

# Problems of Relocation in a Major City: Activities and Achievements in Baltimore, Maryland

ARTHUR G. CHRISTENSEN and ALVIN N. JACKSON,  
Department of Housing and Community Development, Baltimore, Maryland

When expressways run through a major city, large numbers of people and many businesses are displaced. Unfortunately, the expressways are frequently routed through the least desirable sections of the city, and those who are displaced are the poor, the aged, and those who are least able to take care of themselves, and there is little likelihood that many of them will use the expressway that displaces them. It is important, therefore, that all possible assistance be given to these people so that they will not have to shoulder the cost of the expressway.

In theory, relocation assistance is simple. In practice, it is difficult, complicated, and time-consuming. Frequently, successful relocation depends on solving personal problems, both financial and social, in addition to finding replacement property. Baltimore's relocation specialists, who are drawn from fields of both real estate and social work, must work with all public welfare resources as a part of successful relocation. Examples of relocation problems are plentiful. Some can be solved, but others remain as the price of highway progress.

The recently passed Federal-Aid Highway Act of 1968 has finally recognized the government's responsibility to relocatees in highway construction and provides adequately for them. While this is a step in the right direction, much remains to be done in order to make the program truly effective.

•**EXPRESSWAYS**, particularly those associated with the Interstate System, normally run through open country. They are designed for people traveling long distances who want to get to their destination as rapidly as possible. We visualize these expressways as almost endless winding ribbons of concrete or asphalt, with gigantic interchanges and arching bridges. Occasionally, however, an expressway cuts through the heart of a big city, and there the situation changes, for expressway construction disrupts communities, severs economic and cultural areas, and dislocates people. Those who use the expressway seldom realize this, for they see only the completed road along which the remaining houses and buildings flash by as they drive smoothly and rapidly from one point to another.

Behind the construction of each expressway is a long period of planning and development. Designers bend over drafting tables, studying terrain and selecting routes; engineers prepare plans; legislation is passed; contracts are let; and finally, workmen

with huge machines construct the road. Behind all of this is the forgotten man of the expressway program, the man who must give up his home or his place of business, before the expressway can be built. In large cities there are thousands of these forgotten men, women and children.

In Baltimore alone, the current expressway program will displace some 3,800 families with an estimated 15,000 persons. Only 20 percent of these families are white; less than 40 percent own their homes; their median income is \$4,500. Nearly three-quarters have incomes so low that they qualify either for public housing or for other government subsidized housing programs. A large number are elderly, and many have large families. In addition to families, some 500 businesses will be displaced. These vary in size from the small neighborhood grocery or barber shop to multi-million dollar factories (1).

One may be inclined to say that displacement of this magnitude is the price of progress, and such may be the case. It goes almost without saying, though, that no individual should be required to pay more for such progress than the share he would normally pay as a taxpayer; yet practically every person and every business which must move is injured far beyond any benefit which they will derive from the new road. The chief reason for this stems from the fact that expressways are usually routed through the least desirable sections of cities; sections which have deteriorated, and which are inhabited by the poor. The data just cited confirm this. These poor people are the ones who can least afford to subsidize highway construction or, for that matter, any public improvement. Few of them even own automobiles, and those few who do will seldom use the section of the expressway which is constructed over their former homes.

Governmental responsibility for assisting in the relocation of people and businesses that are displaced arises out of its authority to acquire private property against an owner's will. This authority, known as eminent domain, is provided in both Federal and state constitutions. It may be exercised only when the property is needed for public use and when just compensation is paid to the owner. The courts have traditionally defined "just compensation" in terms of the fair market value of the property which is taken (2). In addition to the fair market value paid for property, however, Congress has provided certain relocation compensation. The same thing has been done by some state legislatures, although many have neglected this responsibility.

Congress took the first step in 1933 when it provided assistance to persons forcibly displaced by the Tennessee Valley Authority. Since then, it has passed a variety of piecemeal relocation legislation. Today, some agencies are authorized to make limited administrative payments for moving expenses and closely related costs, but others have no such authority. Some states have followed the Federal lead and have authorized compensation for moving expenses as well as loss of personal property; others have not (2, p. 62-67). Among the Federal programs, those administered by the Department of Housing and Urban Development, including programs of urban renewal, public housing, code enforcement, have until recently made the greatest progress in assuring adequate relocation assistance and in the generosity of relocation payments. HUD not only requires that the feasibility of relocation be demonstrated before it will approve a project, but it actively encourages communities to develop sound relocation staffs, and to provide adequate assistance to every displacee. Relocation payments in HUD activities have gradually been expanded since they were first authorized in the 1949 Housing Act and now provide a well thought-out, comprehensive system of compensation. In addition to moving expenses, low-income families may be entitled to a subsidy to assist in their relocation. Business concerns may receive moving expenses up to \$25,000 or, on a local option the total moving expenses, even though the amount exceeds \$25,000. Special assistance is provided for the small businessman, or for businesses which are unable to relocate. HUD relocation payments up to \$25,000 are paid exclusively by the Federal Government. Payments over that amount are shared between the locality and the Federal Government on the same basis as other project expenditures (2, p. 16-25).

