

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.