

A COMMISSION REPORT

RELOCATION:  
Unequal Treatment of  
People and Businesses  
Displaced by Governments



ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS  
JANUARY 1965

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(As of July 1, 1964)

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ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

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## PREFACE

The Advisory Commission on Intergovernmental Relations was established by Public Law 380, passed by the first session of the 86th Congress, and approved by the President September 24, 1959. Sec. 2 of the act sets forth the following declaration of purpose and specific responsibilities for the Commission:

Sec. 2. Because the complexity of modern life intensifies the need in a federal form of government for the fullest cooperation and coordination of activities between the levels of government, and because population growth and scientific developments portend an increasingly complex society in future years, it is essential that an appropriate agency be established to give continuing attention to inter-governmental problems.

It is intended that the Commission, in the performance of its duties, will--

(1) bring together representatives of the Federal, State, and local governments for the consideration of common problems;

(2) provide a forum for discussing the administration and coordination of Federal grant and other programs requiring intergovernmental cooperation;

(3) give critical attention to the conditions and controls involved in the administration of Federal grant programs;

(4) make available technical assistance to the executive and legislative branches of the Federal Government in the review of proposed legislation to determine its overall effect on the Federal system;

(5) encourage discussion and study at an early stage of emerging public problems that are likely to require intergovernmental cooperation;

(6) recommend, within the framework of the Constitution, the most desirable allocation of governmental functions, responsibilities, and revenues among the several levels of government; and

(7) recommend methods of coordinating and simplifying tax laws and administrative practices to achieve a more orderly and less competitive fiscal relationship between the levels of government and to reduce the burden of compliance for taxpayers.

Pursuant to its statutory responsibilities, the Commission from time to time singles out for study and recommendation particular problems, the amelioration of which, in the Commission's view, would enhance cooperation among the different levels of government and thereby improve the effectiveness of the federal system of government as established by the Constitution. One such problem, so identified by the Commission, was the question of the relocation of people and businesses displaced by governmental public works and other programs.

This report focuses on the intergovernmental aspects of programs causing displacement and of provisions for minimizing the hardships of forced relocation. It describes the constitutional basis of governmental responsibility for relocation and traces the evolution of public policy down to the present. The report delineates the magnitude of displacement by government and the number and nature of governmental programs involved--local, State, and Federal. It describes existing governmental programs for relocation assistance and payments and the major problems encountered in easing the task of relocation. Finally, the report presents 14 recommendations for local, State, and Federal action to help overcome the relocation problems described and achieve a greater degree of equity among the people and businesses affected.

This report was adopted at a meeting of the Commission held on January 18, 1965.

Frank Bane  
Chairman

## WORKING PROCEDURES OF THE COMMISSION

This statement of the procedures followed by the Advisory Commission on Intergovernmental Relations is intended to assist the reader's consideration of this report. The Commission, made up of busy public officials and private persons occupying positions of major responsibility, must deal with diverse and specialized subjects. It is important, therefore, in evaluating reports and recommendations of the Commission, to know the processes of consultation, criticism, and review to which particular reports are subjected.

The duty of the Advisory Commission, under Public Law 86-380, is to give continuing attention to intergovernmental problems in Federal-State, Federal-local, and State-local, as well as interstate and interlocal, relations. The Commission's approach to this broad area of responsibility is to select specific, discrete intergovernmental problems for analysis and policy recommendation. In some cases, matters proposed for study are introduced by individual members of the Commission; in other cases, public officials, professional organizations, or scholars propose projects. In still others, possible subjects are suggested by the staff. Frequently, two or more subjects compete for a single "slot" on the Commission's work program. In such instances, selection is by majority vote.

Once a subject is placed on the work program, a staff member is assigned to it. In limited instances, the study is contracted for with an expert in the field or a research organization. The staff's job is to assemble and analyze the facts, identify the differing points of view involved, and develop a range of possible, frequently alternative, policy considerations and recommendations which the Commission might wish to consider. This is all developed and set forth in a preliminary draft report containing (a) historical and factual background, (b) analysis of the issues, and (c) alternative solutions.

The preliminary draft is reviewed within the staff of the Commission and after revision is placed before an informal group of "critics" for searching review and criticism. In assembling these reviewers, care is taken to provide (a) expert knowledge, and (b) a diversity of substantive and philosophical viewpoints. Additionally, representatives of the Council of State Governments, National Association of Counties, National League of Cities, U. S. Conference of Mayors, U. S. Bureau of the Budget, and any Federal agencies directly concerned with the subject matter participate along with the other "critics" in reviewing the draft. It should be emphasized

that participation by an individual or organization in the review process does not imply in any way endorsement of the draft report. Criticisms and suggestions are presented; some may be adopted, others rejected by the Commission staff.

