

1 United States and that the existence of substantial and per-
2 sistent unemployment or underemployment in certain areas
3 of the Nation is jeopardizing the health, standard of living,
4 and general welfare of the Nation. It is therefore the pur-
5 pose of this Act to provide assistance to communities, in-
6 dustries, enterprises, and individuals in areas needing re-
7 development to enable them to expand and adjust their pro-
8 ductive activity to alleviate substantial and persistent un-
9 employment or underemployment within such areas by pro-
10 viidng new employment opportunities and developing and
11 expanding existing facilities and resources without reducing
12 employment in other areas of the United States.

13 AREA REDEVELOPMENT ADMINISTRATION

14 SEC. 3. In order to carry out the purposes of this Act,
15 there is hereby established, within the executive branch of
16 the Government, an Area Redevelopment Administration.
17 Such Administration shall be under the direction and con-
18 trol of an Administrator (hereinafter referred to as "the
19 Administrator") who shall be appointed by the President,
20 by and with the advice and consent of the Senate, and who
21 shall be compensated at the rate of \$17,500 per annum.

22 ADVISORY COMMITTEES

23 SEC. 4. (a) There is hereby established a Government
24 Advisory Committee on Area Redevelopment which shall
25 be composed of the following members: The Administrator,

1 as Chairman, the Secretary of the Interior, the Secretary
2 of the Treasury, the Secretary of Defense, the Secretary of
3 Agriculture, the Secretary of Commerce, the Secretary of
4 Labor, the Secretary of Health, Education, and Welfare, the
5 Administrator of the Small Business Administration, the
6 Administrator of General Services, the Administrator of the
7 Housing and Home Finance Agency, and the Director of the
8 Office of Defense Mobilization. Such Committee, or any
9 duly established subcommittee thereof, shall from time to
10 time make recommendations to the Administrator relative
11 to the carrying out of his duties under this Act, and the
12 Administrator shall, in carrying out such duties, consult with
13 such Committee, or any duly established subcommittee
14 thereof. Such Committee shall hold meetings at the call of
15 the Chairman, and such meetings shall be held at least twice
16 during each calendar year.

17 (b) The Administrator shall appoint a National Public
18 Advisory Committee on Area Redevelopment which shall
19 consist of twelve members and which shall be composed of
20 representatives of labor, management, agriculture, and the
21 public in general. From the members appointed to such
22 Committee the Administrator shall designate a Chairman.
23 Such Committee, or any duly established subcommittee
24 thereof, shall from time to time make recommendations to
25 the Administrator relative to the carrying out of his duties

1 under this Act. Such Committee shall hold not less than
2 two meetings during each calendar year.

3 (c) The Administrator is authorized from time to time
4 to call together and confer with representatives of the
5 various parties in interest from any industry in which em-
6 ployment has dropped substantially over an extended period
7 of years and which in consequence has been a primary
8 source of high levels of unemployment in several areas
9 designated by the Administrator as redevelopment areas.
10 Conferences convened under authority of this subsection
11 shall consider with and recommend to the Administrator
12 plans and programs with special reference to any such
13 industry to carry out the purposes of this Act.

14 **REDEVELOPMENT AREAS**

15 **SEC. 5. (a)** The Administrator shall designate as "in-
16 dustrial redevelopment areas" those industrial areas within
17 the United States in which he determines that there has
18 existed substantial and persistent unemployment for an ex-
19 tended period of time. There shall be included among the
20 areas so designated any industrial area in which there has
21 existed unemployment of not less than (1) 12 per centum
22 of the labor force for a period of one year immediately pre-
23 ceding the date on which an application for assistance is
24 made under this Act, (2) 8 per centum of the labor force

1 during at least fifteen months of the eighteen-month period
2 immediately preceding such date, or (3) 6 per centum of
3 the labor force during at least eight months in each of the
4 two years immediately preceding such date.

5 (b) The Administrator shall also designate as "rural
6 redevelopment areas" those rural areas within the United
7 States in which he determines that there exist the largest
8 number and percentage of low-income families, and a condi-
9 tion of substantial and persistent unemployment or under-
10 employment. In making the designations under this sub-
11 section, the Administrator shall consider, among other rele-
12 vant factors, the number of low-income farm families
13 in the various rural areas of the United States, the propor-
14 tion that such low-income families are to the total farm
15 families of each of such areas, the relationship of the income
16 levels of the families in each such area to the general levels
17 of income in the United States, the current and prospective
18 employment opportunities in each such area, and the avail-
19 ability of manpower in each such area for supplemental
20 employment.

