

wish to see some revision in the Uniform Relocation Act, but who also wish to see some of the sweeping language in the current bill modified in a way to support and not impede current development activities, whether they be in the housing, transportation, or public works area.

I think that it is correct to say that we have benefited from all these comments and that S. 1108 will undergo significant revision before it is reported from the full governmental affairs committee.

#### POSSIBLE CHANGES IN S. 1108

What, then, may be some of the principal changes made in S. 1108 as a result of congressional hearings?

First, I think that we all now recognize the difficulty of extending relocation benefits to those "indirectly" displaced by federally-assisted projects or programs. We would hope that where there is a strong connection between the displacement of businesses or individuals and the undertaking of a federally-assisted program or project that agencies would provide relocation benefits. However, a blanket extension of benefits to "indirect" displacees is probably too sweeping to be put into the relocation act amendments.

Second, I am sure that the subcommittee will look favorably on increasing the value of relocation benefits but will also explore ways in which the costs of such increased benefits can be handled by state and local governments. Housing redevelopment officials have suggested that they be permitted to substitute Section 8 rental housing benefits in lieu of lump sum relocation payments. Such an approach might be profitable if this eases the burden of providing relocation benefits and if it helps tighten up the probability that relocation benefits are in fact used for purchase or rental of decent housing.

Third, while the uniform relocation amendments will still contain language indicating that it

should be the federal policy to have minimal displacement in federally-assisted programs, I am confident that the report language on the bill will indicate that it is not the intention of S. 1108 to otherwise halt or delay federal projects that are of substantial economic benefit to the local community.

In short, the hearing record on S. 1108 helps us to realize that we must update and revise the Uniform Relocation Act to provide more current and more equitable benefits to those displaced by federal projects while at the same time not halting positive redevelopment efforts. S. 1108 is not intended to bring highway or urban development projects to a standstill. The many suggestions that we heard at our hearings will result in a better bill as we near mark-up of this legislation.

#### WHERE DO WE GO FROM HERE?

Having given you a chronology of the Uniform Relocation Act legislation, you might ask where do we go from here? As transportation officials you are involved daily with the process of major public works planning. You know the economic and social importance of your work. At the same time, you know, many of you first-hand, the anguish that can be caused in the relocation process.

The Uniform Relocation Act was built in no small measure on the policy initiatives of FHWA in the 1960s. And your charge must continue to be: To build a fair, modernized, and manageable relocation process.

In that vein, I would submit that as we move to mark up S. 1108, we would like your support for the subcommittee's effort to revise this law.

Let's make the act more uniform. Let's build more realistic benefits into the law. Let's iron out the rough spots in its administration. But more important, let's once again ensure that the federal government will honor its basic commitment to aid those it must displace in the performance of its development policies.

## Relocation and Property Acquisition: Experience, Problems, and Prospects

*Jon E. Burkhardt*

Ten years have passed since the enactment of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. Although this act has provided very significant improvements to previous procedures, the experience with the act over the last 10 years has indicated the need for additional modifications and improvements. In fact, Congress now has before it nearly a half-dozen different proposals on ways to amend the 1970 law.

We are faced with the need and the opportunity to review the operations of current policies and practices and to provide guidance for the changes that are apparently coming, whether we act or not. This conference provides a chance to review and redefine what constitute appropriate relocation practices and procedures.

This paper reviews some basic philosophical and legal questions concerning the nature of relocation

and compensation. These issues are not new, but social attitudes seem to be shifting in ways that will change appropriate responses of various levels of government. Second, this paper also presents some of the key findings of a study conducted with individuals displaced from their homes by highway projects because their experiences illuminate a number of the controversial relocation issues facing us today. This review of experience, problems, and prospects should help us focus on practical improvements to relocation procedures.

#### BASIC CONCEPTS AND CONSIDERATIONS

Despite rather considerable efforts to resolve certain questions, these questions seem to be in the re-resolution process yet one more time. They include (a) Has a taking occurred? (Has an

individual suffered as a result of government actions?) (b) What is just compensation? and (c) Is compensation possible (if not, can the taking be justified)? In these questions and in the rather considerable body of literature surrounding them, several concepts reappear again and again, including

1. property,
2. taking,
3. "just" compensation,
4. equity and fairness,
5. societal risk,
6. causality, and
7. distribution of effects.

