agencies voluntarily followed these guidelines in their regulations, the group eventually ceased to meet because no binding method of resolving differences in interpretation was available under the law. Despite this, a good rapport was established for exchange of ideas and information among agencies (more uniformity in practice exists than is sometimes recognized). Accordingly, the reconvening of such a group might provide some valuable suggestions for improving the act.

Some problems in administering the act stem from omissions or ambiguities in the act itself. For instance, it does not define the work dwelling, although its meaning is crucial to several provisions. This has caused the Corps considerable difficulty in dealing with recreational cottages or summer homes. Regulations in accordance with the interagency guidelines exclude such structures from eligibility for replacement housing payments. The law should be clarified on this point, as well as numerous other terms and provisions.

The act obviously prescribes different treatment for displaced businesses than for displaced residents. While it guarantees displaced residents decent, safe, and sanitary replacement dwellings, it makes no such promise regarding a business building. About all a displaced business can be sure of getting reimbursed for are its moving expenses and some advice and information on relocation sites. I agree that displaced businesses deserve more relocation assistance than has been authorized in the act. Current benefits can leave a small business without a practical relocation site or adequate compensation for the disruption.

The foregoing are but two examples of several inaccuracies and inequities that prevent the act from being as effective as it should be in fulfilling its objectives. These inherent faults, although minimal, are more responsible for deficiencies in carrying out the act's intent than are the separate administrative defects of the agencies.

Most of the problems connected with the act can be solved by appropriate amendments. Congress obviously contemplated amendments after some experience with the act because it required annual reports from agencies through the president during each of the first four years of its implementation. Although these reports, in addition to operating agency and GAO recommendations, have not produced any changes, several bills now pending are based on a GAO study and could make extensive revisions in the act. While their provisions are too complex to address here, and some are considered inappropriate, they could correct some of the act's shortcomings. It will be interesting to watch the progress of these proposed changes.

My experience over the life of this act has been that all of the federal agencies I have dealt with have sincerely tried to carry out the intent of the act and have generally succeeded. While the Corps has not always agreed with some agencies' interpretation of certain provisions, Corps goals have always been consistent. It is clear that, because of this act, persons displaced by government projects are much more equitably treated than at any previous time in history. With appropriate legislative improvements and continued dedication to the spirit of the act, its objectives can be achieved.

Scope of GSA Acquisition and Relocation Program

James W. McMahon

Over the past several years, the General Services Administration has had a very limited federal construction program. The relocation activities associated with all of these projects in the last few years were accomplished through local redevelopment, housing authorities, or other federal agencies, acting in behalf of GSA. No inequities or inconsistencies were experienced with the handling of the relocation program in this manner. However, because GSA's program has been limited, this does not imply that there are not inequities. It is simply that GSA has not experienced them.

GSA believes that substantial progress has been made in carrying out the Uniform Act. GSA is also cognizant that there are some inequities that have to be resolved as pointed out in a 1978 GAO report.

GSA feels that a greater degree of uniformity could be achieved with a single set of regulations, when coupled with a central organization to direct and oversee governmentwide relocation procedures. The overview organization should be given the authority to approve regulations issued by the various agencies, as well as to impose sanctions against deviations by agencies that are not supportable by program needs.

Inequities do exist as to displacement caused by some federal activities that have not been subject to the act and with respect to last-resort housing because of various interpretations of Section 206.

Congress should amend the relocation legislation to cover all persons displaced as a result of a federal or federally-assisted project whether caused by a public or private agency. Also, Congress should amend Section 213(a) of the act to require the president to issue a single set of regulations, providing guidance to federal, state, and local agencies. Congressional clarification is also needed because of various interpretations of Section 206(2). GSA will support any proposed amendments to the act as outlined here.

State Perspective of Problems and Prospects

Allen R. Austin

The stated objectives of this conference on relocation and real property acquisition are to (a) examine the experience of local, state, and federal transportation and housing agencies in implementing relocation and real property acquisition programs; (b) identify problems with current legislation and regulations; and (c) suggest approaches for solving these problems.

To this end, I, as a representative of Illinois and a member of the AASHTO Subcommittee on Right-of-Way, will outline some of the problems facing state officials charged with the responsibility of administering the Uniform Relocation Act. Proposed federal legislation, higher replacement housing payments, and regulatory changes should all be mentioned.