Other Federal agencies have different regulations. Relocation occasioned by mass transit is administered by HUD and generally follows the HUD pattern except that business payments are less generous (2, p. 81). Some other Federal agencies, such as Defense, Interior, and NASA provide moving expenses, and may also compensate a dis-

placee for expenses in finding a new location. The General Services Administration, on the other hand, pays nothing (2, p. 107).

The Department of Transportation in the Federal-Aid Highway Program has passed the relocation responsibility to the states, which have traditionally been much less willing to provide relocation assistance than has the Federal Government. For example, only eight states had authorized relocation payments of any sort prior to the Federal-Aid Highway Act of 1962. Spurred on by the offer of Federal participation, the number grew to 22 by 1964, of which 12 followed the Federal formula and dollar maximums. Of these, only four provided reimbursement of moving expenses without a dollar maximum (2, p. 68-72).

The 1968 Federal-Aid Highway Act has changed the picture significantly, as will be discussed later.

Equally as confusing and varied as relocation payments have been the requirements and procedures for relocation assistance. The Department of Housing and Urban Development requires a comprehensive relocation program and a demonstration of relocation feasibility before it will approve a project. Federal-aid highways have until the passage of the 1968 Act required only an assurance from each state that relocation advisory assistance will be provided. In practice, the assistance furnished in some areas has been perfunctory. Other Federal agencies have no requirement for assistance. A few states have made a genuine effort to establish sound relocation assistance programs. On the other hand, many states have not yet recognized the importance of relocation assistance.

A significant step forward was taken with passage of the Federal-Aid Highway Act of 1968, which not only provides the increased payments, but also requires the assurance of an adequate program of relocation assistance and the availability of relocation housing before approval of any highway project. Under its provisions, all moving expenses will be paid up to \$25,000, with optional payments on a fixed schedule for residential moves, and alternative payments for a business which cannot relocate. Further, the Act provides assistance for the added cost of replacement housing, up to \$5,000 for owner-occupants and up to \$1,500 for tenants. Unfortunately, prior to July 1, 1970, these new payments and assurances depend on the ability of each state to provide them under its laws. Consequently, almost all states will have to enact legislation if they want to take advantage of the Act before then. As an inducement to the enactment of state laws, the Highway Act provides for 100 percent Federal reimbursement of payments made before July 1, 1970. After that, Federal participation will be on a project basis.

In theory, relocation is a simple process. In practice it is difficult, arduous, and time-consuming even when there is an ample supply of housing, which is seldom the case. It is the job of a relocation service to assist those who must move, to help them to find new homes or new places for their businesses, and to pay them allowances as the law permits. These tasks require the utmost of skill, tact, social awareness, and empathy. A relocation service and the relocation worker are the recipients of many complaints but few words of praise. Yet, relocation assistance is a critical factor in the development of public facilities. If it is performed well, it may go unnoticed; if it is not given primary consideration in the early phases of planning, and if it is not supported intelligently at all levels throughout the development program, the neglect may trigger civil strife or riots (3).

Normally the process begins with a survey to determine the specific workload and identify problems. In Baltimore, this survey is made about the time that appraisals are begun. As property is acquired, each family, each individual, and each businessman is contacted personally, and offered individual assistance. This assistance includes help in finding a new location which is of sound construction, and is accessible to work, markets, transportation, etc., and at a price which the family or the businessman can afford to pay, and may also include problems of zoning, patronage, special licenses or permits and often financing. This is a difficult combination to produce, and so the job of providing relocation assistance is slow.