This list obviously could be much longer. If agreement on these concepts were obtained, much of the discussions we are about to embark on would be unnecessary.

Perhaps the basic assessment of the problem we face was best addressed by Michelman (1):

When a social decision to redirect economic resources entails painfully obvious opportunity costs, how shall these costs ultimately be distributed among all the members of society? Shall they be permitted to remain where they fall initially, or shall the government be paying compensation, make explicit attempts to [re]distribute them...?

Michelman began to answer some of these questions by noting that

...fairness...demands...assurance that society will not act deliberately so as to inflict painful burdens on some of its members unless such action is "unavoidable" in the interest of long-run, general well-being. Society violates that assurance if it pursues a doubtfully efficient course and, at the same time, refuses compensation for resulting painful losses.

Still the most readable and complete summary of the requirements for compensation is that set forth by Downs (2). He proposes seven "tests for compensability of losses," noting that "if losses do not pass these tests, I believe they are either not deserving of compensation, or else no practical means of providing it can be arrived at."

The seven tests are

1. **Attributability**--the loss concerned is in fact caused by the public project or the relocation generated by it, rather than by other economic or social forces;
2. **Significance**--the loss is relatively large both absolutely or in relation to the economic capabilities of those persons who suffer it;
3. **Noninherent riskiness**--the loss cannot be considered an inescapable risk of property ownership, or an inevitable price of progress in a dynamic society;
4. **Identifiability**--the individuals or class of people who suffer the loss can be personally identified;
5. **Measurability**--the magnitude of the loss can be measured or estimated with reasonable accuracy, at least sufficient to design roughly offsetting beneficial actions;
6. **Deliverability**--compensation made for the loss by public authorities can be accurately directed at those who suffered that loss, whether they are individuals or an entire class of persons, and will not be received by others who did not suffer any such loss; and

7. **Net negative impact**--the loss is not likely to be offset by benefits resulting from the public improvement and likely to be distributed in the same way as the loss itself.

These tests should be kept firmly in mind as a guide to the deliberations on possible changes in relocation practices. One additional test could also be added to this list--i.e., significance to the relocatee--and the significance of this additional test can be illustrated by the following material.

#### EFFECTS OF RESIDENTIAL DISPLACEMENT

The primary objective of the study (3) was to improve the highway planning process; first, by increasing the planner's ability to forecast the displacement consequences of particular location and design decisions, and, second, by suggesting techniques for more adequately compensating the persons adversely affected by right-of-way acquisition.

The study found that specific displacement consequences of alternative route and design proposals cannot be accurately predicted by using data concerning the characteristics of the displaced households, the communities, or the projects. Compensation practices and relocation procedures have more of an effect on the nature and extent of changes incurred by relocatees than do demographic or geographic characteristics. The conclusion from this particular finding is that current compensation practices do not discriminate for or against any particular population subgroup. However, the elderly are more likely to be worse off after the move than others--not because of compensation practices but because of factors that are essentially noncompensable. Therefore, planning procedures to avoid disrupting large concentrations of the elderly are required.

The relocation process appears to work well for about two-thirds of those forced to move. Almost one-half of those relocated feel the relocation process is as good as possible. The actions of the relocation agency personnel significantly influence the average satisfaction level upward or downward. The elderly and higher-income households feel that relocation worsened their overall condition more often than do other persons. Thus, although the relocation process works well for many persons, certain improvements are still required.

#### Overall Research Approach

The overall approach centered on interviews with persons who had actually been through the relocation process--both before and after relocation--to collect information on changes in their status and to see which changes could be attributed to the relocation process itself. The sample of persons interviewed was large enough to be statistically representative of persons being relocated at sites that, in turn, generally represented the relocation experiences of the country as a whole. Because particular sites tend to have unique characteristics (some of which are created by state policies and procedures), information was also collected about each site and its relocation process.

Six sites were studied intensively for more than two years. Data were gathered from household surveys and secondary sources. Only the dislocatees were re-interviewed due to constraints on the study's budget. The sites included several different neighborhood types and socioeconomic groups.

