

RELOCATION

Social and Economic Aspects



Special Report 110

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Special Report 110

RELOCATION

Social and Economic Aspects

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FOREWORD

Federal and state highway programs and urban renewal programs have recognized the problems that arise when people must be relocated because private property is taken for public purposes. These programs seek to alleviate the problems through relocation assistance. There is still lack of understanding, however, of the effects on those relocated and on the remaining neighborhoods.

The purpose of this Conference on Relocation was to bring together knowledgeable professionals to discuss the related economic, social, and administrative aspects of relocation problems. Seventy-five professionals, representing many disciplines from governmental agencies, universities, and private consulting firms, attended the 2 $\frac{1}{2}$ -day Conference sponsored by the Highway Research Board's Committee on Socio-Economic Aspects of Highways and held at the University of Maryland, Center of Adult Education, College Park.

After the formal presentations, the Conference was divided into five workshop panels to discuss specific questions relating to relocation. The workshop approach was based on the belief that solutions to current and future relocation problems can be aided by research that reflects relevant relocation experience and concepts. The reports of the panel chairmen are included in this Special Report. During the workshop deliberations, two plenary sessions were held to provide an opportunity for review and comment by the entire Conference. A summary of the principal findings and recommendations and the formal presentations are also included in this Special Report.

The conferees represented only themselves in their professional capacity and not the agencies with which they are affiliated. Likewise, the findings and recommendations of the workshop panels are those of the conferees and not those of the Highway Research Board or the National Academy of Sciences-National Research Council.

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SUMMARY OF CONFERENCE

Kenneth E. Cook, Highway Research Board

FORMAL PRESENTATIONS

Under the provisions of eminent domain, governmental and public authorities may acquire or condemn private property for public purposes. These legal provisions are postulated on the basis that the public good is more important than individual rights.

In earlier times the population was fundamentally rural, and public lands could be acquired without too much difficulty and without displacing large numbers of people. Today, however, most of the population live at high densities in urban areas where facilities to meet the demand for expanded public services now displace many thousands of property owners and tenants. Most of the cities are old, and efforts to revitalize their decaying segments further compound the problem.

The number of displacements caused by taking private property for public purposes increased during the past few years while the amount of adequate replacement housing decreased. Currently, the number of relocations caused by public works programs is estimated to be more than 200,000 persons per year. In addition to the states, more than 40 federal agencies can condemn private land for public purposes. During the past few years the highway program of the Bureau of Public Roads and the states displaced an average of 55,000 families and businesses a year, and the program of the U. S. Department of Housing and Urban Development displaced about 30,000 families and businesses a year. Of the 50,000 families displaced by the federal-aid highway program, one-fourth were in rural areas and three-fourths in urban areas. Approximately 87 percent of the displaced property was residences, 10 percent was businesses and non-profit organizations, and the remaining 3 percent was farms. The majority of residential displacements was middle- or low-income housing that usually costs less than \$15,000 and rents for less than \$110 a month. In a city of over 100,000 population, the average house was 50 years old. Of the houses 15 to 50 years old, 25 to 35 percent were deficient according to current standards for decency, safety, and sanitation.

It is estimated that close to 50 percent of families in America cannot afford to buy homes that cost more than \$20,000. New housing below this price range is not being added to the national housing supply. The U. S. Department of Housing and Urban Development has estimated that approximately 26 million new housing units will be required during the next decade to satisfy new and replacement housing needs in the United States.

The highly mobile population in the United States where approximately 1 out of 5 families moves its residence every year sometimes gives the appearance that there is adequate replacement housing. Actually, very little low-income housing is being added to the housing market, and displacement may result in severe hardships to this income group.

Between 1937 and 1967 federal programs destroyed over one million housing units in cities. This is more than all the public housing ever built in the United States. Because of increasing construction and operation costs, most public housing programs are facing severe financial problems. Thus new public housing units are not being added to the housing market in substantial quantities.

In 1966 in the Boston, Massachusetts, metropolitan area the occupancy of about 44,000 housing units changed. During the same period of time, fewer than 1,000 households were displaced by public works projects. In terms of total numbers, displacement does not account for much of the total change in the occupancy of housing in the Boston area. The aggregate numbers may be misleading, however, because they do not show the impact on low-income and minority groups. For example, between 1951 and 1964 almost 90 percent of the houses displaced in Baltimore were those occupied by Negroes even

though less than half of the total population is Negro. Thus, displacement is not spread evenly throughout the urban area. The result is that displacement impacts heavily on some groups and avoids others.

Historically transportation corridors have been planned in response to increased user demands. Consideration has been given primarily to the costs and benefits of the user of the facility rather than of those affected by its construction. Benefits are not necessarily received by the same people who pay the costs of a project. The historical government attitude toward displacement has been to pay the owner fair market value for his property and let him solve his own problems related to relocation.

When the 42,000-mile Interstate Highway System was initiated in 1956, little or nothing beyond fair market value was provided to the thousands of households displaced by the new routes. The 1962 Federal-Aid Highway Act authorized a limited program of specific relocation assistance to all owners and tenants moved from rights-of-way. Federal-aid reimbursements were limited to payments up to \$200 for moving a residence and \$3,000 for moving a business. However, such payments for moving costs were subject to the authorization of individual states. As late as 1966, 17 states planning to displace 26,000 people had chosen not to make such payments. The 1968 Federal-Aid Highway Act recognized the growing problem of relocation and provided a broad program for relocation assistance under which additive payments are authorized over and above fair market value of the property for relocation costs up to \$5,000 for replacement housing and \$1,500 for rental housing. Practically all the states are in process of complying with the provisions of the 1968 Act.

Relocation as a result of urban renewal projects fared little better. The 1949 Federal Housing Act contained no provision for relocation services and payments to families. Not until 1956 did Congress recognize the need for relocation assistance in the urban renewal program and authorize such payments.

Research on the effect of displacement has followed the same pattern as that of the federal statutes. Prior to 1964 most of the research on relocation was directed to urban renewal programs. Some of the early research findings were that (a) businesses that relocated tended to remain in the affected community; (b) relocation often upgraded residential or business properties; (c) relocatees forced to find new housing bore an unequal share of the economical cost of the public improvement program; (d) displacement was not always a pleasant experience and was especially hard on elderly persons, particularly those who had long lived in a neighborhood and had low or fixed incomes; and (e) businesses affected often tended to be marginal businesses, and many of them ceased operations.

Since 1964, there has been a number of highway-related relocation studies. Some of their findings are (a) individuals with sentimental attachments to their neighborhoods often group in adjacent similar neighborhoods when their property is taken for a transportation corridor; (b) although there is aggregate improvement in housing quality, there is evidence that relocation does little to improve the relocatee's previous, overcrowded situation; (c) relocation usually results in upgrading of the living or business facilities with the result that a higher share of household and business income is needed to pay for housing costs; (d) the psychological effects of relocation and adjustment to new living environments may be far more serious than the changes in the actual housing status; (e) after relocation has occurred and families have adjusted to the new environment, many families are pleased with their improved living conditions and physical environment; (f) relocation tends to have the greatest negative impact on the smaller firms, often convenience services, having elderly owners, requiring small capitalization, and surviving by paying less than standard rentals on properties they occupy; (g) great inconsistencies are contained in the provisions of relocation assistance provided by the federal, state, and local agencies and even at the same levels of government; and (h) by itself insufficient, assistance in relocation must be accompanied by effective comprehensive programming and assistance in developing adequate replacement housing and business facilities to which the relocatees can move.

Most of the research to date has been more on the costs than on the benefits to be derived from displacement and relocation. Research has been directed to the social and psychological impacts on subgroups and minorities of the population. Increasing

attention is being given to disruptive effects of displacement on adjoining neighborhoods. Current research is attempting to find positive ways for dealing with relocation so that better services are provided persons being displaced so that they may make a more successful adjustment to the relocation. Current studies are putting emphasis on improving the relocation process rather than identifying and documenting costs and adversities of relocation.

PRINCIPLE ISSUES OF RELOCATION

The formal presentations and workshop panel discussions on a great number of problems relating to relocation indicated that the following 10 major policy issues must be resolved if there is to be equitable treatment for persons displaced by governmentally financed or guaranteed programs.

1. Should there be a national uniform policy on relocation, and, if so, should state and local governments be induced to follow the same policy?
2. Should the construction of governmentally financed or guaranteed projects be stopped or prevented in areas that do not have adequate replacement housing available for occupancy by persons displaced by the new construction?
3. What financial relocation benefits should be provided for persons displaced by public programs?
4. Should welfare programs be tied to other federal, state, and local programs such as transportation and urban renewal through the use of relocation payments and assistance?
5. Because relocation affects people not only financially but also socially, psychologically, and generally, what are the governmental responsibilities to the relocatees for these aspects of relocation?
6. Because relocation of families and businesses affects both those relocated and the remaining community, what responsibility does the displacing agency have to the remaining community?
7. How should the relocation program be organized and administered?
8. How should relocation payments and services be financed?
9. If housing is to be constructed for relocatees, what type of housing should it be? Where should it be located? For what groups should it be designed?
10. Is a national relocation information system needed for use in assessing the needs and supply of relocation housing or the characteristics of the persons being displaced?

Although the Conference did not formally address itself to these 10 policy issues, discussions of the formal papers and in the workshop sessions indicated that there was general consensus on the importance of these issues and how they might be resolved. The following summary brings together the sense of the Conferees regarding the consequences and implications of the issues and the possible alternatives for resolution of the problems.

Issue 1

Should there be a national uniform policy on relocation, and, if so, should state and local governments be induced to follow the same policy?

Because of the large number of federal, state, and local agencies that displace persons and businesses as a result of their programs, the Conference concluded that to assure equity to all relocatees required a national uniform policy for relocation. Currently, there are different legal and administrative provisions at all levels of government regarding relocation. The impact on those to be relocated is the same regardless of the purpose for which they are being displaced. It is not equitable that they should receive different amounts of compensation and assistance depending on the governmental agency or program displacing them. Because they have many alternatives, the more affluent members of society find forced displacement caused by public projects frequently more of an annoyance than a hardship. However, the economically, socially, psychologically, or physically disadvantaged finds that relocation may cause

severe hardship and even crisis. Under these circumstances, the lack of a uniform policy on relocation may result in substantial social and economic costs to the community and to the nation.

The Conference recognized that different agencies and different levels of government have available different levels of financial resources and different competencies of staff. A uniform policy on relocation would impose financial and administrative burdens on some agencies. Uniform treatment of relocatees, however, is more important to the nation than such constraints that may be imposed on governmental programs.

Issue 2

Should the construction of governmentally financed or guaranteed projects be stopped or prevented in areas that do not have adequate replacement housing available for occupancy by persons displaced by the new construction?

Even though there is substantial user demand and potential public benefit from new transportation systems, urban renewal projects, or other public works, the consensus of the Conference was that overriding social values dictated stopping or preventing publicly financed or guaranteed projects until adequate replacement housing is available for occupancy by persons being displaced. The nation's social values are changing to recognize that the majority rule does not necessarily provide or guarantee the rights of minorities.

Relocation at least should not reduce the individual's alternatives and opportunities; if possible, it should increase them. To displace families and businesses without adding additional housing to the market may result in increased crowding of existing facilities and increases in housing prices and rents. In order to keep prices from increasing because of an expansion of demand for the remaining available housing, the replacement of relocation housing units must be timely and at least on a one-for-one basis.

Because of high costs of land and construction, current new housing is generally beyond the means of low-income families. The effect of relocation may be more severe on this group than on higher income groups because new units are not being added to the market in sufficient number. The contention of the Conferees was that the housing for the lower income and minority groups should, therefore, receive first priority in public relocation housing efforts.

The timeliness of replacement housing is important to both those being displaced and to the remaining community. Vacant and abandoned housing in an area scheduled for a public works program is an inducement to crime and other social problems. This affects the entire area and especially the residents remaining in the community. The Conference recommends that relocation be effected as soon as possible after the area is designated for a public works program and that demolition occur immediately after the premises are vacated.

Issue 3

What financial relocation benefits should be provided for persons displaced by public programs?

The Conference recognized that the 1968 Federal-Aid Highway Act provides a substantial increase in relocation benefits for families and businesses. More information is needed to evaluate whether the current provisions are adequate. The Conferees felt that in developing a single uniform national policy on relocation the benefits from all the current federal, state, and local relocation programs might be combined so that under the new policy none of the existing provisions would be eliminated. Although most of the state provisions offer benefits lower than those of federal provisions, some states, e.g., California, provide more liberal benefits that could well be included in a national uniform relocation policy.

If actual replacement housing is constructed to offset the destruction of housing taken for public works projects, relocatees should have an option either to accept new housing or to take financial remuneration. New housing could be built directly by governmental agencies or by private developers, induced to do so by government payment amounting

to the differential between the cost of the new housing and the relocatee's present home value or rent.

The level of the hardships suffered by different income and minority groups requires different consideration and benefits. Upper income families usually live in newer housing, often in suburban areas, while lower income and minority groups frequently live in older housing toward the center of cities. Relocation benefits should include provisions for discounting increased mortgage costs and tax rates for relocatees, especially low-income groups.

Relocation, whether of homes or businesses, may incur costs for which no compensation can be made. The Conferees suggest that low-interest loans might be made available to relocatees for business working capital and for noncompensated family relocation expenses.

The Conferees felt that relocating all people in a minimum dwelling that is decent, safe, and sanitary is a laudable, social goal. Upgrading family housing to a minimum standard, however, will result in higher rates of continuing expenditures for housing because of increased costs for taxes, utilities, and general maintenance of the new homesite. A national relocation policy should consider these continuing increased costs and decide whether they are legitimately to be borne by the relocatee, by the displacing program, or as part of the general social welfare program.

One of the most important impacts of relocation is change in the mobility of the relocated persons. Financial benefits should be provided to increase the relocatee's mobility so that he may achieve the same services as he did at his previous homesite. Again, costs for such increased mobility for the relocatee would have to be allocated to the displacing program or social welfare.

Issue 4

Should welfare programs be tied to other federal, state, and local programs such as transportation and urban renewal through the use of relocation payments and assistance?

The Conference strongly supported the need for comprehensive relocation services and benefits but expressed concern for using nonwelfare programs to support welfare services. The Conferees recognized that without substantial relocation assistance, it will be impossible in the future to provide public works programs such as highways or urban renewal in urban areas. They also recognized that, because of the current public funds structure, welfare relocation costs may have to be paid from other governmental programs. They were strongly opposed, however, to the philosophy of attributing the welfare portions of relocation to the basic construction program.

The Conferees thought that the current appraisal techniques for arriving at fair market value for property were economically sound. They also thought that the costs necessary for moving and relocation were justifiably attributable to the program. However, costs incurred to attain social welfare goals, such as a minimum standard of housing for all individuals, are not the same as those incurred to provide fair market value for property taken by eminent domain. In budget requests, legislative appropriations, and cost allocations for transportation, urban renewal, or other programs, a clear delineation should be made between direct relocation costs and social welfare costs.

Relocation programs must be developed in such a way to ensure that relocatees have the greatest freedom of choice among the greatest number of options. Welfare programs have historically been oriented more toward public definition of what is good for the individual than toward allowing individual freedom of choice. The provision of relocation benefits of a welfare nature should not abrogate the relocatee's right to choose his own life style. For example, families desiring to live in individual family units should not be induced to live in high-rise, high-density apartment structures because special relocation subsidies are available only for that type of construction. Relocation programs should seek to stimulate a viable housing market with a number of alternatives available to the relocatees. The relocatee then should be provided with the financial capability of selecting the option that most fits his desired life style. The

Conference recognized that forced relocation is already an infringement of an individual's freedom. A relocation program should seek to offset this loss by providing the individual with a number of options from which he may select.

Issue 5

Because relocation affects people not only financially but also socially, psychologically, and generally, what are the governmental responsibilities to the relocatees for these aspects of relocation?

The Conference noted that research indicates that the most difficult time for relocatees is the time immediately following relocation during which families and businesses must adjust to new surroundings. Relocation is financially costly, and it is psychologically disturbing because it requires adjustment to new environments, new people, and perhaps new employment. Moreover, it requires new knowledge of the options and services that are available. Therefore, the opinion of the Conference was that substantial relocation assistance services should be provided. These services should be designed to provide not only necessary information and sources of help but also the counseling and psychological services when necessary. Relocation is a personal experience that a family or business often views with great sorrow and tribulation. At such time sympathetic understanding and positive assistance should be the approach of any relocation program.

