Mr. Sreat

6-20-68

A source close to the House Committee said that members who attacked the measure viewed it as a frill in light of proposed Federal spending cutbacks of \$6 billion. He also cited the difficulty of defining "new communities," as opposed to housing and commercial developments.

On other items, the Committee followed the recommendations of its housing sub-committee. It tentatively approved an increase from \$1,500 to \$3,000 in the maximum rehabilitation grant for lowincome home owners, compared with an increase to \$2,500 as proposed by the Administration and approved by the Senate.

And the Committee okayed 2 related amendments which would provide rehabilitation loans and grants to home owners in areas of substantial blight outside urban renewal and code enforcement areas and would authorize rehabilitation assistance to home owners in deteriorated neighborhoods whosproperties are uninsurable under proposed riot insurance legislation.