Especially with residential cases, the amount of assistance given varies with the willingness of a displacee to accept it; for frequently the displacee shrugs off all offers

of assistance with the attitude, "You can't fight City Hall," and goes his way without the free advice and guidance of experts. Often he turns to the relocation staff only after his own efforts have failed. There are several reasons that residential relocation is such a difficult task, most of which involve money. As expressway planning is not accomplished overnight, the areas designated for expressway use deteriorate. People move and are not replaced, causing further deterioration. Property owners, especially absentee landlords neglect their property, knowing that sooner or later it is to be torn down. Property values decline. The resulting blight draws the poorest people, those who are least able to take care of themselves, into the area, and poverty is accompanied by all manner of social ills. Successful relocation is not merely a matter of pointing out a new location and sending a family on its way. It requires careful counseling, leading a family or businessman step-by-step, advising them and frequently solving or alleviating financial and social problems. This process taxes the capabilities of even the best staff.

The relocation staff in Baltimore, especially the specialists who work directly with displaced families, are drawn from two principal fields, real estate and social work. This is a fine combination, for each contributes greatly to the relocation process. The real estate man is familiar with the housing market, and with the problems of dealing with landlords or negotiating a purchase. He recognizes basic construction faults and can analyze the appropriateness of rental or sales prices. He knows various methods of financing, and frequently has connections with financial institutions. Working side-by-side, the social worker contributes to the solution of a variety of social problems. Relocation cannot and should not attempt to duplicate existing social agencies, but rather provides a contact with the agencies so that social needs may be recognized and met. Displaced persons are given a priority for public housing and certain other subsidized housing programs if they are otherwise eligible, and these provide a substantial resource to the program.

Problems of relocation are almost infinite, and new ones are encountered almost every day. These problems are not necessarily problems caused by the expressway or other public improvement, and may have existed for months or years before displacement. Yet, they must be faced as a part of the relocation process. Sometimes they cannot be solved and relocation efforts must be classified as a failure. In most cases, however, relocation is successful in finding at least a partial solution, and often the family gains in the long run by their displacement. A few examples are in order.

- Mr. T, 63, lives with his wife and two college-age children. When first approached, he declined relocation assistance, saying he had already found a home in a good section of town. However, his mortgage application was turned down by one lending institution after another because of his age. Unfortunately mortgage processing took so much time that someone else bought the house. At this point, he turned to relocation, which was able to locate another good house in the same block as the previous one. By diligent work, a cooperative lender was willing to provide a mortgage despite Mr. T's age. The family's living conditions are substantially improved and they are happy with the change.

- Mrs. L, 60-year-old widow, lived with her mentally retarded son and daughter, both in their 30's. Conditions were pitiful. They had no furniture and slept on the floor. They had no gas or electricity as these had been shut off in 1960 when they failed to pay a \$75 bill. There was no heat. The case looked hopeless when relocation went to work on it. The ideal place for a family of this kind would be public housing, but they refused even to consider it, insisting that they stay in the same general neighborhood. Relocation finally found them a satisfactory apartment nearby at a rent within their welfare allowance. Welfare provided a furniture grant, which was used at Goodwill Industries so as to get the maximum return for each dollar spent. A private charitable organization was found which agreed to pay the back-due gas and electric bill. Finally, relocation provided transportation for the few goods owned, and assisted them in paying the rent deposit. The family is now warm and comfortable, much better than they have been for years.

• Mr. B, a 90-year-old man, lived with his 70-year-old widowed daughter. He had owned the property for many years, but had lost it two years before it was acquired by the city. As the new owner permitted him to stay there and did not collect rent, Mr. B could not realize that he was no longer the owner of the property. The daughter was little better, for she was a mental problem. Relocation sought help from medical sources, and from social agencies but these provided no solution. After several weeks of effort, no progress had been made, and the problem seemed almost insoluble, when Mr. B died. It was then possible to work with a granddaughter who lived elsewhere in the city. The granddaughter was unable to take the mother into her home, but cooperated in every way possible. Relocation found a new apartment, which the granddaughter inspected and approved. Then the granddaughter took her mother by the hand to the new location while Relocation completed the move. The situation is not the most ideal, but this woman seems to have adjusted well to her new surroundings, and is content.

• Mrs. A, a 45-year-old recluse, also has mental problems. Relocation showed her numerous possible locations, yet she refused to move. Because of her very limited income, a charitable landlord was found who agreed to reduce rent to a price she could pay. Still she refused to move. Something had to be done, as the remainder of the block was vacant, and it was dangerous for her to stay in her apartment any longer. Her brother was contacted and asked to assist, but he was unable to change her mind. Finally, with the brother's cooperation, eviction was arranged on court order. As her furniture was moved out of the apartment and onto the sidewalk, her brother arrived with a truck to take her to a new location which he had approved. Mrs. A calls occasionally. It is hard to say whether she is content in her new location or not. Sometimes she says she would like to move, but by the time Relocation reaches her apartment, she has changed her mind and decided that she will stay where she is. Probably this should be rated as a failure, because she had to be evicted; yet she is without any serious problems at her new location, other than those she had before.

