arising from rapid expansion of our urban population have resulted in a marked deterioration in the quality of the environment and the lives of large numbers of our people while the Nation as a whole prospers.

The Congress further finds and declares that cities, of all sizes, do not have adequate resources to deal effectively with the critical problems facing them, and that Federal assistance in addition to that now authorized by the urban renewal program and other existing Federal grant-in-aid programs is essential to enable cities to plan, develop, and conduct programs to improve their physical environment, increase their supply of adequate housing for low- and moderate-income people, and provide educational and social services vital to health and welfare.

The purposes of this title are to provide additional financial and technical assistance to enable cities of all sizes (with equal regard to the problems of small as well as large cities) to plan, develop, and carry out locally prepared and scheduled comprehensive city demonstration programs containing new and imaginative proposals to rebuild or revitalize large slum and blighted areas; to expand housing, job, and income opportunities; to reduce dependence on welfare payments; to improve educational facilities and programs; to combat disease and ill health; to reduce the incidence of crime and delinquency; to enhance recreational and cultural opportunities; to establish better access between homes and jobs; and generally to improve living conditions for the people who live in such areas, and to accomplish these objectives through the most effective and economical concentration and coordination of Federal, State, and local public and private efforts to improve the quality of urban life.

### BASIC AUTHORITY

SEC. 102. The Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") is authorized to make grants and provide technical assistance, as provided by this title, to enable city demonstration agencies (as defined in section 112(2)) to plan, develop, and carry out comprehensive city demonstration programs in accordance with the purposes of this title.

## ELIGIBILITY FOR ASSISTANCE

SEC. 103. (a) A comprehensive city demonstration program is eligible for assistance under sections 105 and 107 only if—

(1) physical and social problems in the area of the city covered by the program are such that a comprehensive city demonstration program is necessary to carry out the policy of the Congress as expressed in section 101;

(2) the program is of sufficient magnitude to make a substantial impact on the physical and social problems and to remove or arrest blight and decay in entire sections or neighborhoods; to contribute to the sound development of the entire city; to make marked progress in reducing social and educational disadvantages, ill health, underemployment, and enforced idleness; and to provide educational, health, and social services necessary to serve the poor and disadvantaged in the area, widespread citizen participation in the program, maximum opportunities for employing residents of the area in all phases of the program, and enlarged opportunities for work and training;

(3) the program, including rebuilding or restoration, will contribute to a well-balanced city with a substantial increase in the supply of standard housing of low and moderate cost, maximum opportunities in the choice of housing accommodations for all citizens of all income levels, adequate public facilities (including those needed for education, health and social services, transportation, and recreation), commercial facilities adequate to serve the residential areas, and ease of access between the residential areas and centers of employment;

(4) the various projects and activities to be undertaken in connection with such programs are scheduled to be initiated within a reasonably short period of time; adequate local resources are, or will be, available for the completion of the program as scheduled, and, in the carrying out of the program, the fullest utilization possible will be made of private initiative and enterprise; administrative machinery is available at the local level for carrying out the program on a consolidated and coordinated basis; substantive local laws, regulations, and other requirements are, or can be expected to be, consistent with the objectives of the program; there exists a relocation plan meeting the requirements of the regulations referred to in section 107; the local governing body has approved the program and, where appropriate, applications for assistance under the program; agencies whose cooperation is necessary to the success of the program have indicated their intent to furnish such cooperation; the program is consistent with comprehensive planning for the entire urban or metropolitan area; and the locality will maintain, during the period an approved comprehensive city demonstration program is being carried out, a level of aggregate expenditures for activities similar to those being assisted under this title which is not less than the level of aggregate expenditures for such activities prior to initiation of the comprehensive city demonstration program; and

(5) the program meets such additional requirements as the Secretary may establish to carry out the purposes of this title: *Provided*, That the authority of the Secretary under this paragraph shall not be used to impose criteria or establish requirements except those which are related and essential to the specific provisions of this title.

(b) In implementing this title the Secretary shall—

(1) emphasize local initiative in the planning, development, and implementation of comprehensive city demonstration programs;

(2) insure, in conjunction with other appropriate Federal departments and agencies and at the direction of the President, maximum coordination of Federal assistance provided in connection with this title, prompt response to local initiative, and maximum flexibility in programing, consistent with the requirements of law and sound administrative practice; and

(3) encourage city demonstration agencies to (A) enhance neighborhoods by applying a high standard of design, (B) maintain, as appropriate, natural and historic sites and distinctive neighborhood characteristics, and (C) make maximum possible use of new and improved technology and design, including cost reduction techniques.

(c) The preparation of demonstration city programs should include to the maximum extent feasible (1) the performance of analyses that provide explicit and systematic comparisons of the costs and benefits, financial and otherwise, of alternative possible actions or courses of action designed to fulfill urban needs; and (2) the establishment of programing systems designed to assure effective use of such analyses by city demonstration agencies and by other government bodies.

(d) Nothing in this section shall authorize the Secretary to require (or condition the availability or amount of financial assistance authorized to be provided under this title upon) the adoption by any community of a program (1) by which pupils now resident in a school district not within the confines of the area covered by the city demonstration program shall be transferred to a school or school district including all or part of such area, or (2) by which pupils now resident in a school district within the confines of the area covered by the city demonstration program shall be transferred to a school or school district not including a part of such area.

#### FINANCIAL ASSISTANCE FOR PLANNING COMPREHENSIVE CITY DEMONSTRATION PROGRAMS

SEC. 104. (a) The Secretary is authorized to make grants to, and to contract with, city demonstration agencies to pay 80 per centum of the costs of planning and developing comprehensive city demonstration programs.

(b) Financial assistance will be provided under this section only if (1) the application for such assistance has been approved by the local governing body of the city, and (2) the Secretary has determined that there exist (A) administrative machinery through which coordination of all related planning activities of local agencies can be achieved, and (B) evidence that necessary cooperation of agencies engaged in related local planning can be obtained.

#### FINANCIAL ASSISTANCE FOR APPROVED COMPREHENSIVE CITY DEMONSTRATION PROGRAMS

SEC. 105. (a) The Secretary is authorized to approve comprehensive city demonstration programs if, after review of the plans, he determines that such plans satisfy the criteria for such programs set forth in section 103.

(b) The Secretary is authorized to make grants to, and to contract with, city demonstration agencies to pay 80 per centum of the cost of administering approved comprehensive city demonstration programs, but not the cost of administering any project or activity assisted under a Federal grant-in-aid program.

(c) To assist the city to carry out the projects or activities included within an approved comprehensive city demonstration program, the Secretary is authorized to make grants to the city demonstration agency of not to exceed 80 per centum of the aggregate amount of non-Federal contributions otherwise required to be made to all projects or activities assisted by Federal grant-in-aid programs (as defined in section 112(1)) which are carried out in connection with such demonstration program: *Provided*, That no Federal grant-in-aid program shall be considered to be carried out in connection with such demonstration program unless it is closely related to the physical and social problems in the area of the city covered by the program and unless it can reasonably be expected to have a noticeable effect upon such problems. The specific amount of any such grant shall take into account the number and intensity of the economic and social pressures in the sections or neighborhoods involved, such as those involving or resulting from population density, poverty levels, unemployment rate, public welfare participation, educational levels, health and disease characteristics, crime and delinquency rate, and degree of substandard and dilapidated housing. The amount of non-Federal contribution required for each project in a Federal grant-in-aid program shall be certified to the Secretary by the Federal department or agency (other than the Department of Housing and Urban Development) administering such program, and the Secretary shall accept such certification in computing the grants hereunder.

(d) Grant funds provided to assist projects and activities included within an approved comprehensive city demonstration program pursuant to subsection (c) of this section shall be made available to assist new and additional projects and activities not assisted under a Federal grant-in-aid program. To the extent such funds are not necessary to support fully such new and additional projects and activities, they may be used and credited as part or all of the required non-Federal contribution to projects or activities, assisted under a Federal grant-in-aid program, which are part of an approved comprehensive city demonstration program. Such grant funds, however, shall not be used—

- (1) for the general administration of local governments; or
- (2) to replace non-Federal contributions in any federally aided project or activity included in an approved comprehensive city demonstration program, if prior to the filing of an application for assistance under section 104 an agreement has been entered into with any Federal agency obligating such non-Federal contributions with respect to such project or activity.

#### TECHNICAL ASSISTANCE

SEC. 106. The Secretary is authorized to undertake such activities as he determines to be desirable to provide, either directly or by contracts or other arrangements, technical assistance to city demonstration agencies to assist such agencies in planning, developing, and administering comprehensive city demonstration programs.



## RELOCATION REQUIREMENTS AND PAYMENTS

SEC. 107. (a) A comprehensive city demonstration program shall include a plan for the relocation of individuals, families, business concerns, and nonprofit organizations displaced or to be displaced in the carrying out of such program. The relocation plan shall be consistent with regulations prescribed by the Secretary to assure that (1) the provisions and procedures included in the plan meet relocation standards equivalent to those prescribed under section 105(c) of the Housing Act of 1949 with respect to urban renewal projects assisted under title I of that Act, and (2) relocation activities are coordinated to the maximum extent feasible with the increase in the supply of decent, safe, and sanitary housing for families and individuals of low or moderate income, as provided under the comprehensive city demonstration program, or otherwise, in order to best maintain the available supply of housing for all such families and individuals throughout the city.

79 Stat. 475.  
42 USC 1455.

(b) (1) To the extent not otherwise authorized under any Federal law, financial assistance extended to a city demonstration agency under section 105 shall include grants to cover the full cost of relocation payments, as herein defined. Such grants shall be in addition to other financial assistance extended to such agency under section 105.

(2) The term "relocation payments" means payments by a city demonstration agency to a displaced individual, family, business concern, or nonprofit organization which are made on such terms and conditions and subject to such limitations (to the extent applicable, but not including the date of displacement) as are provided for relocation payments, at the time such payments are approved, by section 114 (b), (c), (d), and (e) of the Housing Act of 1949 with respect to projects assisted under title I thereof.

"Relocation  
payments."

78 Stat. 788;  
79 Stat. 486.  
42 USC 1465.

(c) Subsection (b) shall not be applicable with respect to any displacement occurring prior to the date of the enactment of this Act.

## CONTINUED AVAILABILITY OF FEDERAL GRANT-IN-AID PROGRAM FUNDS

SEC. 108. Notwithstanding any other provision of law, unless hereafter enacted expressly in limitation of the provisions of this section, funds appropriated for a Federal grant-in-aid program which are reserved for any projects or activities assisted under such grant-in-aid program and undertaken in connection with an approved comprehensive city demonstration program shall remain available until expended.

## CONSULTATION

SEC. 109. In carrying out the provisions of this title, including the issuance of regulations, the Secretary shall consult with other Federal departments and agencies administering Federal grant-in-aid programs. The Secretary shall consult with each Federal department and agency affected by each comprehensive city demonstration program before entering into a commitment to make grants for such program under section 105.

## LABOR STANDARDS

SEC. 110. (a) All laborers and mechanics employed by contractors or subcontractors in the construction, rehabilitation, alteration, or repair of projects which—

(1) are federally assisted in whole or in part under this title  
and

53 Stat. 807.  
12 USC 1715c.  
63 Stat. 430.  
42 USC 1416.  
68 Stat. 626.  
42 USC 1459.

49 Stat. 1011;  
78 Stat. 238.

63 Stat. 108.  
40 USC 327.

(2) are not otherwise subject to section 212 of the National Housing Act, section 16(2) of the United States Housing Act of 1937, section 109 of the Housing Act of 1949, or any other provision of Federal law imposing labor standards on federally assisted construction,

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): *Provided*, That this section shall apply to the construction, rehabilitation, alteration, or repair of residential property only if such residential property is designed for residential use for eight or more families. No financial assistance shall be extended to any such projects unless adequate assurance is first obtained that these labor standards will be maintained upon the construction work.

(b) The Secretary of Labor shall have, with respect to the labor standards specified in subsection (a), 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 (48 Stat. 948; 40 U.S.C. 276c), and the Contract Work Hours Standards Act (76 Stat. 357).

#### APPROPRIATIONS

SEC. 111. (a) There are authorized to be appropriated, for the purpose of financial assistance and administrative expenses under sections 104 and 106, not to exceed \$12,000,000 for the fiscal year ending June 30, 1967, and not to exceed \$12,000,000 for the fiscal year ending June 30, 1968.

(b) There are authorized to be appropriated, for the purpose of financial assistance and administrative expenses under sections 105, 106, and 107, not to exceed \$400,000,000 for the fiscal year ending June 30, 1968, and not to exceed \$500,000,000 for the fiscal year ending June 30, 1969.

(c) Appropriations authorized under this section shall remain available until expended.

#### DEFINITIONS

SEC. 112. As used in this title—

(1) "Federal grant-in-aid program" means a program of Federal financial assistance other than loans and other than the assistance provided by this title.

(2) "City demonstration agency" means the city, the county, or any local public agency established or designated by the local governing body of such city or county to administer the comprehensive city demonstration program.

(3) "City" means any municipality (or two or more municipalities acting jointly) or any county or other public body (or two or more acting jointly) having general governmental powers.

(4) "Local" agencies include State agencies and instrumentalities providing services or resources to a city or locality, and "local" resources include those provided to a city or locality by a State or its agency or instrumentality.