A relocation program should have facilities to provide relocatees with the following services: (a) finding replacement housing in the same community or elsewhere in the city; (b) assisting employed members of a household to find ways to get to and from their work; (c) discovering new job opportunities or training programs for relocated people; (d) assisting relocated businesses to obtain working capital; (e) assisting families to obtain personal loans and credit; (f) helping families to obtain mortgage money and closing services for the purchase of new homes; (g) helping families to find child care services and home assistance services; (h) acquainting families with public facilities and schools and churches, community activities, and recreational activities in the community into which they are moving; (i) assisting the handicapped and the aged to obtain special services such as the services of hospitals and medical agencies, a physician, and visiting nurses; and (j) assisting relocatees to file informational changes for public and private services such as social security, welfare, retirement benefits, medicare, and mail.

Issue 6

Because relocation of families and businesses affects both those relocated and the remaining community, what responsibility does the displacing agency have to the remaining community?

Remuneration for loss and damages resulting from eminent domain and construction of a public works program is limited in most states primarily to persons who actually have property taken or who own abutting property. Loss of business, circuitous travel, and other effects of the new construction on the overall community or individuals are usually noncompensable. Opposition by total communities to new public works programs may be based on the fact that a new facility not only displaces individuals and businesses along the right-of-way but also in some cases adversely affects the remaining community. Businesses on which the community depends may be destroyed and not replaced. Recreational opportunities may be lost, kinship ties may be broken, and aesthetic qualities may be degraded. The real estate and business community along the transportation corridor or at the urban renewal site may be disrupted because of the uncertainties of the future. Actual construction work at a site is often highly disruptive of the community and may cause loss of business and inconvenience. New transportation facilities may cause air and noise pollution.

Design of new facilities now incorporates greater concern about environmental quality, beautification, and pollution minimization. Part of the relocation program should be directed toward working with the remaining communities to help them reestablish busi-

ness and service opportunities to replace those lost and to minimize the effects of future uncertainties. The Conference recommends that care be taken to ensure the minimal disruption of communities and services during the period of construction of new public works facilities. Once the decision is made to construct the facility or clear the area for urban renewal, work should proceed in the most expeditious manner to its ultimate completion.

Issue 7

How should relocation programs be organized and administered?

Because many federal, state, and local agencies displace people for public works programs and because a uniform national policy for relocation is desirable, the organization and administration of a relocation program would ideally be the responsibility of a single agency. Few agencies have relocation programs sizable enough or of long enough duration to provide the types of financial and social services described in Issues 5 and 6. If relocation programs are provided by each agency instead of by a single agency the administrative costs will be considerably higher. In addition, there is a possibility for duplication of effort, lack of coordination, and competition for relocation housing. Comparatively few cities are large enough and have a sufficient number of relocation activities to warrant a full-time relocation office. Of the 250 urban areas with a population of over 50,000, probably only 10 percent warrant a continuing full-time relocation office.

The Conferees expressed concern about placing a single relocation agency that provides services to people displaced by all programs within an existing federal agency such as the Department of Housing and Urban Development. An operating agency that has its own program may not give timely or priority attention to relocation activities for other agencies. Because relocation should be introduced early in the planning activities and must be carried out before construction programs can begin, other agencies would need assurance that their relocation needs will be programmed and accomplished so that other activities are not impeded.

It was suggested that perhaps relocation should be established as a separate office at the state level and operated much as a state attorney general's office is operated with separate sections for major programs. In this way relocation activities could be coordinated statewide and individual programs could be guaranteed expeditious attention.

Issue 8

How should relocation payments and services be financed?

The Conferees generally agreed that in view of the nationwide need for expanded welfare benefits and the limited sources of revenue available, relocation payments will probably be financed through funding from agencies causing the displacement. In most states there are statutory or constitutional prohibitions against diversion of highway funds for nonhighway purposes. State legislatures and courts will have to be persuaded to accept a broad definition of highway purposes that includes all of the facets necessary for the relocation programs. This will have to include both the direct relocation activities and the welfare provisions.

Because states and cities have different abilities to finance comprehensive relocation programs, a uniform national policy on relocation will require federal assistance. And although federal aid may ensure a uniform national policy, it may also induce states to allocate their revenues to programs not necessarily of their own choosing.

When more than one agency or government is involved in a joint program that causes displacement, relocation costs should be apportioned among the agencies. If activities are financed from the general fund, relocation costs should be segregated from welfare benefits.

Issue 9

If replacement housing is to be constructed for relocatees, what type of housing should it be? Where should it be located? For what groups should it be designed?

The Conference recognized that unless there was provision for adequate relocation housing future large-scale public works in urban areas will be impossible. In static or growing urban areas replacement housing should be on at least a one-for-one basis for houses being destroyed by the public works program.

Because low-income housing is not being added to the urban environment either through public or private construction, government subsidies or other means will have to be provided to motivate industry to construct appropriate replacement housing. Alternatively the government might enter the housing business directly and construct relocation housing. The Conference discussed the possibilities of government construction of private and public housing and concluded that, if this were the only workable alternative, the housing should probably be constructed by a separate agency and not by the highway, urban renewal, or other governmental program agency.

Differential costs payments could be made to a developer for housing. Relocation payments could be used to pay the difference between the low-income family's ability to pay and the price of the new housing unit. Such construction programs would be guaranteed by the government, and the housing units would be first offered to relocatees and then sold on the market or used as public housing if relocatees decided not to exercise their options. There have been a number of economic and social problems in public housing units, and private ownership where possible is seen as the better solution.

If income is not a major problem, relocation payments could be handled much as they are under the 1968 Federal-Aid Highway Act.

One of the problems arising with replacement housing for renters is the length of time for which rent subsidies should be provided. Low-income families might require a continuing subsidy in order to remain in the new facilities.

A consideration in the creation of replacement housing is its location. Many people being displaced would prefer to remain in the same community. The use of vacant land and renovation of existing structures as is being planned for the Watts area in Los Angeles is a possible solution.

Replacement housing should reflect as much as possible the desired life styles of the persons being displaced. Goals, tastes, and value systems differ, and replacement housing should be designed in accordance with expectations and desires of those being displaced and not according to the tastes of architects and planners.

Issue 10

Is a national relocation information system needed for use in assessing the needs and supply of relocation housing or the characteristics of the persons being displaced?

The Conference was almost unanimous in agreeing that there was a need for a nationwide system to gather facts and information on relocation and to make such information readily available to governmental agencies and others involved in the total process.

RESEARCH NEEDS FOR RELOCATION

The Conferees were divided into 5 workshop panels to address themselves to specific problems of relocation grouped under the following 5 topics: (a) planning problems involved in relocation; (b) relocation problems involving financial, legal, and intergovernmental relationships; (c) relocation problems of homeowners and tenants; (d) relocation problems of business and commercial establishments; and (e) relocation effects on the neighborhood. As part of its deliberation, each panel was to ascertain research needs in its topic area. Detailed descriptions of research needs as developed by the panels are given in their summary statements. They may be summarized under 6 topic areas as follows:

1. There is need to determine the economic, social, and psychological effects of relocating homeowners, tenants, and businesses. Special attention should be given to problems of the disadvantaged, the aged, and minority groups because the potential impact of relocation is greater on them than on other groups.

2. The adequacy of relocation payments should be assessed and additional relocation services more clearly defined. Income maintenance for low-income families should be included in such considerations.

3. The organization and administration of a uniform national program on relocation must be defined and intergovernmental responsibilities delineated.

4. The relocation program should be integrated into the planning processes for highways, urban renewal projects, and other public works programs so that the community and those displaced will be involved and participate at an early point. In addition, methods for assessing the adequacy of available replacement housing should be assessed and procedures designed for adding new replacement housing to the housing supply and timed to be made available to meet the relocation needs.

5. Programming and scheduling of displacement and construction programs should be organized so that minimum inconvenience is experienced by those being relocated and by the community.

6. An efficient and usable national information bank should be developed on displacement, the effects of relocation, and the availability of housing.

Research into the problems of relocation is one part of the overall process needed to develop a national uniform program on relocation. The development of such a program requires that value judgments be made and politically articulated. These judgments, based on research where possible, must be enacted into law and the administrative machinery developed to implement them.

A comprehensive relocation program that will minimize the adverse effects on relocatees requires legislative and legal consideration; it also entails a change in attitude on the part of the nation and of governmental officials. When lives are affected, especially in situations such as relocation where people have little or no choice, every effort must be made to include those people in the planning process, to take into account the impact on them and possible alternative solutions, and to ensure that the effects of public works programs do not act to limit their opportunities or inflict undue economic, social, or psychological hardships on them. A number of studies throughout the country indicate that, with adequate personal and financial assistance to families and businesses being displaced for public purposes, relocation and the facilities need not necessarily be disruptive to the individual or to the community and, in fact, will more than likely act as a positive stimulant toward a better total environment.

AN APPROACH TO THE RELOCATION PROBLEM

W. N. Carey, Jr., Highway Research Board

Much progress has been made in helping to minimize the hardships caused by re-locating persons, families, and businesses. The federal housing and transportation acts have required planning, assistance, and financial remuneration for those who are displaced. Some of the states have enacted enabling laws and far-reaching provisions for a unified, comprehensive approach to relocation. There are currently before Congress bills that would unify and standardize all federal relocation activities.

Although much has already been done, there is still much we need to know about the effects of relocation. As society becomes more organized, the magnitude of the problem grows rapidly. The number of displacements caused by public programs this year may be as many as 200,000 persons and businesses. The issue involves social problems such as the urban ghetto and racial equality. Further, the world's conscience has become more sensitive and, though no one would argue that this is bad, it does compound the problem. Laissez-faire and self-interest attitudes are increasingly being tempered by concern for the general good of society and the protection of minorities.

Our country's development has been predicated on the concept of majority rule as opposed to the dictatorship of a ruling few. We know, however, that the majority can be tyrannical in dealing with minorities, and now we see a few instances of what might be called tyranny of minorities in blocking the wishes of the majority.

As long as the nation's highway program was primarily concentrated in rural areas where right-of-way takings affected comparatively few families, there was little resistance to new roads. Rather, there was great support because of the transportation needs. In urban areas, new freeways may displace hundreds of families and businesses. Although the traffic demand is greater, the resistance is also greater. Through political, economic, and social pressure, people and communities that fear displacement and disruption by public works are effectively stopping the programs, or at least delaying them.

Each side has a valid position. Because transportation facilities, urban renewal, and public housing benefit large segments of the community, they should not be prevented because of a small but obstinate segment. However, neither should the rights and privileges of the small segment be suppressed by the will of the majority. The resolution of the problem, of course, involves compromise. We must give greater consideration to alternative solutions for transportation, housing, and other urban problems. Some of these alternatives will be economically more costly but socially less costly and disruptive. For those to be displaced, there is in addition to the costs the fear and reluctance to change. Government must not only determine fair compensation for taking property, it must also provide displaced persons with services to minimize the difficulties of relocation and with housing and business opportunities equivalent to or better than those being taken. Some experimental projects give indications that this approach may reconcile both the total community's and the individual's interests.

We have made substantial studies in relocation, but if we are to achieve the breakthrough that I have described, we must have a better understanding of the social and economic problems of relocation. A malady, which many professional people have, is to look at the world from their personal perspective and judge other men's needs and behavior according to their own professional standards. Displacement and relocation affect other people's lives. If we as planners and administrators are to achieve our programs, we must be empathetic with those who are affected. We must not only collect data and measure behavior, we must also identify with the displaced and say, "there but for the grace of God go I," and if I were they, how would I react?

COMMENTS BY THE CONFERENCE CHAIRMAN

William G. Adkins, Texas Transportation Institute, Texas A&M University, College Station

Several years ago I heard Kenneth Boulding speak about the reasons for the progress of economic development in this country. He said something to the effect that we have moved forward because of an unexplained proclivity for doing the right things for the wrong reasons. One would believe that this good fortune could lead to some carelessness on our parts. If everything is destined to turn out all right, then the decision-making process is a rather low-grade effort. Under this assumption, whatever comes to mind first will do, or work out. We are slopping along in many of our public programs guided only by the inane philosophy that all comes out in the wash. We may also be laboring under the impression that there is something to be gained by killing the goose that laid the golden egg.

This is not to deny that public actions cause inconvenience and hardships to individuals. The fact is that highway projects do affect individuals in a variety of ways. Highways do relocate or displace people, not just in a physical sense but socially, economically, and emotionally; and compensation is due these disrupted persons. Courtesy and accommodation and sympathy and empathy are also their due, but beyond this what else? What is the public responsibility? What is its breadth? What are its boundaries? What pressing inequities have been overlooked? Now, posing questions is one thing, but setting a promising course for answering them is something else.

During World War II we borrowed from the French the little phrase "c'est la guerre." It excuses so neatly both personal and societal transgressions. It seems to me, and this is only my opinion, that the 1968 Federal-Aid Highway Act has added "c'est l'auto." The automobile is blamed for many, if not all, of the social ills for which responsibility cannot otherwise be placed. Is it possible that we are trying to bomb out our national highway program? Relocation assistance as presently conceived is a portion of the explosives. Why such relocation assistance? What is it for? What is it going to accomplish? What is it going to cost in terms of foregone services or goods? Is the cost going to be too high in relationship to the alternative benefits? What are the windfall and lottery aspects? Are we willing to accept as proper and prudent the trade-offs suggested by the Act? Or is the Act merely politics, and is it the best politics we can play?

I have watched highway displacement for a long time. I have witnessed numerous private losses that have fallen into the noncompensable class. Among these are several glaring ones that were not relieved by the 1968 Act. On the other hand, I have witnessed windfalls, such as you and I might dream of, that would cover enough compensables and noncompensables to take care of our children, and grandchildren, if we happen to be in the windfall spot. Under what value systems should these particular victims be due still more public gratuity while others with perceivable uncompensable losses take the high loss?

These are some of many questions. They may constitute some of my bias; they may or may not be your bias; they may or may not be your questions. I hope that these viewpoints will add something, if nothing but a sour note, that perhaps you can react to.

THE MAGNITUDE OF DISPLACEMENT

Flynn Wells, Bureau of Public Roads, Federal Highway Administration,
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In this discussion I shall not attempt to approach the solution to the problem, but I would like to acquaint you with the magnitude of the problem. The Bureau of Public Roads during the past few years has been displacing an average of 55,000 families and businesses each year. Last year we displaced 36,000. The drop was caused by a new law and the gearing up to new operations. In addition, there are about 30,000 families and businesses being displaced each year by programs of the Department of Housing and Urban Development. Displacements from programs of other federal agencies, such as open space, urban parks, schools, and urban mass transit, average 3,500 families a year. Throughout the country there are also numerous displacements resulting from activities by industry and the private sector. Altogether total displacement averages 80,000 families and businesses a year.

In cities where the population is 100,000 or more, the average house is 50 years old. Of the houses 15 to 50 years old, 26 to 35 percent are deficient according to standards of decency, safety, and sanitation. For the next 10 or 20 years, this situation will worsen. The houses will get older. Replacement houses are not being provided in urban areas at the same rate as displacements are occurring. Close to 50 percent of the families in America cannot afford to buy a house that costs more than \$20,000, and the average cost of a new replacement house is currently \$20,000 or more.

Another alarming factor that we must begin planning for now is the population explosion. During the next decade births and increasing the longevity of life will more than double the number of people on the earth and create a tremendous need not only for housing, but also for space and many other facilities and services that will lead to environmental quality problems.

Displacement deals with social problems because many people require some financial and social assistance in order to accomplish relocation. This means that payments are added in federal highway and renewal programs, but other objectives and goals demand that other resources have to be tapped in local, county, state, and federal governments to bring together all the forces of assistance required by an effective relocation program.