21 (c) In making the determinations provided for in this
22 section, the Administrator shall be guided, but not conclu-
23 sively governed, by pertinent studies made, and information
24 and data collected or compiled, by (1) departments, agen-

1 cies, and instrumentalities of the Federal Government, (2)
2 State and local governments, (3) universities and land-grant
3 colleges, and (4) private organizations.

4 (d) Upon the request of the Administrator, the Secre-
5 tary of Labor, the Secretary of Agriculture, and the Director
6 of the Bureau of the Census are respectively authorized to
7 conduct such special studies, obtain such information, and
8 compile and furnish to the Administrator such data as the
9 Administrator may deem necessary or proper to enable him
10 to make the determinations provided for in this section. The
11 Administrator shall reimburse, out of any funds appropriated
12 to carry out the purposes of this Act, the foregoing officers
13 for any expenditures incurred by them under this section.

14 (e) As used in this Act, the term "redevelopment area"
15 refers to any area within the United States which has been
16 designated by the Administrator as an industrial redevel-
17 opment area or a rural redevelopment area, and may include
18 one or more counties, or one or more municipalities, or a
19 part of a county or municipality.

20 LOCAL AND REGIONAL COMMITTEES

21 SEC. 6. (a) The Administrator, upon determining that
22 any area is a redevelopment area, shall appoint a local re-
23 development committee (hereinafter referred to as a "local
24 committee"), to be composed of not less than seven resi-
25 dents of such area who, as nearly as possible, are representa-

1 tive of labor, commercial, industrial, and agricultural groups,
2 and of the residents generally of such area. In appointing
3 such local committee, the Administrator may include
4 therein members of existing local redevelopment com-
5 mittees. Each local committee shall prepare plans and
6 cost estimates, to the extent deemed desirable by it, for
7 (1) the development of the resources of, and processing
8 and marketing facilities in, the area which such commit-
9 tee represents, (2) the construction, rehabilitation, and
10 alteration of industrial plants or other industrial and com-
11 mercial facilities in such area, and (3) the purchase of
12 machinery or equipment for use in such area, with a view to
13 attracting new industries thereto and otherwise to stimulate
14 economic activity therein. Each local committee shall enlist
15 the support of local residents and private and public lending
16 agencies in financing the carrying out of such plans. The
17 Administrator shall, at the request of any local committee,
18 make available to such committee such professional, tech-
19 nical, and other experts as may be necessary to enable such
20 local committee properly to discharge its functions under
21 this Act.

22 (b) The Administrator may establish regional advisory
23 committees to represent two or more redevelopment areas
24 when he finds that the establishment of such committees will
25 facilitate the carrying out of the purposes of this Act. The

1 members of such regional committees shall be appointed by
2 the Administrator on the same basis as are members of local
3 committees, and such regional committees shall cooperate
4 with, and, to the extent possible, coordinate the activities of,
5 the local committees within the regions represented by such
6 regional committees.

7 (c) Of the sums appropriated to carry out the purposes
8 of this Act, not to exceed \$1,500,000 shall be available to
9 the Administrator for the purpose of assisting the local or
10 regional committees established under this section to defray
11 their administrative expenses, but no part thereof shall be
12 available for the purpose of paying salaries or traveling
13 expenses of the members of such committees.

14

LOANS

15 SEC. 7. (a) Upon application approved by any local
16 committee, the Administrator is authorized to make loans
17 to assist in financing the purchase or development of land
18 for industrial usage within the redevelopment area repre-
19 sented by such committee, and the construction, rehabilita-
20 tion, or alteration of industrial or commercial plants, or other
21 manufacturing, commercial, or processing facilities, and the
22 purchase of machinery or equipment for use, in such area,
23 if he finds that—

24 (1) the project for which financial assistance is
25 sought is reasonably calculated to provide more than a

1 temporary alleviation of unemployment or underemploy-
2 ment within the redevelopment area wherein it is, or
3 will be, located;

4 (2) the funds requested for such project are not
5 otherwise available on reasonable terms;

6 (3) the amount of the loan plus the amount of other
7 available funds for such project are adequate to insure
8 the completion thereof;

9 (4) the borrower (including any person, firm, or
10 corporation which can reasonably be expected to become
11 a successor in interest to the borrower) will not cause a
12 transferral to, or relocation in, any plant or facility under
13 this section, of business operations otherwise conducted
14 by such borrower so as to effect a significant reduction
15 in employment in any other area within the United
16 States; and

17 (5) there is a reasonable expectation of repayment.

18 (b) No loan under this section shall be for an amount
19 in excess of 75 per centum of the aggregate cost of the
20 project for which such loan is made. Subject to section 14

21 (5), the maturity date of any such loan shall be not later
22 than forty years after the date such loan was made. Any
23 such loan shall bear interest at a rate equal to the rate of
24 interest paid by the Administrator on funds obtained from

1 the Secretary of the Treasury as provided in section 10 of
2 this Act, plus one-half of 1 per centum per annum.

