

Conference Summary and Highlights

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The Second Conference on Relocation and Real Property Acquisition, held on July 7-9, 1980, in Reston, Virginia, focused attention on (a) experience with existing local, state, and federal relocation and acquisition programs; and (b) suggestions by conference participants for improvements to existing regulations and procedures.

In 1970, the U.S. Congress passed the Uniform Relocation Assistance and Real Property Acquisition Policies Act (P.L. 91-646). Before this act became law, different federal agencies had different provisions for property acquisition and relocation; some agencies offered no relocation assistance. Thus, different persons displaced by federal actions or state and local projects receiving federal aid received unequal treatment, depending on which program displaced them. The purpose of the 1970 act was to transform this situation into something more rational and more equitable for the people affected, and easier to administer.

In one of the keynote papers at this conference, Jon Burkhardt summarizes his study on some of the effects that the 1970 act has had on the relocation process. Burkhardt's most significant findings included the following:

1. Relocates fare better than they had expected (only 26 percent thought they lost money during the process);
2. About two-thirds of the relocatees are generally satisfied with their relocation experience after it is over; and
3. Current compensation practices do not discriminate against any particular group, but elderly relocatees suffer more than most because many factors in their situations are not compensable.

Thus, although it appears that the 1970 act has resulted in substantial progress and improvement, problems remain. Some of the obstacles to uniformity that remain include

1. Interpretations of the 1970 act vary because regulations were left up to the individual agency;
2. Some supplemental federal laws affect individual programs differently than under the Uniform Act;
3. State laws differ (e.g., New York precludes last-resort housing);
4. Field interpretations of whatever regulations apply are not consistent;
5. Some federally funded programs are not subject to the existing law;
6. All displacements resulting from federal programs are not covered;
7. Donated lands are accepted by some federal agencies prior to appraisal, which is illegal;
8. Administrative appeals remain difficult in some agencies, despite interagency guidelines to alleviate this;
9. Treatment of business relocation varies widely among agencies;

10. Some agencies do not cooperate in jointly funded projects;

11. Terms in the 1970 act should be clarified--for example, (a) a clear statement defining persons indirectly affected is needed, (b) what is meant by all possible measures to minimize disruption must be clearly stated, and (c) what constitutes improvements to land (must be included with acquisition of land) should be spelled out; and

12. Court decisions, in which remedies to some of the above problems are sought, are currently made on an ad hoc basis.

To rectify shortcomings of the existing act and to remove some of the remaining barriers to uniformity, Congress is giving serious consideration to amendments to the 1970 legislation. One of the principal bills proposed is Senate bill S.1108 for which hearings have been held. Some of the main features of this proposed legislation are noted here.

1. Designate a single agency to promulgate uniform relocation procedures.
2. Expand the scope of coverage benefits to all federally assisted developments.
3. Increase the maximum benefits available from \$15 000 to \$25 000 for replacement housing and from \$4000 to \$8000 for renters.
4. Provide relocation benefits for business.
5. Permit landowners to request a second appraisal.

From the Senate hearings held for this bill, several important controversies have emerged. These center on (a) the blanket extension of benefits to persons indirectly displaced; (b) ways in which state and local officers can substitute periodic rent payments for lump sum relocation payments; and (c) the likelihood of establishing a new federal bureaucracy that would have central authority over relocation and land acquisition.

The main attention of the conference centered on ways to improve uniformity and meet the shortcomings of current and proposed legislation. Conferees participated in five workshops that addressed a variety of relevant topics. The principal suggestions that emerged from the workshops, discussed next, can be grouped into six main topical areas. These are more uniformity, expanded eligibility, adequate payments, improved treatment of businesses, improved relocation assistance services, and project planning processes. Those suggestions that did not appear to have a clear consensus among the participants are so indicated.

MORE UNIFORMITY

1. A majority of the participants felt there was a real need for more uniformity in benefits and procedures. Many suggested a single agency to enforce a standard set of federal regulations. However, there was strong concern expressed over the possibility of creating a new bureaucracy that might

interfere with effective administration by individual program agencies.