DISPLACEMENT AND RELOCATION NEEDS FOR PRESENT AND FUTURE HIGHWAY PROGRAMS

David R. Levin, Bureau of Public Roads, Federal Highway Administration, U. S. Department of Transportation

The concern of the highway official in relocation assistance actually dates back many years. Long before the enactment of the 1962 Federal-Aid Highway Act, the Bureau of Public Roads and the state highway departments were interested in the relocation of tenants and owners. As far back as August 1947, a booklet published by the Bureau and entitled "Relocation of Tenants and Owners to Expedite Construction of Arterial Routes," advocated attention to this problem and set forth current experience and techniques used in Los Angeles, Chicago, New York City, and elsewhere.

PROVISIONS AND IMPLICATIONS OF THE 1962 AND 1968 HIGHWAY ACTS

A limited program of specific relocation assistance was authorized in the 1962 Federal-Aid Highway Act. It required mandatory relocation assistance to all owners and tenants who moved from residential sites, and optional assistance to business establishments. The Act authorized federal-aid reimbursement of up to \$200 for residential moving costs and up to \$3,000 for business moving costs. Moving cost payments were to be made provided such payments were legally authorized in a particular state.

This relocation assistance program was vastly upgraded 6 years later. In the 1968 Federal-Aid Highway Act, the Congress provided legislative authority and funding unprecedented among public works programs for the compensation of highway displacees of all kinds. Many of the far-reaching provisions in Chapter V of the 1968 Act are as follows:

1. New declaration of legislative policy with respect to highway relocation assistance,
2. Provision for assurances to be given by the state highway departments in connection with specific project proposals,
3. Increase in the level of all moving cost payments without a ceiling but with certain limitations,
4. Provision for 100 percent federal share of the first \$25,000 of such payments to any person until July 1, 1970,
5. Authorization for an additive to fair market value of property acquired in the form of a replacement housing payment up to \$5,000,
6. Provision for a similar additive in the form of a rent supplement for tenants up to \$1,500,
7. Sanction of the payment of expenses to the property owner incidental to the transfer of his property to the state,
8. Requirement for an expanded level of relocation assistance services to displacees, and
9. Definition of several real property acquisition policies that are mandatory on all federal-aid highway acquisitions.

The legal capability of the states for complying fully with the payment provisions of the 1968 Act is the key to its early implementation, even with 100 percent federal reimbursement as the Act provides to July 1, 1970. Two types of assurances must be given by the states. One involves real property acquisition policies, and the states indicate no substantial legal obstacles to providing the required assurances. The second relates to the adequacy of the state relocation assistance program, including assurances that a supply of decent, safe, and sanitary housing is available. Forty

states have indicated they can legally comply with the provisions of the 1968 Act. Three states have complied with the 1968 Act by agreements for advance of funds, retroactive to August 23, 1968, the effective date of the 1968 Act.

According to estimates of the Bureau of Public Roads, the federal-state highway program will be responsible for 50,000 displacements annually for the next several years. Approximately one-fourth of these will be in rural areas, and the other three-fourths in urban areas. About 87 percent of the annual total will involve residences, 10 percent will involve businesses and nonprofit organizations, and the remaining 3 percent will affect farms. Over half of all displacements will be necessary because of Interstate Highway projects. Most of the projected residential displacements will involve housing costing less than \$15,000 each or renting for less than \$110 monthly.

Generalized data such as these, cumulated on a national basis, frequently obscure variations from state to state, and from region to region. For example, a few states do not have any significant relocation problems with respect to the available replacement accommodations. In some cities relocation housing supply falls far short, even into the foreseeable future, of the relocation housing required for highway purposes. Other places have ample relocation housing at reasonable cost. In some states the most acute relocation problems exist in rural and not in urban areas.

The 1968 Federal-Aid Highway Act requires that replacement housing be decent, safe, and sanitary, and that highway agencies be responsible for making such housing available to highway relocatees. Many such relocatees now live in slum or blighted facilities or in housing that does not meet the standards set up by the Bureau of Public Roads for decent, safe, and sanitary housing. Accordingly, the intent of the Congress in the 1968 Act was to upgrade housing in connection with the highway program, and this goal is indeed a worthwhile social objective.

In its Instructional Memorandum 80-1-68 of September 5, 1968, the Bureau of Public Roads stated that the following are the minimum acceptable requirements for decent, safe, and sanitary housing:

1. Conforms with all applicable provisions for existing structures that have been established under state or local building, plumbing, electrical, housing, and occupancy codes, and similar ordinances or regulations applicable to the property in question.
2. Has a continuing and adequate supply of potable safe water.
3. Has a kitchen or an area set aside for kitchen use that contains a sink, in good working condition and connected to hot and cold water, and a sewage disposal system. A stove and refrigerator in good operating condition shall be provided when required by local codes, ordinances, or custom. When these facilities are not so required by local codes, ordinances, or custom, the kitchen area or area set aside for such use shall have utility service connections and adequate space for the installation of such facilities.
4. Has an adequate heating system in good working order that will maintain a minimum temperature of 70 deg in the living area under local outdoor design temperature conditions. A heating system will not be required in those geographical areas where such is not normally included in new housing.
5. Has a bathroom, well lighted and ventilated and affording privacy to a person within it, containing a lavatory basin and a bathtub or stall shower, properly connected to an adequate supply of hot and cold running water, and a flush water closet, all in good working order and properly connected to a sewage disposal system.
6. Has provision for artificial lighting for each room.
7. Is structurally sound, in good repair, and adequately maintained.

The requirements for each building used for dwelling purposes are as follows:

1. Has 2 safe unobstructed means of egress leading to safe open space at ground level. Each dwelling unit in a multi-dwelling building must have access either directly or through a common corridor to 2 means of egress to open space at ground level. In buildings of 3 stories or more, the common corridor on each story must have at least 2 means of egress.

2. Has 150 sq ft of habitable floor space for the first occupant in a standard living unit and at least 100 sq ft of habitable floor space for each additional occupant. The floor space is to be subdivided into sufficient rooms to be adequate for the family. All rooms must be adequately ventilated. Habitable floor space is defined as that space used for sleeping, living, cooking, or dining purposes, and excludes such enclosed places as closets, pantries, bath or toilet rooms, service rooms, connecting corridors, laundries, and unfinished attics, foyers, storage spaces, cellars, utility rooms, and similar spaces.

Decent, safe, and sanitary housing for rental or sleeping rooms might be expected to vary somewhat from these standards, for obvious reasons. Rental sleeping rooms shall meet the minimum requirements contained in paragraphs 1, 4, 6, and 7 for housing and 1 for buildings and the following:

1. Have at least 100 sq ft of habitable floor space for the first occupant and 50 sq ft of habitable floor space for each additional occupant.
2. Have lavatory and toilet facilities that provide privacy including a door that can be locked if such facilities are separate from the room.

Instead of these standards a local housing code may be submitted by the agency providing the relocation assistance to the Director of Public Roads for approval. Any local code submitted shall be reasonably comparable to the Bureau's standards. The Director of Public Roads may approve exceptions to the standards where unusual conditions exist.

The 1968 Act requires the replacement housing payment to be measured by a series of factors, including the average price of a comparable dwelling. A comparable dwelling is defined by the Bureau of Public Roads to be one that is substantially equal and functionally equivalent with respect to number of rooms, area of living space, type of construction (wood, frame, or stucco), age, state of repair, accessibility to public services and places of employment, and type of neighborhood.

Under some circumstances, property owners, tenants, farmers, or businessmen may feel that payment determinations by state highway department personnel are not in accordance with law. An appeals mechanism, accordingly, is provided by the Bureau of Public Roads in its Instructional Memorandum 80-1-68.

An applicant for a relocation payment shall be notified promptly in writing concerning his eligibility for the payment claimed; the amount, if any, he is entitled to receive; and the time and manner in which the payment will be made. This notification shall also inform the applicant of his right to appeal and the procedures therefor, in the event the applicant is dissatisfied with the initial ruling on his application for payments.

The head of the state agency shall establish procedures, consistent with applicable state law, for reviewing appeals. Those procedures shall provide, at the minimum, that any person taking such an appeal shall be given (a) full opportunity to be heard and (b) a prompt decision giving reasons in support of the result reached.

The matter of adequately relocating highway displacees, according to the terms and requirements of the 1968 Act, is a very complex and time-consuming operation. Enlarged staffs of the Bureau of Public Roads and state highway departments and appropriate organization changes will be required in order to do the kind of job that is now required. Some state highway departments have already added substantially to their present right-of-way staffs. Some estimates indicate that within the next year or two state highway department right-of-way personnel will probably need to be doubled in number.

Moreover, special and new kinds of talent that are new to highway department operations will probably need to be considered in connection with the relocation assistance function. Housing marketing specialists, who can ascertain and evaluate replacement housing needs and availability, may be needed. Personnel with sociological, psychological, behavioral, and other welfare-oriented backgrounds may need to be considered. A new complex of personnel and organizational operation comes into play here.

HOUSING SUPPLY AND RELOCATION HOUSING DEMAND

Persuasive evidence is available to indicate that the demand for relocation housing will substantially exceed the supply in particular areas of the nation, especially in urban areas in view of the requirement for decent, safe, and sanitary housing. Recent studies by the U.S. Department of Housing and Urban Development reveal that approximately 26 million new housing units will be required over the next decade to reasonably satisfy the need for housing in the United States. Only a small fraction of this need has been authorized and funded by current housing programs.

The major emphasis of remedial legislation involving public works relocations has been assistance to be rendered displacees, securing of replacement housing, and adequate relocation payments for the cost of moving. This was the principal thrust of Chapter 5, Section 30, of the 1968 Federal-Aid Highway Act. It is becoming increasingly apparent that another element must now be considered in connection with displacements resulting from highway and other public works improvements. This involves the need to equate the supply of and demand for decent, safe, and sanitary housing that will result from displacements of all kinds. The supply must become available at time intervals that approximately coincide with the orderly programming and construction sequence of public works projects. Unless the supply of decent, safe, and sanitary housing is appropriately augmented to meet this demand, public works projects will be delayed unreasonably. In some areas, badly needed public works programs could be held up for years or abandoned altogether because replacement housing in adequate quantities simply is not available. There is evidence that this condition obtains in a substantial number of urban areas and in many rural areas.

Chapter 5, Section 30, of the 1968 Federal-Aid Highway Act requires that the state highway departments provide assurances that

(3) within a reasonable period of time prior to displacement there will be available, to the extent that can be accomplished, in areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families and individuals displaced, decent, safe, and sanitary dwellings, as defined by the Secretary, equal in number to the number of and available to such displaced families and individuals and reasonably accessible to their places of employment.

Availability of relocation payments, including additives to fair market value, will not necessarily result in the availability of housing adequate both in quality and quantity. Further, unless the housing supply is increased, the new relocation payment program may inflate the selling prices of existing housing.

The intent of the Congress is that the authorized federal-aid highway program proceed with reasonable dispatch. Therefore, the Federal Highway Administration is exploring means for equating the supply of and demand for relocation housing and for timing the supply to coincide with project construction. To this end, arrangements have been made with the Department of Housing and Urban Development (HUD) for discussion of a logical series of actions and events to ensure that relocation housing is available. These include the following:

1. Effort could be made to assign to HUD the immediate responsibility (by administrative or legislative authority) for ascertaining what the relocation housing demand will be during the next 10 to 15 years. Included in this demand would be all federal, state, and local public works needs and additionally those private needs that can be ascertained. The data so obtained would be stratified by class of housing, occupancy (owner or tenant), categories of cost, and other bases. Such an effort should be a continuing one and should span at least a decade at any one point in time.

2. HUD could similarly be assigned the responsibility to ascertain for the same time period the housing supply of present federal, state, and local programs and to relate that supply to the demand and the classes of housing needs previously identified.

3. These data will reveal where the deficiencies and disparities will exist in terms of supply of and demand for decent, safe, and sanitary housing for relocation purposes. HUD could then seek authority and moneys for either augmented or federal and federal-aid relocation housing programs or both to bridge the gap between supply and demand. All ongoing and authorized programs and funding involving housing will need to be evaluated with this suggested approach.

An alternative to this approach would be for the states themselves, through their state highway departments or other state authorities, to ascertain the need for and provide necessary replacement housing. This would involve state enabling legislation, probably similar to the 1968 California statute. It could put the highway departments in the housing business to the extent necessary to satisfy the requirements of their programs.

PROPOSALS AND PROGRAMS FOR RELOCATION HOUSING

The problem of finding and obtaining appropriate housing sites in the urban and suburban areas of the nation is a most difficult one. It has been proposed, therefore, that Section 108, Title 23, of the federal-aid highway laws be amended to add \$100 million each year for a 2-year period to permit federal participation (in the usual project ratios) in land acquired by the states (at their option) to be used for relocation housing. Federal highway trust fund participation would be limited to land only, and the housing improvements would be provided presumably by a local housing authority, a redevelopment agency, the state highway department, or any other public or private group designated by the state. Any recoupment obtained from this land acquirement during the process of providing the housing would be shared with the federal government in the same ratio as it was financed in the first instance. There already is language in Section 108 of the highway laws relating to relocation assistance, but it probably is not broad enough to accomplish what is intended here. The authority would be optional, not mandatory.

The Bureau of Public Roads and the Federal Highway Administration have been seeking to arrange for highway relocatees to have preference in securing decent, safe, and sanitary housing that becomes available under existing public housing programs. The Veterans Administration and the Federal Housing Administration have initiated procedures to this end. Discussions are continuing with other agencies of the Department of Housing and Urban Development and with the Farm Home Loan Administration. It is quite obvious that preferences for those displaced must be obtained, either legislatively, or administratively, if necessary public works projects are to be provided for the public accommodation.

Because advance acquirement of lands for highway rights-of-way provides additional and often critically needed lead time prior to construction, the relocation of persons and businesses can be accommodated with much more deliberation and far less friction—and perhaps less cost—than otherwise would be possible. Advance acquisition is now authorized and funded under the 1968 Act. An apportionment of \$100 million of advance acquisition funds was made for fiscal year 1970, but only \$31 million was budgeted for 1969. Both the Federal Highway Administration and the state highway departments will seek to execute this program so that it will augment the relocation assistance effort.

Efforts are already being made to facilitate the joint development of highways and other community needs and the multiple use of highway rights-of-way. There could be linkages of all kinds between this program and the relocation of residences, farms, businesses, and other activities from the federal-aid rights-of-way. These linkages can be explored further, especially in terms of the potential of research and development activities. The joint development program is well under way now in the Bureau of Public Roads, Federal Highway Administration, and the state highway departments. Currently under consideration are over 300 projects ranging in status from joint development planning to feasibility study, physical construction, and final completion of the works involved.

The following are possible research and development projects that might help to alleviate some of the operational deficiencies in the current program:

1. A study of possible linkages among joint development, multiple use, and relocation assistance in connection with the highway program.
2. Alternative techniques for conducting housing marketing surveys in order to ascertain the extent of the additives required under the 1968 Highway Act and the quantities and quality of replacement housing.
3. Alternative methods for filling the gap between decent, safe, and sanitary housing supply and relocation housing demand.
4. A documented legal analysis of acquiring property for relocation housing as a highway and public purpose, with or without housing improvements.
5. A study of the organizational arrangements and personnel requirements for the relocation assistance activity in state highway departments.
6. Alternative methods for determining the replacement housing payment (the additive) in connection with relocation assistance programs.
7. An analysis and evaluation of differences among the states in their approaches to the provision of replacement housing in connection with public works programs generally and the highway program particularly.
8. An analysis of the authority and funding of state and local housing agencies and the opportunities they may provide in supplying relocation housing.
9. An analysis of existing state law and a suggested model act relating to the acquisition of relocation housing sites.
10. A method for providing decent, safe, and sanitary relocation housing, either new or rehabilitated, through private enterprise.
11. An in-depth analysis of the alternative methods of administration of a uniform relocation assistance program.
12. A study of the practical determination of fair market values of property acquired for highway purposes in light of the additives provided in the 1968 Highway Act.
13. The development of a survey technique for determining housing requirements of displacees, using attitudinal and behavioral characteristics as well as other pertinent physical, sociological, economic, and other elements such as in-depth interview techniques.