The draft report is then revised by the staff in light of criticisms and comments received and transmitted to the members of the Commission at least two weeks in advance of the meeting at which it is to be considered.

In its formal consideration of the draft report, the Commission registers any general opinion it may have as to further staff work or other considerations which it believes warranted. However, most of the time available is devoted to a specific and detailed examination of conclusions and possible recommendations. Differences of opinion are aired, suggested revisions discussed, amendments considered and voted upon, and finally a recommendation adopted (or modified or diluted as the case may be) with individual dissents registered. The report is then revised in the light of Commission decisions and sent to the printer with footnotes of dissent by individual members, if any, recorded as appropriate in the copy.



## ACKNOWLEDGEMENT

Staff work for this report was conducted by Albert J. Richter, a staff member of the Commission.

The Commission and its staff profited from an informal review of a draft of the report by a number of individuals, including Melvin Adams, John E. Bebout, I. M. Labovitz, Stephen D. Moses, Constance Perin, Sidney Z. Searles, and Richard Watson, as well as representatives of national organizations of State and local officials and of appropriate Federal agencies.

Special acknowledgement is made of the cooperation and valuable assistance provided by Henry H. Krevor, Chief Counsel and Staff Director, Select Subcommittee on Real Property Acquisition, House Committee on Public Works.

Appreciation for this assistance is gratefully acknowledged. Final responsibility for this report and its contents, of course, rests with the Commission and its staff.

Wm. G. Colman  
Executive Director

Norman Beckman  
Assistant Director  
(Metropolitan Areas)

RELOCATION: UNEQUAL TREATMENT  
OF PEOPLE AND BUSINESSES DISPLACED BY GOVERNMENTS

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# I

## INTRODUCTION

Thousands of people and businesses are forced to move every year because of governmental acquisition of property or enforcement of housing and building codes. All indications are that this pace of displacement will accelerate with increased urbanization and the consequent mounting demands for urban services and growth of Federal, State, and local programs for the renewal of cities. It has been estimated, for example, that from 1964 to 1972 the federally aided urban renewal and highway programs alone will have caused dislocation of a total of 825,000 families and individuals and 136,000 business and nonprofit organizations. 1/

As the magnitude of displacement has increased in recent years, there has been growing concern over the impact on those forced to move--concern over whether these "displacees" are having to bear a disproportionate share of the cost of the benefit created by the public works program necessitating their move. The concern is voiced particularly regarding the poor and the elderly, and marginal and submarginal small businesses; these individuals and businesses seem most often to be in the way of property-taking programs and are least capable of coping with the adjustments of a forced move.

President Johnson, in his 1964 housing message to the Congress, commented on the human costs of relocation in specific reference to urban renewal displacements in these terms:

Despite existing programs assisting families and persons displaced by urban renewal projects, the human cost of relocation remains a serious and difficult problem.

The vast majority of those displaced by urban renewal and public housing have relocated in better and standard housing, but some have not. For most, the cost of improved housing has been an unsought

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1/ U. S., Congress, House, Study of Compensation and Assistance for Persons Affected by Real Property Acquisition in Federal and Federally Assisted Programs; printed for use of the Committee on Public Works, 88th Cong., 2d Sess., 1964, p. 258.

burden. For some, the inconvenience of displacement has meant only another slum dwelling and the likelihood of repeating this experience.

...Similarly, small businessmen--especially those in leased premises--often incur economic loss and hardship as a result of displacement by urban renewal or public housing which is not offset by current compensation practices and moving expense reimbursements. 2/

Government has not been oblivious to the relocation problem, as the President's statement indicates. At all levels--Federal, State, and local--it has responded to some degree by providing relocation payments and other assistance to displacees. But these provisions are inconsistent--among programs within the same level of government and among the different levels. Also, serious questions have been raised about the equity and adequacy of many of them. One consequence sometimes has been a retarding effect on the scheduled execution of necessary governmental programs requiring the taking of property. Relocation has been called, for example, the "Achilles heel" and the "hot potato" of urban renewal.

The relocation problem has many intergovernmental implications. The two major programs causing displacement are the federally aided urban renewal and highway programs--the first carried out by local governments, and the second by State governments but to a considerable extent within urban areas. Urban areas are the focus of most of the displacement problem and the inconsistencies and inadequacies in relocation provisions are aggravated by the fact that many displacements by different displacing programs and different levels of government occur side by side within the same community.