#### GRANT AUTHORITY FOR URBAN RENEWAL PROJECTS WHICH ARE PART OF APPROVED COMPREHENSIVE CITY DEMONSTRATION PROGRAMS

63 Stat. 416.  
42 USC 1453.

SEC. 113. Section 103(b) of the Housing Act of 1949 is amended by inserting after the first sentence the following new sentence: "In addition to the authority to make grants provided in the first sentence of this subsection, the Secretary may contract to make grants under

this title, on or after July 1, 1967, in an amount not to exceed \$250,000,000: *Provided*, That the authority to contract to make grants provided by this sentence shall be exercised only with respect to an urban renewal project which is identified and scheduled to be carried out as one of the projects or activities included within an approved comprehensive city demonstration program assisted under the provisions of section 105(c) of the Demonstration Cities and Metropolitan Development Act of 1966."

*Ante*, p. 1258.

#### STATE LIMIT

SEC. 114. Grants made under section 105 for projects in any one State shall not exceed in the aggregate 15 per centum of the aggregate amount of funds authorized to be appropriated under section 111.

### TITLE II—PLANNED METROPOLITAN DEVELOPMENT

#### FINDINGS AND DECLARATION OF PURPOSE

SEC. 201. (a) The Congress hereby finds that the welfare of the Nation and of its people is directly dependent upon the sound and orderly development and the effective organization and functioning of the metropolitan areas in which two-thirds of its people live and work.

It further finds that the continuing rapid growth of these areas makes it essential that they prepare, keep current, and carry out comprehensive plans and programs for their orderly physical development with a view to meeting efficiently all their economic and social needs.

It further finds that metropolitan areas are especially handicapped in this task by the complexity and scope of governmental services required in such rapidly growing areas, the multiplicity of political jurisdictions and agencies involved, and the inadequacy of the operational and administrative arrangements available for cooperation among them.

It further finds that present requirements for areawide planning and programing in connection with various Federal programs have materially assisted in the solution of metropolitan problems, but that greater coordination of Federal programs and additional participation and cooperation are needed from the States and localities in perfecting and carrying out such efforts.

(b) It is the purpose of this title to provide, through greater coordination of Federal programs and through supplementary grants for certain federally assisted development projects, additional encouragement and assistance to States and localities for making comprehensive metropolitan planning and programing effective.

#### COOPERATION BETWEEN FEDERAL AGENCIES

SEC. 202. In order to insure that all Federal programs related to metropolitan development are carried out in a coordinated manner—

(1) the Secretary is authorized to call upon other Federal agencies to supply such statistical data, program reports, and other materials as he deems necessary to discharge his responsibilities for metropolitan development, and to assist the President in coordinating the metropolitan development efforts of all Federal agencies; and

(2) all Federal agencies which are engaged in administering programs related to metropolitan development, or which otherwise perform functions relating thereto, shall, to the maximum extent practicable, consult with and seek advice from all other

significantly affected Federal departments and agencies in an effort to assure fully coordinated programs.

#### METROPOLITAN EXPEDITERS

SEC. 203. Upon the request of the duly authorized local officials of the central city in any metropolitan area, and after consultation with local governmental authorities throughout the metropolitan area with respect to whether or not the Secretary should make an appointment under this section (and with respect to the individuals who might be so appointed), the Secretary may appoint a metropolitan expeditor for such area whenever he finds a need for the services specified in this section. The metropolitan expeditor shall provide information, data, and assistance to local authorities and private individuals and entities within the metropolitan area, and to all relevant Federal departments and agencies, with respect to all programs and activities conducted within such metropolitan area by the Department of Housing and Urban Development, and with respect to other public and private activities and needs within such metropolitan area which relate to the programs and activities of the Department.

#### COORDINATION OF FEDERAL AIDS IN METROPOLITAN AREAS

SEC. 204. (a) All applications made after June 30, 1967, for Federal loans or grants to assist in carrying out open-space land projects or for the planning or construction of hospitals, airports, libraries, water supply and distribution facilities, sewerage facilities and waste treatment works, highways, transportation facilities, and water development and land conservation projects within any metropolitan area shall be submitted for review—

(1) to any areawide agency which is designated to perform metropolitan or regional planning for the area within which the assistance is to be used, and which is, to the greatest practicable extent, composed of or responsible to the elected officials of a unit of areawide government or of the units of general local government within whose jurisdiction such agency is authorized to engage in such planning, and

(2) if made by a special purpose unit of local government, to the unit or units of general local government with authority to operate in the area within which the project is to be located.

(b)(1) Except as provided in paragraph (2) of this subsection, each application shall be accompanied (A) by the comments and recommendations with respect to the project involved by the areawide agency and governing bodies of the units of general local government to which the application has been submitted for review, and (B) by a statement by the applicant that such comments and recommendations have been considered prior to formal submission of the application. Such comments shall include information concerning the extent to which the project is consistent with comprehensive planning developed or in the process of development for the metropolitan area or the unit of general local government, as the case may be, and the extent to which such project contributes to the fulfillment of such planning. The comments and recommendations and the statement referred to in this paragraph shall, except in the case referred to in paragraph (2) of this subsection, be reviewed by the agency of the Federal Government to which such application is submitted for the sole purpose of assisting it in determining whether the application is in accordance with the provisions of Federal law which govern the making of the loans or grants.



(2) An application for a Federal loan or grant need not be accompanied by the comments and recommendations and the statements referred to in paragraph (1) of this subsection, if the applicant certifies that a plan or description of the project, meeting the requirements of such rules and regulations as may be prescribed under subsection (c), or such application, has lain before an appropriate area-wide agency or instrumentality or unit of general local government for a period of sixty days without comments or recommendations thereon being made by such agency or instrumentality.

(3) The requirements of paragraphs (1) and (2) shall also apply to any amendment of the application which, in light of the purposes of this title, involves a major change in the project covered by the application prior to such amendment.

(c) The Bureau of the Budget, or such other agency as may be designated by the President, is hereby authorized to prescribe such rules and regulations as are deemed appropriate for the effective administration of this section.

#### GRANTS TO ASSIST IN PLANNED METROPOLITAN DEVELOPMENT

SEC. 205. (a) The Secretary is authorized to make supplementary grants to applicant State and local public bodies and agencies carrying out, or assisting in carrying out, metropolitan development projects meeting the requirements of this section.

(b) Grants may be made under this section only for metropolitan development projects in metropolitan areas for which it has been demonstrated, to the satisfaction of the Secretary, that—

(1) metropolitanwide comprehensive planning and programing provide an adequate basis for evaluating (A) the location, financing, and scheduling of individual public facility projects (including but not limited to hospitals and libraries; sewer, water, and sewage treatment facilities; highway, mass transit, airport, and other transportation facilities; and recreation and other open-space areas) whether or not federally assisted; and (B) other proposed land development or uses, which projects or uses, because of their size, density, type, or location, have public metropolitanwide or interjurisdictional significance;

(2) adequate metropolitanwide institutional or other arrangements exist for coordinating, on the basis of such metropolitanwide comprehensive planning and programing, local public policies and activities affecting the development of the area; and

(3) public facility projects and other land development or uses which have a major impact on the development of the area are, in fact, being carried out in accord with such metropolitanwide comprehensive planning and programing.

(c)(1) Where the applicant for a grant under this section is a unit of general local government, it must demonstrate to the satisfaction of the Secretary that, taking into consideration the scope of its authority and responsibilities, it is adequately assuring that public facility projects and other land development or uses of public metropolitanwide or interjurisdictional significance are being, and will be, carried out in accord with metropolitan planning and programing meeting the requirements of subsection (b). In making this determination the Secretary shall give special consideration to whether the applicant is effectively assisting in, and conforming to, metropolitan planning and programing through (A) the location and scheduling of public facility projects, whether or not federally assisted; and (B) the establishment and consistent administration of zoning codes, subdivision regulations, and similar land-use and density controls.

(2) Where the applicant for a grant under this section is not a unit of general local government, both it and the unit of general local government having jurisdiction over the location of the project must meet the requirements of this subsection.

(d) In making the determinations required under this section, the Secretary shall obtain, and give full consideration to, the comments of the body or bodies (State or local) responsible for comprehensive planning and programing for the metropolitan area.

(e) No grant shall be made under this section with respect to a metropolitan development project for which a Federal grant has been made, or a contract of assistance has been entered into, under the legislation referred to in paragraph (2) of section 208, prior to February 21, 1966, or more than one year prior to the date on which the Secretary has made the determinations required under this section with respect to the applicant and to the area in which the project is located: *Provided*, That in the case of a project for which a contract of assistance under the legislation referred to in paragraph (2) of section 208 has been entered into after June 30, 1967, no grant shall be made under this section unless an application for such grant has been made on or before the date of such contract.

(f) Nothing in this section shall authorize the Secretary to require (or condition the availability or amount of financial assistance authorized to be provided under this title upon) the adoption by any community of a program to achieve a racial balance or to eliminate racial imbalance within school districts within the metropolitanwide area.

#### EXTENT OF GRANT

SEC. 206. (a) A grant under section 205 shall not exceed (1) 20 per centum of the cost of the project for which the grant is made; nor (2) the Federal grant made with respect to the project under the legislation referred to in paragraph (2) of section 208. In no case shall the total Federal contributions to the cost of such project be more than 80 per centum. Notwithstanding any other provision of law, including requirements with respect to non-Federal contributions, grants under section 205 shall be eligible for inclusion (directly or through refunds or credits) as part of the financing for such projects: *Provided*, That projects or activities on the basis of which assistance is provided under section 105(c) shall not be eligible for assistance under section 205.

Restriction.  
Ante, p. 1258.

(b) There are authorized to be appropriated for grants under section 205 not to exceed \$25,000,000 for the fiscal year ending June 30, 1967, and not to exceed \$50,000,000 for the fiscal year ending June 30, 1968. Appropriations authorized under this section shall remain available until expended.

#### CONSULTATION AND CERTIFICATION

SEC. 207. In carrying out his authority under section 205, including the issuance of regulations, the Secretary shall consult with the Department of the Interior; the Department of Health, Education, and Welfare; the Department of Commerce; and the Federal Aviation Agency with respect to metropolitan development projects assisted by those departments and agencies; and he shall, for the purpose of section 206, accept their respective certifications as to the cost of those projects and the amount of the non-Federal contribution paid or to be paid to that cost.

## DEFINITIONS

SEC. 208. As used in this title—

(1) "Metropolitan development" means all projects or programs for the acquisition, use, and development of open-space land; and the planning and construction of hospitals, libraries, airports, water supply and distribution facilities, sewerage facilities and waste treatment works, transportation facilities, highways, water development and land conservation, and other public works facilities.

(2) "Metropolitan development project" means a project assisted or to be assisted under section 702 of the Housing and Urban Development Act of 1965; title II of the Library Services and Construction Act; section 606 of the Public Health Service Act; section 8 of the Federal Water Pollution Control Act; section 120(a) of title 23, United States Code; section 12 of the Federal Airport Act; section 3 of the Urban Mass Transportation Act of 1964; title VII of the Housing Act of 1961; or section 5(e) of the Land and Water Conservation Fund Act of 1965; or under section 101(a)(1) of the Public Works and Economic Development Act of 1965 (for a project of a type which the Secretary determines to be eligible for assistance under any of the other provisions listed above).

42 USC 3102.  
20 USC 355a-  
355d.  
42 USC 291f.  
33 USC 466e.  
49 USC 1111.  
49 USC 1602.  
42 USC 1500.  
16 USC 4601-8.  
42 USC 3131.

(3) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or an agency or instrumentality of any of the foregoing.

(4) "Metropolitan area" means a standard metropolitan statistical area as established by the Bureau of the Budget, subject however to such modifications and extensions as the Secretary may determine to be appropriate for the purposes of this title.

(5) "Comprehensive planning" includes the following, to the extent directly related to area needs or needs of a unit of general local government: (A) preparation, as a guide for long-range development, of general physical plans with respect to the pattern and intensity of land use and the provision of public facilities, including transportation facilities; (B) programing of capital improvements based on a determination of relative urgency; (C) long-range fiscal plans for implementing such plans and programs; and (D) proposed regulatory and administrative measures which aid in achieving coordination of all related plans of the departments or subdivisions of the governments concerned and intergovernmental coordination of related planned activities among the State and local governmental agencies concerned.

(6) "Hospital" means any public health center or general, tuberculosis, mental, chronic disease, or other type of hospital and related facilities, such as laboratories, outpatient departments, nurses' home and training facilities, and central service facilities normally operated in connection with hospitals, but does not include any hospital furnishing primarily domiciliary care.

(7) "Areawide agency" means an official State or metropolitan or regional agency empowered under State or local laws or under an interstate compact or agreement to perform comprehensive planning in an area; an organization of the type referred to in section 701(g) of the Housing Act of 1954; or such other agency or instrumentality as may be designated by the Governor (or, in the case of metropolitan areas crossing State lines, any one or more of such agencies or instrumentalities as may be designated by the Governors of the States involved) to perform such planning.

79 Stat. 502.  
40 USC 461.

(8) "Special purpose unit of local government" means any special district, public-purpose corporation, or other limited-purpose political subdivision of a State, but shall not include a school district.

(9) "Unit of general local government" means any city, county, town, parish, village, or other general-purpose political subdivision of a State.

(10) "Secretary" means the Secretary of Housing and Urban Development.

#### STATE LIMIT

SEC. 209. Grants made under section 205 for projects in any one State shall not exceed in the aggregate 15 per centum of the aggregate amount of funds authorized to be appropriated pursuant to section 206(b).

### TITLE III—FHA INSURANCE OPERATIONS

#### FHA MORTGAGE FINANCING FOR VETERANS

79 Stat. 466.  
12 USC 1709.

SEC. 301. The next to last sentence of section 203(b)(2) of the National Housing Act is amended by striking out "If the mortgagor is a veteran who has not received any direct, guaranteed, or insured loan under laws administered by the Veterans' Administration for the purchase, construction, or repair of a dwelling (including a farm dwelling) which was to be owned and occupied by him as his home," and inserting in lieu thereof the following: "If the mortgagor is a veteran,".