3 (c) In making any loan under this section, the Admin-
4 istrator shall require that not less than 10 per centum, or
5 more than 25 per centum, of the aggregate cost of the project
6 for which such loan is made shall be supplied (1) by the
7 State (including any agency, instrumentality, or political
8 subdivision thereof) within which such project is to be
9 located, or (2) by one or more community or area organi-
10 zations, or persons, firms or corporations within the rede-
11 velopment area in which such project is to be located, as
12 equity capital, or as a loan repayable only after the financial
13 assistance provided under this section has been repaid in full,
14 and, if such loan is secured, its security shall be subordinate
15 to the lien or liens securing the financial assistance provided
16 under this section: *Provided*, That in making any loan under
17 this section with respect to an industrial redevelopment area,
18 the Administrator shall require that not less than 5 per
19 centum of the aggregate cost of the project for which such
20 loan is made shall be supplied by nongovernmental sources.
21 In determining the amount of participation required under
22 this subsection with respect to any particular project, the
23 Administrator shall give consideration to the financial condi-
24 tion of the State or local government, and to the per capita

1 income of the residents of the redevelopment area, within
2 which such project is to be located.

3 (d) As used in this section, the term "borrower" in-
4 cludes any agent, lessee or operating subcontractor thereof,
5 or any person, firm, or corporation which directly or in-
6 directly controls, is controlled by, or is under common
7 control with, the borrower by reason of voting stock interest,
8 common officers, directors or stockholders, voting trusts, or
9 by any other direct or indirect means.

10 LOANS FOR PUBLIC FACILITIES

11 SEC. 8. (a) Upon the application of any State, or
12 political subdivision thereof, Indian tribe, or private or
13 public organization or association representing any rede-
14 velopment area or part thereof, the Administrator is author-
15 ized to make loans to assist in financing the purchase or
16 development of land for public facility usage, and the con-
17 struction, rehabilitation, alteration, expansion, or improve-
18 ment of public facilities within any redevelopment area, if
19 he finds that—

20 (1) the project for which financial assistance is
21 sought will provide more than a temporary alleviation
22 of unemployment or underemployment in the rede-
23 velopment area wherein such project is, or will be,
24 located, and will tend to improve the opportunities in

1 such area for the successful establishment or expansion
2 of industrial or commercial plants or facilities;

3 (2) the funds requested for such project are not
4 otherwise available on reasonable terms;

5 (3) the amount of the loan plus the amount of
6 other available funds for such projects are adequate to
7 insure the completion thereof; and

8 (4) there is a reasonable expectation of repayment.

9 (b) No loan under this section shall be for an amount
10 in excess of 75 per centum of the aggregate cost of the proj-
11 ect for which such loan is made. Subject to section 14 (5),
12 the maturity date of any such loan shall be not later than
13 forty years after the date such loan is made. Any such
14 loan shall bear interest at a rate equal to the rate of interest
15 paid by the Administrator on funds obtained from the Secre-
16 tary of the Treasury as provided in section 10 of this Act,
17 plus one-half of 1 per centum per annum.

18 (c) In making any loan under this section, the Admin-
19 istrator shall require that not less than 10 per centum, nor
20 more than 25 per centum, of the aggregate cost of the
21 project for which such loan is made shall be supplied by the
22 State (including any political subdivision thereof) within
23 which such project is to be located as equity capital, or as
24 a loan repayable only after the financial assistance provided
25 under this section has been repaid in full, and, if such loan

1 is secured, its security shall be subordinate to the lien or
2 liens securing the financial assistance provided under this
3 section. In determining the amount of participation re-
4 quired under this subsection with respect to any particular
5 project, the Administrator shall give consideration to the
6 financial condition of the State or local government, and to
7 the per capita income of the residents of the redevelopment
8 area, within which such project is to be located.

9 GRANTS FOR PUBLIC FACILITIES

10 SEC. 9. (a) The Administrator may conduct studies of
11 needs in the various redevelopment areas throughout the
12 United States for, and the probable cost of, land acquisition
13 or development for public facility usage, and the construc-
14 tion, rehabilitation, alternation, expansion, or improvement of
15 useful public facilities within such areas, and may receive
16 proposals from any State, or political subdivision thereof,
17 Indian tribe, or private or public organization or association
18 representing any redevelopment area, or part thereof, relat-
19 ing to land acquisition or development for public facility
20 usage, and the construction, rehabilitation, alteration, expan-
21 sion, or improvement of public facilities within any such
22 area. Any such proposal shall contain plans showing the
23 project proposed to be undertaken, the cost thereof, and the
24 contributions proposed to be made to such cost by the entity
25 making the proposal. The Administrator, in consultation

1 with such entity, is authorized to modify all or any part of
2 such proposal.