This report describes the scope and complexity of Federal-State-local relations in the displacement of people and businesses in urban areas. Chapter II gives the background and scope of the relocation problem. It traces the evolution of governmental responsibility for relocation back to the constitutional doctrine of eminent domain and describes how the changing impact of governmental taking of property and expanding public policy with respect to social and economic welfare have given rise to a widespread

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2/ Congressional Record, 88th Cong., 2d Sess., 1964, Vol. 110, No. 13, p. 1047.



feeling that this doctrine is inadequate to compensate those forced to move. It contrasts different relocation policies pertaining to property taking by governmental and private enterprise and cites the development of relocation policies in Europe. Finally, Chapter II presents figures delineating the magnitude of the present and expected future relocation problem.

Chapter III analyzes current governmental policies and practices in relocation at all three levels. A fundamental source of information was a questionnaire survey of the relocation practices and problems of cities over 100,000 population conducted jointly, in the summer of 1964, by the Commission and the U. S. Conference of Mayors.

The chapter begins with a detailed description of the history and present relocation provisions of the federally aided urban renewal program--the program that has had great impact in urban areas and in development of governmental relocation policies and practices. There follows a discussion of the major problems in relocating both persons and businesses. Similar analysis is made of the other major governmental program causing dislocation--the Federal aid highway program; other direct Federal and federally aided programs; State displacement activities other than highways; and other displacement by local governments in urban areas. Chapter III concludes with a discussion of major problems: inconsistency among programs at all levels; coordination of relocation activities within individual local jurisdictions; and coordination among local jurisdictions in metropolitan areas.

Chapter IV summarizes the major findings and suggests legislative and administrative changes of an intergovernmental character necessary to mitigate the problems identified. Recommendations fall under six major headings: (1) uniformity of relocation advisory assistance and payments; (2) assignment of responsibility for determining relocation payments; (3) assurance of availability of standard housing; (4) financing of relocation costs; (5) modification of related Federal programs; and (6) local organization, technical assistance, and planning for relocation.

## II

### BACKGROUND AND SCOPE OF THE RELOCATION PROBLEM

#### A. Governmental Responsibility for Relocation

The question of governmental responsibility for relocation arises out of governmental authority to acquire private property against the owner's will. This authority, called the power of eminent domain, is provided in Federal and State constitutions and may be exercised only when the property is needed for a public use and "just compensation" is paid to the owner. The courts traditionally measure "just compensation" in terms of the market value of the real property taken.

Unlike a property transaction between two private parties, the owner in an eminent domain case is not in a position to withhold his property until he feels satisfied that he will be compensated for the full costs of giving it up including not only the fair market value of the real property being taken, but also the costs of moving personal property and other incidental damages. He is forced to give up his property. Therefore, if he is to be "made whole" economically, he must rely on a judicial construction of "just compensation" sufficiently broad to cover the full costs of giving up his property and relocation, or on legislative adoption of a policy of compensating for incidental damages.

##### 1. The courts' attitudes toward "just compensation"

Federal and State constitutions do not set forth any rules or techniques for implementing the guarantee of just compensation for private property taken for public use. Never in the Congress, and only lately in some States, have attempts been made to establish broad legislative policies on the subject; consequently, the courts have assumed the task of developing basic principles for measuring just compensation. They early adopted the concept that just compensation should be measured in terms of market value. Generally, this has been construed to be the cash price agreed on at a voluntary sale between an owner willing but not required to sell and a buyer willing but not required to buy.

The majority of the courts have held that there is no obligation to pay even for losses or damages suffered by property owners and tenants as a direct result of land acquisition programs (e.g., uselessness of equipment tailor-made to a particular building). The

courts have held that these damages are not reflected in the market value of the real property the government acquires, or are too speculative. In the case of a lessee, the additional argument is made that since the lessee must stand the cost of removal at the end of his term, the taking does not cause him to incur moving expenses but only changes the time when such expenses are incurred. 1/ As a consequence, the courts generally have held that owners and tenants have no constitutional right to compensation for such items as good will, business interruption, costs of moving personal property, loss of rentals due to anticipated taking, and other losses and damages which frequently are real and substantial. 2/

## 2. Increasing public concern for compensating for incidental damages

In an earlier day, the issue of incidental damages was of much less significance than it is today. Under conditions of a largely rural society and limited governmental activity, acquisitions of improved private property for public use were relatively infrequent and, being limited largely to such purposes as erection of court houses, police stations, and school buildings, they rarely involved mass takings. An exception was the railroads' use of eminent domain for purchasing right of way. Here, however, the public policy of encouraging such purchases in the interest of economic development, even when they caused displacement in urban areas, disposed the courts to hold down costs of acquisition and thus to render a strict interpretation of "just compensation." At the same time, of course, government played a relatively inactive role with respect to the economic welfare of individual citizens--public assistance, public housing, and unemployment compensation, for example, were unheard of.