First and foremost among our concerns is pending federal legislation, namely S. 1108 and H.R. 6256, which would amend the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. Based on replies received from 26 states regarding S. 1108, it can be said that, with the exception of those amendments that would increase the payment limits, most of the states are opposed to the proposed added provisions and requirements. H.R. 6256 basically proposes to amend the same sections of the act as S. 1108, but the House bill also proposes certain additional payments, which should be given careful consideration, not only because of their considerable financial impact but also because of the overwhelming administrative burden they would impose on displacing agencies. Both bills also incorporate certain controversial concepts of grave concern to displacing agencies because they could compromise the integrity of the program and those charged with the responsibility of administering it.

We believe that most of the proposed increases in payments are justified, as is the removal of arbitrary eligibility standards regarding replacement housing payments. We do not believe, on the other hand, that all relocation payments should be tied to a rising Consumer Price Index. Nor do we believe that unrealistic restrictions should be placed on the use of available housing resources with which to provide replacement housing to the detriment of the early development of projects.

Most states feel that the Uniform Act as it exists is administratively sound and workable, has stood the test of time and public scrutiny, and has proven beneficial to those directly affected by public improvements. Conversely, we submit that, if the provisions of the Uniform Act were to be extended to those "indirectly displaced," it would be nearly impossible to administer the program on a rational basis and at best would subject the program to extended and infinite litigation, not to mention the financial impact on federal, state, and local government budgets. The proposed legislative changes being opposed include the following:

1. Include reimbursement to homeowners for increased real property taxes on replacement housing;
2. Make homeowners of tenants at the expense of taxpayers and then force the taxpayers to pay their increased costs of homeownership, i.e., increased principal, interest, taxes, insurance, and utilities, and make such payments ad infinitum;
3. Burden displacing agencies with the task of demonstrating that occupancy of acquired lands was in good faith;
4. Provide that generous increased rentals were to be paid forever; and
5. Provide that minimal displacement should be the controlling factor in route selection to the exclusion of all other valid criteria.

We would like to see the program improved where improvements are needed, but we would also want to preserve the integrity of the program by reserving the benefits of the program to those who are directly displaced by acquisition and to those whose needs are demonstrable and subject to reasonable measurement.

Although one of the purposes for this legislation is to eliminate nonuniformity, the ambiguous and confusing language used throughout both bills would accomplish just the opposite by eliminating any possibility of uniform interpretation, or reasonable administration. It is apparent that many of the provisions were drafted by persons unfamiliar with the everyday realities of administering a complex set of rules and regulations, and we would, therefore, recommend that changes, if any, to the Uniform Act be adopted only after due and deliberate consideration by persons familiar with its operation.

We are all well aware of the on-going economic pinch on today's dollar, particularly with regard to increased interest rates on home financing.

At one point, mortgage interest rates throughout the nation reached the 16 percent level or more and, had they remained at that level for very long, could have had considerable impact on future projects, particularly with respect to mortgage interest differential payments. Even with the interest rates leveling off at 11 or 12 percent, it is conceivable that mortgage interest differential payments can approach the principal amount of an existing mortgage as well as use most of the $15 000 maximum replacement housing supplement. The potential is here to either stop projects completely or otherwise be forced into last-resort housing programs because of excessive mortgage interest differential and other replacement housing payments.

One way to solve the problem of excessive interest differential payments would be for the acquiring agency to be able to make a lesser and more equitable payment with which to pay the principal amount of the new mortgage at a level where the total monthly payment of principal and interest on the new mortgage would not exceed the total monthly payment on the existing mortgage. Unfortunately, the formula in the Uniform Act for computing the interest differential payment is very specific and does not allow any flexibility. There is nothing to assure that interest rates will ever recede to where they were more than a year ago, or that they won't go back up to 16 percent again. Therefore, this is one area of the Uniform Act that should be amended to give acquiring agencies the type of flexibility suggested here.

One other area that should be considered is relief for those persons who incur interim financing costs in the course of purchasing or building replacement housing. Many times, displaced homeowners must secure some interim financing with which to make a down payment for purchasing or building replacement housing prior to the time of receiving their acquisition and replacement housing payments. Although the costs are not great, they do impose another out-of-pocket expense for payment of interest on the interim financing that we are unable

to reimburse them for under the 1970 act. Payment of such costs will require additional enabling legislation; Illinois is considering state legislation to that end.