3 (b) The Administrator, pursuant to a proposal received
4 by him under this section, may make grants to any State, or
5 political subdivision thereof, Indian tribe, or private or
6 public organization or association representing any redevelop-
7 ment area, or part thereof, for land acquisition or develop-
8 ment for public facility usage, and the construction,
9 rehabilitation, alteration, expansion, or improvement of
10 public facilities within a redevelopment area, if he finds
11 that—

12 (1) the project for which financial assistance is
13 sought will provide more than a temporary alleviation
14 of unemployment or underemployment in the redevelop-
15 ment area wherein such project is, or will be, located,
16 and will tend to improve the opportunities in such area
17 for the successful establishment or expansion of indus-
18 trial or commercial plants or facilities;

19 (2) the entity requesting the grant proposes to
20 contribute to the cost of the project for which such grant
21 is requested in proportion to its ability so to contribute;
22 and

23 (3) the project for which a grant is requested will
24 fulfill a pressing need of the area, or part thereof, in
25 which it is, or will be, located, and there is little proba-

1 bility that such project can be undertaken without the
2 assistance of a grant under this section.

3 The amount of any grant under this section for any such
4 project shall not exceed the difference between the funds
5 which can be practicably obtained from other sources (in-
6 cluding a loan under section 8 of this Act) for such project,
7 and the amount which is necessary to insure the completion
8 thereof.

9 (c) The Administrator shall by regulations provide for
10 the supervision of the carrying out of projects with respect
11 to which grants are made under this section so as to insure
12 that Federal funds are not wasted or dissipated.

13 (d) There is hereby authorized to be appropriated not
14 to exceed \$50,000,000 for the purpose of making grants
15 under this section.

16

FUNDS FOR LOANS

17 SEC. 10. To obtain funds for loans under this Act, the
18 Administrator may, with the approval of the President, issue
19 and have outstanding at any one time notes and obligations
20 for purchase by the Secretary of the Treasury in an amount
21 not to exceed \$275,000,000. Such notes or other obligations
22 shall be in such forms and denominations, have such maturi-
23 ties, and be subject to such terms and conditions as may be
24 prescribed by the Administrator, with the approval of the
25 Secretary of the Treasury. Such notes or other obligations

1 shall bear interest at a rate determined by the Secretary of
2 the Treasury, taking into consideration the current average
3 rate on outstanding marketable obligations of the United
4 States as of the last day of the month preceding the issuance
5 of such notes or other obligations. The Secretary of the
6 Treasury is authorized and directed to purchase any notes
7 and other obligations issued under this section and for such
8 purpose is authorized to use as a public debt transaction the
9 proceeds from the sale of any securities issued under the
10 Second Liberty Bond Act, as amended, and the purposes
11 for which securities may be issued under such Act are ex-
12 tended to include any purchases of such notes and other obli-
13 gations. The Secretary of the Treasury may at any time
14 sell any of the notes or other obligations acquired by him
15 under this section. All redemptions, purchases, and sales by
16 the Secretary of the Treasury of such notes or other obliga-
17 tions shall be treated in every respect as public debt trans-
18 actions of the United States.

19 **ESTABLISHMENT OF REVOLVING FUNDS**

20 **SEC. 11.** Of the funds raised under section 10 of this Act,
21 not more than (1) \$100,000,000 shall be deposited in a
22 revolving fund which shall be used for the purpose of making
23 loans for projects within industrial redevelopment areas;
24 (2) \$100,000,000 shall be deposited in a revolving fund
25 which shall be used for the purpose of making loans for

1 projects within rural redevelopment areas, but the principal
2 amount of loans from such fund which are outstanding at
3 any one time within any one State shall not exceed \$6,000,-
4 000; and (3) \$75,000,000 shall be deposited in a revolving
5 fund which shall be used for the purpose of making loans
6 for public facilities. Receipts arising from the repayment
7 of any such loans shall be deposited in the fund from which
8 such loan was made and shall be utilized for the purpose for
9 which such fund was established.