In contrast, in our present rapidly urbanizing society, acquisition of land for public use in congested, built-up areas is constantly expanding. The concern for improving housing and conserving and reviving older central cities has resulted in a vast

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1/ State of California, California Law Revision Commission, The Reimbursement for Moving Expenses When Property is Acquired for Public Use (October 1960).

2/ Henry H. Krevor, A Congressional Study of Just Compensation; article prepared for Manual of the American Society of Appraisers (mimeo., n.d.), p. 8.

federally aided urban renewal program. The needs of national defense and national economic growth have brought about large scale federally aided highways, much of which involve clearing land and constructing highways in built-up urban areas. Expanding needs of cities and States require property takings: schools, parks, office buildings, streets, parking lots and ramps, etc. Municipalities are turning more and more to enforcement of minimum building and housing codes, causing forced displacement by relieving overcrowding or forcing demolition. With the growth of suburbs, moreover, many cities have become neighborhoods of underprivileged, minority groups, the elderly, and small and frequently marginal and submarginal businesses. These are the elements of the population least able to absorb the cost of incidental damages of displacement and generally to adjust to hardships caused by being forced to move. Paralleling the accelerated pace of displacement, government at all levels has accepted increasing responsibility for assuring minimum standards of welfare, housing, education, and employment for all groups in the population.

### 3. Legislative action to compensate for incidental damages

The growing impact of displacement and expanded government responsibility for economic and social welfare has resulted in an increasing feeling in many quarters that government should compensate for incidental damages associated with displacement. Apart from the justification based on the difference between a forced and a voluntary sale, such reasons as these are cited:

The government uses real property for projects expected to benefit the public. The public is expected to bear the burden of the costs of the projects. Where individuals suffer clearly established financial losses and damages as a direct consequence of the projects, fundamental fairness requires the public to bear these losses and damages just as it bears the costs of property actually taken and other project costs....

Since it is unfair for the government to take property physically without compensation, it is no less unfair to deny compensation for losses and damages which occur as a direct result of the land acquisition activity.... <sup>3/</sup>

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<sup>3/</sup> Krevor, op. cit., p. 9.

A further reason given is that failure to provide for full compensation, and otherwise to assist persons displaced, is self-defeating when it frustrates achievement of other governmental objectives. Thus, failure to provide relocation assistance for the economically and socially underprivileged makes more difficult the tasks of housing and welfare programs.

Most courts have not broadened their interpretation of "just compensation" to cover incidental damages. Where they have, the standard of compensation "operates unequally, with some condemnees fully indemnified while many others are forced to bear considerable losses." 4/ Changes in public policy, therefore, have been sought through the Congress and State legislatures. As early as 1933, in establishing the Tennessee Valley Authority, Congress authorized TVA to provide assistance to persons forcibly displaced by TVA acquisitions. During the past decade, Congress has passed piecemeal a series of laws authorizing certain agencies to make limited administrative payments for moving expenses and closely related losses. These acts have different provisions, and a number of agencies still are without authority to pay these expenses. The wide variation in provisions and the fact that many property-taking programs have no provisions at all were important factors leading to establishment of the Select Subcommittee on Real Property Acquisition of the House Committee on Public Works in 1961.

A number of States also have taken legislative action to authorize compensation for moving expenses and personal property losses. On the whole, however, the willing seller-willing buyer remains the test in most States, and many incidental losses continue to be uncompensated.

Legislative action takes two different approaches: (1) authorization and direction for administrative departments to pay compensation for moving and related costs of relocation with some specification of the types of costs to be allowed and maximum amounts; and (2) expansion of the eminent domain statute to authorize property-acquiring agencies and the courts to include moving and related costs in awards granted to property owners and, usually, tenants. The Federal Government has followed the first course exclusively. State governments have differed, mostly following the course of administrative payments. Included in this group are New York, Connecticut, Massachusetts, and Ohio. Those using the eminent domain approach

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4/ "Eminent Domain Valuations in an Age of Redevelopment: Incidental Losses," The Yale Law Journal, Vol. 67, 1957-1958, p. 74.

include Maryland, Minnesota, and Pennsylvania. In all cases, the statute establishes maximum limits on payments for all or various categories of incidental damages.