CURRENT RESEARCH RELATING TO RELOCATION OF FAMILIES AND BUSINESSES

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Papers dealing with the effects of displacement and relocation of people and businesses resulting from public works programs (1) were presented at the annual meetings of the Highway Research Board well before the 1962 Federal-Aid Highway Act that for the first time required relocation advisory assistance and provided funds for moving costs. At the 43rd Annual Meeting of the Highway Research Board in January 1964, a seminar on the sociological effects of highway transportation included a paper dealing with the potential family displacement and neighborhood effects of a planned urban freeway. In his introductory remarks at this seminar, Thiel called attention to the need for research into the nonuser benefits and costs of highways (2). Particular note was made of highway improvement effects on people in adjacent neighborhoods and on people displaced when rights-of-way are cleared. The questions Thiel posed are worth repeating here because research findings reported since have demonstrated their relevancy: For displaced people who are unable to find comparable housing, is it enough to compensate for fair market value plus a minimal moving allowance? What comfort can we take from the fact that residents displaced by highways typically improve their living conditions if this upgrading results because the displacees cannot find housing in the price range of their former homes? On the other hand, how serious is the change in residence associated with right-of-way acquisition in a dynamic society where so many people move so often? Should highway people be held responsible for social problems of low-income and minority group relocatees when these problems were serious even before displacement? Are some of these problems—like some of the benefits associated with highway improvements—perhaps only catalyzed by the highway development?

PRE-1964 RESEARCH

Prior to 1964, the attention of researchers centered primarily on urban renewal. This focus was possibly influenced by the fact that the urban renewal program was initiated 7 years before the Interstate Highway program, which marked the start of substantial highway displacements, and that federal assistance for urban renewal relocation was authorized 6 years before that for highway relocation. For example, in his 1964 report on housing changes of families displaced from the Boston West End Project, Hartman (3) compared his results with those of 33 housing replacement studies in other urban areas, only 2 of which involved families relocated as a result of highway activity.

A review of more than a dozen studies published during this early period and concerned entirely or in part with displacement aspects of highway right-of-way acquisition revealed that all but one were case studies of the effects of a specific urban highway project. Emphasis in these studies was given to a summary of property replacement experiences of homeowners and businesses. The investigators found that in the main, under the traditional "just compensation" concept, displaced owners were fairly treated. Most of the families and the businesses that relocated remained in the affected community. Most, in fact, stayed in the same or adjacent area. Further, displaced owners often took the opportunity of displacement to upgrade their residences or properties, hence improving both their own physical circumstances and the community tax base. Thus the benefits of highway displacement were established.

The studies did note, however, that just compensation for property taken did not cover all costs involved in relocation. Although many relocatees often upgraded their housing, they also often suffered decreased savings or took on larger mortgages and assumed the further burden of higher taxes and property upkeep. Thus, these studies established that relocatees through the forced relocation process were placed in the position of having to bear an unequal share of the economic costs of a public improvement program.

Highway studies as a group stressed economic and physical considerations involved in relocation. A few of the studies, however, brought in other considerations that soon became the focus of attention in later studies. Adkins and Eichman (4), for example, in a study of 100 displaced homeowners in Dallas found that the experience of displacement was not always a pleasant one. Although with few exceptions displacees met the necessary relocation adjustments quite well, some bitterness remained. Goldstein and Zimmer (5) investigated displacement effects of an inner-city segment of a freeway in Providence, Rhode Island, and found that displacement was especially hard on elderly people, particularly those having long residencies in a neighborhood and having low or fixed incomes. Nash and Voss (6) in evaluating potential impacts of the planned Inner Belt and connecting radials in Boston stated that, although many displaced families are happier once the period of adjustment is ended, moving costs and social costs such as disruption of neighborhood ties were particularly hard on low-income and minority groups. Saalberg (7), in a study of over 570 business firms displaced by the Boston Central Artery found that over 20 percent of the firms ceased operation, and these generally were the smaller ones.

RECENT RESEARCH

To determine the displacement problems connected with a planned highway, Kemp (8) analyzed data from a limited survey of attitudes of people toward the north leg of the proposed Inner Loop in Washington, D. C. Kemp's findings emphasized the socio-physical costs of highway displacements and are summarized as follows: Involuntary moves are upsetting; individuals with sentimental attachments to specific neighborhood features often crowd into adjacent, similar neighborhoods with losses to all; and major physical neighborhood changes occur that require major adjustments.

These findings are consistent with those reported earlier that centered on the socio-psychological effects of urban renewal displacements. Perhaps the most widely discussed research of this type was that of Fried (9) in his study of the impact of forced relocation on the lives of the working class in the Boston West End Project. Fried's finding was that forced relocation is a highly disruptive and disturbing experience and a crisis with potential danger to mental health for many people. Reactions are expressed in terms of grief, painful loss, continued longing and depression, sense of helplessness, and psychological or social distress. There is a marked relationship between class status and depth of grief. Grief reaction is strongest among the working class, particularly those having a strong pre-relocation commitment to a neighborhood.

In a companion study, Hartman (3) focused attention on changes in housing status, particularly with respect to location, housing type and tenure, living space, housing quality, and rent levels. Evidence was found that relocation does little to improve the displacee's previously overcrowded situation. Although aggregate improvement in housing quality generally takes place, notable differences in upgrading appear among subgroups. Relocation results in a higher share of household income going for housing; nonwhite families have special relocation difficulties. Hartman's tentative conclusion was that "the deleterious effects of the uprooting experience, the loss of familiar places and persons, and the difficulties of adjusting to and accepting new living environments may be far more serious issues than are changes in housing status" (3, p. 279).

Somewhat different were the findings of Thursz (10) in a 1966 study based on interviews with people who were relocated from the Southwest Redevelopment Project in Washington, D. C. Thursz found that many families recalled that they did not like moving, but, having moved, they were generally pleased with the sharp improvement in their physical environment. Although many families shared similar feelings of nostalgia

for the old southwest area, after 5 years, over half felt they "belonged" to the new neighborhood and the majority wanted to remain there.

A 1965 study by the Advisory Commission on Intergovernmental Relations (11) highlighted the fact that great inconsistencies existed in the variable provisions for relocation assistance provided by federal, state, and local agencies. This was true even at the same levels of government. Singled out especially as inequitable situations were the displacement effects on the low-income, the elderly, and small business groups. A 1967 report by the U. S. Department of Transportation (12) to the Congress estimated that, for the 3-year period ahead, 77 percent of the highway displacements would occur in urban areas and the greater number of relocations would require mid- or low-cost housing.

Considerable research effort has gone into studies of the displacement of the elderly. Particularly noteworthy is the research conducted under the auspices of the Institute for Environmental Studies, University of Pennsylvania (13), and the National Association of Housing and Redevelopment Officials.

Two of the most comprehensive studies of business displacements were done by Zimmer (14) in 1964 and Berry (15) in 1968. In his study of about 300 predominantly small businesses displaced by urban renewal and highway projects during the period from 1954 to 1959 in Providence, Zimmer concluded that the survival rate was lowest among small establishments, particularly food retailers dependent on the local, neighborhood market. Berry noted that his findings on displacements in the Hyde Park-Kenwood urban renewal project were consistent with other studies.

All show negative impacts to be greatest on smaller firms with elderly owner-managers, having or requiring small capitalization, in which business operations require few specialized skills, and the offerings are ubiquitous goods and services. Many of the firms liquidating are marginal, even sub-marginal, surviving by paying less-than-going rentals in the substandard properties generally cleared. But among the liquidations are individual businesses which might have been salvageable. .

Recent research continues to stress the social effects of displacement, not only the effects on those displaced but also the effects on the adjoining or traversed neighborhood. The effects of displacement on neighborhood cohesiveness and stability are brought into sharp focus in the controversies of inner-city freeway construction in a number of cities. Fellman and Rosenblatt (16) point to the need for some mechanism whereby social considerations such as those relating to relocations can be defined and incorporated into the early stages of highway planning. They stress that severe hardships would be suffered by Cambridge residents because of displacements and the overall adverse effects of the Inner Belt. They admit that their paper essentially is a position paper and state that comprehensive documentation has not yet been prepared to support their conclusions. But the thrust of the paper leaves little doubt as to the position taken by the authors on the question they formulate as to whether highways for the benefit of the suburban commuter are worth the costs to the disadvantaged.

The Watts experience, as reported by Hill (17) as both an "on-the-job" researcher and highway right-of-way agent, provides a different picture. The California approach is to combine a study of the problems of displacement and neighborhood effects with an action program to improve the relocation process and thus to attempt to maximize indirect benefits of a highway program and minimize direct and indirect adverse effects on people and the neighborhood.

Christensen and Jackson (18), in their report on the problems of relocation in Baltimore, conclude that the potential injury to the displacee is so great that the goal of relocation assistance must start as a planning consideration. Assistance in relocation is not enough: There must also be an effective, comprehensive program for developing replacement housing and business facilities into which displacees can move. In an extensive comparative study of possible social effects of alternative route locations proposed for the Baltimore freeway system, Grier and Robinson (19) found that population displacement can have profound effects on existing housing, educational, recreational, social, and health problems and on total population and subgroup shifts within the community.

Published research since 1963 and 1964 has tended to present findings and informed judgments more with respect to the costs than with respect to benefits of displacement and relocation. The research has directed attention to the sociopsychological impacts of relocation on households directly involved in displacement. The impacts on sub-groups of the population and business activities disadvantaged by lack of mobility, power, and fortunes have been explored in greater depth and understanding. Increasing attention also has been given to the disruptive effects of displacement on adjoining neighborhoods. A considerable number of studies appears to be generated in an effort to direct policy or influence decisions with respect to specific projects.

CURRENT RESEARCH

The following current research efforts are summarized because they are known and are considered to be important and relevant to the purposes of this Conference.

1. Kinnard and Messner (20) have completed an extensive analysis of 85 case studies of business relocations from urban renewal projects in 24 communities. A reversal of earlier studies that documented problems and difficulties experienced by displaced businesses in seeking new locations, the hypothesis of Kinnard and Messner's research is that much effective relocation is being carried out and that most affected businesses can be retained if eased past the disruptive impact of forced relocation. Hence, the study attempts to identify and analyze the ingredients of successful relocation of selected businesses and nonprofit establishments.

2. The Division of Psychiatry of the University Hospital, Boston University Medical Center, in cooperation with the Boston Redevelopment Authority, is carrying out 2 research projects relating to the sociopsychological aspects of the relocation process. In one project, the research will attempt to determine the effect of intensive, innovative mental health services on households to be relocated—households that have longstanding problems and are least able to cope with the crisis of relocation. Questions for which clinical answers are sought are as follows: Can the event of relocation be used as an opportunity for positive development of family and individuals? What are the effects of complete mental health services during the period of displacement and relocation on families with a variety of severe problems and on families with less severe problems that may or may not interfere directly with the relocation process? The objectives of the research are being achieved by providing intensive services to a sample of problem families displaced by expressway right-of-way acquisition and by urban renewal activity. The other project is a study of the effects that relocation and the normal relocation services provided have on households displaced from the Southwest Expressway and adjoining Inner Belt. Research is being carried out through pre-relocation and post-relocation interviews with members of about 400 households. The attempt is to compare the full set of attitudes and problems of the family and its members after relocation with those before relocation, and to factor out changes attributable to the crisis of highway displacement. These studies have as their prime objective the development of more precise techniques and services to improve the relocation process rather than the singling out or documentation of costs and adversities.

3. In Tennessee, Memphis State University has a study under way to identify, describe, and quantify, if possible, the effects of displacement of people and disruption of business activity as a consequence of land acquisition for an expressway through Memphis. Socioeconomic costs are being considered, as well as the effect of the highway on neighborhood boundaries. A study of the socioeconomic and environmental effects of right-of-way acquisition is currently under consideration at the Research Foundation, University of Toledo, Ohio.

4. The University of Oklahoma Research Institute is just completing a study in which a review was made of statutes and cases on a federal and state-by-state basis to learn what the present laws are regarding different types of add-ons to payment of compensation under the traditional market value concept and to measure the trend, if any.

5. The Economics and Requirements Division of the Bureau of Public Roads is developing a research program on displacement and relocation as part of an effort to

identify the full range of beneficial and adverse consequences of a highway improvement and to evaluate methods to maximize benefits and minimize costs. Emphasis will be on residential displacements in urban areas, including methods for predicting the magnitude and incidence of displacements resulting from highway improvements, methodology for predicting the extent to which the supply of existing housing will satisfy the needs of displacees, and identification and evaluation of alternative solutions to displacements by highways. Already under administrative contract is a study being conducted by Resource Management Corporation on highway improvement as a factor in neighborhood change. The objective of this study is to develop a set of indicators for use in predicting socioeconomic and environmental changes in a neighborhood resulting from a highway development. One of the elements to be considered is the effect of displacement of people and businesses on the remaining neighborhood.

6. Stanford Research Institute has initiated a study to develop improved methods for identifying, measuring, and valuing selected community attributes that are affected by transportation changes. One of the investigations centers on the disruptive effects of displacement by highway and public transit improvements on community values.

7. The U. S. Department of Housing and Urban Development has initiated a research-demonstration program under Operation Breakthrough to determine how to make housing available to people of all income levels, with sensitivity toward low- and moderate-income families. If, in fact, this succeeds and more housing is made available by virtue of this effort, the problem of finding decent, safe, and sanitary housing for relocatees will be eased.

8. A recent attempt was made to determine the extent to which transportation planning and 701 agencies are conducting research on relocation in connection with their planning activities. The results of the investigation have not been outstanding to date. The Southeastern Wisconsin Regional Planning Commission is preparing a prospectus for a housing study in Milwaukee that will include surveys relating to problems of displacement by urban renewal and highway projects. Highway officials in the District of Columbia are developing a data collection, storage, and retrieval system for acquisition and relocation data on planned highway projects. To date, it covers only one pilot project. The Northeast Ohio Areawide Coordinating Agency is conducting a systems evaluation in developing its 1990 transportation plan. Detailed evaluation criteria utilizing a rating scale have been developed for evaluating transportation corridors. The rating scale includes a displacement measure defined in terms of land use type, with density and condition of housing considered for residential areas. The Boston Metropolitan Area Planning Council is doing a study of housing needs of those relocated in which an estimate of future displacements is being made in aggregate terms.

In summary, research currently under way on the displacement of people when private property is taken for highways, urban renewal, or other public use does not appear to be extensive. Recent legislative changes in relocation assistance authorized for highway displacements in the 1968 Federal-Aid Highway Act and the present consideration by Congress of a Uniform Relocation Assistance and Land Acquisition Policies Act, however, indicate the serious concern given to the problems surrounding displacement. Obviously, research efforts need to be encouraged and supported.

In many cases there will be no feasible alternatives to involuntary relocation. Research must help find solutions to the displacement problem. The question is, How can research assist in providing a sound, humane, and effective relocation process when displacement is necessary?

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COMMUNITY REACTION TO A NEW TRANSPORTATION CORRIDOR AND THE EFFECTS OF RELOCATION ON THE COMMUNITY

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Everyone affected by a public improvement should be compensated so that he is no worse off than he was before the improvement was created and perhaps he is better off. A new transportation facility affects not only those actually displaced but also the community itself. Not all of the detrimental effects of the improvement are compensable because many effects cannot be measured and certain inherent risks are involved in operating a free enterprise system.

Relocation is a dynamic process, and an attempt to evaluate merely the effects before and after the improvement may not reflect the actual effects of this dynamic process. There are a number of steps in the process of displacement: the anticipation and planning, the actual displacement, the relocation, the construction of the new improvement, the impact of completed improvement, and the cumulative effects of the improvement on the community and region. With the passage of time there may be tremendous impacts on the individuals and community that are not perceived if we simply make a static comparison before and after the construction process. The mere announcement that an area is being considered for a new highway or urban renewal project has a great impact on life and investment in the area to be affected. It causes a substantial degree of uncertainty of the future of the area and reduces the willingness of other people to invest there because they are not sure what property is going to be taken and what the effect will be on the remaining community. Likewise, owners are unwilling to spend necessary money to provide adequate maintenance and repairs because they think that their buildings are going to be torn down. This uncertainty as to the future of the individual property and the community often results in a decline in property values even before there is actual acquisition of property for the improvement. Thus, the announcement of the planning of a new transportation facility or urban renewal project causes an investment and maintenance gap while people wait to find out what is going to happen to the community.