In the area of regulatory change, suffice it to say that, in the judgment of most states, we are grossly overregulated. For example, in answer to criticisms that businesses are leaving the inner cities as a result of displacement by highway projects, federal procedures now require the states to "consult with the affected local government and with the businesses potentially subject to displacement on all reasonable alternatives under consideration" on the premise that inadequate information and planning for sites in a particular jurisdiction may contribute to the loss of businesses and employment opportunities in that area.

"The results of early consultation with businesses to be displaced, planning for incentive packaging (e.g., tax abatement, special financing, and flexible zoning and building requirements), and advisory assistance that has been or will be furnished should be documented in the conceptual relocation plan, and, as appropriate, in the final environmental impact statement."

I agree that we should be, and we are, offering aid and assistance to businesses. At the same time, I submit, we are not responsible for the exodus of businesses to the suburbs; and nothing that we do, as proposed in this latest addition to federal procedures, will appreciably slow such movement. I think more displaced businesses could be helped if the Uniform Act and federal regulations were to be amended to remove the eligibility requirements for the in-lieu-of moving expenses payment so that businesses would have a clear-cut option to select the payment that would benefit them the most.

There have been other changes in federal regulations or procedures for promoting programs, such as to require increasing the availability of housing resources as part of a highway project. This may look good to some, but it is not the mission of state highway organizations to build housing to carry out highway programs. It is not required by the law unless there is absolutely no housing available and, therefore, should not be an additional drain on declining highway resources just to have a few more housing units available from which displacees may choose.

The tendency toward more and more regulations beyond the scope of the law adds tremendously to the costs, workload, and responsibilities of acquiring agencies requiring additional funding and manpower. This situation causes further difficulty in developing the required environmental impact statements.

Real Property Acquisition and Relocation Assistance in New York

Joseph A. Fogarty

Unlike most governmental agencies, New York State acquires property needed for public purposes through an administrative rather than a judicial process. This system allows state agencies to acquire needed lands smoothly and efficiently without lengthy court proceedings. Legal authority for this method of acquisition emanates from the recently enacted Eminent Domain Procedures Law (EDPL), which became effective July 1, 1978. This state law controls all eminent-domain proceedings within the state regardless of why the property is needed or whether the acquiring agency is public or quasi-public in nature. The EDPL controls the acquisition activities at all levels of government as well as public utility companies within the state. In order to provide maximum flexibility, the EDPL allows properties to be acquired by both appropriation and condemnation, but, as mentioned earlier, New York uses the appropriation process.

As one of the larger state acquisition agencies, the New York State Department of Transportation operates on full compliance with the EDPL but derives specific authority to acquire properties for new or reconstructed highways under Section 30 of the state's highway law. The department also works under other statutes in acquiring the lands that are needed for a wide range of transportation-related projects, but the aforementioned Section 30 is, by far, used most frequently.

Prior to any acquisition, an opportunity for a public hearing to review the proposed improvement and its impact on the environment must be provided before the project can be advanced. The EDPL provides specific instructions concerning advance notice of the hearing, how the hearing will be conducted, and in what manner the hearing results will be disseminated to the attendees.

Once the hearing process has been satisfied, the department's engineering section prepares detailed construction plans and individual appropriation maps for each property affected by the project. When these maps are received by the real estate division, each proposed taking is personally inspected and a preliminary determination is made of the taking's value so that appropriate title data can be secured. For takings with an estimated value of more than $5000, a full title abstract is ordered, but a title certificate is sufficient for properties valued at less than $5000. The real estate division is also responsible for preparing individual appraisals for each taking. In partial takings, a full before-and-after appraisal must be made for all takings valued at $5000 or more, while an abbreviated short-form appraisal may be used if the estimated value is less than $5000. The division uses the latest techniques in assessing compensable damage that emanates from the acquisition. Appraised damages are finalized by including in the appraisal the value of all land that is directly acquired together with any diminution in value to the remaining lands. Benefits, if any, that flow to the remaining lands may be offset against damages to the remainder but may not be offset against the value of the land actually acquired.

Appropriation maps must be filed three times before title transfers to the acquiring agency.