

Residential Dislocation—Costs and Consequences

An NCHRP staff digest of the recommendations contained in the final report and the 1980 Pyke Johnson award winning paper based on NCHRP Project 20-9, "Socioeconomic Consequences of Right-of-Way Acquisition Induced Resident Dislocation." The research was conducted by RMC Research Corporation, Inc. The principal investigator and author of the paper was Jon E. Burkhardt, now Vice President of Ecosometrics Incorporated.

THE PROBLEM AND THE SOLUTION OBTAINED

Residential dislocation is one of the major direct consequences of urban highway projects, and some opposition to specific urban highway proposals is based on the fear of citizens that they may be inadequately compensated for the effects of being dislocated from their homes. In light of these considerations, the objectives of the research were to (1) develop techniques to predict the dislocation consequences of alternate route and design proposals and (2) identify related legislative or regulatory constraints and recommend modifications to ensure equity to the displacees.

The research was successful in identifying ways in which the highway planning process could be improved by (1) increasing the planner's ability to forecast the dislocation consequences of particular location and design decisions and (2) suggesting techniques for more adequately compensating persons adversely affected by right-of-way acquisition. Very few recommendations to modify existing legislation or regulations are made because such modifications were largely found to be unnecessary. Rather, changes in the way regulations are administered were found to be more appropriate, and such changes are recommended under three categories: (1) in compensation, (2) in relocation practice, and (3) in the highway planning process.

The recommended changes in administrative procedures are explicit, easily understood by right-of-way agents, and need no further substantiation. At the time of the research, no state had implemented all of the recommendations and hence evaluation of implemented recommendations is warranted.

RECOMMENDATIONS

Analyses of background data and more than 700 in-depth interviews collected before and after moving, at six sites geographically distributed throughout the United States, show that the consequences of residential dislocation do not vary significantly among socioeconomic and demographic groups except for the elderly. Relocation process characteristics rather than socioeconomic characteristics were shown to be related to measures of happiness and satisfaction. In other words, socioeconomic characteristics were not found to be useful predictors of the impacts of residential dislocation on dislocatees. On the basis of the research findings, recommendations are made for (1) changes in compensation, (2) changes in relocation practice, and (3) changes in the highway planning process.

The first recommended change in compensation is to allow an owner to receive, as payment for the taking of his or her dwelling, the cost of a comparable replacement dwelling. The legal basis for the amount to be paid should be the fair market value of the individual's former home plus the additive payment. This payment, possibly called "comparable housing payment," would help eliminate the current disagreements over fair market value. The second compensation change is to improve equity by compensating persons in essentially similar situations before displacement with approximately equal property payments. More of a focus on a locally determined standard for a comparable replacement dwelling would rectify a situation where homeowners moving to a larger house receive more of an additive payment than homeowners moving to apartments. The third recommended change is to speed up relocation payments either by making the money available more quickly or by paying the interest charges on short-term loans that can be used to expedite the purchase and occupancy of the new dwelling. The fourth change is to pay the dislocatee the replacement cost of ancillary improvements or to allow the dislocatee to move as many of them as possible at highway department expense. The fifth change is either to increase payments for the property of dislocatees formerly residing in income-producing property or to finance construction of such improvements to the new property. Sixth, consideration should be given to raising the dislocation allowance and extending the 4-year limitation on rent supplements.

The first change recommended in relocation practice is to give greater attention to the training of relocation agents to ensure that they are tactful in all their contacts with dislocatees. Secondly, acquisition of property should not occur until the owner-occupants can be relocated/compensated to avoid having to assess rents in excess of previous mortgage payments.

Changes to the highway planning process include locating highways to avoid areas having in excess of 16 percent persons over the age of 65. Such persons are largely uncompensated for losses that are important to them. Another recommended change is to involve relocated persons early in the planning process in recognition of the knowledge that persons can more readily accept adverse decisions if they have been a party to the decision-making process.

APPLICATIONS

The findings from this study should be of value to technical personnel such as designers, relocation personnel, planners, right-of-way agents, and others involved in route location and design. The agency's final draft report provides a description of theory related to the subject, the research plan, the data obtained, data analyses, findings, and recommendations developed from the findings. It may be purchased from University Microfilms International, 300 North Zeeb Road, Ann Arbor, MI 48106. A condensation of the research results may be found in the paper, "Residential Dislocation: Costs and Consequences," published by the Transportation Research Board in Transportation Research Record 716. For this paper, the author, Jon E. Burkhardt, received the 1980 Pyke Johnson Award from the Transportation Research Board.

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