of the payment should not be related to the life of the mortgage on the replacement dwelling. This would penalize a person who paid cash. Payment of increased taxes for a specific term, such as five or ten years, would be preferable.

Section 204(1)

Some proposed amendments are objectionable because they eliminate the statutory limitations on both the number of years for which the displaced tenant is eligible to receive rent supplements and the maximum dollar amounts of supplemental housing payments. Given the geographic and economic mobility of our population, DOT questions the necessity for extending Uniform Act entitlements to displaced tenants for an undefined period of time. DOT also feels that the guarantees of last-resort housing provided by the government are preferable to making unlimited payments available to displaces.

DOT favors increasing the maximum time frame of tenant responsibility to six years and the dollar limitation to $8000. DOT has also recommended that the matching downpayment be dropped.

Section 205(a)

Various proposals to amend section 205(a) would provide eligibility for benefits under the act to persons outside project limits who might sustain substantive economic injury because of project-related activities. These proposals effectively expand the definition of displaced person given in Section 101(6) and suffer from the same deficiencies noted in comments on that section.

Section 213(a)(b)

Most proposals amending Sections 213(a) and (b) provide for a single set of regulations for use in implementing the Uniform Act in connection with all federal and federally-assisted programs and projects. An agency would be designated by the president to assure uniform application and interpretation of the single set of procedures. (H.R. 6736 would create a Federal Relocation Assistance Compliance Office.) Development of a single set of regulations by such an agency would be a positive step toward greater uniformity among federal agencies in this area. We believe that the agency assigned to this activity—i.e., developing the single set of regulations and resolving differences among agencies—should not be an operating agency.

Many proposals for changing the Uniform Act of 1970 are being talked about today. Rapid inflation may have outpaced payment ceilings. Some interpretations of the law are not shared by all federal agencies. In 1979, Congress held hearings on S. 1108, a bill that would make changes in the Uniform Act. Several bills have been introduced in the House of Representatives.

Some changes in the law are needed to minimize differing federal agency rules and to simplify administration. But these are not major obstacles to the kind of consensus that can produce new legislation. Some changes are needed to address the increased cost of buying or renting housing in the past nine years. These may have to be negotiated with one eye on personal need and one eye on the budget.

But there are two issues that I believe raise the most concern. And in some respects they are related. Why doesn't the law cover all persons involuntarily displaced as a direct result of a federal or federally-assisted program? And how can the rental assistance payment under Section 204(1) of the law be improved to meet the needs of low- and moderate-income persons?

DIRECT FEDERAL DISPLACEMENT

The Uniform Act covers all displacement as a result of acquisition by a public agency for a federal or federally-assisted program. With few exceptions, it does not cover the involuntary displacement of tenants as a direct result of rehabilitation, code enforcement, demolition, or privately undertaken acquisition carried out for a federally-assisted program.

Surely, a tenant given a notice to permanently vacate a dwelling unit because the owner wishes to carry out federally-financed rehabilitation faces the same problems as a tenant displaced by public acquisition. It is not fair to ask that tenant to pay such a disproportionate share of the cost of carrying out that project. And yet the Uniform Act does not generally cover such displacements.

The Uniform Act does govern displacement caused by rehabilitation, code enforcement, and demolition under several programs administered by HUD that were in effect when the law was enacted. But these programs, which include the Urban Renewal and Model Cities Programs, are now being phased out. There have been no amendments to the law since its enactment.

Undoubtedly, the cost of providing relocation assistance has weighed heavily against a decision to expand coverage either by law or federal regulation. To some extent, liberal interpretations of the existing law and proposals to legislate substantially increased payment levels have probably fostered opposition to expanding the class of eligible persons. Then, too, under many loan and subsidy programs, it is more difficult (than under public acquisition programs) to find a way to provide the cash payments required by the Uniform Act.

I believe, however, that sensible ways can be found to overcome the cost objections. Placing the burden for the funding of relocation costs on the project causing the displacement provides a strong
or federally-assisted project has fallen significantly since the Uniform Act was enacted. Under HUD-assisted programs, which account for most of these activities, the total number of displaced persons decreased from approximately 60,000 in fiscal year 1973 to about 16,000 in fiscal year 1978 (the latest year for which such figures are available). The high cost of relocation under the Uniform Act is a primary reason for this shift.