#### AREAS AFFECTED BY CIVIL DISORDERS

52 Stat. 10.

SEC. 302. Section 203 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"(1) The Secretary is authorized to insure under this section any mortgage meeting the requirements of this section, other than the requirement in subsection (c) relating to economic soundness, if he determines that (1) the dwelling covered by the mortgage is situated in an area in which rioting or other civil disorders have occurred or are threatened, (2) as a result of such actual or threatened rioting or other disorders the property with respect to which the mortgage is executed cannot meet the normal requirements with respect to economic soundness, and (3) such property is an acceptable risk giving due consideration to the need for providing adequate housing for families of low and moderate income in such area."

#### COOPERATIVE HOUSING INSURANCE FUND

79 Stat. 469.  
12 USC 1715e.

SEC. 303. (a) Section 213(m) of the National Housing Act is amended by striking out ", but only in cases where the consent of the mortgagee or lender to the transfer is obtained or a request by the mortgagee or lender for the transfer is received by the Commissioner within such period of time after the date of the enactment of this subsection as the Commissioner shall prescribe".

(b) Section 213(n) of such Act is amended—

(1) by striking out "insured under this section and sections 207, 231, and 232" and inserting in lieu thereof "the insurance of which is the obligation of either the Management Fund or the General Insurance Fund"; and

(2) by adding at the end thereof the following new sentence: "Premium charges on the insurance of mortgages or loans transferred to the Management Fund or insured pursuant to commitments transferred to the Management Fund may be payable in



debentures which are the obligation of either the Management Fund or the General Insurance Fund."

(c)(1) The fourth sentence of section 213(k) of such Act is amended to read as follows: "The Secretary is directed to transfer to the Management Fund from the General Insurance Fund an amount equal to the total of the premium payments theretofore made with respect to the insurance of mortgages and loans transferred to the Management Fund pursuant to subsection (m) minus the total of any administrative expenses theretofore incurred in connection with such mortgages and loans, plus such other amounts as the Secretary determines to be necessary and appropriate."

79 Stat. 468.  
12 USC 1715e.

(2) The second proviso in section 213(1) of such Act is amended by striking out "pursuant to subsection (k) or (o)" and inserting in lieu thereof "pursuant to subsection (o)".

#### SUPPLEMENTARY FINANCING FOR COOPERATIVE HOUSING

SEC. 304. Section 213(j)(2)(A) of the National Housing Act is amended by adding at the end thereof the following: "except that, in the case of improvements or additional community facilities, the outstanding indebtedness may be increased by an amount equal to 97 per centum of the amount which the Secretary estimates will be the value of such improvements or facilities, and the new outstanding indebtedness may exceed the original principal obligation of the mortgage if such new outstanding indebtedness does not exceed the limitations imposed by subsection (b);".

75 Stat. 179.

#### MORTGAGE LIMITS UNDER SECTION 220 SALES HOUSING MORTGAGE INSURANCE PROGRAM

SEC. 305. (a) Section 220(d)(3)(A)(i) of the National Housing Act is amended by striking out "(3) 75 per centum of such replacement cost in excess of \$20,000" and inserting in lieu thereof "(3) 80 per centum of such replacement cost in excess of \$20,000".

71 Stat. 295;  
75 Stat. 180.  
12 USC 1715k.

(b) Section 220(d)(3)(A)(i) of such Act is further amended by adding before the semicolon at the end thereof the following: "Provided further, That if the mortgagor is a veteran and the mortgage to be insured under this section covers property upon which there is located a dwelling designed principally for a one-family residence, the principal obligation may be in an amount equal to the sum of (1) 100 per centum of \$15,000 of the Commissioner's estimate of replacement cost of the property, as of the date the mortgage is accepted for insurance, (2) 90 per centum of such replacement cost in excess of \$15,000 but not in excess of \$20,000, and (3) 85 per centum of such replacement cost in excess of \$20,000. As used herein, the term 'veteran' means any person who served on active duty in the Armed Forces of the United States for a period of not less than ninety days (or is certified by the Secretary of Defense as having performed extra-hazardous service), and who was discharged or released therefrom under conditions other than dishonorable".

#### INCREASED MORTGAGE LIMITATIONS UNDER SECTION 220(d)(3)(B) FOR SMALL PROJECTS CONTAINING LARGER FAMILY DWELLING UNITS

SEC. 306. (a) Section 220(d)(3)(B)(iii) of the National Housing Act is amended by inserting after "; and except that" the following: "with respect to rehabilitation projects involving not more than five family units, the Secretary may by regulation increase by 25 per centum any of the foregoing dollar amount limitations contained in

78 Stat. 775;  
79 Stat. 467.

this clause which are applicable to units with two, three, or four or more bedrooms: *Provided, That*”.

78 Stat. 775;  
79 Stat. 467.  
12 USC 1715k.

(b) Section 220(d)(3)(B)(iii) of such Act is further amended—

(1) by inserting immediately before “by not to exceed 45 per centum” the following: “(as determined after the application of the preceding proviso)”; and

(2) by striking out “*Provided, That nothing*” and inserting in lieu thereof “*Provided further, That nothing*”.

#### MORTGAGE LIMITS FOR HOMES UNDER SECTION 221(d)(2)

75 Stat. 149.  
12 USC 1715l.

SEC. 307. Section 221(d)(2)(A) of the National Housing Act is amended by striking out “\$11,000” and “\$18,000” and inserting in lieu thereof “\$12,500” and “\$20,000”, respectively.

#### NONDWELLING FACILITIES IN SECTION 221 PROJECTS IN URBAN RENEWAL AREAS

68 Stat. 599.

SEC. 308. Section 221(f) of the National Housing Act is amended by inserting before the period at the end of the first sentence the following: “: *Provided, That* in the case of any such property or project located in an urban renewal area, the provisions of section 220(d)(3)(B)(iv) shall apply with respect to the nondwelling facilities which may be included in the mortgage if the mortgagor waives the right to receive dividends on its equity investment in the portion thereof devoted to community and shopping facilities”.

73 Stat. 658.

#### SINGLE OCCUPANTS IN SECTION 221(d)(3) HOUSING

SEC. 309. Section 221(f) of the National Housing Act is amended by adding at the end thereof the following new sentence: “Low- and moderate-income persons who are less than 62 years of age shall be eligible for occupancy of dwelling units in a project financed with a mortgage insured under subsection (d)(3), but not more than 10 per centum of the dwelling units in any such project shall be available for occupancy by such persons.”

#### INSURANCE OF MORTGAGES UNDER SECTION 221 TO FINANCE PURCHASE AND REHABILITATION BY NONPROFIT ORGANIZATIONS OF HOUSING FOR RESALE TO LOW-INCOME PURCHASERS

SEC. 310. (a) Section 221 of the National Housing Act is amended by adding at the end thereof the following new subsection:

“(h)(1) In addition to mortgages insured under the other provisions of this section, the Secretary is authorized, upon application by the mortgagee, to insure under this subsection as hereinafter provided any mortgage (including advances under such mortgage during rehabilitation) which is executed by a nonprofit organization to finance the purchase and rehabilitation of deteriorating or substandard housing for subsequent resale to low-income home purchasers and, upon such terms and conditions as the Secretary may prescribe, to make commitments for the insurance of such mortgages prior to the date of their execution or disbursement thereon.

“(2) To be eligible for insurance under paragraph (1) of this subsection, a mortgage shall—

“(A) be executed by a private nonprofit corporation or association approved for purposes of this subsection by the Secretary, for the purpose of financing the purchase of property (comprising one or more tracts or parcels, whether or not contiguous) upon

which there is located deteriorating or substandard housing consisting of five or more single-family dwellings of detached, semi-detached, or row construction and of rehabilitating such dwellings with a view to subsequent resale as hereinafter provided:

"(B) be secured by the property which is to be purchased and rehabilitated with the proceeds thereof;

"(C) be in a principal amount not exceeding the appraised value of the property at the time of its purchase under the mortgage plus the estimated cost of the rehabilitation;

"(D) bear interest (exclusive of premium charges for insurance and service charge, if any) at the rate in effect under the proviso in subsection (d) (5) at the time of execution;

"(E) provide for complete amortization (subject to paragraph (5) (E)) by periodic payments within such term as the Secretary may prescribe; and

"(F) provide for the release of individual single-family dwellings from the lien of the mortgage upon the sale of the rehabilitated dwellings in accordance with paragraph (5).

"(3) No mortgage shall be insured under paragraph (1) unless the mortgagor shall have demonstrated to the satisfaction of the Secretary that (A) the property to be rehabilitated is located in a neighborhood which is sufficiently stable and contains sufficient public facilities and amenities to support long-term values, or (B) the rehabilitation to be carried out by the mortgagor plus its related activities and the activities of other owners of housing in the neighborhood, together with actions to be taken by public authorities, will be of such scope and quality as to give reasonable promise that a stable environment will be created in the neighborhood.

"(4) The aggregate principal balance of all mortgages insured under paragraph (1) and outstanding at any one time shall not exceed \$20,000,000.

"(5) (A) No mortgage shall be insured under paragraph (1) unless the mortgagor enters into an agreement (in form and substance satisfactory to the Secretary) that it will offer to sell the dwellings involved, upon completion of their rehabilitation, to individuals or families (hereinafter referred to as 'low-income purchasers') determined by the Secretary to have incomes below the maximum amount specified (with respect to the area involved) in section 101(c) (1) of the Housing and Urban Development Act of 1965.

"(B) The Secretary is authorized to insure under this paragraph mortgages executed to finance the sale of individual dwellings to low-income purchasers as provided in subparagraph (A). Any such mortgage shall—

"(i) be in a principal amount equal to that portion of the unpaid balance of the principal mortgage covering the property (insured under paragraph (1)) which is allocable to the individual dwelling involved; and

"(ii) bear interest at the same rate as the principal mortgage, and provide for complete amortization by periodic payments within a term equal to the remaining term (determined without regard to subparagraph (E)) of such principal mortgage.

"(C) The price for which any individual dwelling is sold to a low-income purchaser under this paragraph shall be the amount of the mortgage covering the sale as determined under subparagraph (B), except that the purchaser shall in addition thereto be required to pay on account of the property at the time of purchase such amount (which shall not be less than \$200, but which may be applied in whole or in part toward closing costs) as the Secretary may determine to be reasonable and appropriate in the circumstances.

"(D) Upon the sale under this paragraph of any individual dwelling, such dwelling shall be released from the lien of the principal mortgage, and such mortgage shall thereupon be replaced by an individual mortgage insured under this paragraph to the extent of the portion of its unpaid balance which is allocable to the dwelling covered by such individual mortgage. Until all of the individual dwellings in the property covered by the principal mortgage have been sold, the mortgagor shall hold and operate the dwellings remaining unsold at any given time as though they constituted rental units in a project covered by a mortgage which is insured under subsection (d) (3) (and which receives the benefits of the interest rate provided for in the proviso in subsection (d) (5)).

"(E) Upon the sale under this paragraph of all of the individual dwellings in the property covered by the principal mortgage, and the release of all individual dwellings from the lien of the principal mortgage, the insurance of the principal mortgage shall be terminated and no adjusted premium charge shall be charged by the Secretary upon such termination.

"(F) Any mortgage insured under this paragraph shall contain a provision that if the low-income mortgagor does not continue to occupy the property the interest rate shall increase to the highest rate permissible under this section and the regulations of the Secretary effective at the time of commitment for insurance of the principal mortgage; except that the increase in interest rate shall not be applicable if the property is sold and the purchaser is (i) the nonprofit organization which executed the principal mortgage, (ii) a public housing agency having jurisdiction under the United States Housing Act of 1937 over the area where the dwelling is located, or (iii) a low-income purchaser approved for the purposes of this paragraph by the Secretary."

(b) (1) Section 221(g) (1) of such Act is amended by inserting after "paragraph (2) of subsection (d) of this section" the following: "or paragraph (5) of subsection (h) of this section".

(2) Section 221(g) (2) of such Act is amended by inserting after "paragraph (3) or (4) of subsection (d) of this section" the following: "or paragraph (1) of subsection (h) of this section".

(c) Section 221(f) of such Act is amended by inserting after "Housing Act of 1961," in the fourth sentence "or which meet the requirements of subsection (h)."

(d) Section 305(h) of such Act is amended by striking out "section 221(d) (3)" and inserting in lieu thereof "sections 221(d) (3) and 221(h)".

APPLICATION OF DAVIS-BACON ACT TO COOPERATIVE HOUSING PROJECTS  
INSURED UNDER SECTION 221(d) (3) AND (d) (4) AND MORTGAGES  
INSURED UNDER SECTION 221(h) (1)

SEC. 311. The third sentence of section 212(a) of the National Housing Act is amended by striking out "subsection (d) (3) or (d) (4)." and inserting in lieu thereof "subsection (d) (3) or (d) (4) and (deeming the term 'construction' as used in the first sentence of this subsection to mean rehabilitation) of any mortgage described in subsection (h) (1) which covers property on which there is located a dwelling or dwellings designed principally for residential use for more than eight families; except that compliance with such provisions may be waived by the Secretary—

"(1) with respect to mortgages described in such subsection (d) (3) or (d) (4), in cases or classes of cases where laborers or mechanics (not otherwise employed at any time in the construc-

50 Stat. 888.  
42 USC 1430.

68 Stat. 599.  
12 USC 1715f.

75 Stat. 153.  
12 USC 1720.

53 Stat. 807;  
79 Stat. 454.  
12 USC 1715c.



tion of the project) voluntarily donate their services without compensation for the purpose of lowering their housing costs in a cooperative housing project and the Secretary determines that any amounts saved thereby are fully credited to the cooperative undertaking the construction, and

“(2) with respect to mortgages described in such subsection (h)(1), in cases or classes of cases where prospective owners of such dwellings voluntarily donate their services without compensation, or other persons (not otherwise employed at any time in the rehabilitation of the property) voluntarily donate their services without compensation, and the Secretary determines that any amounts saved thereby are fully credited to the nonprofit organization undertaking the rehabilitation.”

