

95

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LAND ACQUISITION
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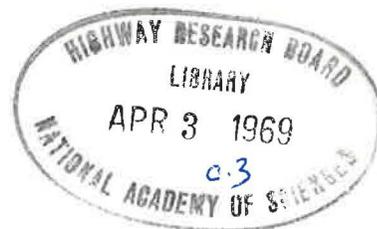
200-1 SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS OF THE 1969 ANNUAL REPORT ON HIGHWAY RELOCATION ASSISTANCE, TRANSMITTED BY THE SECRETARY OF THE DEPARTMENT OF TRANSPORTATION TO THE CONGRESS, AS REQUIRED BY SECTION 33 OF THE FEDERAL-AID HIGHWAY ACT OF 1968 (PUBLIC LAW 90-495, 90th CONGRESS, 2nd SESSION, AUGUST 23, 1968) JANUARY 15, 1969.

The Federal-Aid Highway Act of 1968 directed the Secretary of Transportation to report annually concerning the administration of the highway relocation assistance program. Congress wanted to be advised, in this manner, of how the revised and enlarged highway relocation assistance program is being put into effect; what special problems are emerging from its administration; what results are being achieved; and how the program might be improved.

Federal Highway Administration and Bureau of Public Roads interest in relocation assistance goes back more than two decades. A limited program of specific relocation assistance was authorized in 1962. In the Federal-Aid Highway Act of 1968, the Congress has provided legislative authority and funding unprecedented among public works programs, for the compensation of highway displacees of all kinds.

Redefinition of Relocation Assistance Problem. The lack of authority and moneys with which to adequately compensate displacees no longer characterizes the highway relocation assistance program. The problems are those characteristic of the administration of a new program, and they will be handled as they are identified.

An emerging problem concerns the need to equate relocation housing supply and demand, in particular places and at specific times when highway projects mature. Relocation payments and additives beyond market value will not solve this problem.



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Past Experience with Relocation Assistance. As of the date of passage of the 1968 Act, there were 40 jurisdictions with State legislation consonant with the 1962 Federal-Aid Highway Act. For the year July 1, 1967, to June 30, 1968, there were 21,452 payments for moving expenses to residential units, involving over \$2,700,000, at an average payment of \$126 each. During this same period there were 2,622 payments to as many businesses, involving more than \$2,800,000, the average payment being \$1,075 each.

Total relocation displacements of all kinds, occasioned by Federal-aid highway improvements, amounted to almost 95,000 for the period July 1, 1965, through June 30, 1968, of which 29,500 occurred in fiscal year 1968.

Relocation Assistance Provisions of 1968 Act. Chapter V of the new 1968 Act:

--contains a new declaration of legislative policy with respect to highway relocation assistance;

--provides for assurances to be given by the State highway departments in connection with specific project proposals;

--increases the level of moving cost payments of all sorts, without a ceiling but with certain limitations;

--provides for 100 percent Federal reimbursement of such payments, up to \$25,000, including the costs of administration, until July 1, 1970;

--authorizes an additive to fair market value of property acquired, in the form of a replacement housing payment up to \$5,000;

--provides for a similar additive in the form of a rent supplement for tenants up to \$1,500;

--sanctions the payment of expenses to the property owner incidental to the transfer of his property to the State;

--requires an expanded level of relocation assistance services to displacees; and

--defines several real property acquisition policies which are mandatory on all Federal-aid highway acquisition.

Legal Aspects of Relocation. The legal capacity of the States to comply fully with the payment provisions of the 1968 Act is the key to its early implementation. Two types of assurances must be given by the States. One involves real property acquisition policies; in this connection, the States indicate no substantial legal obstacles to providing the required assurances. The second relates to the adequacy of the relocation assistance program, including assurance of an available supply of decent, safe, and sanitary housing; in response, 10 jurisdictions have indicated they can comply unconditionally; 39 indicate ability to comply only partially; and one State has indicated inability to comply at all. Responses are awaited from two States.

Most States of the group of 39 indicate they can achieve full compliance through statutory enactment; an opportunity for new enactments will be provided in most States during their 1969 legislative sessions.

As an aid to the States, drafts of model legislation are being drawn-up for legislative consideration.

Implementation of the Program. Procedures have been devised to implement the relocation assistance and payment provisions of the 1968 Act. These were reviewed by an ad hoc committee of State highway officials prior to their issuance. A number of meetings, conferences, workshops, and similar group discussions have been held at the Federal, regional, State, and local levels, to translate the legislation into an effective operating program at the earliest possible time.