The first survey was conducted in both the area contained in the proposed right-of-way and in the land adjacent to the right-of-way. The second

survey traced the individuals and families who were relocated and re-interviewed them to assess the consequences of their relocation and their attitudes toward the relocation process and agency. Many of the household socioeconomic data collected in the second survey were identical to those collected in the first survey and included income, tenancy, housing characteristics, family composition, employment, and family shopping, business, and social activities. Additional data were collected concerning the contacts and relations with the relocation agency, attitudes toward the mechanics of the relocation process and the relocation agency, problems and issues encountered in the relocation process, attitudes and reactions to the quality and sufficiency of the compensation received, and the families' long-run condition and prospects of their new location.

#### Timing of Interviews

The two surveys were conducted at the six sites approximately 18 to 24 months apart. The initial survey was conducted after specific locations had been determined and the right-of-way requirements had been detailed. Relocation was scheduled to take place no later than six to eight months after the first survey to give relocatees four to six months' time to become oriented to their new location before the re-interview survey. In fact, the second wave was conducted much later than initially planned because relocation did not take place on schedule at several sites.

#### Interviews Obtained

Some 390 valid questionnaires were obtained from households to be relocated before their dislocation; 190 of the same households were re-interviewed after they had established themselves at new locations (because households were not relocated as quickly as expected). Only 54 percent of the original sample was available for interviewing, and 49 percent furnished valid interviews (a completion rate of 90 percent of available respondents). Also, 159 residents of the remaining neighborhood were interviewed at the same time as those households about to be dislocated.

#### Findings: Experiences of Relocated Households

Most of those persons who were displaced and relocated had never experienced such a situation before and did not know what to expect. Afterward, many persons had positive feelings about the relocation process. This section discusses their experiences in terms of specific dislocation effects, the relocatees' view of the compensation and assistance they received, and their personal evaluations of the relocation process.

#### Dislocation Effects

##### *Economic Effects*

The study considered specific components of location transfer costs, among them search costs, moving costs, and compensation constraints, and found that, as expected, these costs were much less significant in the eyes of the relocatees than other monetary issues (3). None of the households contacted after the move felt that search costs were a burden to them (although most would not have incurred such costs on their own volition) and only 1 percent of the sample reported that the current moving allowances were inadequate for them.

Two significant compensation constraints now operate in the relocation process. First, 16 percent felt that the time available was not adequate. One-quarter of this group felt they would move again within the next two years. The second problem was the slowness in payments due to the relocatees. This created temporary hardships for 6 percent of the sample.

There was no evidence of a substantial change in transportation costs for the households in our sample after they had been relocated. This was not surprising since the average households relocated moved only 5 km (3 miles) on the average from their previous locations. Distances traveled generally decreased even though people traveled more often outside the neighborhood than before. Work trips are typical of post-relocation transportation patterns: Fewer of both the longest and shortest work trips occurred after the move. Frequencies and costs were the same before and after.

##### *Overall Household Effects*

A dilemma of relocation that has remained unsolved for some time is as follows: If (as experience shows) a household is in a better house after relocation but is paying a greater proportion of the household's income for housing than before the move, is that household better off or worse off (4,5)?

The relocatees were asked, "Considering all the things about your new home--how much it costs, how big it is, the neighborhood, and everything--would you say that you are better off, the same, or worse off than you were in your old home?" Some 60 percent of the respondents were more pleased with their new homes than the old, while the reverse was true for 27 percent. The results varied considerably from city to city. Improvements in housing welfare were significantly correlated with perceptions of the new neighborhood as better than the old, the sufficiency of relocation information, the positive effect of the total compensation package, and the positive long-run effects of the move. Improvements in housing welfare were not significantly correlated with basic demographic variables, including age, income, sex, education, or race. Location (the specific city) was also a significant variable.

For homeowners, it was possible to establish a statistically significant relation explaining half of the variance in housing welfare by using age, income, satisfaction with the house itself, and the assessment of relocation assistance and adequacy of information. Age and income were negatively related to increases in housing welfare, which is to say that older persons tended to fare worse in relocation, as did those with higher incomes.