During this time when people are forced to sell their property before the government is willing to buy it, buyers are frequently difficult to find, and if one is found he may discount future uncertainties in terms of lower market value for the property. In turn, when the government is ready to purchase property for the renewal project, comparable sales values in the area indicate a much lower market value and therefore all property owners may be adversely affected.

The opposite effect can occur if the improvement is expected to raise the general market value of property within the area affected. In this situation announcement of the improvement triggers land speculation and forces up the value of property within the vicinity with the effect that a new price level is established at which the government must acquire the land.

The actual process of displacement imposes costs on the owners and renters for moving and adjusting to new environments. Under the 1968 Federal-Aid Highway Act, allowances are made for relocation costs for owners and renters of property taken for the improvement. However, the Act ignores certain costs for compensation that are really true costs of the improvement, such as the loss of equity built up by a contract buyer if title reverts to the seller because sufficient equity has not been paid on the property.

The 1968 Federal-Aid Highway Act recognizes that displaced persons often cannot find new quarters at the same prices as those from which they are displaced, and it provides for nominal relocation payments. Displacement costs are increased partly because the quality of dwellings is upgraded and partly because the market forces reflect increased demand for limited facilities. This is especially true for low-income households. Unless there is an equal number of replacement units for the same income level, displacement caused by the new improvement forces low-income families out of existing housing without comparable replacement units and forces market prices up because there are more bidding for fewer units. The effect on the rental and owner market especially for low-income households is to raise rents and prices for the total. Thus everyone in the area pays the higher cost induced by the new improvement for which they receive no compensation at all.

Displacement for transportation or urban improvements, therefore, has an impact not merely on those displaced but, in a housing shortage area, on the total housing market. When housing is in short supply for all or for just those in a limited-income level, the taking of housing for public improvements will affect the total housing structure within the affected area.

Because of the high mobility of the population throughout the United States, there is a high turnover in the housing market. Many units are always becoming vacant, and these can be used for relocation housing purposes. This does not compensate, however, for the fact that there are fewer housing units in an area to house the same number of people.

Between 1937 and 1967 the Douglas Commission estimated that federal programs destroyed over 1 million housing units in cities. That is more than all the public housing ever built in the United States. Of this number 404,000 were destroyed by urban renewal and 330,000 by highways. In the 74 cities studied, the number of houses destroyed by federal programs or federally financed programs exceeded the number of new units built for public housing so that low-income households were worse off in net terms as a result of federal programs.

Housing costs and rents increase because of a number of factors and not merely because of displacements by public improvements. Factors such as general inflation, higher income levels, stricter code enforcements, and influx of population cause a rise in housing costs and rents. It is impossible to separate that part attributable to displacement from that part caused by all other factors. People, therefore, cannot be compensated for such losses. Because the entire market cannot be compensated for such losses, for every housing unit destroyed by a public improvement, a new unit should be built and made accessible to the same income group, though not necessarily to the same individuals who are displaced. Then the upward pressure on rents and housing costs caused by destroying one unit would be offset by the downward pressure of rents by making additional units available. For every new public improvement that requires the destruction of housing, particularly housing for low-income households, part of the cost of the construction of the improvement ought to include the cost of building new housing facilities to replace housing destroyed by the project. Private enterprise may be attracted to finance some of the costs for such new housing by the government's funding the gap between the present high construction cost and the ability of low-income households to pay for these units.

The construction process itself imposes costs on individuals and the community that are invisible if one merely evaluates the before-and-after situation. Blocking access to businesses for long periods of time, slowing down people's movements throughout the neighborhood, and creating traffic congestion, construction noise, vibration, and pollution are negative factors for which the community is not currently compensated. The division of neighborhoods, the shifting of travel patterns, the elimination of markets for transportation-oriented businesses, the increased costs and time of circuitous travel are also not compensated for. The benefits accruing from the facilities often do not go to the same ones who pay the costs, either directly or indirectly. It is not possible, however, to pay cash for all adverse effects caused by the introduction of a public improvement. Some must be accepted as the price for living in a dynamic society.

The cumulative effects of the individual project in conjunction with other public works projects and private enterprise activities must be considered. Displacement is focused on certain areas of an urban environment and not spread evenly throughout the entire city. Displacement concentrated in a racial or cultural minority section has an impact substantially different from that of displacement in other sections of the city. Although the number of houses destroyed may be small in terms of the total housing supply, the impact on the persons and community affected by the improvement is more severe because income limitations and racial discrimination may restrict certain groups from the normal patterns of consumer mobility within an urban area.

The cost-benefit analysis typically done for most public improvement programs usually considers only the aggregate effects on the whole community and does not look at the distribution of costs and benefits among various subgroups. The benefits of the projects frequently do not accrue to the same people who must bear their costs. Benefits and costs accrue both to the users of the improvement and to the community as a whole. Historically, we have been far more concerned with the costs and benefits to the users of the facility than with those affecting surrounding communities.

It is unjust to consider each public improvement project separately and in isolation. We must consider the total social and economic situation of the urban area to be affected. In view of the racial, social, and economic problems in many low-income urban neighborhoods, the additional location of an improvement project there imposes a tremendous additional cost of living on people who are already economically and socially disadvantaged. The intrusion of a highway or urban renewal project through such a neighborhood can no longer be considered an isolated event but must be considered in light of the total economic and social structure of the city. Between 1951 and 1964 almost 90 percent of the households displaced in Baltimore were Negro, even though less than one-half the population of Baltimore is Negro. There were many reasons for this; for example, much of the housing was in old neighborhoods or slums, near the center of town, and on low-cost land. It looked, however, like a very deliberate design to direct the highway through Negro neighborhoods instead of white neighborhoods where there is greater political power. Such perceptions are going to have a substantial influence on other resistance to more highway and urban construction in disadvantaged neighborhoods.

It seems easier to substitute rhetoric for action because talk is cheaper than deeds, and the economic costs and social costs for really correcting our urban problems are staggering. Social and economic justice is not cheap. Mere relocation payments will not pay for the misery inflicted on people under the present conditions by public improvements in urban areas. The public is now recognizing this. That is why there is growing opposition to urban highways and other public improvement projects that callously displace people without providing them with equal or better alternative environments and accommodations.

A SYSTEMS ANALYSIS OF THE RIGHT-OF-WAY ACQUISITION PROCESS AS IT RELATES TO RELOCATION

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The primary goal of a state highway program is to provide a highway facility whose location, design, and transportation functions support the environmental views of the communities through which it traverses. A transportation system now must be concerned not only with user costs and requirements but also with the impact of the transportation system on the community and the environments through which it traverses. Social, political, and economic values of the environment through which a highway improvement is proposed must be given important consideration in the location and design of the highway improvement. The environmental features and facilities must be examined not only in their own light but also in their relationships to the larger community of which they are a part. The resistance that has been generated in many urban areas to transportation systems has come about simply because we have not had the capability of being sensitive or reacting to social and economic values of the community regarding the urban environment.

To be more sensitive to these community needs and desires, planners and engineers are seeking the advice of leaders in other disciplines and in the communities affected in the early stages of planning transportation corridors. The modern interdisciplinary approach toward route planning tries to take into consideration not only the interests of the articulate and politically powerful segments but also the needs and interests of those who lack political power. There is a conscious effort to avoid discriminating against any particular segment of the population.

Planning for new transportation systems may have lead times of 20 to 40 years before actual implementation. In California, for example, highway routes planned in 1946 are just being implemented today. Unfortunately, in many cases the highway departments continue to construct transportation facilities that were planned 15 or 20 years ago without a thorough reevaluation of the construction projects and the effects they will have on the existing community. Only within the last few years has there been the realization that transportation systems must go beyond user needs and become an integral part of achieving overall goals and needs and, at the same time, minimize the potential adverse effects on those along the right-of-way corridor.

The current approach to planning is to continuously review projects programmed for future construction so that they take into account changes occurring throughout the region during the period of time between the initial project planning and its actual construction. One of the most difficult problems in making such planning evaluation is the definition of the limits of a particular project study area. It is difficult to define the boundary for the impacts that a transportation system will have or to determine the kind of information that is needed to evaluate impacts and propose route alternatives.

Federal acts require that every community with a population of over 50,000 have a comprehensive land use and transportation plan for the next 20 years. Although these community plans have been done professionally, they may be neither exactly what the community wants nor a reflection of community goals, expectations, and desires. The transportation plans must be correlated with the desires and community values. Alternative routes must be studied in a great deal more detail on the basis of the opportunities these routes afford not only for users but also for the community to achieve social and economic goals. It has become clearly evident that the transportation corridor can be a detriment to the community through which it traverses; it must, if possible, be a positive asset to that community.

One of the principal problems is to identify the goals and values of a community and to evaluate them in terms of all the other factors to be considered. This is especially difficult to do if the values are not quantifiable. To further compound the problem, values among the community are not uniform and vary according to individual needs and perspective. Thus, identifying the community itself and the community's sensitivities is one of the primary steps involved in route planning.

A transportation facility is planned by first selecting for study a broad corridor that may be 2 to 10 miles wide. The corridor is studied for alternative route alignments and the consequences of each alignment as to both construction costs and effect on the communities traversed. This is a highly subjective process by which planners try to anticipate the consequences both to those displaced by the right-of-way and to the remaining community. Some of the considerations in evaluating alternative routes are right-of-way cost; assessed values of land; magnitude and kinds of displacements that may be incurred; replacement housing available; the neighborhood organizations and trends; the effects on government revenues and services, especially education; protection; utilities; parks and recreation; effects on germane property values and uses; excess land parcels; natural, historical, and agricultural resources; and commercial trade areas.

The community must participate in this planning process to provide information and to express attitudes. Also, federal legislation requires that route planning take into consideration the effects of the design of the facility itself on the surrounding environment. Thus, the current planning studies for corridor and route location provide the administrator with some rational bases for determining route selection considering not only right-of-way and construction costs but also impacts of the route on the adjoining property and communities.

To get full community participation at the hearings and other planning functions requires active solicitation of community support and participation through all interested agencies and organizations of the community. Very often there is a question about whether the public hearings actually reflect the desires and attitudes of the communities involved or are representative of only an articulate minority.

This approach I have described has guided the planning activities of the California Division of Highways in connection with the Century Freeway through the Watts community in Los Angeles (1, 2) and also in connection with facilities in San Leandro, outside of San Diego, Eureka, and Santa Cruz.

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RELOCATION PROBLEMS VIEWED FROM THE AFFECTED CITIZENS' POINT OF VIEW

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The development of public roads to facilitate circulation is as vital to our country as arteries and veins are to the human body. Why, then, is there so much controversy as to whether or not new roads should be built and old roads expanded? Obviously, citizens affected by relocation consider relocation a serious liability. It is not difficult to understand why relocated persons have this attitude.

When freeways were extended to connect cities with fast growing suburbs and when the 42,000-mile system of Interstate Highways began in 1956, there were little or no services or payments to thousands of households displaced or otherwise affected until the 1968 Federal-Aid Highway Act. Actually, prior to the enactment of the 1968 Act, states were allowed to pay certain moving costs for families and businesses and be reimbursed by the federal government, but, as late as 1966, 17 states planning to displace 26,000 people had chosen not to make such payments.

The situation was equally severe in terms of urban renewal. The 1949 Housing Act contained no provision for relocation services and payments to families being displaced through urban renewal. Not until the Housing Act of 1956—7 years later—was there congressional recognition of the need for relocation services and payments.

The lack of ability to provide relocation services and payments did not in any way hinder the forward thrust of highway or renewal programs. In fact, many officials recognized that this program moved more quickly without providing any services and payments. Consequently, one understands the desire of some states to continue that practice of providing no payments and services even after payments were made possible.

In New York City, for example, a practice developed in which the developer of huge urban renewal sites was given the responsibility for vacating the occupants of the site. Developers utilize different techniques to achieve this goal; the most successful is that of giving the occupant a bonus in return for his vacating the site within a 30-to-90-day period. This seemed to work well in vacating a site expeditiously. Various social agencies in the city began to complain, however, that this practice seemed to produce a "zombie" population—a group of several thousand individuals and families who seemed to get caught in every renewal program. The reason this practice was discontinued, I am told, was not so much that the zombie population existed and presented problems but that several developers delayed new construction for a period of years while collecting rents on the occupied properties.

I think it is a fair statement to make that in the past most officials in renewal and in highway programs did not consider relocation to be a serious matter and expected people to be able to solve their own problems related to it. In fact, I think it can be said that most middle- and upper-income families generally end up in better housing and in better residential environments. Also, one recognizes that we have a fairly mobile society anyway, and people are constantly moving from one address to another without being forced to do so. For example, a study in Boston in 1966 revealed a turnover in housing of about 44,000 units. During that same period of time, fewer than 1,000 households were being displaced. For these and many other reasons, officials in the past have not understood to any real degree the problems of relocation from the citizens' point of view.

Let me state emphatically what should be the obvious: The effect of relocation on the citizen greatly depends on his status in life, i. e., his income, the kind of job he has, and his ego strengths. For families with middle to upper incomes, relocation is more a chore than a problem. Any shortage of housing in any locality may tend to limit the

broad choices available to middle- and upper-income families; it produces severe crises and traumatic situations for low-income families. Yet, displacement affects both groups, and for our purposes here I will discuss these groups separately.

MIDDLE- AND UPPER-INCOME FAMILIES

Members of this group are more likely to react with hostility toward a proposed program that would cause their displacement merely because of the inconvenience of moving. Reaction will be particularly strong to a highway, for example, going through a prime residential community. Further, citizens in general feel that highway engineers know only one rule: The shortest distance between 2 points is a straight line. As a consequence, they feel that highway engineers will destroy buildings of historical value, playgrounds, and parks of great community interest with great abandon. They will frequently mobilize tremendous pressure to force highway engineers to modify the route of the highway.

In addition, the people to be displaced and the community generally need answers to the hundreds of questions they have, such as the date their property will be acquired, the length of time they can remain prior to vacating, the amount of money they will receive, and the method used to determine the amount of money they will receive. Many of these problems can be handled by an effective information program and involvement in it of those persons who are affected by the proposed action, not just those who are being displaced. Families living on either side of the right-of-way are also affected. Therefore, agencies that develop highway programs should have a section staffed with people skilled in developing informational programs and assigned the responsibility to work with organized groups within the communities that the highway will traverse.

This obviously will require substantial money and time, but I doubt if it will involve additional delays. This effort could be made concurrently with other activities. Most of the facts on which professional judgments are arrived at by the public decision-makers can be understood by citizens if the opportunity for that kind of discussion and interchange is made possible. Once decisions are made, required hearings are over, and relocation begins, there is a continuing need to keep the citizens involved and informed, especially those to be displaced.

LOW-INCOME FAMILIES

Severe problems are created among families with low incomes when they are faced with forced relocation. Viewpoints on these problems differ depending on the individual's relationship to the problem. For example, officials in urban renewal or highway development look at the slums and deteriorated structures that are to be taken and say that people in such neighborhoods cannot help being better off by being displaced. Many sociologists and other social scientists, on the other hand, look at the situation and say that this particular structure and this particular environmental situation are so important to the stability of the individual that nothing should be done to destroy it. Between both views is the affected family who really would not mind leaving the slum conditions if there were some place else to move. This is a difficult situation for many to understand because, in most instances, agencies can prove that there should be enough opportunity for housing if one considers the turnover rate for housing in a particular city. Those being displaced have an opportunity to secure these units as they appear momentarily on the market. However, the cumulative effect of massive demolition programs related not only to highways but also to urban renewal, concentrated code enforcement programs, emergency demolition programs, and the like have resulted in a net reduction of houses available for low-income families. It serves no one's purpose to argue that these destroyed units were unfit for human habitation if the choice becomes either housing unfit for human habitation or no housing at all.

Officials in highway construction could maintain that their job is to develop highways and other agencies have responsibility to create housing and that a close working relationship between these two efforts is not necessary. Such a position might be sustained had not the severe crises in the construction of new housing units become so acute.

We must all recognize that, as society grows larger and larger, the concern for the individual grows smaller. Social scientists and statisticians may assert that housing in general has improved for the majority of the inhabitants of this nation, but that small percentage who are not housed properly represents a very large number of families in absolute terms.