10 INFORMATION

11 SEC. 12. The Administrator shall aid redevelopment
12 areas by furnishing to interested individuals, communities,
13 industries, and enterprises within such areas any assistance,
14 technical information, market research, or other forms of
15 assistance, information, or advice which are obtainable from
16 the various departments, agencies, and instrumentalities of
17 the Federal Government and which would be useful in
18 alleviating conditions of excessive unemployment or under-
19 employment within such areas. The Administrator shall
20 furnish the procurement divisions of the various departments,
21 agencies, and other instrumentalities of the Federal Govern-
22 ment with a list containing the names and addresses of busi-
23 ness firms which are located in redevelopment areas and
24 which are desirous of obtaining Government contracts for the

1 furnishing of supplies or services, and designating the sup-
2 plies and services such firms are engaged in providing.

3 TECHNICAL ASSISTANCE

4 SEC. 13. In carrying out his duties under this Act, the
5 Administrator is authorized to provide technical assistance
6 to areas which he has designated as redevelopment areas
7 under this Act. Such assistance shall include studies
8 evaluating the needs of, and developing potentialities for,
9 economic growth of such areas. Such assistance may be
10 provided by the Administrator through members of his
11 staff or through the employment of private individuals,
12 partnerships, firms, corporations, or suitable institutions,
13 under contracts entered into for such purpose. Appropria-
14 tions are hereby authorized for the purposes of this section
15 in an amount not to exceed \$4,500,000.

16 POWERS OF ADMINISTRATOR

17 SEC. 14. In performing his duties under this Act, the
18 Administrator is authorized to—

19 (1) adopt, alter, and use a seal, which shall be
20 judicially noticed; and subject to the civil service and
21 classification laws, select, employ, appoint, and fix the
22 compensation of such officers, employees, attorneys,
23 and agents as shall be necessary to carry out the pro-
24 visions of this Act, and define their authority and duties,

1 provide bonds for them in such amounts as the Admin-
2 istrator shall determine, and pay the costs of qualifica-
3 tion of certain of them as notaries public;

4 (2) hold such hearings, sit and act at such times
5 and places, and take such testimony, as he may deem
6 advisable;

7 (3) request directly from any executive depart-
8 ment, bureau, agency, board, commission, office,
9 independent establishment, or instrumentality informa-
10 tion, suggestions, estimates, and statistics needed to
11 carry out the purposes of this Act; and each depart-
12 ment, bureau, agency, board, commission, office, estab-
13 lishment, or instrumentality is authorized to furnish such
14 information, suggestions, estimates, and statistics di-
15 rectly to the Administrator;

16 (4) under regulations prescribed by him, assign
17 or sell at public or private sale, or otherwise dispose
18 of for cash or credit, in his discretion and upon such
19 terms and conditions and for such consideration as he
20 shall determine to be reasonable, any evidence of debt,
21 contract, claim, personal property, or security assigned
22 to or held by him in connection with the payment of
23 loans made under this Act, and collect or compromise
24 all obligations assigned to or held by him in connec-

1 tion with the payment of such loans until such time as
2 such obligations may be referred to the Attorney Gen-
3 eral for suit or collection;

4 (5) further extend the maturity of or renew any
5 loan made under this Act, beyond the periods stated
6 in such loan or in this Act, for additional periods not
7 to exceed 10 years, if such extension or renewal will
8 aid in the orderly liquidation of such loan;

9 (6) deal with, complete, renovate, improve, mod-
10 ernize, insure, rent, or sell for cash or credit, upon such
11 terms and conditions and for such consideration as he
12 shall determine to be reasonable, any real or personal
13 property conveyed to, or otherwise acquired by, him
14 in connection with the payment of loans made under
15 this Act;

16 (7) pursue to final collection, by way of com-
17 promise or other administrative action, prior to reference
18 to the Attorney General, all claims against third parties
19 assigned to him in connection with loans made under
20 this Act. This shall include authority to obtain deficiency
21 judgments or otherwise as in the case of mortgages
22 assigned to the Administrator. Section 3709 of the
23 Revised Statutes, as amended (41 U. S. C. 5), shall
24 not apply to any contract of hazard insurance or to any
25 purchase or contract for services or supplies on account

1 of property obtained by the Administrator as a result
2 of loans made under this Act if the premium therefor
3 or the amount thereof does not exceed \$1,000. The
4 power to convey and to execute in the name of the
5 Administrator deeds of conveyance, deeds of release,
6 assignments and satisfactions of mortgages, and any
7 other written instrument relating to real or personal
8 property or any interest therein acquired by the Admin-
9 istrator pursuant to the provisions of this Act may be
10 exercised by the Administrator or by any officer or
11 agent appointed by him for that purpose without the
12 execution of any express delegation of power or power
13 of attorney;

14 (8) acquire, in any lawful manner, any property
15 (real, personal, or mixed, tangible or intangible), when-
16 ever deemed necessary or appropriate to the conduct of
17 the activities authorized in sections 7 and 8 of this Act;