#### 4. In contrast: displacements by private enterprise

Governmental activities are not the only, if indeed the greatest, cause of displacement of people and businesses in urban areas. Much of it is caused by private construction. Commenting on one aspect of the effect of private construction in urban areas, HHFA Administrator Robert C. Weaver has said:

Every time office buildings, commercial and shopping centers, parking garages, and modern apartments go up in our central cities, the chances are that a substantial number of older housing units occupied by lower-income people are removed to make way for these investments. We have no data on how many families are displaced by private investment in our growing urban areas, but it is certainly very substantial. 5/

Unlike property owners displaced by public acquisition, as noted earlier, owners displaced by private acquisition can hold out on their sales price until they feel assured they will be fully compensated for their property and the cost of resettling. Tenants, on the other hand, have little protection, particularly if they have no lease. Lower income groups are usually renters, and they find it most difficult to rehouse and readjust.

Comparison of public responsibility for relocation and the responsibility of private takers of property can lead to different reactions. On one hand, it can be used as an argument against the government's showing more concern for relocating displacees. On the other, it might be used to justify a public policy of providing assistance for persons and businesses displaced by private as well as public acquisitions.

#### 5. Governmental responsibility for relocation in Europe

European experience with relocation may be of some interest in considering the evolution of governmental policy in America. It

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5/ Robert C. Weaver, address to annual meeting, National Social Welfare Assembly, New York City, December 3, 1963 (multi.), p. 5.

has been referred to in reports of State legislative committees considering relocation programs as well as in technical articles on eminent domain. 6/

"Expropriation" in England was not extensively used until the first half of the 19th Century, about 50 years before any significant condemnation activity in the United States. While in both nations the growth of railroads caused extensive takings, in England, unlike the United States, acquisitions involved highly developed industrial and commercial areas, and thus the takings created considerably more damage to the condemnee than here.

Moreover, since compulsory acquisition was used mostly for the benefit of profit-making railroads, both the courts and the public were more sympathetic in viewing the treatment to be offered the condemnee. Not only did English courts grant awards for incidental damages by adopting vague standard of "value to the owner," they initiated the policy of increasing the award by 10 percent to compensate the condemnee for general inconvenience. 7/

In Europe generally, quite apart from compensation for the loss of legal rights, relocation of residential and other tenants is recognized as a public responsibility, and the degree and kind of assistance displacees receive far exceeds that in the United States.

As a minimum, alternative accommodations must be offered. In many countries, the substantial property holdings of cities (though not necessarily in the centers) and the large stock of "social" if not public

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6/ For example, see State of California, California Law Revision Commission, The Reimbursement for Moving Expenses When Property is Acquired for Public Use (October 1960); Commonwealth of Massachusetts, Legislative Research Council, Relocation Assistance for Persons and Firms Displaced by Public Action (Boston: Wright and Potter Printing Co., 1962); and "Eminent Domain Valuations in an Age of Redevelopment: Incidental Losses," The Yale Law Journal, Vol. 67, 1957-1958.

7/ "Eminent Domain Valuations in an Age of Redevelopment: Incidental Losses," op. cit., p. 66.

housing that is available and being built every year makes it easier for the cities to meet this stringent requirement....

In addition to moving expenses, compensation is usually paid for other burdens of dislocation, such as disturbance or higher costs of alternative quarters and, in case of business liquidation occasioned by demolition, for the loss of a firm's goodwill....

This comparatively generous treatment reflects in part the shortage of housing and other real estate accommodations, but it is now so firmly embedded that even a marked improvement in the supply is unlikely to change it. Because of the great concern over displaced people and enterprises, the limited relocation potential to date has been the most important single factor controlling the volume of slum clearance and renewal in even the most advanced and prosperous European nations. 8/

Reflecting the greater assumption of public responsibility in European relocation, "the private developer must offer about the same bundle of alternative accommodations and ample compensation that is required in the case of urban renewal and similar public projects." 9/ The writer quoted says that part of the reason for the generous attitude of government toward the displacee may be the "excessive urge of Americans to get things done without bothering to consider the burdens falling upon individuals," and Americans' willingness to accept mobility as an essential part of living. In many European countries, moving away from the lifetime home or long established business is virtually a major tragedy.

