

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.