Some 70 percent of the respondents felt they would be better off in the long run, 20 percent thought they would be worse off, and 10 percent did not know. Age, race, income, satisfaction with the new home, sufficient assistance from the relocation department, and clear information from the relocation department were significant variables in explaining long-run expectations.

##### *Social Effects*

Social impacts are impacts on people. The basic unit of measurement is the number of people affected. Most social impacts focus on how people interact with others and how the interaction patterns change over time (6-12).

We found that, of the six components of the Neighborhood Social Interaction Index (13), five of them decreased. Only the commitment to staying in

their new neighborhood was not different than their commitment to stay in the old one. Neighboring, use of local facilities, participation in neighborhood activities, identification with the neighborhood, and the evaluation of the neighborhood as a place for persons like themselves to live all declined after relocation.

After relocation, the percentage of persons with all or most of their friends in the neighborhood declined dramatically, while the percentage of persons with none of their friends in the neighborhood increased substantially. Before they moved, more than half of the relocatees felt that the changes to their old neighborhood were for the worse, while one-quarter said there was no significant change. After relocation, one-half of the respondents felt that the highway-related changes had a negative effect on the neighborhood. Persons who felt that the neighborhood had deteriorated tended to feel that way strongly.

#### *Changes in Psychological Well-Being*

The framework for representing the level of psychological well-being of an individual consisted of two dependent variables (life satisfaction and happiness-unhappiness) and also included four factors (independent variables) that could be expected to influence the level of psychological well-being following relocation: three sets of individual characteristics (socioeconomic, psychological, and stress) and the relocation project characteristics. [The reader is referred to the full report (3) for further details.]

The measure of life satisfaction showed a very slight (2 percent) increase, while the measure of happiness showed a 10 percent decline for those relocated. These changes were difficult to explain or predict, but certain socioeconomic characteristics and relocation project constraints had more influence than other factors; especially, level of income, source of income, education, age, the adequacy of payments received, size of the new dwelling and whether or not it was owned or rented, the desirable features of the new neighborhood, and differences in project sites. To avoid negative psychological effects, the relocation agency should maximize the significant relocation process factors shown to be significant--payments for the previous dwelling, the quality of the post-relocation neighborhood, and the amount of information available to relocatees. The number of elderly persons being relocated should be minimized.

#### *Compensation and Assistance*

The relocatees reported generally favorable reactions to the compensation and assistance received, just as they had concerning the dislocation effects. Within this generally positive response there were, however, some substantial site-to-site variations.

#### *Prices Paid for Dwellings Taken*

The expectations of homeowners did not often match the actual payments for dwellings owned by the respondents. Expectations most often matched the payments in two sites were 60 percent received what they expected. In one site, three-quarters of the owners got less money than they expected for their home.

#### *Effect of Compensation on Housing*

When asked, "Did the payments you received for

moving and everything else make your new housing situation better, worse, or the same as your old housing situation?", 58 percent said it was better, 19 percent said it was the same, and 22 percent reported a worse situation. There were substantial city-to-city variations.

#### *Total Compensation*

When asked how they felt about the total amount of compensation received, the responses varied widely from site to site. Overall, 35 percent said they "came out as good as possible," 39 percent "came out even," and 26 percent "lost money."

#### *Overall Attitudes Toward Compensation and Assistance*

The following factors stand out as key variables in the responses to various questions about compensation:

1. satisfaction with the new dwelling,
2. adequacy of assistance and information,
3. clarity of information,
4. attitudes of highway personnel,
5. price paid for the former dwelling,
6. total funds received, and
7. future expectations.

These factors indicate the interrelation of the so-called subjective aspects of relocation with attitudes toward the so-called objective factors--that is, money. The general lack of demographic variables in the correlations and regressions indicates that compensation is being equally distributed among all types of people. To the extent that they are required, compensation changes should focus on practices and prices.

#### *Personal Evaluations of Relocation Process*

Many of those displaced found themselves better off as a result of the move. In fact, the relocation process seems to have worked well for almost two-thirds of those interviewed both before and after relocation. However, some people complained bitterly about changes in their lives that they attributed to their uprooting. The responses indicate that, while the 1970 Uniform Relocation Act made many significant improvements to relocation practices, room for improvement still exists in both the letter of the law and its application.