18 (9) in addition to any powers, functions, privileges,
19 and immunities otherwise vested in him, take any and
20 all actions, including the procurement of the services of
21 attorneys by contract, determined by him to be neces-
22 sary or desirable in making, servicing, compromising,
23 modifying, liquidating, or otherwise administratively
24 dealing with or realizing on loans made under this Act;

25 (10) to such an extent as he finds necessary to

1 carry out the provisions of this Act, procure the tempor-
2 ary (not in excess of 6 months) service of experts or
3 consultants or organizations thereof, including steno-
4 graphic reporting services, by contract or appointment,
5 and in such cases such service shall be without regard
6 to the civil service and classifications laws, and, except
7 in the case of stenographic reporting services by organi-
8 zations, without regard to section 3709 of the Revised
9 Statutes (41 U. S. C. 5); any individual so employed
10 may be compensated at a rate not in excess of \$50 per
11 diem, and, while such individual is away from his home
12 or regular place of business, he may be allowed trans-
13 portation and not to exceed \$15 per diem in lieu of sub-
14 sistence and other expenses; and

15 (11) establish such rules, regulations, and proce-
16 dures as he may deem appropriate in carrying out the
17 provisions of this Act.

18 **TERMINATION OF ELIGIBILITY FOR FURTHER ASSISTANCE**

19 **SEC. 15.** Whenever the Administrator shall determine
20 that employment conditions within any area previously desig-
21 nated by him as a redevelopment area have changed to such
22 an extent that such area is no longer eligible for such desig-
23 nation under section 5 of this Act, no further assistance shall
24 be granted under this Act with respect to such area and, for
25 the purposes of this Act, such area shall not be considered

1 a redevelopment area: *Provided*, That nothing contained
2 herein shall (1) prevent any such area from again being
3 designated a redevelopment area under section 5 of this Act
4 if the Administrator determines it to be eligible under such
5 section, or (2) affect the validity of any contracts or under-
6 takings with respect to such area which were entered into
7 pursuant to this Act prior to a determination by the Adminis-
8 trator that such area no longer qualifies as a redevelopment
9 area. The Administrator shall keep the departments and
10 agencies of the Federal Government; and interested State or
11 local agencies, advised at all times of any changes made
12 hereunder with respect to the designation of any area.

13 PROCUREMENT BY GOVERNMENTAL AGENCIES

14 SEC. 16. Each department, agency, or other instru-
15 mentality of the Federal Government engaged in the pro-
16 curement of any supplies or services for use by or on behalf
17 of the United States shall—

18 (1) use its best efforts to award negotiated pro-
19 curement contracts to contractors located within rede-
20 velopment areas to the extent procurement objectives
21 will permit;

22 (2) where deemed appropriate, set aside portions of
23 procurements for negotiation exclusively with firms
24 located in redevelopment areas, if a substantial propor-
25 tion of production on such negotiated contracts will be

1 performed within redevelopment areas and if such firms
2 will contract for such portions of the procurement at
3 prices no higher than those paid on the balance of such
4 procurements;

5 (3) where deemed appropriate and consistent with
6 procurement objectives, after the expiration of the period
7 during which bids for any procurement are permitted to
8 be submitted and if the lowest of such bids was submitted
9 by a firm in an area other than a redevelopment area,
10 negotiate with firms in redevelopment areas with a view
11 to ascertaining whether any such firm will furnish the
12 services or supplies with respect to which bids were
13 theretofore submitted for an amount equal to, or less
14 than, the amount of the lowest bid theretofore sub-
15 mitted for the furnishing of such services or supplies,
16 and if any such firm can be found, award the contract
17 for the furnishing of such services or supplies to such
18 firm;

19 (4) assure that firms in redevelopment areas which
20 are on appropriate bidders' lists will be given the oppor-
21 tunity to submit bids or proposals on all procurements
22 for which they are qualified and on which small business
23 joint-determinations have not been made, but whenever
24 the number of firms on a bidders' list is exclusive, there

1 shall be included a representative number of firms from
2 redevelopment areas;

3 (5) in the event of tie bids on offers on any pro-
4 curement, award the contract to the firm located in a
5 development area, other things being equal;

6 (6) encourage prime contractors to award subcon-
7 tracts to firms in redevelopment areas; and

8 (7) cooperate with other departments, agencies,
9 and instrumentalities of the Federal Government in
10 achieving the objectives set out in this subsection.