WAIVER OF DEDUCTION ON ASSIGNMENT OF PROPERTY TO  
SECRETARY IN LIEU OF FORECLOSURE

SEC. 312. Title V of the National Housing Act is amended by adding at the end thereof the following new section: 12 USC 1731a-1735f.

“WAIVER OF DEDUCTION ON ASSIGNMENT OF PROPERTY  
TO SECRETARY IN LIEU OF FORECLOSURE

“SEC. 523. Notwithstanding any other provision of this Act, from and after the date of the enactment of the Demonstration Cities and Metropolitan Development Act of 1966, the Secretary, under such terms and conditions as he may approve, may waive all or a part of the 1 per centum deduction otherwise made from insurance benefits with respect to multifamily housing or land development mortgages assigned to him, where the assignment is made at his request in lieu of foreclosure of the mortgage.”

TITLE IV—LAND DEVELOPMENT AND NEW  
COMMUNITIES

EXPERIMENTAL MORTGAGE INSURANCE PROGRAM FOR NEW COMMUNITIES

SEC. 401. (a) Title X of the National Housing Act is amended by inserting after section 1003 the following new section 1004 and redesignating the remaining sections accordingly:

79 Stat. 463.  
12 USC 1749cc.

“NEW COMMUNITIES

“SEC. 1004. (a) New communities consisting of developments, satisfying all other requirements under this title, may be approved under this section by the Secretary for mortgage insurance if they meet the requirements of subsection (b) of this section.

“(b) A development shall be eligible for approval as a new community if the Secretary determines it will, in view of its size and scope, make a substantial contribution to the sound and economic growth of the area within which it is located in the form of—

“(1) substantial economies, made possible through large-scale development, in the provision of improved residential sites;

“(2) adequate housing to be provided for those who would be employed in the community or the surrounding area;

“(3) maximum accessibility from the new residential sites to industrial or other employment centers and commercial, recreational, and cultural facilities in or near the community; and

“(4) maximum accessibility to any major central city in the area.

"(c) No development shall be approved as a new community by the Secretary under this section unless the construction of such development has been approved by the local governing body or bodies of the locality or localities in which it will be located and by the Governor of the State in which such locality or localities are situated: *Provided*, That if such locality or localities have been delegated general powers of local self-government by State law or State constitution, as determined by the Secretary, the approval of the Governor shall not be required.

"(d) The aggregate amount of mortgages insured under this title with respect to new communities approved under this section and outstanding at any one time shall not exceed \$250,000,000."

(b) No mortgage shall be insured under title X of the National Housing Act with respect to a new community approved under section 1004 of such Act (as added by subsection (a) of this section) after October 1, 1972, except pursuant to a commitment to insure entered into before that date.

*Ante*, p. 1271.

#### MORTGAGE AMOUNT AND TERM

SEC. 402. (a) Section 1002(c) of the National Housing Act is amended by striking out "\$10,000,000" and inserting in lieu thereof "\$25,000,000".

(b) Section 1002(d) (1) of such Act is amended to read as follows:

"(1) contain repayment provisions satisfactory to the Secretary and have a maturity not to exceed seven years, or such longer maturity as the Secretary deems reasonable (A) in the case of a privately owned system for water or sewerage, and (B) in the case of a new community approved under section 1004;".

#### ENCOURAGEMENT OF SMALL BUILDERS

79 Stat. 462.  
12 USC 1749bb.

SEC. 403. The section of the National Housing Act redesignated as section 1005 by section 401 of this Act is amended by inserting "particularly small builders," after "broad participation by builders,".

#### WATER AND SEWERAGE FACILITIES

SEC. 404. The section of the National Housing Act redesignated as section 1006 by section 401 of this Act is amended to read as follows:

#### "WATER AND SEWERAGE FACILITIES"

"SEC. 1006. After development of the land it shall be served by public systems for water and sewerage which are consistent with other existing or prospective systems within the area, except that—

"(a) in the case of systems for water, the land may be served by privately or cooperatively owned systems which are consistent with other existing or prospective systems within the area; are approved as adequate by the Secretary; and are regulated or supervised by the State or political subdivision or an agency thereof, or (in the absence of such State or local regulation or supervision) are otherwise regulated in a manner acceptable to the Secretary, with respect to user rates and charges, capital structure, methods of operation, rate of return, and conditions and terms of any sale or transfer; and

“(b) in the case of systems for sewerage, the land may be served by—

“(1) existing privately or cooperatively owned systems (including reasonable extensions thereto) which are approved as adequate by the Secretary, and which are regulated or supervised by the State or political subdivision or an agency thereof, or (in the absence of such State or local regulation or supervision) are otherwise regulated in a manner acceptable to the Secretary; or

“(2) if it is necessary to develop a new system and the Secretary determines that public ownership of such a system is not feasible, an adequate privately or cooperatively owned new system (A) which he finds consistent with other existing or prospective systems within the area, (B) which during the period of such ownership will be regulated or supervised by the State or political subdivision or an agency thereof, or (in the absence of such State or local regulation or supervision) will be otherwise regulated in a manner acceptable to the Secretary, with respect to user rates and charges, capital structure, methods of operation, and rate of return, and (C) regarding which he receives assurances, satisfactory to him, with respect to eventual public ownership and operation of the system and with respect to the conditions and terms of any sale or transfer.”

#### FEDERAL NATIONAL MORTGAGE ASSOCIATION SPECIAL ASSISTANCE FOR NEW COMMUNITIES

SEC. 405. Section 302(b) of the National Housing Act is amended by inserting after “or title VIII,” in the proviso the following: “or under title X with respect to a new community approved under section 1004 thereof,”.

68 Stat. 613;  
75 Stat. 176.  
12 USC 1717.

#### URBAN PLANNING GRANTS

SEC. 406. Section 701(a) (4) of the Housing Act of 1954 is amended by inserting before the semicolon at the end thereof the following: “, or for areas where rapid urbanization is expected to result on land developed or to be developed as a new community approved under section 1004 of the National Housing Act”.

73 Stat. 678.  
40 USC 461.

#### PUBLIC FACILITY LOANS

SEC. 407. Section 202(b) (4) of the Housing Amendments of 1955 is amended by adding before the period at the end of the second sentence the following: “, or (iii) to be provided in connection with the establishment of a new community approved under section 1004 of the National Housing Act”.

78 Stat. 798;  
79 Stat. 503.  
42 USC 1492.

### TITLE V—MORTGAGE INSURANCE FOR GROUP PRACTICE FACILITIES

#### PURPOSE

SEC. 501. It is the purpose of this title to assure the availability of credit on reasonable terms to units or organizations engaged in the group practice of medicine, optometry, or dentistry, particularly those in smaller communities and those sponsored by cooperative or other nonprofit organizations, to assist in financing the construction and equipment of group practice facilities.

## ESTABLISHMENT OF PROGRAM

12 USC 1701.

SEC. 502. (a) The National Housing Act is amended by adding at the end thereof the following new title:

**"TITLE XI—MORTGAGE INSURANCE FOR GROUP  
PRACTICE FACILITIES**

**"INSURANCE OF MORTGAGES**

"SEC. 1101. (a) The Secretary is authorized (1) to insure mortgages (including advances on such mortgages during construction), upon such terms and conditions as he may prescribe, in accordance with the provisions of this title, and (2) to make commitments for the insuring of such mortgages prior to the date of their execution or disbursement thereon. No mortgage shall be insured under this title after October 1, 1969, except pursuant to a commitment to insure issued before that date.

"(b) To be eligible for insurance under this title, the mortgage shall (1) be executed by a mortgagor that is a group practice unit or organization, approved by the Secretary, (2) be made to and held by a mortgagee approved by the Secretary as responsible and able to service the mortgage properly, and (3) cover a property or project which is approved for mortgage insurance prior to the beginning of construction or rehabilitation and is designed for use as a group practice facility which the Secretary finds will be constructed in an economical manner, will not be of elaborate or extravagant design or materials, and will be adequate and suitable for carrying out the purposes of this title. No mortgage shall be insured under this title unless it is shown to the satisfaction of the Secretary that the applicant would be unable to obtain the mortgage loan without such insurance on terms comparable to those specified in subsection (c).

"(c) The mortgage shall—

"(1) not exceed \$5,000,000;

"(2) not exceed 90 per centum of the amount which the Secretary estimates will be the value of the property or project when construction or rehabilitation is completed. The value of the property may include the land and the proposed physical improvements, equipment, utilities within the boundaries of the property, architects' fees, taxes, and interest accruing during construction or rehabilitation, and other miscellaneous charges incident to construction or rehabilitation and approved by the Secretary;

"(3) have a maturity satisfactory to the Secretary but not to exceed twenty-five years, and provide for complete amortization of the principal obligation by periodic payments within such term as the Secretary shall prescribe; and

"(4) bear interest (exclusive of premium charges for insurance, and service charges if any) at a rate of not to exceed 5 per centum per annum of the amount of the principal obligation outstanding at any time, or not to exceed such rate (not in excess of 6 per centum per annum) as the Secretary finds necessary to meet the mortgage market.

"(d) Any contract of insurance executed by the Secretary under this title shall be conclusive evidence of the eligibility of the mortgage for insurance, and the validity of any contract for insurance so executed shall be incontestable in the hands of an approved mortgagee from the date of the execution of such contract, except for fraud or misrepresentation on the part of such approved mortgagee.



"(e) Each mortgage insured under this title shall contain an undertaking (in accordance with regulations prescribed under this title and in force at the time the mortgage is approved for insurance) to the effect that, except as authorized by the Secretary and the mortgagee, the property will be used as a group practice facility until the mortgage has been paid in full or the contract of insurance otherwise terminated.

"(f) No mortgage shall be insured under this title unless the mortgagor and the mortgagee certify (1) that they will keep such records relating to the mortgage transaction and indebtedness, to the construction of the facility covered by the mortgage, and to the use of such facility as a group practice facility as are prescribed by the Secretary at the time of such certification, (2) that they will make such reports as may from time to time be required by the Secretary pertaining to such matters, and (3) that the Secretary shall have access to and the right to examine and audit such records.

Recordkeeping.

#### "PREMIUMS

"SEC. 1102. The Secretary shall fix premium charges for the insurance of mortgages under this title, but such charges shall not be more than 1 per centum per annum of the amount of the principal obligation of the mortgage outstanding at any time, without taking into account delinquent payments or prepayments. In addition to the premium charge, the Secretary is authorized to charge and collect such amounts as he may deem reasonable for the analysis of a proposed project and the appraisal and inspection of the property and improvements. Where the principal obligation of any mortgage accepted for insurance under this title is paid in full prior to the maturity date, the Secretary is authorized to require the payment by the mortgagee of an adjusted premium charge. This charge shall be in such amount as the Secretary determines to be equitable, but not in excess of the aggregate amount of the premium charges that the mortgagee would otherwise have been required to pay if the mortgage had continued to be insured until the maturity date. Where such prepayment occurs, the Secretary is authorized to refund to the mortgagee for the account of the mortgagor all, or such portion as he shall determine to be equitable, of the current unearned premium charges theretofore paid. Premium charges fixed under this section shall be payable by the mortgagee either in cash, or in debentures which are the obligation of the General Insurance Fund at par plus accrued interest, at such times and in such manner as may be prescribed by the Secretary.

#### "PAYMENT OF INSURANCE BENEFITS

"SEC. 1103. The mortgagee shall be entitled to receive the benefits of the insurance under this title in the manner provided in subsection (g) of section 207 with respect to mortgages insured under that section. For such purpose the provisions of subsections (g), (h), (i), (j), (k), (l), and (n) of section 207 shall apply to mortgages insured under this title and all references in such subsections to section 207 shall be deemed to refer to this title.

12 USC 1713.

#### "REGULATIONS

"SEC. 1104. The Secretary shall prescribe such regulations as may be necessary to carry out this title, after consulting with the Secretary of Health, Education, and Welfare with respect to any health or medical aspects of the program under this title which may be involved in such regulations.

“ADMINISTRATION

“SEC. 1105. (a) At the request of individuals or organizations operating or contemplating the operation of group practice facilities (as defined in section 1106(1)), the Secretary may provide or obtain technical assistance in the planning for and construction of such facilities.

“(b) With a view to avoiding unnecessary duplication of existing staffs and facilities of the Federal Government, the Secretary is authorized to utilize available services and facilities of any agency of the Federal Government in carrying out the provisions of this title, and to pay for such services and facilities, either in advance or by way of reimbursement, in accordance with an agreement between the Secretary and the head of such agency.

“DEFINITIONS

“SEC. 1106. For the purposes of this title—

“(1) The term ‘group practice facility’ means a facility in a State for the provision of preventive, diagnostic, and treatment services to ambulatory patients (in which patient care is under the professional supervision of persons licensed to practice medicine in the State or, in the case of optometric care or treatment, is under the professional supervision of persons licensed to practice optometry in the State, or, in the case of dental diagnosis or treatment, is under the professional supervision of persons licensed to practice dentistry in the State) and which is primarily for the provision of such health services by a medical or dental group.

“(2) The term ‘medical or dental group’ means a partnership or other association or group of persons licensed to practice medicine or surgery in the State, or of persons licensed to practice optometry in the State, or of persons licensed to practice dentistry in the State, or of any combination of such persons, who, as their principal professional activity and as a group responsibility, engage or undertake to engage in the coordinated practice of their profession primarily in one or more group practice facilities, and who (in this connection) share common overhead expenses (if and to the extent such expenses are paid by members of the group), medical and other records, and substantial portions of the equipment and the professional, technical, and administrative staffs, and which partnership or association or group is composed of at least such professional personnel and make available at least such health services as may be provided in regulations prescribed under this title.