• Sometimes all efforts are in vain. Mr. R moved out of a house without telling Relocation. He was traced and visited at his new location which was found to be sub-standard. He was offered further assistance but refused the offer saying he was satisfied with the new place and would not move again. He had lost ground as a result of his move.

Businesses, too, are a very serious problem, especially the small ones such as the corner grocery store, barber shop, beauty parlor, or tavern. Frequently they are so closely oriented to the community that they cannot be moved, and must go out of business. In urban renewal areas, such businesses may be eligible for a Loss of Personal Property claim, or possibly a Small Business Displacement Payment. Either helps to ease the burden placed upon the businessman and gives him some capital with which to start out anew. In expressway areas the Federal Government made no provision for the small businessman until passage of the 1968 Federal-Aid Highway Act. In it there is a specific payment in lieu of moving expenses to the businessman who cannot relocate. An example of a successful move of a small business is appropriate.

• Mr. S operated a small two-chair barber shop. He suffered from cancer and had had a laryngectomy, which left him virtually unable to speak. His attempts to find a new location were met with failure. Even when he finally found a place he thought he could use, his application for a zoning exception was turned down. He was bitter and depressed. Finally, he turned to Relocation, which found him a new location, assisted in processing an application for a permit, assisted him in obtaining credit, and finally arranged for a SBA loan. He is proud of his new, greatly improved shop, and is getting along fine.

The responsibility for relocation assistance is an important consideration. It is found at various locations of Federal, state, or local government. Under the Federal-Aid Highway Program, for example, the state may contract with a local agency to provide assistance. In most cities, the tendency has been to place it in either a public housing or urban renewal agency, although it is split between two or more agencies in some cities.

In Baltimore, the responsibility for all municipal relocation, including expressways, has been placed with the housing authority, which is a component of the City Department of Housing and Community Development. This is an ideal solution, for the Department combines all of the essential elements of the relocation process from planning to the development of replacement housing. Under this centralized organization, uniform assistance is provided to all regardless of the reason for the displacement, and the workload can be handled in total. Unfortunately, Baltimore has not yet achieved uniformity of relocation payments, for with the recent addition of the new Highway Act there are three sets of laws which are applicable, HUD, Expressways, and Maryland State law which covers other activities. It is hoped that this disparity can be corrected soon.

All of the foregoing assumes that adequate relocation housing is available, which may or may not be the case. In Baltimore, for example, nearly 12,000 dwelling units have been demolished by public takings during the past 15 years; while less than half have been replaced. Because out-migration has exceeded the in-migration during the past decade, the displacees have been absorbed in the remaining housing through a filtering down process. Quite obviously, this cannot continue indefinitely, especially when it is anticipated that nearly 15,000 families will be dislocated during the next six years by currently planned projects.

Every possible means must be used to develop replacement housing, and this is being approached in Baltimore on a variety of fronts. New housing is being sponsored in urban renewal areas, especially housing for the middle-income families. Several urban renewal projects now in the planning or execution will produce more such housing than currently exists. New public housing is being built which will provide for low-income families. In addition to conventional methods, the Housing Authority of Baltimore City is participating actively in new development programs such as "Turnkey," and leased housing. A substantial program of rehabilitation is being undertaken which has a goal of 1,500 units by 1970. The Design Concept Team, employed to minimize the impact of Baltimore's expressway program, is studying joint development intensively. This may include housing adjacent to or on land which is in excess of right-of-way requirements. Only by such intensive efforts will it be possible to provide adequately for all who are to be displaced. As Baltimore's Department of Housing and Community Development is responsible for urban renewal, code enforcement, and public housing, the relocation function can be closely coordinated with these other activities.

Among those who are hardest hit when property is taken are the residents of an area who own their homes. Such people are, in general, the most stable and self-reliant. They are interested in their neighborhood, and have taken care of their homes even though their neighborhood has deteriorated during a long period of planning. Many have owned their homes for many years, and often they are nearing completion of mortgage payments. Some have already retired, and many are living on fixed incomes. Yet the value of their homes has depreciated because of deterioration of properties around them. As a consequence, when the owner-occupant is paid market value for his property, he does not receive enough to purchase a comparable home in a sound, unblighted area. Not only is his life disrupted when he is forced to move, but he is required, in effect, to subsidize the development of the expressway by investing substantial additional capital in the acquisition of a new home.