Choices available to the poor are often nonexistent. Frequently they must accept quarters that are physically better but socially worse. For example, poor families may have to accept housing in a public housing development that is notorious for its social problems. Families that move into this kind of housing recognize that the environment will be detrimental to their children but that their lack of income gives them no other choice. In addition, almost every major city in the United States still has certain neighborhoods that are restricted to certain racial and ethnic groups. The existence of fair housing legislation and agencies prepared to aid families in this regard still does not make all areas generally available to minority groups. There are still the difficulties of filing a suit and going through the unpleasant process of gaining constitutional rights. Of course, individual efforts made occasionally have long-term positive effects. Even the problems of segregation and discrimination are exacerbated by an extreme shortage of housing available to low-income families.

Poor families suffer in other ways. The smaller the income the more likely the family is disorganized and the more likely it depends on small unobservable systems within the community in which it resides. We speak of these as the kinship system and the neighborhood system. In both instances, families utilize these systems in their efforts to handle stress. Although relocation is one of many situations that bring stress to the family, the nature of relocation in itself can create additional stress by moving the family to locations where these systems are less effective. Obviously, it is extremely important for the displacing agency to be both knowledgeable and sensitive to these problems. All displacement programs must have a concern for the overall community impact of these programs. Those persons being displaced and particularly those with low incomes, however, are much more concerned about what happens to them than they are with the plans and proposals of various governmental agencies to implement renewal or highway programs.

The suggestion that the public works agencies be required to add as many housing units to the market as it destroys is well worth considering. There is a body of interest and influence in this nation concerned about the construction of highways, and that concern could be directed to the construction of new housing units if that is the only way highways can be constructed. The time is past for major problems such as housing for low-income people to be the sole province of a few social workers, ministers, and other do-gooders. The time has arrived when we must put our talents to the test and determine whether or not we can proceed as we must with rebuilding cities and expanding highways in a manner that is beneficial to our total society.

CHARGE TO THE WORKSHOP PANELS

The 5 workshop panels into which the Conference was divided were assigned a number of specific questions to guide their deliberations. For each question assigned, the panels were asked to (a) define the significant issues involved; (b) state the alternative solutions to resolve the problem; (c) discuss the consequences and implications of each issue and alternative including the costs, benefits, trade-offs, and constraints; and (d) ascertain research and data needed. The following questions were assigned.

PANEL 1: PLANNING PROBLEMS INVOLVED IN RELOCATION

1. When and how should plans for relocation be introduced into the planning process? At what point should those who are to be affected by relocation be brought into the process? How intrinsic are relocation problems to route location?
2. What are the necessary elements in a relocation plan? What procedural and substantive matters should be included?
3. How are owners, lessors, and tenants affected by the time lag between the location of the right-of-way and the actual displacement? How does advance acquisition of right-of-way affect relocation problems?
4. What are the housing needs and desires of those involved in displacement and relocation? Can these needs and desires be assessed through political representatives? Vocal minorities? Public forums? Interviews? Other channels?
5. What are the differences between urban relocation and rural relocation problems? Should relocation provisions be different for the two situations?
6. How should location of work of persons to be displaced be considered in relocation planning?

PANEL 2: RELOCATION PROBLEMS INVOLVING FINANCIAL, LEGAL, AND INTERGOVERNMENTAL RELATIONSHIPS

1. What are the effects of the relocation program on the financial and administrative positions of the states and on the overall progress of the highway program?
2. How and from what sources should relocation payments be funded? What is the effect of earmarked funds and constitutional prohibitions? How can these be reconciled with relocation payments? To what extent is uniform treatment possible or desirable for relocations caused by federal-aid projects and other projects?
3. How should relocation payments take into account changes in the mortgage market?
4. How should relocation in conjunction with joint development, multigovernmental agency projects be funded and administered?
5. What are and should be the intergovernmental rules and responsibilities for relocation assistance? Should relocation be handled by a single agency or as a function of the principal agency involved in the taking?
6. What are the alternatives to relocation payments?
7. What long-term responsibilities should the government have to relocate persons?
8. Should nonhousing governmental agencies such as highway departments get into relocation housing construction? How should such housing programs be financed? Should the housing units be dispersed or concentrated in a limited number of locations? Who should acquire the necessary vacant land? Who should receive any profits or sustain any losses from the construction of relocation housing and its associated real estate functions?
9. Of what value and use and how desirable is renovation housing for those being relocated?

PANEL 3: RELOCATION PROBLEMS OF HOMEOWNERS AND TENANTS

1. What happens to people who are relocated? Single people? The elderly? The migrant? Marginal-income families? How do they make the necessary social and economic adjustments? Does their life style change and how?
2. What are the short-run compared to the long-run effects of relocation?
3. What are the costs and benefits of displacement and relocation when they are not quantifiable? How should we evaluate them?
4. Is the current highway relocation program for housing an appropriate solution? Are the rates of compensation adequate for owners and for tenants in single- and multiple-family units?
5. What are the psychological, social, and economic consequences to those persons relocated? What are the responsibilities of the involved governmental agencies?
6. How should we define decent, safe, and sanitary housing?

PANEL 4: RELOCATION PROBLEMS OF BUSINESS AND COMMERCIAL ESTABLISHMENTS

1. What are the effects of relocation on marginal businesses?
2. What are the consequences to the community of removing neighborhood businesses? How are neighborhood businesses affected by relocation of residents or other nearby customers?
3. Are current relocation allowances adequate?
4. What happens to businesses to be displaced between the time the right-of-way is located and the time the property is actually taken?
5. How can we define and measure the costs and benefits of businesses displaced by a public works project? For the owner? For the lessee? For the community?
6. What changes occur in the shopping habits of the community that loses its neighborhood businesses?
7. Do displaced businesses reestablish elsewhere? Do the managers retire, change occupation, or remain self-employed?

PANEL 5: RELOCATION EFFECTS ON THE NEIGHBORHOOD

1. How does relocation affect the family's housing and its social, economic, and recreational opportunities?
2. How does relocation affect the employment market for those displaced and for those remaining in the neighborhood? In the community?
3. Is it desirable to preserve a neighborhood? If so, under what conditions? How should it be accomplished?
4. Can we identify and evaluate the effects of relocation on the remaining neighborhood, including psychological and social effects?
5. Are joint development programs a way of preserving the neighborhood community, or do they further accelerate the disintegration of the neighborhood?
6. What is the effect of relocation on an urban area? To what extent does relocation change the economic and tax base near the highway and elsewhere in the area? What are the short-run and long-run effects?

PLANNING PROBLEMS INVOLVED IN RELOCATION

Summary Statements of Workshop Panel 1

John C. Powers, chairman, Shickrey Anton, R. W. Bond, Thomas F. Henry, Richard Huffman, Sarah Lederer, Albert Pritchett, Edmond Sayers, Joseph L. Schofer, Paul Sinkovic, and Warren Weaver

It is generally agreed that consideration of the nature, scope, and impact of the relocation problem must be introduced at the earliest possible stage in the planning process. The effect of displacements by a highway project will be magnified when added to that of displacements by other projects, and the cumulative effect produces severe strains on both housing and social resources of a community or urban complex.

The considerations of relocation factors are important not only in developing sound plans but also in developing community support and participation in the planning process. Community involvement may differ materially from one project to another and from one community to another. Public approval and toleration of any project, however, will strongly center about the success or lack of success of the relocation effort—the point of greatest friction between the public and its government.

Different types of projects create different types of relocation requirements. A proper understanding of the relocation process would be materially aided by the development of research aimed at determining (a) the definition of "community" involved in each type of project, (b) the role of community involvement in each type of project, (c) the point in time at which such community involvement should occur in each type of project, and (d) how and when the parties directly affected by relocation should be brought into the relocation process.

An initial survey should be made in the proposed project area to obtain certain data needed as an informational base for choice of route location. These data should include the number of families, individuals, businesses, and institutions that may be forced to relocate and information on relevant characteristics of families such as education, job skills, financial resources, size, and social service needs. This preliminary information should be collected without arousing fears in the community involved. An inventory must also be taken of the available replacement housing market, turnover rate, and the demand that is placed on such housing resources by other programs currently in existence. A critical part of the inventory is the identification of special factors such as political relationships, relevant community attitudes, special social service needs, subgroup boundaries and attachments, employment patterns, and social linkages and attachments. Similar surveys should also be made in the neighborhoods that are considered as potential receiving areas for relocatees.

It is essential that a program be established for coordinating the efforts of all agencies involved in the relocation process including those that can assist in relocation as well as those whose programs cause relocation. Available social service programs and agencies must be analyzed; appropriate channels for communication, cooperation, and coordination must be established; and, if at all possible, agreements on priorities and displacement schedules for all area programs should be developed.

An effective plan for meaningful participation by the affected community residents in the planning process should be developed as soon as the project alignment is reasonably detailed. This participation should provide the residents with an opportunity to express their relocation preferences, both as individuals and as a community. Key to such participation must be the development of proper information on both the program and the available relocation benefits. Any plan must contain provisions for self-monitoring and for continual review and criticism to ensure its currency.

To aid in the development of such a planning concept, research is suggested in the following areas:

1. Develop an up-to-date catalog of available federal programs that might assist in the relocation process and, more importantly, develop an active advisory service to keep the relocation project advised of changes that will affect the ability of such programs to actually deliver needed assistance.
2. Develop an information system that reports on housing resource availability, including public and private housing, in the areas available for relocation. This system should maximize the speed of the housing "opening" in the impacted areas. Present systems are too slow to be effective.
3. Develop a training program for personnel engaged in relocation activities and develop appropriate technical manuals.
4. Develop public information material dealing with relocation and with the effects that relocation will have on the individual.

It is usually assumed that the announcement of a public project that will result in displacement of people in an urban area triggers a general economic decline within the project area and that the amount of the decline is directly related to the time element involved. There is evidence that this is not always true. Because such an assumption is detrimental to project planning, a research study should be made to determine whether there is a decline in neighborhoods affected, what economic and social factors are involved, and whether such factors are attributable to the announcement of the project or related to other circumstances affecting the district.

In addition, research should be done to determine what may be done to maximize freedom and mobility of both individuals and businesses within the project area during the time lag before acquisition without sacrificing relocation benefits. A further study should be made to determine whether such staggered acquisition creates any special problems for those who remain until the normal acquisition process occurs.

The needs and desires of those involved in relocation, both for physical housing and for social service systems, cannot be accurately assessed through political representatives, local minorities, or public forums. Three major groups are involved in relocation—those actually displaced, those not displaced but immediately bordering the area of displacement, and the community at large that immediately surrounds the improvement—and their problems differ. Methodology must be developed to measure the genuine needs of these 3 groups. Relocation must be measured in terms of the viewpoint of those actually affected, not in terms of the viewpoint of the planners.

Interviewer selection and training techniques must be developed. Special attention should be given to determining attitudes of special age groups, particularly those of the elderly who appear to suffer the greatest damage from relocation. The preferential patterns will be of major importance in determining the type of housing resources that will be necessary for relocation. The positive rather than the negative aspect of the relocation process should be stressed. Any measuring technique should include data relating to the success or lack of success of a relocation program and, hence, must involve a careful consideration of follow-up techniques.

There are clear differences between problems generated by urban and rural relocation. The size of rural population centers is considerably smaller than that of urban centers with the result that impact of a project may be greater in proportion. It is in rural areas that special groups whose customs, cultures, or religious associations are likely to be found, such as in Indian and Amish communities. Each of these isolated special communities has unique problems. Relocation housing, especially in rural areas, makes impact results highly visible. A house next to a highway in a country town that is brought to decent, safe, and sanitary standards may be the only house in the community with plumbing. Research should be done to determine the peculiar effects of projects in towns with only one industry in which elimination of the industry would destroy the economic base of the entire community. Consideration should be given to the possible application of the new town theory in connection with such situations.

Other considerations should be given to the effects of relocation in communities where economic and social services are removed from the community. The necessity for a relocatee to be reestablished within reasonable traveling distance of his place of employment is one of the basic criteria of relocation planning. Relocation, however, should not just maintain the status quo of the worker. It should, if possible, present an opportunity to upgrade his employment opportunities.

RELOCATION PROBLEMS INVOLVING FINANCIAL, LEGAL, AND INTERGOVERNMENTAL RELATIONSHIPS

Summary Statements of Workshop Panel 2

Victor Eichhorn, chairman, Joe Alekschum, Herbert L. Cohen, Joseph D. Cohn, Robert P. Groberg, John Kessler, Mason Mahin, Mike Newsom, and Amir Tuteja

EFFECT OF RELOCATION ON FINANCIAL AND ADMINISTRATIVE ASPECTS OF PUBLIC PROGRAMS

Issues

Should states provide the same relocation assistance for state-funded programs as for federally aided programs? To what extent are current governmental programs involving displacement totally funded by the states? What is the cost to state and local governments for participation in federally aided programs? Should the federal government finance all relocation costs for programs in which it is involved? Should sharing the percentage of project costs also apply to relocation costs?

Research and Data Needed

Research and data are needed in the following areas:

1. Volume of total displacements by public projects of residences, businesses, farms, and nonprofit organizations.
2. Number of businesses displaced by income, market value, and whether marginal, small, large, or family business.
3. Number of residences displaced by number of families, size of families, number of persons, owners or tenants, income, race, and market value of dwelling.
4. For each of the business and residential displacements, what segments are attributed to total federal programs (i.e., post offices), federally assisted programs, total state programs, total local programs, and combined state and local programs.
5. What are the total costs of relocation for businesses and residences by the categories listed? Costs to federal government? Costs to state government? Costs to local government?

RELOCATION PAYMENTS AND MORTGAGE PAYMENTS

Issues

Should any payments be made at all? How is the amount to be paid in any given case to be determined? What payments should be made to a displacee who prior to the taking had no mortgage obligation but who must undertake one after the taking? What happens if the displacee acquires a type of replacement housing different from the type taken? What about direct federally assisted or insured mortgages?

Alternatives

Alternatives include fixed payments and computed payments, i.e., present worth of interest rate differential on the qualified mortgage. Consequences are the ease of administration and overcompensation versus undercompensation.

Research

A money market survey should be conducted and an analysis made of interest rate history. Does market value reflect current interest rates? Should the government finance mortgages? Should the government provide an additive payment to compensate for the increased cost of mortgage financing? How should such a payment be calculated? Would a fixed payment significantly reduce administrative costs?

RESPONSIBILITY FOR RELOCATION ASSISTANCE

Issues

What is the federal interest in relocation? What should that interest be? Is the federal interest strong enough legitimately to require states to meet federal relocations standards for projects that are financed entirely on a local basis? Is the federal interest strong enough to justify forcing the states to handle relocation, either generally or in specific cases, in a particular way? Is it strong enough to intrude into intrastate fights and controversies? What is the state-local interest in relocation? What should that interest be? Who determines the basic public policy with respect to relocation? How should that policy be defined or expressed in the laws adopted concerning relocation? At any given governmental level, what agencies should carry out the relocation functions at that given level? What is adequate relocation? Should the various elements of relocation be treated differently? Are the relative state and federal interests different depending on the various elements such as cash payments, replacement housing, services, and assistance to businesses and farms displaced? How can the respective state and federal interests be protected and enforced? Should relocation be financed by various governments in accordance with their interests in relocation? How would those interests be quantified? Or should relocation be financed entirely by the federal government generally? By the various federal agencies actually causing the displacement? By the states? By local government bodies?

Research

How do various levels of government and various governmental entities react with each other when dealing with the same or similar programs? Is there much duplication or conflict? How do various governmental bodies account to one another? How do they sanction one another's policies? How do they get others to carry out their will? If there are several conceptions of what relocation is, what governmental systems to implement those conceptions would be used?

RESPONSIBILITY FOR CONSTRUCTING RELOCATION HOUSING

Issues

Replacement housing is needed before displacement occurs. Private enterprise and local housing authorities do not produce adequate housing to meet needs of highway displacement and other programs. Restraints are contained in the 1968 Intergovernmental Cooperation Act with respect to cooperation with planning agencies and all segments of local government. Local codes are a problem. Some states such as Michigan, Illinois, and New York, have state housing authorities but all other states leave housing strictly to local governments. The federal government deals with state government on highway problems, but with local government on housing.