“(3) The term ‘group practice unit or organization’ means—

“(A) a private nonprofit agency or organization undertaking to provide, directly or through arrangements with a medical or dental group, comprehensive medical care, optometric care, or dental care, or any combination thereof, which may include hospitalization, to members or subscribers primarily on a group practice prepayments basis; or

“(B) a private nonprofit agency or organization established for the purpose of improving the availability of medical, optometric, or dental care in the community or having some function or functions related to the provision of such care, which will, through lease or other arrangement, make the group practice facility with respect to which assistance has been requested under this title available to a medical or dental group for use by it.

“(4) The term ‘nonprofit organization’ means a corporation, association, foundation, trust, or other organization no part of the net earnings of which inures, or may lawfully inure, to the benefit of any

private shareholder or individual except, in the case of an organization the purposes of which include the provision of personal health services to its members or subscribers or their dependents under a plan of such organization for the provision of such services to them (which plan may include the provision of other services or insurance benefits to them), through the provision of such health services (or such other services or insurance benefits) to such members or subscribers or dependents under such plan.

“(5) The term ‘State’ includes the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the District of Columbia.

“(6) The term ‘mortgage’ means a first mortgage on real estate in fee simple, or on the interest of either the lessor or lessee thereof (A) under a lease for not less than ninety-nine years which is renewable, or (B) under a lease having a period of not less than fifty years to run from the date the mortgage was executed. The term ‘first mortgage’ means such classes of first liens as are commonly given to secure advances (including but not limited to advances during construction) on, or the unpaid purchase price of, real estate under the laws of the State in which the real estate is located, together with the credit instrument or instruments, if any, secured thereby, and any mortgage may be in the form of one or more trust mortgages or mortgage indentures or deeds of trust, securing notes, bonds, or other credit instruments, and, by the same instrument or by a separate instrument, may create a security interest in initial equipment, whether or not attached to the realty.

“(7) The term ‘mortgagee’ means the original lender under a mortgage, and his or its successors and assigns, and includes the holders of credit instruments issued under a trust mortgage or deed of trust pursuant to which such holders act by and through a trustee named therein.

“(8) The term ‘mortgagor’ means the original borrower under a mortgage and his or its successors and assigns.”

(b) The first sentence of section 227 of such Act is amended by inserting after “new or rehabilitated multifamily housing” the following: “or a property or project described in title XI”.

68 Stat. 607.  
12 USC 1715r.

#### LABOR STANDARDS

SEC. 503. Section 212(a) of the National Housing 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 title XI; and each laborer or mechanic employed on any facility covered by a mortgage insured under such title shall receive compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in any workweek in excess of eight hours in any workday or forty hours in the workweek, as the case may be.”

53 Stat. 807.  
12 USC 1715c.

#### AMENDMENTS TO OTHER FEDERAL LAWS

SEC. 504. (a) (1) The sixth sentence of paragraph “Seventh” of section 5136 of the Revised Statutes, as amended (12 U.S.C. 24), is amended by inserting after “Federal Home Loan Banks,” the following: “or obligations which are insured by the Secretary of Housing and Urban Development under title XI of the National Housing Act”.

(2) The third sentence of the first paragraph of section 24 of the Federal Reserve Act, as amended (12 U.S.C. 371), is amended by inserting after “or sections 1471-1484 of title 42,” the following: “or

69 Stat. 633.

which are insured by the Secretary of Housing and Urban Development pursuant to title XI of the National Housing Act.”.

53 Stat. 1153.

(b) Subsection (a) of section 304 of the Trust Indenture Act of 1939 (15 U.S.C. 77ddd) is amended by striking out the word “or” at the end of paragraph (8); by striking out the period at the end of paragraph (9) and inserting in lieu thereof a semicolon and the word “or”; and by adding after paragraph (9) a new paragraph as follows:

“(10) any security issued under a mortgage or trust deed indenture as to which a contract of insurance under title XI of the National Housing Act is in effect; and any such security shall be deemed to be exempt from the provisions of the Securities Act of 1933 to the same extent as though such security were specifically enumerated in section 3(a)(2), as amended, of the Securities Act of 1933 (15 U.S.C. 77c(a)(2)).”

48 Stat. 906.

52 Stat. 902.

(c) Section 263 of chapter X of the Bankruptcy Act (11 U.S.C. 663) is amended by adding at the end thereof the following: “Nothing contained in this chapter shall be deemed to affect or apply to the creditors of any corporation under a mortgage insured pursuant to title XI of the National Housing Act.”

## TITLE VI—PRESERVATION OF HISTORIC STRUCTURES

### PRESERVATION OF HISTORIC STRUCTURES AS PART OF URBAN RENEWAL PROJECTS

71 Stat. 301.

42 USC 1460.

SEC. 601. (a) Section 110(b) of the Housing Act of 1949 is amended by inserting “historic and architectural preservation,” after “land acquisition,”.

70 Stat. 1097.

(b) Section 110(c)(6) of such Act is amended by inserting “to promote historic and architectural preservation,” after “deterioration,”.

(c) Section 110(c) of such Act is further amended by striking out “and” at the end of clause (8), and by striking out clause (9) and inserting in lieu thereof the following:

“(9) relocation within or outside the project area of structures which will be restored and maintained for architectural or historic purposes; and

“(10) restoration of acquired properties of historic or architectural value.”

### LOCAL GRANT-IN-AID CREDIT FOR RELOCATION AND RESTORATION OF HISTORIC STRUCTURES

68 Stat. 626.

SEC. 602. Clause (2) of section 110(d) of the Housing Act of 1949 is amended by striking out “clause (2) and clause (3)” and inserting in lieu thereof “clauses (2), (3), (9), and (10)”.

### GRANTS TO NATIONAL TRUST FOR HISTORIC PRESERVATION TO COVER RESTORATION COSTS

SEC. 603. (a) The Secretary of Housing and Urban Development is authorized to make grants to the National Trust for Historic Preservation, on such terms and conditions and in such amounts (not exceeding \$90,000 with respect to any one structure) as he deems appropriate, to cover the costs incurred by such Trust in renovating or restoring structures which it considers to be of historic or architectural value and which it has accepted and will maintain (after such renovation or restoration) for historic purposes.

(b) There are authorized to be appropriated such sums as may be necessary for the grants to be made under subsection (a).



## URBAN PLANNING GRANTS FOR SURVEYS OF HISTORIC STRUCTURES

SEC. 604. Section 701 of the Housing Act of 1954 is amended by adding at the end thereof the following new subsection:

73 Stat. 678.  
40 USC 461.

"(h) In addition to the other grants authorized by this section, the Secretary is authorized to make grants to assist any city, other municipality, or county in making a survey of the structures and sites in such locality which are determined by its appropriate authorities to be of historic or architectural value. Any such survey shall be designed to identify the historic structures and sites in the locality, determine the cost of their rehabilitation or restoration, and provide such other information as may be necessary or appropriate to serve as a foundation for a balanced and effective program of historic preservation in such locality. The aspects of any such survey which relate to the identification of historic and architectural values shall be conducted in accordance with criteria found by the Secretary to be comparable to those used in establishing the National Register maintained by the Secretary of the Interior under other provisions of law; and the results of each such survey shall be made available to the Secretary of the Interior. A grant under this subsection shall not exceed two-thirds of the cost of the survey for which it is made, and shall be made to the appropriate agency or entity specified in paragraphs (1) through (9) of subsection (a) or, if there is no such agency or entity which is qualified and willing to receive the grant and provide for its utilization in accordance with this subsection, directly to the city, other municipality, or county involved."

78 Stat. 792,  
793; 79 Stat. 17.

## GRANTS FOR HISTORIC PRESERVATION

SEC. 605. (a) The heading of title VII of the Housing Act of 1961 is amended to read as follows:

75 Stat. 183.  
42 USC 1500  
et seq.

**"TITLE VII—OPEN-SPACE LAND, URBAN BEAUTIFICATION,  
AND HISTORIC PRESERVATION".**

(b) Section 701 of such Act is amended by redesignating subsection (c) as subsection (d), and by inserting after subsection (b) a new subsection as follows:

79 Stat. 494.

"(c) The Congress further finds that there is a need for timely action to preserve and restore areas, sites, and structures of historic or architectural value in order that these remaining evidences of our past history and heritage shall not be lost or destroyed through the expansion and development of the Nation's urban areas."

(c) Section 701(d) of such Act (as redesignated by subsection (b) of this section) is amended—

(1) by inserting after "urban development," the following: "to assist in preserving areas and properties of historic or architectural value,"; and

(2) by striking out "and (2)" and inserting in lieu thereof "(2) acquire, improve, and restore areas, sites, and structures of historic or architectural value, and (3)".

(d) Section 702(e) of such Act is amended to read as follows:

75 Stat. 184.

"(e) The Secretary shall consult with the Secretary of the Interior on the general policies to be followed in reviewing applications for grants under this title. To assist the Secretary in such review, the Secretary of the Interior shall furnish him (1) appropriate information on the status of national and statewide recreation and historic preservation planning as it affects the areas to be assisted with such grants, and (2) the current listing of any districts, sites, buildings, structures, and objects significant in American history, architecture,

archeology, and culture which may be contained on a National Register maintained by the Secretary of the Interior pursuant to other provisions of law. The Secretary shall provide current information to the Secretary of the Interior from time to time on significant program developments."

79 Stat. 496.

42 USC 1500c-2.

42 USC 1500d.

(e) Section 706 of such Act is amended by striking out the proviso.

(f) Section 708 of such Act is amended by inserting "(a)" after "SEC. 708." by inserting "(b)" before "The" in the second paragraph, and by adding at the end thereof a new subsection as follows:

"(c) Notwithstanding any other provision of this title, the Secretary may use not to exceed \$10,000,000 of the sum authorized for contracts under this title for the purpose of entering into contracts to make grants in amounts not to exceed 90 per centum of the cost of activities which he determines have special value in developing and demonstrating new and improved methods and materials for use in carrying out the purposes of this title."

42 USC 1500e.

(g) Title VII of such Act is amended by redesignating section 709 as section 710, and by adding after section 708 a new section as follows:

#### "GRANTS FOR HISTORIC PRESERVATION"

"SEC. 709. The Secretary is authorized to enter into contracts to make grants to States and local public bodies to assist in the acquisition of title to or other permanent interests in areas, sites, and structures of historic or architectural value in urban areas, and in their restoration and improvement for public use and benefit, in accord with the comprehensively planned development of the locality. The amount of any such grant shall not exceed 50 per centum of the total cost, as approved by the Secretary, of the assisted activities. The remainder of such cost shall be provided from non-Federal sources."

(h) Commencing three years after the date of the enactment of this Act, no grant shall be made (except pursuant to a contract or commitment entered into less than three years after such date) under section 709 of the Housing Act of 1961 or section 701(h) of the Housing Act of 1954, or under section 103 of the Housing Act of 1949 to the extent that it is to be used for historic or architectural preservation, except with respect to districts, sites, buildings, structures, and objects which the Secretary of Housing and Urban Development finds meet criteria comparable to those used in establishing the National Register maintained by the Secretary of the Interior pursuant to other provisions of law.

*Supra.*

*Ante*, pp.  
1279, 1260.

### TITLE VII—URBAN RENEWAL

#### LOCAL GRANTS-IN-AID

68 Stat. 626.

42 USC 1460.

SEC. 701. Section 110(d) of the Housing Act of 1949 is amended by inserting immediately after the colon at the end of the first proviso the following: "*Provided further*, That any publicly owned facility, the construction of which was begun not earlier than three years prior to the date of enactment of the Demonstration Cities and Metropolitan Development Act of 1966, shall be deemed to benefit an urban renewal project or projects to the extent of 25 per centum of the total benefits of such facility, or \$3,500,000, whichever is less, if such facility (A) (i) is used, or is to be used, by the public predominantly for cultural, exhibition, or civic purposes, or is a city hall or a public safety building, or (ii) is a facility, constructed or rehabilitated by a public university, which is or will be devoted to the treatment of physical or mental disabilities and illness or to medical research; (B) is located within, adjacent to, or in the immediate vicinity of such urban

renewal project or projects; (C) is found to contribute materially to the objectives of the urban renewal plan or plans for such project or projects; and (D) is not otherwise eligible as a local grant-in-aid.”.

#### AIR RIGHTS SITES IN URBAN RENEWAL PROJECTS

SEC. 702. (a) Section 110(c)(1) of the Housing Act of 1949 is amended by inserting in clause (iv), between the word “income” and the colon immediately preceding the first proviso, the following: “or, if the area is found by the local public agency to be unsuitable for use for low or moderate income housing, for use for industrial development”.

78 Stat. 787.  
42 USC 1460.

(b) Section 110(c)(7) of such Act is amended by inserting immediately before the semicolon the following: “, or construction of foundations and platforms necessary for the provision of air rights sites for industrial development”.

78 Stat. 788.

#### ADDITIONAL REQUIREMENTS FOR REDEVELOPMENT OF URBAN RENEWAL AREA

SEC. 703. (a) Section 105 of the Housing Act of 1949 is amended by adding at the end thereof the following new subsection:

63 Stat. 416.  
42 USC 1455.

“(f) The redevelopment of the urban renewal area, unless such redevelopment is for predominantly nonresidential uses, will provide a substantial number of units of standard housing of low and moderate cost and result in marked progress in serving the poor and disadvantaged people living in slum and blighted areas.”