The concept of decent, safe, and sanitary housing has been defined to include the following: Conformity with all local building and occupancy codes; a continuing and adequate supply of potable water; adequate kitchen facilities, including a refrigerator, hot and cold running water, and drains and where customary a sink and stove; a heating system adequate to provide 70 degree minimum temperature; toilet and bath facilities; artificial lighting for each room; a structure that is sound and in reasonably good repair; two means of egress; a space allotment of 150 square feet for the first person and 100 square feet for each additional inhabitant of the unit; and other elements.

Comparable dwelling (as required by the Act) is defined as one which is substantially equal and functionally equivalent with respect to: The number of rooms; the area of living space; the type of construction (wood frame, stucco, etc.); its age; the state of repair; accessibility to public services and places of employment; and the type of neighborhood.

Problems Arising Out of Program Execution. New problems are generally those associated with execution of a new program. Most States will need legal equipment in order to comply with the 1968 Act; this can and possibly will be achieved in most States by the end of 1969. In the meantime, the program is underway in all States, within the States' legal limitations.

Pending State legislation permitting full implementation of the payment provisions, possible Federal disallowances (for technical reasons) of relocation payments made by the States under the provisions of the 1968 Act is a real difficulty.

Both the Federal Highway Administration and the State highway department headquarters and field office, are having to adjust their organizations and staffing to execute the enlarged relocation assistance program. A reservoir of trained persons in this field is nonexistent and intensive training programs are a must.

The Federal Highway Administration has been seeking to arrange for preferences for highway relocatees of decent, safe, and sanitary housing that becomes available, under existing public housing programs. The Veterans Administration and the Federal Housing Administration have initiated procedures to this end. Discussions with other agencies of the Department of Housing and Urban Development and with the Farm Home Loan Administration are continuing.

Differences in State Approach to Replacement Housing. Maryland and California enacted new relocation assistance laws prior to the passage of the 1968 Act. The principal difference between the Maryland and California laws is that the Maryland approach is merely to compensate the owner for the equivalent of replacement housing, whereas the California approach is more comprehensive and can involve the provision of the replacement housing itself if that is necessary. It is being suggested to the States that the broadest possible authority to deal with the highway relocation assistance problem be obtained at the State level.

Advance Acquisition in Relation to Relocation Assistance. Since advance acquirement of lands for highway rights-of-way provides additional and often critically needed lead time prior to construction, the relocation of persons and businesses can be accommodated with much more deliberation and far less friction -- and perhaps less cost -- than otherwise would be possible. Advance acquisition is now authorized and funded under the new 1968 Act. An apportionment of \$100 million of advance acquisition funds was made for fiscal year 1970. Both the Federal Highway Administration and the State highway departments will seek to execute this program so that it will augment the relocation assistance effort.

Equating the Supply and Demand for Relocation Housing. The demand for relocation housing accommodations will substantially exceed the supply of such facilities in particular areas of the Nation. This condition stems partly from the 1968 Act's specific requirement of decent, safe and sanitary housing--a social goal which it is desirable to achieve.

Now that an adequate level of relocation payments and assistance has been authorized and funded in the new 1968 Act, a principal area of concern is how best to equate the supply of decent, safe and sanitary housing with the demand for such accommodations which results from displacements of all kinds. Such a supply must be made available at time intervals which at least approximately coincide with the orderly programing and construction sequence of highway and all public works projects. Unless the supply of decent, safe, and sanitary housing is appropriately augmented to meet this demand, highway and other public works projects will be delayed unreasonably.

The Federal Highway Administration is seeking the ways and means of equating supply and demand of decent, safe and sanitary replacement housing, on a time grid that will coincide with project construction. To this end, a series of discussions has been arranged with officials of the Department of Housing and Urban Development and with others.

As a basis for discussions, it is suggested that HUD be given the immediate responsibility (by administrative or legislative authority) of ascertaining what the relocation housing demand will be, on an annual basis, over the next ten years; and similarly to determine the supply that is likely to be available over the same time period. HUD would then seek the authority and moneys to bridge any gap which is likely to exist between such supply and demand. This effort would form a part of the continuing responsibility with respect to national housing goals required by the Congress of HUD under Title XVI of Sections 1601-1603 and Title II of Section 202 of the Housing and Urban Development Act of 1968.

An alternative to the above approach would be for the States themselves to provide the necessary replacement housing. This would involve the passage of necessary State enabling legislation, probably similar to the new 1968 California statute.

It is essential that these two approaches, and others, be seriously and immediately considered in connection with the highway relocation assistance problem.

State Action on Relocation Assistance. All State highway departments have programs of relocation assistance as required under the 1962 Act, and forty of them have legislative authorizations for paying moving costs to the level of that Act.

Some State highway departments are responding with insight and understanding to the new relocation assistance program enlarged under the Federal-Aid Highway Act of 1968. In the short period of time since the Act became effective, several States have devised forward-looking procedures designed to implement its provisions. Materials produced by three of these States--California, Massachusetts, and West Virginia--are included in this report.

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LS-1

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