11 URBAN RENEWAL

12 SEC. 17. Title I of the Housing Act of 1949, as
13 amended, is amended by adding at the end thereof the fol-
14 lowing new section:

15 "INDUSTRIAL REDEVELOPMENT AREAS UNDER THE AREA 16 REDEVELOPMENT ACT

17 "SEC. 112. (a) When the Administrator of the Area
18 Redevelopment Administration certifies to the Housing and
19 Home Finance Administrator (1) that any county, city, or
20 other municipality (in this section referred to as a 'muni-
21 pality') is situated in an area designated under section 5 (a)
22 of the Area Redevelopment Act as an industrial redevelo-
23 pment area, and (2) that there is a reasonable probability
24 that with assistance provided under such Act and other

1 undertakings the area will be able to achieve more than tem-
2 porary improvement in its economic development, the Hous-
3 ing and Home Finance Administrator is authorized to pro-
4 vide financial assistance to a local public agency in any such
5 municipality under this title and the provisions of this section.

6 “(b) The Housing and Home Finance Administrator
7 may provide such financial assistance under this section with-
8 out regard to the requirements or limitations of section 110

9 (c) that the project area be clearly predominantly residential
10 in character or that it be redeveloped for predominantly
11 residential uses; but no such assistance shall be provided in
12 any area unless such Administrator determines that it will
13 not result in a transferral to (or a relocation in) such area
14 of business operations otherwise conducted in any other
15 area of the United States.

16 “(c) Financial assistance under this section may be
17 provided for any project involving a project area including
18 primarily industrial or commercial structures suitable for
19 rehabilitation under the urban renewal plan for the area.

20 “(d) Notwithstanding any other provision of this title,
21 a contract for financial assistance under this section may
22 include provisions permitting the disposition of any land in
23 the project area designated under the urban renewal plan
24 for industrial or commercial uses to any public agency or
25 nonprofit corporation for subsequent disposition as promptly

1 as practicable by such public agency or corporation for the
2 redevelopment of the land in accordance with the urban
3 renewal plan: *Provided*, That any disposition of such land
4 under this section shall be made at not less than its fair value
5 for uses in accordance with the urban renewal plan: *And*
6 *provided further*, That the purchasers from or lessees of such
7 public agency or corporation, and their assignees, shall be
8 required to assume the obligations imposed under section
9 105 (b).

10 “(e) Following the execution of any contract for finan-
11 cial assistance under this section with respect to any project,
12 the Housing and Home Finance Administrator may exercise
13 the authority vested in him under this section for the comple-
14 tion of such project, notwithstanding any determination made
15 after the execution of such contract that the area in which
16 the project is located may no longer be an industrial rede-
17 velopment area under the Area Redevelopment Act.

18 “(f) Not more than 10 per centum of the funds au-
19 thorized for loans under section 102 or for capital grants
20 under section 103 shall be available to provide financial
21 assistance under this section.”

22 URBAN PLANNING GRANTS

23 SEC. 18. The second sentence of section 701 of the Hous-
24 ing Act of 1954 is amended by adding the following in clause
25 (2) after the words “decennial census which”: “(i) are

1 situated in areas designated by the Administrator of the Area
2 Redevelopment Administration under the Area Redevelop-
3 ment Act as industrial redevelopment areas, or (ii)".

4 VOCATIONAL TRAINING

5 SEC. 19. (a) The Secretary of Labor shall determine
6 the vocational training or retraining needs of unemployed
7 individuals residing in redevelopment areas and shall co-
8 operate with the Secretary of Health, Education, and Wel-
9 fare and with existing State and local agencies and officials
10 in charge of existing programs relating to vocational train-
11 ing and retraining, for the purpose of assuring that the
12 facilities and services of such agencies are made fully avail-
13 able to such individuals.

14 (b) Whenever the Secretary of Labor finds that addi-
15 tional facilities or services are needed in the area to meet
16 the vocational training or retraining needs of such individ-
17 uals, he shall so advise the Secretary of Health, Education,
18 and Welfare. The Secretary of Health, Education, and
19 Welfare, through the Commissioner of Education, shall pro-
20 vide assistance, including financial assistance when neces-
21 sary, to the appropriate State vocational educational agency
22 in the provision of such additional facilities or services. If
23 the Secretary of Health, Education, and Welfare finds that
24 the State vocational educational agency is unable to provide

1 the facilities and services needed, he may, after consultation
2 with such agency, provide for the same by agreement or
3 contract with public or private educational institutions:
4 *Provided*, That the Secretary of Labor shall arrange to
5 provide any necessary technical assistance for setting up
6 apprenticeship, journeyman and other job training needed
7 in the locality.