The intercorrelations of the relocation process variables were examined, and it was found that if a person had received enough money for relocating and had moved to a better neighborhood, then everything else seemed to be positive. The overall adequacy of compensation received and the adequacy of information and assistance were often associated with the values of other process variables. Once again, it is remarkable that demographic characteristics were not significantly correlated with relocation process assessments, as was also true for assessments of compensation. The long-run expectations were dependent on a greater variety of factors than were other expectations. "Bad events" and attitudes of the relocation personnel also had high correlations with a number of factors.

Several lessons are apparent here. The first is the interrelated nature of many of the relocation process variables. The second is the significance of monetary payments in shaping attitudes about the relocation process. The third is the importance of post-relocation satisfaction with the new house and neighborhood. If outcomes pertaining to these factors can be successfully managed, relocation can work well for most people.

The long-run effects of the relocation process appear to be somewhat predictable given commonly available data. The particular results should not be surprising to anyone familiar with relocation problems. Relocation is a burden for the elderly (6,14). Many of them have strong attachments to their homes and neighborhoods that are difficult, if not impossible, to re-establish in other locations. Similarly, the more affluent have established individualistic patterns of satisfaction that are hard to recreate elsewhere. The tightness of the housing market is probably an excellent proxy for the probability that a given household will be pleased with its new dwelling following relocation. Finally, given current patterns of residential distribution of nonwhite subgroups of the population, it is possible that a well-managed relocation program can significantly upgrade the housing and general welfare of nonwhite families.

#### Overall Assessment of Dislocation Consequences and Their Compensation

We conclude from this study that the policies implementing the Uniform Relocation Act of 1970 represent a very significant advance over previous relocation policies. The economic consequences of dislocation are now basically covered by existing compensation techniques, but social and psychological consequences remain, for the most part, not compensated at all. Despite this disparity, the few currently uncompensated or undercompensated economic effects cause more concern to the relocatees than do the generally uncompensated social and psychological effects. This is a clear indication that immediate policy improvements should focus on economic issues. Certain modification, or "fine tuning," of the current law and procedures could raise the present assessment of generally good treatment and compensation for displaced households to generally excellent treatment and compensation.

A great deal has been written about the suffering of disadvantaged persons faced with relocation, whether by urban renewal or highway projects (4,15,16). The results of this study do not support such contentions. It was found that the overall housing status of nonwhites improved more than that of whites and that nonwhites were more satisfied than whites with the overall changes (including the cost of housing). In addition, it was found that persons dissatisfied with relocation tended to be of higher rather than lower incomes.

#### Recommendations

From our analysis of the experiences of the relocatees, we recommend that certain changes be made to relocation policies and practices. These changes have been divided into three categories: compensation, relocation practices, and the highway planning process.

#### Compensation Changes

##### *Prices Paid for Dwelling Units*

No factor caused as much upset and anger as the price paid to homeowners for their former dwelling. The heart of the matter is the so-called "additive payment," and the problems include confusion and apparent inequities. Homeowners who were interviewed often felt that the fair market value offered for their home was too low, not realizing that their concern should have been the total compensation package. This is reported to be less of a concern today than when our study was undertaken.

The second issue is one of equity. Some persons apparently received more of an additive payment if they moved into a larger home after displacement (and some persons moving to apartments from homes reportedly received no additive at all). Such practices were a source of extremely bitter complaints. Persons in essentially similar situations before displacement should receive approximately equal payments. The concept of having to spend money for it to be reimbursed should be re-evaluated.

##### *Cash Flow*

The relocation payments are too slow. This results in a substantial inequity for persons of limited financial means or others who are "cash poor" when it comes to matters such as down payments or closing costs on a new home. Procedures should be changed so that either (a) the money is available more quickly, or (b) the highway department will guarantee and pay the interest charges on short-term loans that can be used to expedite the purchase and occupancy of the new dwelling.