2. The various state statutes should be clarified concerning the acquisition of uneconomic remainders.

3. Project boundaries should be defined to include all areas severely impacted.

4. Greater coordination among agencies, interested groups, and citizens should be encouraged before project adoptions.

EXPANDED ELIGIBILITY

1. Eligibility for benefits should include involuntary displacements whenever any federal funds are involved, such as loans and grants.

2. Eligibility should commence when negotiations for property begin.

3. Displacees should be those involuntarily displaced as a result of programs, but flexibility should be maintained to work out individual solutions for nearby properties.

4. Indirect displacements (in the vicinity of federally funded projects) should not be covered except as "consequential damages."

ADEQUATE PAYMENTS

1. Payments to residents and businesses should be increased; the majority felt payment limitations should be eliminated. The fixed payment for moving expenses should be increased from \$300 to \$600, and the dislocation allowance should be increased from \$200 to \$400.

2. Payments should be made more promptly.

3. Rent supplements should be paid over a longer time period.

4. Interest payments should be increased, primarily an up-front payment to reduce the amount of a new mortgage principal required, so that new monthly mortgage payments are similar to old ones.

5. A larger, longer, or more flexible subsidy is needed to correct inadequacies in rental assistance.

6. Interim financing for homeowners prior to receiving their replacement payments would be desirable.

7. Adequate compensation should be given to tenants for improvements to structures and land made by them.

8. The conferees agreed that the \$2000 down payment to enable a tenant to become an owner should be eliminated.

9. The conferees did not agree with the suggestion that a landowner be permitted to obtain a "second" appraisal if he or she disagrees with the condemnor's original appraisal (which usually includes more than just an appraisal).

10. The conferees did agree that a landowner should be shown only a summary of the appraisal of his or her property, and not the whole appraisal.

11. The conferees did not concur with the idea that relocation payments be increased (a) to cover higher property taxes, or (b) to reflect increases in the consumer price index.

IMPROVED TREATMENT OF BUSINESS

1. Conferees agreed that relocation assistance for businesses could be much improved by greater availability of low-interest loans and specialists trained in business relocation.

2. The conferees also felt that businesses could not be made whole because costs could be

exorbitant, but some additional help should be provided, such as increasing the "in lieu" payment for displaced businesses that do not continue in business at a new location, or early acquisition of the entire business as a going concern in hardship cases.

3. Business relocation should be timed so as to approximately coincide with the relocation of the patrons.

4. It would be helpful to businesses to provide a replacement facility before requiring the business to move.

IMPROVED RELOCATION ASSISTANCE SERVICES

1. The conferees generally agreed that the whole relocation and acquisition process could be improved if better relocation assistance were provided to homeowners, tenants, and businesses. Relocation assistance should be limited to those persons who have property taken.

2. The quality of relocation services needs to be improved. Some ways suggested were (a) prepare better training and guidance manuals for agency personnel, (b) define and limit the scope of relocation services, (c) more closely monitor and evaluate such services, (d) develop a set of professional standards for agents, and (e) improve reference sources.

PROJECT PLANNING PROCESSES

1. The relocation of elderly people should be avoided wherever possible.

2. More innovative ways should be found to provide "last-resort" housing.

3. "Housing of last resort" needs clarification by Congress to avoid thrusting nonhousing agencies into a housing management role.

4. There is a need to better define what is meant by "a project."

5. One-for-one housing is needed, particularly for low-income people.

6. More improvements (e.g., shrubs) should be permitted to be moved.

7. Minimum displacement should be viewed as a goal, just as avoidance of harmful environmental, social, ecological, and energy effects are sought. The analysis of relocation problems in an environmental impact statement needs to be upgraded.

8. The conferees did not support the "good faith" requirement as proposed in S. 1108, which calls for replacing residency requirements of 90 days for tenants and 180 days for homeowners.

9. It was suggested that, if the offer to take was made at the same time as the offer for relocation assistance, total compensation can be made "just."

10. Services removed from low-income neighborhoods should be replaced.

11. People expected to be impacted by a project should be notified early in the process, while alternatives are still being considered.

12. It is important to communicate with adjacent property owners early in the planning process.

Conference participants agreed that there is a need for legislative action, that regulations need to be revised, and that better performance in the field is required. It is hoped that the work of this conference, as reported in these proceedings, will assist the responsible agencies and groups in determining or planning future action related to relocation and real property acquisition.