On the other hand, all displacement is not undesirable. With good relocation programs, both the public and the displaced person may benefit from a project. (Moreover, efforts to prevent displacement may sometimes cause more harm than good. Avoiding public expenditures to revitalize a neighborhood may allow even greater displacement to take place through deterioration and disinvestment, without assistance to those affected.) From the viewpoint of controlling costs in a responsible way that makes it feasible to expand coverage under the law while meeting the needs of low- and moderate-income renters who are most hurt by displacement, the Uniform Act rental assistance provisions (Section 204) deserve the closest review.

**RENTAL ASSISTANCE PAYMENT**

The most acute relocation problem under the Uniform Act is that faced by displaced low- and moderate-income tenants who often receive a lump sum payment of $4000 to assist them in making a transition to better, but more costly housing. Unfortunately, for many, the transition is impossible. The payment does not provide the means to sustain the new and better life initially promised.

Consider, for a moment, the position of the elderly, the handicapped, or the very unskilled who have little or no prospect of increasing their permanent incomes to meet higher housing costs after the $4000 payment runs out. In many cases, the payment does not last more than a year or two. Who then can blame the displaced person for moving back to low-cost substandard housing at the earliest possible date? Better to spend the $4000 on higher-priority needs than merely postpone the trauma of finding and relocating to less-expensive housing (which is probably neither affordable nor standard). If the replacement housing payment is to operate for such damages suffered, why even require that the person move to standard housing as a condition for receiving the payment? In brief, then, the Uniform Act rental assistance payment is wanting in several respects.

It is insufficient to accommodate the housing needs of the poor. Based on the four-year computation period, the maximum subsidy is $83.33/month. The subsidy is neither deep enough nor long enough to provide the help needed for persons whose future income prospects are not commensurate with their increased housing costs. It does not respond to changes in need. No allowance is made for a future decrease in income or an increase in housing costs. (Of course, for those whose income may actually increase after computation of the payment, it is a small windfall.)

The lump sum nature of the payment often induces a person to move when that move is against his or her best interests. [The tenant may obtain somewhat greater assistance under Section 206 of the act (last-resort housing) by refusing to move until the public agency takes the steps necessary to provide a reasonable choice of opportunities to move to suitable affordable housing.] For good or bad reasons, the lump sum nature of the payment also fuels the opposition of many public officials to changing the law to expand coverage or to increase the payment ceiling.

It does not effectively assure standard housing accommodations. Indeed, faced with the absolute limit of the payment, a person who has relocated to standard housing in order to obtain a payment may shortly thereafter move to substandard housing.

A discussion of these features should help focus on the means by which the Uniform Act rental assistance provisions might be improved. Ideally, such changes would take into account the need for

1. A deeper subsidy that truly meets the gap between the income of the poor and the cost of standard housing;
2. A subsidy that does not have a short-term expiration;
3. A subsidy that increases or decreases according to variations in income and housing costs (such a subsidy would reflect true needs and preclude windfalls);
4. A subsidy that enables the displaced person to permanently occupy standard housing; and
5. A subsidy that does not substantially increase administrative costs or require the institution of a new bureaucracy.

Is this a pie-in-the-sky proposal? How could it be feasible or even possible? Well, it is feasible. In fact, it exists now. It is called the Section 8 Existing Housing Program.

**EXISTING HOUSING PROGRAM**

Under the Section 8 Existing Housing Program, an eligible family receives a Certificate of Family Participation that assures the family the subsidy needed to reduce the cost of privately owned decent, safe, and sanitary housing to a level the family can afford (15-25 percent of adjusted income). Because the subsidy is allocated to the family, the family can choose any housing that is decent, safe, and sanitary and within the fair-market rents established for such housing. If the owner of the dwelling agrees to the arrangement, a lease is signed and the necessary subsidy is paid to the landlord. Assuming a dwelling unit is found, a certificate (with subsidy) is effective for five years. But the certificate may be renewed. Budget authority now covers a 15-year period. And the subsidy could continue indefinitely if Congress continues to fund the program.

The program is administered by local public housing authorities using funds provided by HUD. The family income of the occupant is periodically reviewed and the subsidy adjusted to reflect need. To meet program requirements, the housing occupied must be standard.

The program has been operating for five years with excellent results for those tenants who are participating. More recently, through the Housing and Community Development Act Amendments of 1979, Congress established criteria granting a priority under the program and other assisted housing programs to persons who are displaced or are occupying substandard housing.