(b) The amendment made by subsection (a) shall apply only in the case of contracts for loans or capital grants which are made with respect to urban renewal projects undertaken pursuant to urban renewal plans approved after the date of the enactment of this Act.

#### THREE-FOURTHS GRANTS FOR PROJECTS IN CERTAIN REDEVELOPMENT AREAS

SEC. 704. Section 103(a)(2)(B) of the Housing Act of 1949 is amended by inserting after “to avoid hardship,” the following: “or at any time after such contract or contracts are entered into and prior to the time the final grant payment has been made pursuant thereto,”.

79 Stat. 479.  
42 USC 1453.

#### EXPENDITURES BY EDUCATIONAL INSTITUTIONS AND HOSPITALS

SEC. 705. Section 112(a) of the Housing Act of 1949 is amended by inserting before the period at the end thereof the following: “: *Provided further*, That no such expenditure shall be deemed ineligible as a local grant-in-aid in connection with an urban renewal project, to the extent that the expenditure is otherwise eligible, if the facilities, land, buildings, or structures with respect to which the expenditure is made are located within one mile of the project”.

75 Stat. 169.  
42 USC 1463.

#### REQUIREMENT OF SEPARATE SEWER SYSTEMS IN REDEVELOPMENT OF URBAN RENEWAL AREA

SEC. 706. Section 105 of the Housing Act of 1949 is amended by adding at the end thereof (after the new subsection added by section 703 of this Act) the following new subsection:

42 USC 1455.

“(g) Consideration has been given to development of a sewer system to serve the urban renewal area which will, to the maximum extent feasible, provide for effective control of storm and sanitary wastes.”

## TITLE VIII—RURAL HOUSING

75 Stat. 186.  
42 USC 1471.

76 Stat. 671.  
42 USC 1472.

42 USC 1474.

42 USC 1485.

SEC. 801. Section 501(a) of the Housing Act of 1949 is amended by striking out "previously occupied" wherever it appears.

SEC. 802. Section 502(a) of the Housing Act of 1949 is amended by striking out "In cases of applicants who are elderly persons, the" and inserting in lieu thereof "The".

SEC. 803. Section 504 of the Housing Act of 1949 is amended by striking out "\$1,000" and inserting in lieu thereof "\$1,500".

SEC. 804. (a) Section 515(a) of the Housing Act of 1949 is amended by inserting after "income" the following: "or other persons and families of low income".

(b) Section 515(d)(1) of such Act is amended by striking out "elderly persons or elderly families" and inserting in lieu thereof "occupants eligible under this section".

SEC. 805. (a) Subsections (a) and (b) of section 515 of the Housing Act of 1949 are each amended by striking out "rental housing" and inserting in lieu thereof "rental or cooperative housing".

(b) Section 515(b) of such Act is amended by inserting after "families" the following: "or other persons and families of moderate income".

(c) Section 515(d)(4) of such Act is amended by adding at the end thereof the following: "Such fees and charges may include payments to qualified consulting organizations or foundations which operate on a nonprofit basis and which render services or assistance to nonprofit corporations or consumer cooperatives who provide housing and related facilities."

79 Stat. 498.  
42 USC 1487.

SEC. 806. Section 517(a)(1) of the Housing Act of 1949 is amended—

(1) by inserting "and" before "(B)"; and

(2) by striking out "and (C)" and all that follows and inserting in lieu thereof the following: "; but no loan under this paragraph shall be insured or made after October 1, 1969, except pursuant to a commitment entered into before that date; and".

SEC. 807. (a) Section 501(a) of the Housing Act of 1949 is amended by inserting before the period at the end thereof the following: ", and (4) to an owner described in clause (1), (2), or (3) for refinancing indebtedness which—

"(A) was incurred for an eligible purpose described in such clause,

"(B) if not refinanced, is likely to result at an early date in loss of the applicant's necessary dwelling or essential farm service buildings,

"(C) is not held or insured by the United States or any agency thereof, and

"(D) was incurred prior to the enactment of this clause."

42 USC 1471.

(b) Section 501(c) of such Act is amended by inserting before the semicolon at the end of clause (1) the following: ", or that he is the owner of a farm or other real estate in a rural area who needs refinancing of indebtedness described in clause (4) of subsection (a)".

## TITLE IX—URBAN INFORMATION AND TECHNICAL ASSISTANCE SERVICES

## PURPOSE

SEC. 901. It is the purpose of this title to assist States to make available information and data on urban needs and assistance programs and activities, and to provide technical assistance, to small communities with respect to the solution of urban problems.



## GRANT AUTHORITY

SEC. 902. (a) The Secretary is authorized to make grants to States to help finance programs to provide information and data on urban needs and assistance programs and activities, and to provide technical assistance, to small communities with respect to the solution of local problems. Activities aided by such grants may include—

(1) the assembly, correlation, and dissemination of urban physical, social, and economic development information and data for the purpose of informing local governments of small communities, and interested organizations and individuals, of the availability and status of Federal, State, and local programs and other resources and data for the solution of urban problems; and

(2) providing technical assistance with respect to the solution of urban problems to any small community requesting such assistance.

(b) A program assisted under this section shall—

(1) specify the information and technical assistance activities to be carried on and justify the needs for the costs of such activities; and

(2) represent substantially increased or improved activities on the part of the applicant State agency.

## AMOUNT OF GRANT

SEC. 903. (a) A grant under this section shall not exceed 50 per centum of the cost of the activities carried on under an approved urban information and technical assistance program.

(b) No grant shall be made under this title to assist in assembling data, or providing information, to be used primarily in the day to day operations of State or local governing bodies and agencies.

## COOPERATION AND COORDINATION

SEC. 904. (a) Federal departments and agencies shall cooperate with States in providing information to assist in carrying out the purpose of this title.

(b) In the administration of this title, the Secretary shall seek to ensure the greatest practicable coordination of urban information and technical assistance programs established under this title.

## DEFINITIONS

SEC. 905. As used in this title—

(1) "State" means any State of the United States, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, or an agency or instrumentality designated by the chief executive of any of the foregoing, or a statewide agency or instrumentality of its political subdivisions designated by such chief executive.

(2) "Secretary" means the Secretary of Housing and Urban Development.

(3) "Small communities" means communities having populations of less than one hundred thousand according to the most recent decennial census.

## APPROPRIATIONS

SEC. 906. There are authorized to be appropriated for the purpose of carrying out the provisions of this title not to exceed \$2,500,000 for the fiscal year ending June 30, 1967, and not to exceed \$5,000,000 for the fiscal year ending June 30, 1968. Appropriations authorized under this section shall remain available until expended.

## TITLE X—MISCELLANEOUS

## HOUSING FOR THE ELDERLY OR HANDICAPPED

SEC. 1001. Section 105(b) of the Housing and Urban Development Act of 1965 is amended—

(1) by inserting “(1)” after “(b)”;

(2) by striking out “Effective with respect to loans made on or after the date of the enactment of this Act, section” and inserting in lieu thereof “Section”; and

(3) by adding at the end thereof a new paragraph as follows:

“(2) The interest rate provided by the amendment made in paragraph (1) shall be applicable (A) with respect to any loan made on or after August 10, 1965, and (B) with respect to any loan made prior to such date if construction of the housing or related facilities to be assisted by such loan was not commenced prior to such date, and not completed prior to the filing of an application for the benefits of such interest rate.”

## LOW-RENT HOUSING IN PRIVATE ACCOMMODATIONS—TERM OF LEASE

SEC. 1002. Section 23(d) of the United States Housing Act of 1937 is amended by striking out “thirty-six months” and inserting in lieu thereof “sixty months”.

APPLICATION OF DAVIS-BACON ACT TO LOW-RENT HOUSING PROJECTS  
CONSISTING OF PRIVATELY BUILT HOUSING

SEC. 1003. Section 16(2) of the United States Housing Act of 1937 is amended by inserting after “the development of the project involved” the following: “(including a project for the use of privately built housing in any case, other than under the authority of section 23 of this Act, where the public housing agency and the builder or sponsor enter into an agreement for such use before construction or rehabilitation is commenced), and that each such laborer or mechanic shall receive compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in any workweek in excess of eight hours in any workday or forty hours in the workweek, as the case may be”.

## ASSISTANCE FOR HOUSING IN ALASKA

SEC. 1004. (a) The Secretary of Housing and Urban Development (hereinafter referred to as the “Secretary”) is authorized to make loans and grants to the State of Alaska, or any duly authorized agency or instrumentality thereof, in accordance with a statewide program prepared by such State, agency, or instrumentality, and approved by the Secretary, to assist in the provision of housing and related facilities for Alaska natives and other Alaska residents who are otherwise unable to finance such housing and related facilities upon terms and conditions which they can afford. The program shall (1) specify the

79 Stat. 457,  
12 USC 1701q  
note.

79 Stat. 455.  
42 USC 1421b.

63 Stat. 430.  
42 USC 1416.

minimum and maximum standards for such housing and related facilities (not to exceed an average of \$7,500 per dwelling unit); (2) to the extent feasible, encourage the proposed users of such housing and related facilities to utilize mutual and self-help in the construction thereof; and (3) provide experience, and encourage continued participation, in self-government and individual home ownership.

(b) Grants under this section shall not exceed 75 per centum of the aggregate cost of the housing and related facilities to be constructed under an approved program.

(c) There is authorized to be appropriated not to exceed \$10,000,000 to carry out the purposes of this section.

FEDERAL NATIONAL MORTGAGE ASSOCIATION PARTICIPATION IN FEDERAL HOUSING ADMINISTRATION-INSURED CONSTRUCTION FINANCING

SEC. 1005. Section 305 of the National Housing Act is amended by adding at the end thereof the following new subsection:

68 Stat. 616.  
12 USC 1720.

“(i) In any case where the Association makes a commitment to purchase under this section (1) a mortgage insured under section 213, (2) a mortgage insured under section 220, or (3) a mortgage insured under section 221(d)(3) and executed by a cooperative (including an investor-sponsor), a limited dividend corporation, a private non-profit corporation or association, or a mortgagor qualified under section 221(e), such commitment may provide for participation by the Association in the making of insured advances on the mortgage during construction. Such participation shall be limited to 95 per centum of the amount of each of the advances involved, and the mortgagee providing the balance of such amount shall perform all necessary servicing and processing of such advances until the final insurance endorsement of the mortgage. The Secretary of Housing and Urban Development shall approve the reasonableness of the fee to be paid a participating mortgagee, taking into account its services and the extent of its participation in the advances.”

12 USC 1715e,  
1715k, 1715l.

FEDERAL NATIONAL MORTGAGE ASSOCIATION SPECIAL ASSISTANCE FOR FINANCING LOW-COST HOMES

SEC. 1006. The Congress hereby finds that the sharp decline in new home construction over the past year threatens to undercut our present high level of prosperity and employment as such declines have in the past; that the substantial reduction which has taken place has had its greatest impact on families of modest income who are seeking to achieve the goal of homeownership; that this decline in homebuilding is due primarily to the shortage of mortgage financing on terms which moderate income families can afford; and that our national policy objectives in the field of housing and community development are thereby being thwarted. The Congress therefore expresses its intent that the special assistance funds made available to the Federal National Mortgage Association for the financing of new low-cost homes by the Act of September 10, 1966 (Public Law 89-556), should be released immediately to halt the continuing decline in the construction of new homes for families of moderate income.

*Ante*, p. 738.

FEDERAL NATIONAL MORTGAGE ASSOCIATION STANDBY COMMITMENTS

SEC. 1007. Section 304(a)(1) of the National Housing Act is amended by striking out the last sentence.

75 Stat. 176.  
12 USC 1719.

## PLANNING GRANTS FOR RESEARCH ON STATE STATUTES AFFECTING LOCAL GOVERNMENTS

68 Stat. 640.  
40 USC 461.

SEC. 1008. Section 701(b) of the Housing Act of 1954 is amended by inserting before the period at the end thereof the following: “, and for grants to assist in the conduct of studies and research relating to needed revisions in State statutes which create, govern, or control local governments and local governmental operations”.

## PUBLIC FACILITY LOANS

69 Stat. 643;  
75 Stat. 174;  
76 Stat. 543.  
42 USC 1492.

SEC. 1009. Section 202 of the Housing Amendments of 1955 is amended by adding at the end thereof a new subsection as follows:

“(f) The restrictions and limitations set forth in subsection (c) of this section shall not apply to assistance to municipalities, other political subdivisions and instrumentalities of one or more States, and Indian tribes, for specific projects for cultural centers, including but not limited to, museums, art centers and galleries, and theaters and other physical facilities for the performing arts, which would be of cultural, educational, and informational value to the communities and areas where the centers would be located.”

## APPLYING ADVANCES IN TECHNOLOGY TO HOUSING AND URBAN DEVELOPMENT

SEC. 1010. (a) To encourage and assist the housing industry to continue to reduce the cost and improve the quality of housing by the application to home construction of advances in technology, and to encourage and assist the application of advances in technology to urban development activities, the Secretary of Housing and Urban Development (hereinafter referred to as the “Secretary”) is directed to—

(1) conduct research and studies to test and demonstrate new and improved techniques and methods of applying advances in technology to housing construction, rehabilitation, and maintenance, and to urban development activities; and

(2) encourage and promote the acceptance and application of new and improved techniques and methods of constructing, rehabilitating, and maintaining housing, and the application of advances in technology to urban development activities, by all segments of the housing industry, communities, industries engaged in urban development activities, and the general public.

(b) Research and studies conducted under this section shall be designed to test and demonstrate the applicability to housing construction, rehabilitation, and maintenance, and urban development activities, of advances in technology relating to (1) design concepts, (2) construction and rehabilitation methods, (3) manufacturing processes, (4) materials and products, and (5) building components.