This problem has long been recognized, not only in Baltimore, but elsewhere in the country; but little has been done to correct it until recently. The magnitude of the financial burden imposed on the owner-occupant is illustrated in a study made by the Baltimore Urban Renewal and Housing Agency late in 1967. Homes were then being purchased for expressway use in two separate areas of Baltimore which were selected for the study. The population of one area was Negro; the other, white. The study compared prices paid by the city for the acquisition of the property with the cost of replacement. Of course, all families did not buy new homes. Those who did, however, bought homes generally comparable to those which the city purchased from them, except that a few families upgraded themselves by moving from nonstandard homes into standard ones. Some bought slightly larger houses, while others bought slightly smaller ones,

but on average, the number of bedrooms in the old houses was found to be identical with the number in the new. The average replacement cost was \$3,000 above the amount received from the city for the old property. Significantly, the average additional cost was different between Negro and white areas. In addition to increased cost, the study indicated that each owner had to pay settlement costs, refinancing charges, increased interest, etc., which added to the cost of obtaining replacement housing. In summary, displaced owner-occupants paid an average of \$3,500 for comparable replacement housing in addition to the amount they received from the purchase of their former homes. Comparative data are shown in Table 1 (4).

The loss revealed by these data was recognized by the Maryland Legislature which in early 1968 adopted a bill to provide supplementary payments to residential owner-occupants in addition to fair market value. These payments, which may be as much as \$5,000, are to enable the displaced owner to obtain a comparable home without additional investment. This significant advance toward "just compensation" was included in both the new Federal-Aid Highway Act and the Housing Act by Congress with only slight modification.

The need for equal relocation treatment has been recognized for some time. The Advisory Committee on Inter-Governmental Relations concluded in its report that, "Persons and businesses displaced by local, State, or Federal public works and other programs are entitled to assistance in relocation, and this entitlement extends to lessees and tenants as well as to owners of homes and business establishments" (2, p. 103). Despite these recommendations, however, although numerous bills have been introduced into Congress, none has been approved which would establish uniform procedures in Federal and federally assisted programs. Congress did make a giant step forward when it enacted the 1968 Federal-Aid Highway Act. This requires the Secretary of Transportation to obtain satisfactory assurance that fair and reasonable relocation payments will be afforded to displaced persons, that relocation assistance programs will be offered to displaced persons, and that relocation housing will be available within a reasonable period prior to displacement. It provides for an increased schedule of payments both to residential and business occupants, and provides a payment for relocation housing to both owners and tenants. These advances are significant.

Subsequent to passage of the Highway Act, the Inter-Governmental Relations Act, containing a provision for uniform relocation payments, was passed by the Senate, but the provision was deleted by the House. Hearings on Uniform Relocation Payments were held before the Public Works Committee of the House, but no such law was enacted during the 1968 Session.

In summary, relocation assistance and compensation must be made a part of each public works program, Federal, state, or local. Otherwise persons displaced will bear an inordinate burden as a result of the program. The Federal Government must take the lead in establishing a sound uniform program. It should be designed so that compliance is mandatory if the states and local governments wish to continue to receive aid under the grant programs affected. The program must require adequate provision for relocating persons and businesses before the demolition of property begins and an approved relocation plan should be a condition precedent to approval of any Federal-aid project which will require the displacement. The program should require that relocation activities arising from all public improvements be coordinated under one local relocation agency.

The goal of the relocation program must be to make the displaced person whole again. It must place him in a home or business at least equal to that which he had before, and on the same terms and conditions he enjoyed before, or if this cannot be done, the individual should receive adequate compensation for his loss (5). The establishment of such a program will require leadership of the Fed-

TABLE 1  
COST OF REPLACEMENT HOUSING

Item	White	Negro	Total
n	67	45	112
Acquisition price	\$5,903	\$5,338	\$5,676
Replacement cost	\$8,357	\$9,234	\$8,710
Increase	\$2,454	\$3,898	\$3,034
Cost of transfer*	\$ 500	\$ 500	\$ 500
Total increase (rounded)	\$3,000	\$4,400	\$3,500

\*Includes settlement charges, transfer taxes, costs of refinancing, etc.

eral Government, as well as the recognition by states and communities that relocation is an essential part of acquiring land for a public purpose. Relocation must start as a planning consideration, and must include not only the specific assistance given to people when they are displaced, but also a comprehensive program of developing replacement housing and business facilities into which displacees can move. Finally, the relocation agency must be placed high enough in the echelon of government with sufficient authority that compliance will be guaranteed. Only through these steps will it be possible to properly aid the "forgotten men, women and children," now being displaced by public programs.

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