8 RETRAINING SUBSISTENCE PAYMENTS

9 SEC. 20. The Secretary of Labor shall, on behalf of the
10 United States, enter into agreements with States in which
11 redevelopment areas are located under which the Secretary
12 shall make payments to such States for the purpose of en-
13 abling such States, as agents of the United States, to make
14 weekly retraining payments to unemployed individuals resid-
15 ing within such redevelopment areas who are not entitled
16 to unemployment compensation (either because their unem-
17 ployment compensation benefits have been exhausted or
18 because they were not insured for such compensation) and
19 who have been certified by the Secretary of Labor to be
20 undergoing training for a new job. Such payments shall be
21 made for a period not exceeding thirteen weeks, and the
22 amounts of such payments shall be equal to the amount of
23 the average weekly unemployment compensation payment
24 payable in the State making such payments.

PENALTIES

1
2 SEC. 21. (a) Whoever makes any statement knowing it
3 to be false, or whoever willfully overvalues any security, for
4 the purpose of obtaining for himself or for any applicant
5 any loan, or extension thereof by renewal, deferment of
6 action, or otherwise, or the acceptance, release, or substi-
7 tution of security thereof, or for the purpose of influencing
8 in any way the action of the Administrator, or for the pur-
9 pose of obtaining money, property, or anything of value,
10 under this title, shall be punished by a fine of not more than
11 \$5,000 or by imprisonment for not more than two years,
12 or both.

13 (b) Whoever, being connected in any capacity with the
14 Administrator (1) embezzles, abstracts, purloins, or will-
15 fully misapplies any moneys, funds, securities, or other things
16 of value, whether belonging to him or pledged or otherwise
17 entrusted to him, or (2) with intent to defraud the Adminis-
18 trator or any other body politic or corporate, or any individ-
19 ual, or to deceive any officer, auditor, or examiner of the
20 Administrator makes any false entry in any book, report,
21 or statement of or to the Administrator, or without being
22 duly authorized, draws any order or issues, puts forth, or
23 assigns any note, debenture, bond, or other obligation, or
24 draft, bill of exchange, mortgage, judgment, or decree
25 thereof, or (3) with intent to defraud participates, shares,

1 receives directly or indirectly any money, profit, property,
2 or benefit through any transaction, loan, commission, con-
3 tract, or any other act of the Administrator, or (4) gives
4 any unauthorized information concerning any future action
5 or plan of the Administrator which might affect the value of
6 securities, or, having such knowledge, invests or speculates,
7 directly or indirectly, in the securities or property of any
8 company or corporation receiving loans or other assistance
9 from the Administrator shall be punished by a fine of not
10 more than \$10,000 or by imprisonment for not more than
11 five years, or both.

12 EMPLOYMENT OF EXPEDITERS AND ADMINISTRATIVE

13 EMPLOYEES

14 SEC. 22. No loan shall be made by the Administrator
15 under this Act to any business enterprise unless the owners,
16 partners, or officers of such business enterprise (1) certify
17 to the Administrator the names of any attorneys, agents,
18 or other persons engaged by or on behalf of such business
19 enterprise for the purpose of expediting applications made to
20 the Administrator for assistance of any sort, and the fees
21 paid or to be paid to any such person; and (2) execute an
22 agreement binding any such business enterprise for a period
23 of two years after any assistance is rendered by the Adminis-
24 trator to such business enterprise, to refrain from employing,
25 tendering any office or employment to, or retaining for

1 professional services, any person who, on the date such
2 assistance or any part thereof was rendered, or within one
3 year prior thereto, shall have served as an officer, attorney,
4 agent, or employee of the Administrator occupying a posi-
5 tion or engaging in activities with which the Administrator
6 shall have determined involve discretion with respect to the
7 granting of assistance under this Act.

8 ANNUAL REPORT

9 SEC. 23. The Administrator shall make a compre-
10 hensive and detailed annual report to the Congress of his
11 operations under this Act for each fiscal year beginning with
12 the fiscal year ending June 30, 1957. Such report shall be
13 printed, and shall be transmitted to the Congress not later
14 than January 3, of the year following the fiscal year with
15 respect to which such report is made. Such report shall
16 show, among other things, (1) the number and size of
17 Government contracts for the furnishing of supplies and serv-
18 ices placed with business firms located in redevelopment
19 areas, and (2) the amount and duration of employment
20 resulting from such contracts. Upon the request of the Ad-
21 ministrator, the various departments and agencies of the
22 Government engaged in the procurement of supplies and
23 services shall furnish to the Administrator such information
24 as may be necessary for the purposes of this section.

1

APPROPRIATION

2

SEC. 24. There are hereby authorized to be appropriated

3

such sums as may be necessary to carry out the provisions

4

of this Act.

85TH CONGRESS
1ST SESSION

H. R. 4650

A BILL

To establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas.

By Mr. FOGARTY

FEBRUARY 11, 1957

Referred to the Committee on Banking and Currency