

RELOCATION PROBLEMS INVOLVING FINANCIAL, LEGAL, AND INTERGOVERNMENTAL RELATIONSHIPS

Summary Statements of Workshop Panel 2

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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.