Alternative Solutions

An alternative solution is to make local housing agencies more effective. The constraints to this solution are that most housing agencies are locally controlled, whereas highway and other programs are state administered, local codes may be a handicap to modern mass techniques, financing may be inadequate, responsibility for setting priority for programs to utilize replacement housing is not clearly established.

Another alternative solution is to have housing produced by program agencies. The constraints to this solution are that it is contrary to the intent of the Intergovernmental Cooperation Act and also may cause friction between state and local government, would result in too many housing agencies, would have difficulty in being approved by Congress and federal executive, does not consider total local housing needs, does not coordinate all programs and probably would have excessive total costs, and would require local and state law.

Research and Data Needed

To determine why local housing authorities are unable to meet needs adequately requires research and data on the following: funds and financing of the program, legal constraints, political issues, administrative problems, problem of a central executive controlling all segments of local government, state and local government issues, economic resources and housing technology, interest of private sector, planning problems, and labor problems. Pilot selected studies should be made in states with and without state housing authorities. A study should be made of the best method for providing adequate replacement housing by a staff that has legal, financial, economic, engineering, and other pertinent professional skills.

RELOCATION PROBLEMS OF HOMEOWNERS AND TENANTS

Summary Statements of Workshop Panel 3

Frederick T. Aschman, chairman, Jessie Banks, Mary C. Cardillicchio, Michael Catania, C. B. Easterwood, Richard Gladstone, Emily Harris, Nelson Mayo, Arlee Reno, Irving Rubin, Robert E. Scott, Jr., Walter L. Smart, Eugene B. Smith, Eleanor Steinberg, Nicholas V. Trkla, Flynn Wells, Gerald Witt, and John Yasnowsky

Few public programs have evoked more controversy than those involved in the involuntary displacement of families and individuals. Although the taking of land for public purposes has long been accepted as a public right, only in recent years has there been recognition of the responsibility to provide for the satisfactory relocation of displacees.

The acceptance of this new responsibility raises some serious questions of public policy, however, because of the economic and social significance of the basic relocation activity. Panel 3 generally concluded that a relocation problem exists and it extends beyond, but nonetheless affects, the highway program and implementation of Chapter 5 of the 1968 Federal-Aid Highway Act. This conclusion was based, in part, on some of the realities of our national housing situation. These include the following:

1. **Competing displacement.** A number of local and federal agencies are involved in displacement programs and create competition for the same rehousing resources. Their programs include urban renewal, public housing, highways, and code enforcement.
2. **Income inadequacy.** A large number of displacees do not have sufficient income to reenter the market for standard housing, and thereby generate the need for public subsidy. Many families have incomes below the poverty level.
3. **Discrimination.** Housing options are severely restricted because of racial or religious discrimination.
4. **Population growth.** The number of new household formations will generate a need for an additional 25 to 30 million dwelling units in the next decade.

These factors, when taken collectively, demonstrate the need for a more comprehensive, national response to the housing problem. Accordingly, Panel 3 was left with the strong impression that displacement programs would be virtually precluded in certain areas until a radical improvement is made with respect to housing and other social conditions. Essentially, such areas would include those where no housing options exist and where entire communities become impacted. The recommendations of Panel 3 are twofold:

1. **Transportation and housing officials should bring pressure to bear in support of stronger national housing programs.** The following statement was prepared as an expression of concern by the members of Panel 3:

We, the participants of the Conference on Relocation, Panel 3, state that there are certain basic problems, perhaps more accurately described as inequities, in our society, which are not created by forced displacement related to governmental action

Nonetheless, it is the existence of these problems that makes adequate and sound relocation impossible in certain areas. These problems are (a) inadequate incomes in relationship to the cost of standard housing, (b) discrimination on the basis of race, religion, or national origin, and (c) lack of human and financial resources with respect to the provision of social services.

We recommend, therefore, that those persons with a vital interest and responsibility join in obtaining appropriate legislation to alleviate these basic problems. We urgently recommend holding a conference for the purpose of dealing with these basic problems and of providing focus and developing specific recommendations on the type of legislation needed to achieve the desirable results

2. Each urban development program should undertake to finance relocation housing as a program cost.

With this framework of understanding established, Panel 3 evaluated the assigned questions and considered the research implications.

EFFECT OF RELOCATION ON THOSE RELOCATED

Current information is inadequate and additional research is required to identify the problems of relocation as they vary with the characteristics of the individuals and households affected. The relocation housing requirements of individuals and households vary greatly with income, family size and composition, physical and emotional disabilities, race, ethnic background, education, occupation, and work location. The degree to which a household with certain characteristics constitutes a difficult problem of relocation will also vary with the community. Research to identify relocation housing needs in a more detailed fashion than merely "decent, safe, and sanitary housing in a suitable environment" is vital in order to obtain a better measure of the number, size, and type of housing units required, and community facilities and services needed by the relocatees. Environmental characteristics, the availability of schools, parks, transportation facilities, and health facilities, and proximity or accessibility to relevant employment opportunities all determine the degree to which the relocation housing actually meets the needs of the displaced. Such research will better enable relocation agencies and public agencies with housing responsibilities to identify the kind of housing that must be sought and the type of housing and communities that should be built.

Better information is needed on the impact of relocation on those displaced. The consequences of relocation are generally the most severe for individuals and households least stable and most vulnerable before the relocation. Special problems are created for the elderly, for the foreign-born, and for persons whose life-style requirements are unusual because of social, ethnic, and other unusual background factors. In many instances, a family with many potential problems is able to accommodate itself to its environment because of special community facilities or personal relationships. Relocation, even where the superficial situation is better than that of the original location, might bring these latent problems to the surface because the delicate web of accommodations has been broken. Research is needed to determine the conditions under which such problems may develop, to enable the identification of such cases beforehand, and to develop solutions to such problems.

Information on the number and type of individuals and households relocated at annual intervals is needed. This information should be provided periodically by all public agencies whose programs require the taking of improved property and should be classified by characteristics of relocatees in such a manner that the magnitude of the relocation problem can be measured in terms of the number of housing units by type and cost or rental level and the community facilities and services required by all relocations nationally, by state, by metropolitan area, and by community. It is recommended that a National Relocation Information System be established to perform this function.

Information on the number of persons and households relocated successfully, either by agency action or by themselves, is needed in order that measurements can be made of the degree to which (a) the supply of housing by type, cost, or rental is increasing or decreasing, and (b) people have been relocated successfully in terms of the criteria suggested earlier. This information should be provided periodically and on a uniform basis as a part of the recommended National Relocation Information System.

Periodic information, obtained more frequently than that obtained in the decennial census, is required in order that the supply and quality of housing by physical type and environmental factors, including community facilities and services, and the degree to

which the housing needs of the nation are met can be monitored in a more detailed fashion than that at present. Although better information alone will not contribute to the provision of housing, frequent and adequate monitoring of progress or lack of it will provide an important index of the degree to which we are meeting a major obligation of our society and will assist in obtaining the required legislative and administrative responses.

A compilation, analysis, and report on the mass of research that has already been done on relocation is necessary in order that the process of relocation as it varies by jurisdiction and by program can be described more accurately and comprehensively and in order that the total process can be better understood and the deficiencies, inconsistencies, and duplications dealt with. Such research should examine the relocation process from several standpoints: the agency whose program causes displacement, the relocation agency, the relocatee, the affected community, the impacted neighborhood, and the metropolitan region.

Policy Recommendations

It has become increasingly evident during the last decade that "current fair market value" alone is not always adequate to make the individual "whole." As a result, governmental agencies have successively added relocation payments to owners and to tenants. The legislation currently being considered in California to compensate additionally for the higher interest rates being charged on loans and mortgages is another expansion of compensation necessary to make the individual "whole." This successively broadened approach is reasonably satisfactory with respect to middle- and upper-middle-income residents and tenants. However, it frequently is unsatisfactory with respect to the compensation requirements and relocation housing needs of low-income households and members of minority groups for whom the supply of housing is inadequate.

If the individuals and households who are relocated by a government project are in a disadvantaged state before the relocation, their being restored by the governmental agency to an equally disadvantaged state after relocation is not sufficient. This has long been recognized in the requirement that individuals be relocated in decent, safe, and sanitary housing, even if their previous housing did not meet that standard.

This recognized obligation should be broadened to include the requirement that the relocation housing be adequate, including environmental factors and community services and facilities to meet the particular needs of the relocatee. The development of housing whose physical characteristics, environmental surroundings, and community services and facilities meet the needs of relocatees is a highly complex matter. Furthermore, long- and short-range changes in the physical, social, and economic structure of the community, the city, and the metropolitan region as well as long-range efforts to equalize opportunities and improve the range of abilities and choices of the disadvantaged must be considered in locating and designing housing.

Research Needs

1. Research is needed to determine the extent to which the apprehension and fear with which relocation is viewed by many persons who will be relocated are justified. In this manner, the programs can be altered to eliminate those apprehensions that are justified and to relieve those fears that are groundless.

2. The staffing requirements of relocation agencies should also be examined carefully in the light of the wide range of problems that must be dealt with in relocating people. Survey researchers and real estate specialists are not enough. The problems that must be dealt with require a broad range of expertise in social work, community organization, economics, planning, and job placement. In many instances, people in the affected community might be employed effectively and enjoy a better relationship with the community.

3. If there is more than one agency causing displacement in a community, the displacing agencies will anticipate the use of the same available housing resources to implement their relocation plans. Too often, they fail to consider the impact of one another's programs that cause competition for the same housing in the community. Because

of the lack of coordination or the failure to utilize available data relating to total relocation in the community, a need appears to exist to study the feasibility of developing and creating centralized coordination of relocation activities for the entire community. Studies should be undertaken in communities where relocation is centralized and in communities where relocation is not centralized to determine the feasibility of such a move.

ADEQUACY OF HIGHWAY RELOCATION PROGRAMS

Basically, the panel felt that the current highway relocation program for housing is not an appropriate solution because it does not recognize all costs inherent in relocation. The weaknesses in the program relate to (a) recognizing differences in existing mortgage interest rates and required interest rates on new mortgages involved with replacement housing, (b) relying on a turnover rate in current housing as an answer to available housing needs when the turnover ratio is not a true reflection of market conditions, and (c) answering the question as to the fate of tenants when the 2-year rent subsidy is gone.

All public agencies should get together on their urban problems and form a centralized relocation agency that will coordinate all displacements by all the different agencies into a timely, orderly, and humane relocation plan that will assure those individuals and families being displaced that sufficient replacement housing is available and that they will not be required to move until their relocation needs are answered. In large metropolitan areas where there is displacement by numerous public agencies, there should be a liaison among all concerned.

Some consideration should be given to income levels of people being displaced and the current cost of available housing. In urban areas where there is displacement of poverty-stricken families, relocation payments limited to \$5,000 to owners may not be enough for them to obtain replacement housing that meets decent, safe, and sanitary requirements.

Several research projects could be undertaken that would give more insight into relocation problems by answering questions such as (a) What should be the policies toward displaced tenants, and what should the measures of compensation to those tenants be? (b) What are the real costs in a relocation? and (c) How do we ensure that there is sufficient replacement housing when several displacing agencies are involved in urban communities?

DEFINITION OF DECENT, SAFE, AND SANITARY HOUSING

Defining minimum standards for relocation housing proved to be troublesome. Several key issues that evolved are (a) Given the regional variations in housing types and living habits, can meaningful standards be established? (b) Can a basic statement of standards be developed with sufficient flexibility to respond to the variety of situations? (c) Should relocation standards be the same for all displacing agencies? and (d) Are existing local codes and ordinances adequate in describing decent, safe, and sanitary housing?

EVALUATION OF NONQUANTIFIABLE BENEFITS AND COSTS IN RELOCATION

The process of evaluation of the costs and benefits of displacement and relocation must be sensitive to nonquantifiable as well as quantifiable factors. All citizens must be treated equitably in all respects—social, psychological, and economic. Social choice must always be made about nonquantifiable benefits and costs. The evaluation process must describe them explicitly so that social choice is an informed one. The solution lies not in quantifying the nonquantifiable but in educating people that overreliance on numbers can be misleading.

If a relocation program does not deal adequately with those things that cannot be reduced to numbers, we may find that we are creating problems we do not know how to solve. For example, if a family with a female head does not adjust to a new, hostile

neighborhood, the children may adopt extremely antisocial behavior. The effects of relocation in such instances, although not quantifiable, may result in a possible broken life. We may identify these possibilities, but there is no justifiable way of assigning a dollar value to them. A traditional benefit-cost analysis is, therefore, inadequate because it does not include an evaluation of nonquantifiable factors.

Research should be aimed at discovering the alternatives to the present use of benefit-cost analysis. Many effects of relocation that have not yet been included in most benefit-cost analyses are felt to be quantifiable. The means for identifying and evaluating the remaining nonquantifiables might be developed in the following research procedure.

Case studies, literature, and experience in relocation should be reviewed to identify the nonmeasurable costs and benefits of relocation programs on various types of people. Past problems that particular types of people had could be identified so that the probable future impacts of relocation on another similar community could be predicted. There should be a distinction between predicting relocation problems of various types of people and the development of relocation programs to solve or alleviate those problems.

It must be recognized that the total effect of relocation on each individual, family, or business is important. Research is necessary of case studies that describe the approaches of different relocation agencies, such that the most desirable ways for dealing with psychological and social problems of each individual type can be publicized.

The problem of evaluating relocation benefits and costs cannot be separated from the problem of who should do the evaluating. Therefore, it is necessary to describe the institutional structures of relocation through which the interests of various groups are represented. It would then be possible to recommend institutional structures that result in relocation programs that do not neglect nonquantifiable benefits and costs.

RELOCATION PROBLEMS OF BUSINESS AND COMMERCIAL ESTABLISHMENTS

Summary Statements of Workshop Panel 4

William Caffrey, chairman, George W. Hartman, Lewis Lantz, David R. Levin, Charles Thomas Moore, Louis Naclerio, John Savage, Robert J. Smith, and Charles Stanley

EFFECTS OF RELOCATION ON MARGINAL BUSINESSES

A marginal business or family store has the following characteristics: (a) usually has an elderly owner-operator; (b) requires small capitalization; (c) has an operation that generally requires few specialized skills; and (d) is usually located in substandard structures where reduced rentals and other operating expenses are possible. Relocation usually has a negative impact on this type of small business. Many liquidated during the displacement process might have continued had they not been displaced by the particular project involved.

Issues

This problem raises the following issues: What are the economic and social effects of putting family stores out of business? If family stores wish to continue, should they be given the opportunity to do so, and how can they be assisted? How can financing of the new location be arranged?

Causes of the marginal operation at the old site should also be analyzed in order to enhance the chances of improvement through relocation. Marginal businesses are usually anachronistic, and the perpetuation of this ill should be considered in counseling the relocatees. If an out-of-business procedure seems to be the only reasonable solution, a determination should be made as to whether the project actually will cause or only accelerate the discontinuation.

Usually, capital and other requirements of relocation are prohibitive for marginal business operators. Age often negates the possibility of business loans, or there is a general lack of desire on the part of the proprietor to accept responsibilities involved in relocation. Few are able to retire, however, on such quick notice as the project announcement or the short term of the relocation schedule. The owner-operator of a business often needs continued gainful employment. What other machinery should be available to assist the relocatee in making a transfer? Some considerations should be given to the agency's degree of concern or involvement in regard to efforts toward or responsibility for future success of the displaced business.

Alternative Solutions

After acquisition, the agency could assist the client at least on a temporary basis with rent differentials. Perhaps through a type of rent supplement, assistance could be arranged prior to acquisition as well. This would be of benefit prior to actual taking of the property. Rental reductions and supplements will offset decreasing receipts usually noted during the period of project announcement and actual displacement. After relocation, supplements will benefit the relocatee during the period required for reestablishing goodwill in the new environment.

Constructive programs are needed to assist family operators in making a successful relocation or transition to other gainful employment. Without significant assistance, these proprietors might be traumatically affected by displacement. The only constraint

anticipated evolve from the possible reluctance on the part of the displacee toward relocating. If some type of schooling or training is recommended or required for transition to the other gainful endeavor, certain costs might be covered by relocation payments.

Liaison with the Small Business Administration has been tried and proved in other relocation programs. Periodic publications by this Administration regarding available or current loan programs would be an ideal innovation. Development of a priority program with U. S. Employment Service and other governmental employment agencies would also be a very beneficial innovation.