##### *Ancillary Property Improvements*

Some persons may have invested considerable money, labor, and time in ancillary improvements to their property such as gardens, special trees and shrubs, and other unique features. These improvements should either be compensated at their replacement cost or the relocatee should be permitted to move as many of them as possible at government expense.

##### *Income-Producing Property*

The separation in the law between residential and business relocation neglects the actual comingling of these activities in many instances. For example, persons who rent a portion of their home to another household are likely to be worse off after dislocation under current compensation practices. This income-producing aspect of a basically residential unit may be of critical importance to a household in terms of cash flow. To the extent possible, such persons must be relocated in a comparable structure (returned to their former position) for them to have been treated equitably.

##### *Cash Needs*

Our survey showed that the \$300 moving allowance (or other scheduled allowance) was considered sufficient by all but 1 percent of those interviewed. However, the relocatees felt that not enough of the cost of re-establishing a residence was covered. Increasing the dislocation allowance to more than the currently available \$200 should be considered. (These comments, accurate at the time of the surveys, now have to be revised due to the serious inflation experienced in the last few years.)

##### *Rent Supplements*

The four-year limitations on rent supplements is insufficient for a small but significant number of households. Extensions of the time and dollar limits are warranted, but there does not appear to be a clear means of determining how long and how much would be equitable.

#### Relocation Practices

##### *Attitudes and Assistance*

The attitudes and assistance of the relocation per-

sonnel were crucial--and nearly as significant as monetary payments--in determining a relocatee's attitude toward the process. Most relocatees reported excellent dealings with highway personnel, but some relocatees reported encounters with rude, belligerent, or arrogant relocation agents. Granting that some of these actions were probably provoked by hostile or frightened relocatees, additional care, training, and professionalism on the part of the relocation agents will substantially reduce the number of such complaints.

#### *Re-Renting Acquired Property*

Early acquisition programs have substantially increased the number of occupied housing units owned by highway departments. This is looked on with extreme disfavor by those who remain in such dwellings after they no longer own them. Re-renting acquired property, with rents established on current fair market values, often results in the practice of charging the former owners more per month than they had paid as owners. Those who suffer this practice view it as extremely unjust.

The practice is especially burdensome for elderly persons and others who have already paid off a mortgage because it creates a substantial (and noncompensable) financial hardship. Acquisition of the property should not occur until the owner-occupants can be relocated and can receive full compensation.

#### *Highway Planning Process*

##### *Consideration of Displacement Effects*

The consideration of displacement effects can be brought into the highway planning process by avoiding areas of potentially serious uncompensated impacts, such as neighborhoods with a high proportion of elderly people. These and other social impact calculations should be brought to bear on decisions concerning route location by mapping demographic characteristics of subareas (census tracts, enumeration districts, or blocks) in relation to proposed route locations. We proposed that highways not be built through areas where more than a certain proportion of the population is elderly. The effect of this suggestion would be to narrow the possible routes for highway locations at the corridor planning level.

##### *Involvement of Local Citizens*

A great discomfort to many persons to be dislocated and to remain in areas near the highway was that they simply did not know what was going on or what to expect. Psychological research has shown that persons can more readily accept adverse decisions if they have been a party to the decision-making process. Highway agencies should publicize their plans as much as possible and should establish hotlines for persons with questions about the relocation process.

#### CONCLUSION

Clearly, the passage and implementation of the Uniform Relocation Act of 1970 provided substantial benefits. The situation has changed markedly from that time about which Downs (2) wrote:

It is clear that present compensation practices related to residential households displaced by highways and urban renewal are grossly unfair. Those practices in effect shift a substantial part of the true costs of acquiring property for

these improvements onto the residential households they displace and others nearby.... This injustice results in forcing relatively low-income families and individuals to bear heavy financial burdens which really ought to be paid by society as a whole....

At the same time, it appears that certain questions that were relevant then will remain as key issues, even though our responses to them may change over time. These issues need to be constantly re-evaluated.

Lacking obviously correct or exclusive answers to these issues, either from legal, moral, or other grounds, the expressions of satisfactory and unsatisfactory components of the relocation process of those who have endured it are probably the best guide available. What relocatees express is that a few economic issues remain unresolved and that these are more significant to them than the largely uncompensated social and psychological effects of residential relocation.