This is not to say that there are not some drawbacks in the program as a relocation tool. Perhaps the program should be revised to pay the subsidy directly to the tenant rather than to the landlord. Now some landlords refuse to participate...
in the program and that limits the choice of a tenant seeking housing.

Another rule that limits choice in some areas is a requirement that the housing rent must not exceed the government approved ceiling. The ceiling is based on average fair-market rents. Thus, if a tenant is willing to pay an extra $5 out-of-pocket to rent housing that cost $5 more than the established rent ceiling, he or she is unable to do so.

These issues may justify some future refinements in the program. But even now, the Section 8 Existing Housing Program is a superior relocation tool for meeting the housing needs of low- and moderate-income tenants. To overcome the cost concerns of many who do not support an extension of Uniform Act coverage, however, one additional question must be resolved. Under what circumstances should the Section 8 subsidy be substituted for the Uniform Act rental assistance payment? There are three basic alternatives.

1. Continue the existing Uniform Act rules that give a displaced person who elects to rent a replacement dwelling the right to choose a lump sum Uniform Act payment, regardless of the availability of Section 8 assistance. This rule provides freedom of choice in the selection of housing and in the type of payment.

2. Assure full freedom of choice in the selection of replacement rental housing but allow the public agency, at its option, to substitute a Section 8 certificate if the displaced person voluntarily elects to rent a particular dwelling of his or her choice and if any necessary arrangements to make the Section 8 subsidy effective can be completed.

3. Permit the displacing agency to meet its obligations to a displaced person by offering a Section 8 certificate and identifying a reasonable choice of suitable (or comparable) replacement dwellings at which the certificate may be used.

There are pros and cons to each of these alternatives. And the workability and desirability of each may vary on a program-by-program basis according to the availability of relocation funding. As stated earlier, the first alternative applies to displacements under the Uniform Act. The last two alternatives are now being tried under certain HUD-assisted programs that are not subject to the Uniform Act.

Which of these alternatives is best or whether or not a uniform procedure needs to be adopted for all public programs should be a matter for public discussion. There may also be other issues. For example, should displacing agencies share in the cost of the subsidy by making a transfer payment to the Section 8 program?

What is clear, however, is that we already have a program to meet the needs of displaced low- and moderate-income persons to an extent not possible through the basic Uniform Act rental assistance payment and in a manner that may make feasible the extension of Uniform Act coverage to all persons involuntarily displaced as a direct result of a federal or federally-assisted program.

As we look forward to another decade of progress in the development of public relocation policy, this potential of the Section 8 Existing Housing Program ought to receive careful consideration.

Relocation Assistance Problems and Prospects

This paper highlights some aspects of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 that affect its implementation by federal agencies. It is not a detailed review of the act or of all problems encountered by the U.S. Army Corps of Engineers in administering it. Rather, it is an overall impression of experience with the act or of all problems encountered by the Corps in administering it and its future prospects. Although the act has been generally successful in achieving its objectives, there are areas where it could be improved.

The Corps perspective of relocation assistance to displaced persons is somewhat different from that of most other federal agencies. Because of the nature of its programs, Corps personnel in some 30 field offices perform almost all of its land acquisition and provide accompanying relocation assistance. This direct action eliminates the local or state agency "middleman" through whom most agencies work and makes it easier to administer the act uniformly within the agency. It also makes possible a closer overview of the entire acquisition and relocation process.

One area in which the act has frequently been criticized is the lack of uniformity in its administration. GAO has noted in several of its studies that different amounts might be paid as benefits by different agencies under the same set of circumstances. This is possible, even under a uniform act, because the act vests responsibility for implementing regulations and procedures in the head of each agency rather than in a central authority. The legislative history shows that Congress deliberately chose this course to allow some flexibility to accommodate differences in agency programs and missions. I feel that this flexibility outweighs any advantage to be gained by imposing a central control, particularly since practical differences in results are rare and a high degree of uniformity in interpretation has actually been achieved.

Immediately following passage of the act, the Executive Branch sought to enhance uniformity by convening an interagency group to discuss differences and work out a set of guidelines for use by all federal agencies in promulgating their regulations. Such guidelines were issued by the Office of Management and Budget (OMB), pursuant to presidential order, and were later revised and reissued by GSA after that agency was designated to head the interagency group. Although most, if not all, federal