(c) The Secretary is authorized to carry out the research and studies authorized by this section either directly or by contract with public or private bodies or agencies, or by working agreement with departments and agencies of the Federal Government, as he may determine to be desirable. Contracts may be made by the Secretary for research and studies authorized by this section for work to continue not more than two years from the date of any such contract.

(d) There are authorized to be appropriated to carry out the provisions of this section not to exceed \$5,000,000 for the fiscal year ending June 30, 1967, and not to exceed \$10,000,000 for the fiscal year ending June 30, 1968. All funds so appropriated shall remain available until expended.



(e) Nothing contained in this section shall limit any authority of the Secretary under title III of the Housing Act of 1948, section 602 of the Housing Act of 1956, or any other provision of law.

63 Stat. 431.  
12 USC 1701e-  
1701f-1.  
70 Stat. 1113.  
12 USC 1701d-3.

#### URBAN ENVIRONMENTAL STUDIES

SEC. 1011. (a) The Congress finds that, with the ever-increasing concentration of the Nation's population in urban centers, there has occurred a marked change in the environmental conditions under which most people live and work; that such change is characterized by the progressive substitution of a highly complex, man-contrived environment for an environment conditioned primarily by nature; that the beneficent or malignant influence of environment on all living creatures is well recognized; and that much more knowledge is urgently needed concerning the effect on human beings of highly urbanized surroundings. It is the purpose of this section to authorize a comprehensive program of research, studies, surveys, and analyses to improve understanding of the environmental conditions necessary for the well-being of an urban society, and for the intelligent planning and development of viable urban centers.

(b) In order to carry out the purpose of this section, the Secretary is authorized and directed to—

- (1) conduct studies, surveys, research, and analyses with respect to the ecological factors involved in urban living;
- (2) document and define urban environmental factors which need to be controlled or eliminated for the well-being of urban life;
- (3) establish a system of collecting and receiving information and data on urban ecological research and evaluations which are in process or are being planned by public or private agencies, or individuals;
- (4) evaluate and disseminate information pertaining to urban ecology to public and private agencies or organizations, or individuals, in the form of reports or otherwise;
- (5) initiate and utilize urban ecological information in urban development projects initiated or assisted by the Department of Housing and Urban Development; and
- (6) establish through interagency consultation the coordinated utilization of urban ecological information in projects undertaken or assisted by the Federal Government which affect the growth or development of urban areas.

(c) (1) The Secretary is authorized to establish such advisory committees as he deems desirable for the purpose of rendering advice and submitting recommendations for carrying out the purpose of this section. Such advisory committees shall render such advice to the Secretary upon his request and may submit such recommendations to the Secretary at any time on their own initiative. The Secretary may designate employees of the Department of Housing and Urban Development to assist such committees.

Advisory committees.

(2) Members of such advisory committees shall receive not to exceed \$100 per day when engaged in the actual performance of their duties, in addition to reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

(d) The Secretary is authorized to carry out the studies, surveys, research, and analyses authorized by this section either directly or by contract with public or private bodies or agencies, or by working agreement with departments and agencies of the Federal Government, as he may determine to be desirable. Contracts may be made by the Secretary for work under this subsection to continue not more than two years from the date of any such contract.

(e) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section. All funds so appropriated shall remain available until expended when so provided in appropriation Acts.

#### MORTGAGE RELIEF FOR CERTAIN HOMEOWNERS

SEC. 1012. That part of section 107 of the Housing and Urban Development Act of 1965 which precedes subsection (f) is amended to read as follows:

#### "MORTGAGE RELIEF FOR CERTAIN HOMEOWNERS

"SEC. 107. (a) For the purposes of this section—

"(1) The term 'mortgage' means a mortgage which (A) is insured under the National Housing Act, or (B) secures a home loan guaranteed or insured under the Servicemen's Readjustment Act of 1944 or chapter 37 of title 38, United States Code.

"(2) The term 'Federal mortgage agency' means—

"(A) the Secretary of Housing and Urban Development when used in connection with mortgages insured under the National Housing Act, and

"(B) the Administrator of Veterans' Affairs when used in connection with mortgages securing home loans guaranteed or insured under the Servicemen's Readjustment Act of 1944 or chapter 37 of title 38, United States Code.

"(3) The term 'distressed mortgagor' means an individual who—

"(A) was employed by the Federal Government at, or was assigned as a serviceman to, a military base or other Federal installation and whose employment or service at such base or installation was terminated subsequent to November 1, 1964, as the result of the closing (in whole or in part) of such base or installation; and

"(B) is the owner-occupant of a dwelling situated at or near such base or installation and upon which there is a mortgage securing a loan which is in default because of the inability of such individual to make payments due under such mortgage.

"(b) (1) Any distressed mortgagor, for the purpose of avoiding foreclosure of his mortgage, may apply to the appropriate Federal mortgage agency for a determination that suspension of his obligation to make payments due under such mortgage during a temporary period is necessary in order to avoid such foreclosure.

"(2) Upon receipt of an application made under this subsection by a distressed mortgagor, the Federal mortgage agency shall issue to such mortgagor a certificate of moratorium if it determines, after consultation with the interested mortgagee, that such action is necessary to avoid foreclosure.

"(3) Prior to the issuance to any distressed mortgagor of a certificate of moratorium under paragraph (2), the Federal mortgage agency, the mortgagor, and the mortgagee shall enter into a binding agreement under which—

"(A) the mortgagor will be required to make payments to such agency, after the expiration of such certificate, in an aggregate amount equal to the amount paid by such agency on behalf of such mortgagor as provided in subsection (c), together with interest thereon at a rate not to exceed the rate provided in the mortgage; the manner and time in which such payments shall be made to be

79 Stat. 458.  
12 USC 1735g.

12 USC 1701.

58 Stat. 284;  
72 Stat. 1273.  
72 Stat. 1203.  
38 USC 1801.

determined by the Federal mortgage agency having due regard for the purposes sought to be achieved by this section; and

“(B) the Federal mortgage agency will be subrogated to the rights of the mortgagee to the extent of payments made pursuant to such certificate, which rights, however, shall be subject to the prior right of the mortgagee to receive the full amount payable under the mortgage.

“(4) Any certificate of moratorium issued under this subsection shall expire on whichever of the following dates is the earliest—

“(A) two years from the date on which such certificate was issued;

“(B) thirty days after the date on which the mortgagor gives notice in writing to the Federal mortgage agency that he is able to resume his obligation to make payments due under his mortgage; or

“(C) thirty days after the date on which the Federal mortgage agency determines that the mortgagor to whom such certificate was issued has ceased to be a distressed mortgagor as defined in subsection (a) (3).

“(c) (1) Whenever a Federal mortgage agency issues a certificate of moratorium to any distressed mortgagor with respect to any mortgage, it shall transmit to the mortgagee a copy of such certificate, together with a notice stating that, while such certificate is in effect, such agency will assume the obligation of such mortgagor to make payments due under the mortgage.

“(2) Payments made by any Federal mortgage agency pursuant to a certificate of moratorium issued under this section with respect to the mortgage of any distressed mortgagor may include, in addition to the payments referred to in paragraph (1), an amount equal to the unpaid payments under such mortgage prior to the issuance of such certificate, plus a reasonable allowance for foreclosure costs actually paid by the mortgagee if a foreclosure action was dismissed as a result of the issuance of a moratorium certificate. Payments by the Federal mortgage agency may also include payments of taxes and insurance premiums on the mortgaged property as deemed necessary when these items are not provided for through payments to a tax and insurance account held by the interested mortgagee.

“(3) While any certificate of moratorium issued under this section is in effect with respect to the mortgage of any distressed mortgagor, no further payments due under the mortgage shall be required of such mortgagor, and no action (legal or otherwise) shall be taken or maintained by the mortgagee to enforce or collect such payments. Upon the expiration of such certificate, the mortgagor shall again be liable for the payment of all amounts due under the mortgage in accordance with its terms.

“(4) Each Federal mortgage agency shall give prompt notice in writing to the interested mortgagor and mortgagee of the expiration of any certificate of moratorium issued by it under this section.

“(d) The Federal mortgage agencies are authorized to issue such individual and joint regulations as may be necessary to carry out this section and to insure the uniform administration thereof.

“(e) There shall be in the Treasury (1) a fund which shall be available to the Secretary of Housing and Urban Development for the purpose of extending financial assistance in behalf of distressed mortgagors as provided in subsection (c) and for paying administrative expenses incurred in connection with such assistance, and (2) a fund which shall be available to the Administrator of Veterans' Affairs for the same purpose, except administrative expenses. The capital of each

Investment of  
moneys.

such fund shall consist of such sums as may, from time to time, be appropriated thereto, and any sums so appropriated shall remain available until expended. Receipts arising from the programs of assistance under subsection (c) shall be credited to the fund from which such assistance was extended. Moneys in either of such funds not needed for current operations, as determined by the Secretary of Housing and Urban Development, or the Administrator of Veterans' Affairs, as the case may be, shall be invested in bonds or other obligations of the United States, or paid into the Treasury as miscellaneous receipts."

ACQUISITION OF CERTAIN PROPERTIES SITUATED AT OR NEAR MILITARY BASES WHICH HAVE BEEN ORDERED TO BE CLOSED

SEC. 1013. (a) Notwithstanding any other provision of law, the Secretary of Defense is authorized to acquire title to, hold, manage, and dispose of, or, in lieu thereof, to reimburse for certain losses upon private sale of, or foreclosure against, any property improved with a one- or two-family dwelling which is situated at or near a military base or installation which the Department of Defense has, subsequent to November 1, 1964, ordered to be closed in whole or in part, if he determines—

(1) that the owner of such property is, or has been, a Federal employee employed at or in connection with such base or installation (other than a temporary employee serving under a time limitation) or a serviceman assigned thereto;

(2) that the closing of such base or installation, in whole or in part, has required or will require the termination of such owner's employment or service at or in connection with such base or installation; and

(3) that as the result of the actual or pending closing of such base or installation, in whole or in part, there is no present market for the sale of such property upon reasonable terms and conditions.

(b) In order to be eligible for the benefits of this section such employees or military personnel must be or have been—

(1) assigned to or employed at or in connection with the installation or activity at the time of public announcement of the closure action,

(2) transferred from such installation or activity, or terminated as employees as a result of reduction-in-force, within six months prior to public announcement of the closure action, or

(3) transferred from the installation or activity on an overseas tour unaccompanied by dependents within fifteen months prior to public announcement of the closure action:

*Provided*, That, at the time of public announcement of the closure action, or at the time of transfer or termination as set forth above, such personnel or employees must—

(i) have been the owner-occupant of the dwelling, or

(ii) have vacated the owned dwelling as a result of being ordered into on-post housing during a six-month period prior to the closure announcement:

*Provided further*, That as a consequence of such closure such employees or personnel must—

(i) be required to relocate because of military transfer or acceptance of employment beyond a normal commuting distance from the dwelling for which compensation is sought, or

(ii) be unemployed, not as a matter of personal choice, and able to demonstrate such financial hardship that they are unable to meet their mortgage payments and related expenses.



(c) Such persons as the Secretary of Defense may determine to be eligible under the criteria set forth above shall elect either (1) to receive a cash payment as compensation for losses which may be or have been sustained in a private sale, in an amount not to exceed the difference between (A) 95 per centum of the fair market value of their property (as such value is determined by the Secretary of Defense) prior to public announcement of intention to close all or part of the military base or installation and (B) the fair market value of such property (as such value is so determined) at the time of the sale, or (2) to receive, as purchase price for their property, an amount not to exceed 90 per centum of prior fair market value as such value is determined by the Secretary of Defense, or the amount of the outstanding mortgages. Cash payment as compensation for losses sustained in a private sale shall not be made in any case in which the property is encumbered by a mortgage loan guaranteed, insured, or held by a Federal agency unless such mortgage loan is paid, assumed by a purchaser satisfactory to such Federal agency, or otherwise fully satisfied at or prior to the time such cash payment is made. Except in cases of payment as compensation for losses, in the event of foreclosure by mortgagees commenced on or after public announcement of intention to close all or part of the military base or installation and prior to the one hundred and twentieth day after the enactment of this Act, the Secretary of Defense may reimburse or pay on account of eligible persons such sums as may be paid or be otherwise due and owing by such persons as the result of such foreclosure, including (without limiting the generality of the foregoing) direct costs of judicial foreclosure, expenses and liabilities enforceable according to the terms of their mortgages or promissory notes, and the amount of debts, if any, established against such persons by a Federal agency in the case of loans made, guaranteed, or insured by such agency following liquidation of the security for such loans.

(d) There shall be in the Treasury a fund which shall be available to the Secretary of Defense for the purpose of extending the financial assistance provided above. The capital of such fund shall consist of such sums as may, from time to time, be appropriated thereto, and shall consist also of receipts from the management, rental, or sale of properties acquired under this section, which receipts shall be credited to the fund and shall be available, together with funds appropriated therefor, for purchase or reimbursement purposes as provided above, as well as to defray expenses arising in connection with the acquisition, management, and disposal of such properties, including payment of principal, interest, and expenses of mortgages or other indebtedness thereon, and including the cost of staff services and contract services, costs of insurance, and other indemnity. Any part of such receipts not required for such expenses shall be covered into the Treasury as miscellaneous receipts. Properties acquired under this section shall be conveyed to, and acquired in the name of, the United States. The Secretary of Defense shall have the power to deal with, rent, renovate, and dispose of, whether by sales for cash or credit or otherwise, any properties so acquired: *Provided, however*, That no contract for acquisition, or acquisition, shall be deemed to constitute a contract for or acquisition of family housing units in support of military installations or activities within the meaning of section 406(a) of the Act of August 30, 1957 (42 U.S.C. 1594i), nor shall it be deemed a transaction within the contemplation of section 2662 of title 10, United States Code.