#### ACKNOWLEDGMENT

Portions of this paper are derived from work sponsored by the American Association of State Highway and Transportation Officials, in cooperation with the Federal Highway Administration, and was conducted in the National Cooperative Highway Research Program administered by the Transportation Research Board of the National Research Council. That study, which contains more detailed acknowledgments, is cited in Burkhardt and others (3). The opinions and findings in this paper are mine and are not necessarily those of any other individual or organization.

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## Problems in Implementation of the Uniform Relocation Act

*Robert Hadley*

Progress can be viewed as change for the better. Sometimes, however, progress means that certain people must move from their homes or businesses to make way for a federal or federally-assisted project. Although such projects benefit the general public, hardships may be suffered by the people required to move. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 provides assistance for these people in relocating to another home or business site. The relocation act is intended to provide for uniform and equitable treatment of persons displaced from their homes, businesses, or farms by federal or federally-assisted programs. Its purpose is to prevent individuals from suffering disproportionate injuries as a result of programs designed to benefit the general public.

Prior to passage of the Relocation Act of 1970, nearly all federally-assisted programs had differing and conflicting provisions for relocating people who were displaced. The program ranged from providing no assistance at all in some cases to providing liberal benefits and protection in others. In one neighborhood, for example, people on one side of the street received special relocation assistance and fairly negotiated prices for their property, while on the other side people were evicted with no assistance or compensation and were offered prices below the appraised value of their property. In another section of the neighborhood, small businesses received little or no relocation or economic adjustment assistance.

These inequities created irritation and confusion in the affected communities. Continuing and annoying conflicts arose between federal agencies and state and local grantees, damaging the image of the federal government at the state and local levels. Provisions to standardize relocation assistance in all federal programs were originally contained in the proposed Intergovernmental Cooperation Act of 1968. Although these provisions were removed from the act prior to passage, they formed the basis of the relocation act.

Implementation of the relocation act has improved the delivery of assistance to displaced persons and businesses. However, the congressional goals of uniform and equitable treatment for all displaced persons and businesses have not been completely achieved. Work by GAO, the Executive Branch, and several nonprofit groups has disclosed a series of obstacles to more effective implementation of the act. These obstacles originate primarily in court decisions and differences of opinion among federal agencies. Several bills have been introduced in Congress to remove these obstacles.

This paper is drawn primarily from the report GAO issued in March 1978, entitled Changes Needed in the Relocation Act to Achieve More Uniform Treatment of Persons Displaced by Federal Programs, and GAO testimony on S. 1108. The paper specifically comments on proposals of S. 1108: (a) to establish a central authority to create a set of uniform regulations from the agencies to implement, (b) to clarify the coverage of the act, and (c) to adjust payment schedules to 1979 levels. The GAO report concluded that the federal government has not completely met its goal of providing uniform treatment to people displaced from their homes and businesses. The report concluded that the root cause of this situation is the president's lack of authority to promulgate uniform rules and regulations to replace the multiple sets of regulations that now exist. It also reported that some people displaced by federally-assisted projects were not covered by the act. Our recent informal contracts with federal agencies indicate that the conditions described in the report remain essentially unchanged.

S. 1108 does three important things:

1. It gives the president authority to designate one agency to establish a single uniform set of regulations and procedures applicable to all relocation activity supported by federal funds;
2. It gives the designated agency the authority to assure the uniform application and interpretation of the regulations; and
3. It attempts to clarify the coverage of the existing act.

GAO strongly endorsed the amendments to Section 213, which are designed to improve the administration of the act. GAO believes that these amendments, if adopted, would go far toward more completely achieving the basic purpose of the act--a uniform, fair, and equitable treatment of people uprooted as a result of federal or federally-assisted programs.

Relocation assistance is an extremely complex and technical subject. The courts and the Executive Branch have wrestled with many difficult problems of interpreting and applying the act--very often reaching different conclusions. This conference will be hearing more about many of these problems later from the agencies who are confronted with them each day and from the displaced people affected by the decisions. S. 1108 addresses a number of these problems, some of which will be briefly discussed here.