Research

Two approaches to the research needs are suggested: (a) Identify and analyze socio-economic, psychological, and environmental factors that are considered in a small business owner's decision to relocate his business, to go out of business, or to seek a new livelihood and (b) study the ingredients required for successful relocation, retirement, and venture. A research program would probably require a series of case studies of different types of businesses or entrepreneurs to establish the importance of critical elements and ingredients. Demonstration projects would seem to be required to serve as a test technique for establishing the validity of research findings.

ADEQUACY OF CURRENT RELOCATION ALLOWANCES FOR BUSINESSES

Significant issues, alternative solutions, and implications relating to this problem are discussed in the following.

1. What should be the fundamental goals of relocation payments? Should the payment be limited to an amount considered significant to induce or make palatable relocation so that the displaced owner will not discontinue business? Is the present payment adequate to encourage relocation versus early retirement or discontinuance? Should the allowance be sufficient to actually force or strongly encourage early displacement? This entire area might be the subject of heavy research in order to determine the best goals and, especially, answers to the questions raised.

2. Should the purpose of relocation payments be to cure all negative effects of relocation? An alternative solution is to limit assistance to an amount required to maintain the business through its actual move. This solution, however, may mean that less financial exposure by government will place heavy requirements on displacees to arrange for additional financing for unavoidable costs and upgrading caused by changed market or different facilities at new locations. For example, a clothier may require a complete change in inventory to meet the demands of different types of customers. Financial assistance through loans is not always available to every displacee. Another solution is to establish a period of time during which assistance will be extended, beginning at the time of the announcement of the project and extending through a 6- to 12-month period following the actual move. This would increase governmental financial exposure and would ease the financial burden of the displacee. There is also the alternative to expand, as considered desirable, the purposes for which relocation assistance may be paid and determine by studies whether items should be included such as rent subsidy and goodwill. Should the criteria for these in commercial relocation be comparable to the criteria applicable in residential relocation? What should be the time period for rent subsidies, and what should be the extent and basis for goodwill? At a considerable cost to the government, most of the displacee's costs related to relocation would be paid, although certain undeserved benefits may be reaped by some businesses.

3. Should relocation assistance be different for the several categories of business needing assistance? Criteria should be developed to determine the categories to be assisted, such as product or service; type of operation such as manufacturing, wholesale, retail, or service; form of business such as corporation, partnership, or proprietorship; financial capacity including net worth, profits, and sales; number of employees; and type of employees such as skilled or semi-skilled.

4. Should economic injury from loss of sales or additional collateral costs be compensated? Should this be a flat payment or be based on a follow-up showing evidence of loss suffered? Alternative solutions are (a) make a flat payment regardless of volume of sales and with no analysis requirement (this may assist many businesses that actually do not require aid); (b) base a payment on an analysis and make the payment relatively early (this offers a degree of selectivity and could very possibly result in assisting those businesses most likely to upgrade the economics of the community); (c) make partial payment early followed by a later payment supported by justification; and (d) defer any payment until justified by supporting income statements. The approach to be taken involves consideration of expertise available, cost of administering, and methods for analyzing. An evaluation should also be made of the degree to which the federal government wants to involve itself.

5. Should relocation allowances permit or abet upgrading of the facility, including buildings, new equipment, or land to meet code requirements such as parking requirements? Alternative solutions are (a) continue present practice under which majority of relocatees supplement upgrading through their own financing (a constraint here is whether a displaced business can obtain needed financing); (b) subsidize by paying interest on allowable upgrading (funds for upgrading would come from regular lending channels and only the cost of financing would be paid, a payment not necessarily viewed as subsidy but rather a legitimate cost of relocation); and (c) define the upgrading eligible for reimbursement through relocation assistance. The advantages of this approach to a small business can be seen from the following example:

A cafeteria now located in a given area manages well with existing kitchen equipment and dining facilities. However, a move to a different location would very clearly require a "new look" in the dining room. It would also be unfeasible to remove most, if not all, kitchen equipment. At the present location, customers may be from the local neighborhood and shopping area whereas, at the new location, reliance may be placed on drive-in traffic that will require parking facilities. The present location may be clear of liens, but at the new location the displacee may require either a down payment or a given period of lease payments.

6. When should relocation benefits begin and when should they end? The government's exposure and benefits to the displacee will vary drastically according to the time periods.

EFFECT OF TIME INVOLVED IN RELOCATION PROCESS ON BUSINESS

Issues

For businesses that are consumer oriented, the removal of the residents will certainly cause a decrease in sales, possibly to a degree sufficient to change a profitable business into an unprofitable business. If a competitor is displaced, however, there may be a temporary benefit to the remaining business until it too is acquired. For businesses that rely on residents for its employees, the displacement of these residents prior to the acquisition and relocation of the business can cause severe hardships. Businesses may be compelled to delay needed capital improvement because of acquisition. If acquisition is put off too long, some businesses may lose their competitive positions.

Alternative Solutions

Possible solutions are (a) to decrease the lag time between location of the right-of-way and the actual taking or (b) to subsidize the business in proportion to the loss caused by the project and the profit that could have been reasonably expected. The latter could be in the form of an early acquisition and a subsequent decrease in rent to offset the loss incurred. The obvious and best solution is, of course, to cut the lag time. This can be done by funding a project fully before undertaking it or giving a priority of early acquisition to businesses that will suffer loss.

Although subsidizing displaced businesses will add to the cost of the project, early acquisition will not because the fair market value would be the same. How much more

a subsidy may cost is certainly an area that needs further research, especially the effects of relocation on sales and profits.

Research and Data Needed

Because of the tremendous variety of businesses involved in these projects, research on the effects of displacement will be difficult. Small entrepreneurs may lack records. Questionnaires might be used to obtain information on the needs and desires of the businesses in the right-of-way. The relocation agency should be ready at the earliest possible time either to assist the businesses to relocate or to advise them on the desirability of ceasing operation and the benefits they can receive for doing so.

DEFINITION AND MEASUREMENT OF COSTS AND BENEFITS ASSOCIATED WITH RELOCATION OF BUSINESSES

Issues

Business proprietors and owners of buildings and land affected by right-of-way acquisition may experience short- and long-term benefits and costs. Examined in broad terms of the benefits and costs of public improvements, the issues include (a) Are proprietors and owners guaranteed adequate investment returns by the nature of their location? (b) Are benefits and costs, either explicit or implicit, currently measurable or compensable or perceivable or all of these by individuals concerned? (c) Does the current program of relocation assistance reduce the risk, cover costs, and produce individual and social benefits and costs? (d) What identifiable and measurable costs should society, the proprietor, the owners, and the highway program assume? (e) What means are available for extending benefits to the affected group other than money compensation or direct subsidy? and (f) What costs and benefits are predictable in terms of the anticipated "normal" life of a business?

Alternative Solutions

Short of either massive subsidy or acceptance of current or modified compensation programs or both, measures of benefits and costs and follow-up monetary and business assistance are required. The difficulties involved in long-term implications of benefit-cost studies suggest use of informed judgmental approaches to compensation and assistance.

Research and Data Needed

These include (a) studies of successful and unsuccessful relocations including case studies and a survey of the number of displacements and the number that have survived and (b) studies of the investment decision of landlords and the results obtained from the investment. A general research project statement should involve investigating experience of businesses before and after relocation. This could depend in part on such documentary evidence as business records and sales tax records plus questionnaires and unstructured interviews. This project should include investigation of the consequences of reinvestment on the part of landlords.

PROSPECTS FOR DISPLACED BUSINESSES

Issues

The significant issues are (a) What happens to those businesses that are successfully relocated? (b) What can be done to assist the reestablishment of those marginal businesses that may be beneficial or desirable to the community? and (c) What happens to the owners of displaced businesses?

Many businesses that reestablish will generally pose no relocating problems. Chain stores usually open a new more modern store in a new location, and the managers and employees are transferred to other stores. Other smaller but sound independent businesses suffer no basic problems of relocation because of the nature of business. Often

relocation will help a stagnating business because the owner, whose lack of funds or initiative made him reluctant to modernize, now has financial assistance. At the new location the business will generally be more modern and efficient and provide more employment opportunities. These newly relocated businesses will often be more profitable and provide more tax revenue for the locality. Some marginal businesses reestablish easily because relocation allowances are adequate enough to allow the owner to resume operation in the new location and because the owner has a desire to remain active and to be self-supporting. The nature of a business and its competition determine to some extent whether a business can successfully relocate.

Of major concern is the marginal business that does not reestablish. What happens to its owner? Many owners will retire because of (a) age or health, (b) inadequacy of relocation allowances, (c) the attitude that the nature of their business or of their competition may prevent success at any new location, or (d) lack of information on all available assistance. Other owners will just change occupations, either buying out another marginal business or becoming an employee for someone else.

Alternative Solutions

Solutions to resolve the problems of those businesses that do not reestablish are (a) determine if a void will be created that will be undesirable and (b) provide more adequate relocation assistance for businesses if their continuance is desirable. If the owners were to become a welfare case or would collect social security, perhaps his relocation assistance could be increased by the amount he would have collected if he did go out of business.

Research

A study should be undertaken of those businesses that do not reestablish based on the amount of capitalization, nature of business, nature of patronage, age of owner, and zoning and license requirements. If this research is deemed unnecessary, efforts should be made to update previous studies, make new studies, and create a data bank.

CONSEQUENCES OF BUSINESS DISPLACEMENT TO THE COMMUNITY

Issues

Issues include the following: Do consumers experience additional money costs and benefits of shopping for goods and services when neighborhood businesses are displaced? Do consumers and business owners perceive additional social costs and benefits when neighborhood businesses are removed? Do displaced business owners or managers or both transfer locations within the neighborhood or in the area, go out of business, become government responsibilities, or become retrained for new job opportunities? Is retail capacity and service replaced in the short term or long term within the neighborhood or within the relevant shopping area?

Neighborhood businesses include retail goods and services establishments appealing to highly localized residential areas. These businesses, usually located near primary market population or on arterials, provide nationally branded convenience goods of low unit value, give personalized services including delivery and credit services, depict low sales volumes and use of as-suggested price system, and do not use extensive promotional effort.

Alternative Solutions

Probably most of the solutions are inherent in the current legal system, even though more administrative flexibility and coordination are needed. An information program and an advocacy planning effort offer means of mitigating impacts. For example, can or should the provision of marketing services for a neighborhood be determined through a community planning and advocacy process, or is relocation to be primarily a random or individualized effort or both. Joint development and creation of new shopping areas (perhaps employing subsidies of different levels yet to be determined) can provide for

transfers of capacity and maintenance of at least some services. Community or neighborhood centers providing counseling and mental health services might help deter negative impacts.

Research Data Needed

Data are needed to answer the following questions:

1. What are the effects on retail capacity of the removal or displacement of neighborhood businesses within the relevant markets sought out by localized residents?
2. Are the residents of the affected neighborhood mobile? What is the automobile ownership pattern? What are the employment locations of neighborhood residents? What are the availability and the use of public transit? What are the effects of age, income, and family composition on buying habits? What is the level of consumer expenditures in neighborhood stores? What are the levels of customer isolation created by business removal?
3. What are the buying habits of local residents? That is, where, when, and how does shopping occur in neighborhood stores and what is bought there? Is delivery provided or desired? Have shopping habits shifted or changed through time? What is the importance of credit to customers if available and not replaceable?
4. What is the effect of business removal on the tax base and tax revenues? What is the effect of removal on long-term planning, zoning, and urban renewal patterns? Can adjustments in business capacity and convenience be made through planned development or through joint development efforts? For example, can new marketing facilities be created adjacent to neighborhoods impacted?
5. What are the price-cost effects of business removal; that is, what are the price levels depicted in neighborhood stores (given no replacements)? What are the additional costs of shopping and the price levels depicted in remaining or nearby or the first available shopping area?
6. What are the effects of relocation on the business owner or manager? What are the employment and income effects on owners or managers? What options are available to the owner-manager? What is the business mortality rate before and after relocation impact?
7. What are the social impacts of a neighborhood business removal? For example, the store may be a neighborhood center, it may provide personalized services and interest for residents, it may mitigate isolation, it may provide credit to fixed-income recipients, or it may be a stabilizing unit.

Research Needs

Before-and-after studies of impacts and also benefits and costs in selected states are needed. Studies should be undertaken in different urban areas of different sizes. Study area criteria might also include consideration of the mobility of the population and the income levels and areas where adjustment plans differ.

GENERAL COMMENTARY

In addition to problems and suggested research of the formal questions just presented, Panel 4 suggests that those responsible for the compilation of records and statistical data consider the utilization of a more realistic and definitive breakdown of the effects of public improvement programs on displaced business. In the past, there has been inaccurate statistical indication of these effects in at least one program because of the limitations to 2 categories on report forms, one indicating that the displacee relocated and the other that he discontinued business.

The category "discontinued business" can readily be interpreted to mean "put out of business." Many cases of discontinuing operations at a project location meant nothing more than reestablishing an outlet or branch at another location, very often with a direct transfer of personnel. This is true of chain food stores, drugstores, and cleaning establishments. Under these circumstances the chain very rarely moves any of the old equipment but elects to abandon it. Under the statistical system mentioned, a displacee

ment of this type would be recorded as "discontinuing business" with the implication that the improvement project caused the destruction of another business. There are numerous examples of similar situations where the 2-category statistical system would result in the same inaccurate record.

Panel 4 strongly advises that steps be taken to ensure that report forms compiled for statistical records avoid these pitfalls.

RELOCATION EFFECTS ON THE NEIGHBORHOOD

Summary Statements of Workshop Panel 5

Bamford Frankland, chairman, Calvin D. Banks, Ida Gordon, Dick Kraft, Ed Nolan, James E. Sales, and Nat Simons, Jr.

The basic organizational unit of community structure has been traditionally recognized as the neighborhood, despite the fact that social researchers have found it difficult to devise an acceptable definition of neighborhood. Although he cannot scientifically identify the neighborhood, the planner of public projects must nevertheless deal with the concept. He must recognize the fragile relationships that permit the concept of neighborhood to endure. He must devise his project or proposals in a way that will allow the decision-maker a choice between that which causes the least harm and provides the most benefit.

The planner must be able to identify and evaluate the effects of proposals on neighborhoods. Of particular importance is the impact of the displacement of people, businesses, and institutions on those elements of the neighborhood that remain. The issues of major significance to planners are (a) How to identify and evaluate neighborhood change caused by public improvement projects that displace people, business, and institutions, and (b) How to relate the effects of change to neighborhoods and specific impact areas.

An important result of a public improvement may be to change the options or opportunities for work, recreation, social contacts, and institutional or other services available to residents who are not displaced by the improvement. Some groups of people who may be particularly vulnerable to changes in options are the elderly, ethnic groups, others who have no real choice of residential location, and those who must rely on public transportation. Certain marginal businesses that serve a small clientele may also be in this category. Even though present knowledge precludes an estimate of the social cost of ignoring the problems of these vulnerable groups, clearly such costs may far exceed the benefits of projects planned without these problems in mind.

Some of the specific questions that must be responded to by the planner and decision-maker are (a) How will the displacement of some convenience services affect the elderly and others who have limited mobility? (b) What will be the effect on remaining convenience services of the relocation of a portion of the market population? (c) Will patterns of employment opportunity be altered by the displacement and relocation of either employment centers or employees? and (d) What effect does the disruption of kinship ties or other social linkages have on neighborhood behavioral patterns?

Data that may be of assistance in answering these questions and in delineating issues include (a) mobility versus stability of residents (e.g., number of transients); (b) activity linkages of residents, as defined by trip patterns; (c) attitudes of residents toward the neighborhood, such as presence or lack of satisfaction; (d) perception by residents of their neighborhood; (e) identification by political, school, and religious records and by estimates of leaders of these institutions; (f) natural barriers that might constitute the neighborhood boundary; and (g) socioeconomic characteristics of inhabitants including income, race, ethnic group, education, and employment.

The general research program needed for this problem will include investigation of these items by means of a series of case studies. The required research should include collection of case material in several and diverse locations to permit study of pertinent variables. However, careful selection of study locations will be needed to avoid confounding the result by the effects of too many variables.

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