(e) Payments from the fund created by this section may be made in lieu of taxes to any State or political subdivision thereof, with respect to real property, including improvements thereon, acquired

73 Stat. 321.

74 Stat. 186.

and held under this section. The amount so paid for any year upon such property shall not exceed the taxes which would be paid to the State or subdivision, as the case may be, upon such property if it were not exempt from taxation, and shall reflect such allowance as may be considered appropriate for expenditures, if any, by the Government for streets, utilities, or other public services to serve such property.

(f) The title to any property acquired under this section, the eligibility for, and the amounts of, cash payable, and the administration of the preceding provisions of this section, shall conform to such requirements, and shall be administered under such conditions and regulations, as the Secretary of Defense may prescribe. Such regulations shall also prescribe the terms and conditions under which payments may be made and instruments accepted under this section, and all the determinations and decisions made pursuant to such regulations by the Secretary of Defense regarding such payments and conveyances and the terms and conditions under which they are approved or disapproved, shall be final and conclusive and shall not be subject to judicial review.

(g) The Secretary of Defense is authorized to enter into such agreement with the Secretary of Housing and Urban Development as may be appropriate for the purposes of economy and efficiency of administration of this section. Such agreement may provide authority to the Secretary of Housing and Urban Development and his designee to make any or all of the determinations and take any or all of the actions which the Secretary of Defense is authorized to undertake pursuant to the preceding provisions of this section. Any such determinations shall be entitled to finality to the same extent as if made by the Secretary of Defense, and, in event the Secretaries of Defense and Housing and Urban Development so elect, the fund established pursuant to subsection (d) of this section shall be available to the Secretary of Housing and Urban Development to carry out the purposes thereof.

(h) Section 223(a)(8) of the National Housing Act is amended to read as follows:

“(8) executed in connection with the sale by the Government of any housing acquired pursuant to section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966.”

(i) No funds may be appropriated for the acquisition of any property under authority of this section unless such funds have been specifically authorized for such purpose in a military construction authorization act, and no moneys in the fund created pursuant to subsection (d) of this section may be expended for any purpose except as may be provided in appropriation Acts.

(j) Section 108 of the Housing and Urban Development Act of 1965 is repealed.

#### COLLEGE HOUSING

SEC. 1014. (a) Section 404(b)(4) of the Housing Act of 1950 is amended by striking out “public” immediately before “educational institution”.

(b) Section 401(d) of such Act is amended by inserting before the period at the end thereof the following: “and, notwithstanding the first proviso of this subsection, the amount of this annual increase which is not utilized for loans for hospitals may be utilized for loans for other educational facilities, as defined herein”.

79 Stat. 461.  
12 USC 1715n.

Repeal.  
79 Stat. 460.  
12 USC 1735h.

71 Stat. 304.  
12 USC 1749c.

73 Stat. 681.  
12 USC 1749.

## STUDY CONCERNING RELIEF OF HOMEOWNERS IN PROXIMITY TO AIRPORTS

SEC. 1015. Section 1113 of the Housing and Urban Development Act of 1965 is amended—

- (1) by inserting "(a)" after "SEC. 1113.";
- (2) by striking out "one year after the date of the enactment of this Act" and inserting in lieu thereof "six months after the date of the enactment of the Demonstration Cities and Metropolitan Development Act of 1966"; and
- (3) by adding at the end thereof the following new subsection:  
"(b) There is authorized to be appropriated the sum of \$100,000 to carry out subsection (a)."

79 Stat. 509.  
12 USC 1701d-3  
note.

QUARTERS AND FACILITIES FOR FEDERAL HOME LOAN BANKS AND  
THE FEDERAL HOME LOAN BANK BOARD

SEC. 1016. (a) The second sentence of section 12 of the Federal Home Loan Bank Act (12 U.S.C. 1432) is amended by striking out "but no bank building shall be bought or erected to house any such bank, nor shall any such bank make any lease" and inserting in lieu thereof "but, except with the prior approval of the board, no bank building shall be bought or erected to house any such bank, or leased by such bank under any lease".

47 Stat. 735.

(b) Section 18 of such Act (12 U.S.C. 1438) is amended—

(1) by adding at the end of subsection (b) the following new sentence: "Such assessments may include such amounts as the board may deem advisable for carrying out the provisions of subsection (c) of this section."; and

(2) by adding at the end thereof the following new subsection:

"(c) (1) The board, utilizing the services of the Administrator of General Services (hereinafter referred to as the 'Administrator'), and subject to any limitation hereon which may hereafter be imposed in appropriation Acts, is hereby authorized—

"(A) to acquire, in the name of the United States, real property in the District of Columbia, for the purposes set forth in this subsection;

"(B) to construct, develop, furnish, and equip such buildings thereon and such facilities as in its judgment may be appropriate to provide, to such extent as the board may deem advisable, suitable and adequate quarters and facilities for the board and the agencies under its administration or supervision;

"(C) to enlarge, remodel, or reconstruct any of the same; and

"(D) to make or enter into contracts for any of the foregoing.

"(2) The board may require of the respective banks, and they shall make to the board, such advances of funds for the purposes set out in paragraph (1) as in the sole judgment of the board may from time to time be advisable. Such advances shall be in addition to the assessments authorized in subsection (b) and shall be apportioned by the board among the banks in proportion to the total assets of the respective banks, determined in such manner and as of such times as the board may prescribe. Each such advance shall bear interest at the rate of 4½ per centum per annum from the date of the advance and shall be repaid by the board in such installments and over such period, not longer than twenty-five years from the making of the advance, as the board may determine. Payments of interest and principal upon such advances shall be made from receipts of the board or from other sources which may from time to time be available to the board. The obligation of the board to make any such payment shall not be

regarded as an obligation of the United States. To such extent as the board may prescribe any such obligation shall be regarded as a legal investment for the purposes of subsections (g) and (h) of section 11 and for the purposes of section 16.

“(3) The plans and designs for such buildings and facilities and for any such enlargement, remodeling, or reconstruction shall, to such extent as the chairman of the board may request, be subject to his approval.

“(4) Upon the making of arrangements mutually agreeable to the board and the Administrator, which arrangements may be modified from time to time by mutual agreement between them and may include but shall not be limited to the making of payments by the board and such agencies to the Administrator and by the Administrator to the board, the custody, management, and control of such buildings and facilities and of such real property shall be vested in the Administrator in accordance therewith. Until the making of such arrangements such custody, management, and control, including the assignment and allotment and the reassignment and reallocation of building and other space, shall be vested in the board.

“(5) Any proceeds (including advances) received by the board in connection with this subsection, and any proceeds from the sale or other disposition of real or other property acquired by the board under this subsection, shall be considered as receipts of the board, and obligations and expenditures of the board and such agencies in connection with this subsection shall not be considered as administrative expenses. As used in this subsection, the term ‘property’ shall include interests in property.

“(6) With respect to its functions under this subsection the board shall (A) annually prepare and submit a budget program as provided in title I of the Government Corporation Control Act with regard to wholly owned Government corporations, and for purposes of this sentence, the terms ‘wholly owned Government corporations’ and ‘Government corporations’, wherever used in such title, shall include the board, and (B) maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions as provided in such title, and no other audit, settlement, or adjustment shall be required with respect to transactions under this subsection or with respect to claims, demands, or accounts by or against any person arising thereunder. The first budget program shall be for the first full fiscal year beginning on or after the date of the enactment of this subsection, and the first audit shall be for the remainder of the fiscal year in which this subsection is enacted. Except as otherwise provided in this subsection or by the board, the provisions of this subsection and the functions thereby or thereunder subsisting shall be applicable and exercisable notwithstanding and without regard to the Act of June 20, 1938 (D.C. Code, secs. 5-413-5-428), except that the proviso of section 16 thereof shall apply to any building constructed under this subsection, and section 306 of the Act of July 30, 1947 (61 Stat. 584), or any other provision of law relating to the construction, alteration, repair, or furnishing of public or other buildings or structures or the obtaining of sites therefor, but any person or body in whom any such function is vested may provide for delegation or redelegation of the exercise of such function.

“(7) No obligation shall be incurred and no expenditure, except in liquidation of obligation, shall be made pursuant to the first two subparagraphs of paragraph (1) of this subsection if the total amount of all obligations incurred pursuant thereto would thereupon exceed

Budget program  
preparation.

59 Stat. 597.  
31 USC 841-852.

GAO audit.

52 Stat. 797.

40 USC 129.



\$13,200,000, or such greater amount as may be provided in an appropriation Act or other law."

#### SMALL BUSINESS ACT

SEC. 1017. Paragraph (1) of section 8(b) of the Small Business Act is amended by inserting "(A)" after "(1)", by inserting "and" after "Administration;"; and by adding at the end thereof a new subparagraph as follows:

72 Stat. 389.  
15 USC 637.

"(B) to allow an individual or group of persons cooperating with it in furtherance of the purposes of subparagraph (A) to make such use of its office facilities and related materials and services as it deems appropriate;"

#### USE OF CERTAIN LANDS FOR CIVIL DEFENSE PURPOSES

SEC. 1018. Section 2 of the Act entitled "An Act to provide for the conveyance of a tract of land in Prince Georges County, Maryland, to the State of Maryland for use as a site for a National Guard Armory and for training the National Guard or for other military purposes", approved August 10, 1949 (63 Stat. 592), is amended by striking out "The land" and inserting in lieu thereof "(a) Except as provided in subsection (b) of this section, the land" and by adding at the end thereof the following new subsection:

"(b) The Secretary of Housing and Urban Development shall execute the necessary instrument or instruments to provide that a certain portion of land, not to exceed two acres, on the easterly side of the land described in the first section of this Act, as more particularly determined and designated by the Secretary of the Army, may be used for civil defense or other emergency preparedness purposes or the purposes stated in subsection (a) and that such use shall not cause the reverter clause set forth herein to become operable."

#### MORTGAGE INSURANCE FOR LAND DEVELOPMENT—CLARIFYING AMENDMENTS

SEC. 1019. Section 1001(d) of the National Housing Act is amended—

79 Stat. 462.  
12 USC 1749aa.

(1) by striking out "sewerage disposal installations," and inserting in lieu thereof "sewage disposal installations, steam, gas, and electric lines and installations,";

(2) by striking out the semicolon after "or common use", and inserting in lieu thereof a period and the following new sentence: "Related uses may include industrial uses, with sites for such uses to be in proper proportion to the size and scope of the development.";

(3) by striking out "but such term" and inserting in lieu thereof: "The term improvements"; and

(4) by inserting after "sewage disposal installation," in clause (1) the following: "or a steam, gas, or electric line or installation,".

#### MISCELLANEOUS AND TECHNICAL AMENDMENTS

SEC. 1020. (a) Section 106(d) of the Housing Act of 1949 is repealed.

63 Stat. 419.  
42 USC 1456.

(b) Section 227(a) of the National Housing Act is amended by striking out "subsection (b) (2)" in clause (vi) and inserting in lieu thereof "subsection (b)".

68 Stat. 607.  
12 USC 1715r.

71 Stat. 299.  
12 USC 1720.

68 Stat. 620.  
12 USC 1723.

12 USC 1731a.

12 USC 1749aa.

12 USC 1702.

69 Stat. 636.  
12 USC 1715e  
note.

12 USC 1715e,  
1715i, 1701s.

(c) The last sentence of section 305(e) of the National Housing Act is amended by striking out "supplementing" and inserting in lieu thereof "supplementary".

(d) Section 308 of the National Housing Act is amended by striking out "(a)".

(e) Section 512 of the National Housing Act is amended by striking out "or IX" and inserting in lieu thereof "IX, X, or XI".

(f) Section 1001(c) of the National Housing Act is amended by striking out "mortgage" and inserting in lieu thereof "mortgagee".

(g) Section 1 of the National Housing Act is amended by striking out "and X" wherever it appears and inserting in lieu thereof "X, and XI".

(h) Section 102(h) of the Housing Amendments of 1955 is amended by striking out "section 213 of the National Housing Act, as amended, the Commissioner" and inserting in lieu thereof "section 213 of the National Housing Act, section 221(d)(3) of the National Housing Act, and section 101 of the Housing and Urban Development Act of 1965 (insofar as the provisions of such sections relate to cooperative housing), the Secretary of Housing and Urban Development", and by striking out "such section" each place it appears and inserting in lieu thereof "such sections".

Approved November 3, 1966.

## Public Law 89-755

### AN ACT

November 3, 1966  
[S. 985]

To regulate interstate and foreign commerce by preventing the use of unfair or deceptive methods of packaging or labeling of certain consumer commodities distributed in such commerce, and for other purposes.

Fair Packaging  
and Labeling Act.

*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 "Fair Packaging and Labeling Act".

### DECLARATION OF POLICY

SEC. 2. Informed consumers are essential to the fair and efficient functioning of a free market economy. Packages and their labels should enable consumers to obtain accurate information as to the quantity of the contents and should facilitate value comparisons. Therefore, it is hereby declared to be the policy of the Congress to assist consumers and manufacturers in reaching these goals in the marketing of consumer goods.

### PROHIBITION OF UNFAIR AND DECEPTIVE PACKAGING AND LABELING

SEC. 3. (a) It shall be unlawful for any person engaged in the packaging or labeling of any consumer commodity (as defined in this Act) for distribution in commerce, or for any person (other than a common carrier for hire, a contract carrier for hire, or a freight forwarder for hire) engaged in the distribution in commerce of any packaged or labeled consumer commodity, to distribute or to cause to be distributed in commerce any such commodity if such commodity is contained in a package, or if there is affixed to that commodity a label, which does not conform to the provisions of this Act and of regulations promulgated under the authority of this Act.