#### B. A Measure of the Relocation Problem

In a joint survey of municipal governments in cities over 100,000 population in the summer of 1964, the Advisory Commission and

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8/ Leo Grebler, Urban Renewal in European Countries: Its Emergence and Potentials (Philadelphia: University of Pennsylvania Press, 1964), pp. 84-85.

9/ Ibid., p. 87.



the U. S. Conference of Mayors 10/ sought information about relocation experiences and problems, including the volume of displacement. The 100 cities responding indicated that 36,900 families and 5,800 business concerns were displaced by all types of governmental action in the past year. They estimated that in the next two years 125,000 families and 16,000 businesses would be displaced, a yearly average of 62,500 and 8,000, respectively. A summary of the figures by program is shown in Tables 1 and 2.

From inception of the Federal urban renewal program in 1949 through September 30, 1963, the program is reported to have displaced 176,908 families, 65,657 individuals, and 39,399 business concerns. 11/ The Bureau of Public Roads reported that, in the first 17 months of its relocation assistance program adopted by Congress in 1962 for Federal aid highways, 46,597 residents and 4,601 businesses and nonprofit organizations had been displaced. 12/ As indicated in Chapter I, displacement by urban renewal and highways alone is estimated to amount to 825,000 families and individuals and 136,000 businesses and nonprofit organizations in the eight year period ending July 1, 1972.

From 1949 through June 30, 1963 relocation payments under the urban renewal program were made to 88,000 families, 32,000 individuals, and over 21,000 businesses. Payments totaled \$6.2 million, \$1.5 million, and \$29.7 million, respectively. 13/

### C. Intergovernmental Implications

A simple listing of governmental functions that involve displacement (e.g., highways, urban renewal, public buildings, code enforcement, etc.) reveals a number of intergovernmental problems. The Federal Government shares in financing and sets relocation

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10/ Hereafter cited as ACIR-CM survey.

11/ See Table 3, page 25 below.

12/ Study of Compensation and Assistance, op. cit., pp. 263, 265.

13/ William L. Slayton, Commissioner, URA, Report on Urban Renewal. Statement before the Subcommittee on Housing, Committee on Banking and Currency, U. S. House of Representatives, November 21, 1963 (Washington: Government Printing Office, 1964), p. 414.

Table 1.

Displacement of FAMILIES by Governmental Programs, Past  
Year and Next Two Years (Est.), 100 Cities Over  
100,000 Population

A. PAST YEAR

<u>Population Group</u>	<u>Number of Cities</u>		<u>D i s p l a c e m e n t s</u>					
	<u>In</u>	<u>Reporting</u>	<u>By P r o g r a m</u>					
			<u>Total</u>	<u>Urban</u>	<u>Streets</u>	<u>Code</u>	<u>Public</u>	<u>Other</u> <sup>1/</sup>
	<u>Group</u>		<u>Total</u>	<u>Renewal</u>	<u>and</u>	<u>Enforce-</u>	<u>Build-</u>	
					<u>Hwys.</u>	<u>ment</u>	<u>ings</u>	
Over 1,000,000	5	5	11,657	4,954	1,456	1,408	2,191	1,648
500,000 - 1,000,000	16	13	8,574	2,090	3,080	1,278	739	1,387
250,000 - 500,000	30	23	8,993	4,023	3,056	1,223	293	398
100,000 - 250,000	80	59	7,755	2,667	2,614	1,837	162	475
Total	131	100	36,979	13,734	10,206	5,746	3,385	3,908
Percent			100.0	37.1	27.6	15.5	9.2	10.6

B. NEXT TWO YEARS (EST.)

Over 1,000,000	5	5	44,148	12,949	4,582	15,253	4,231	7,133
500,000 - 1,000,000	16	13	23,289	8,490	5,902	3,974	1,614	3,309
250,000 - 500,000	30	23	30,140	14,065	9,982	3,412	615	2,066
100,000 - 250,000	80	59	27,397	13,193	7,070	5,962	401	771
Total	131	100	124,974	48,697	27,536	28,601	6,861	13,279
Percent			100.0	39.0	22.0	22.9	5.5	10.6

<sup>1/</sup> Includes public housing, parks, schools, parking ramps, and lots.

SOURCE: Questionnaire survey of Advisory Commission on Intergovernmental Relations - U. S. Conference of Mayors, Summer 1964.

Table 2.

Displacement of BUSINESSES by Governmental Programs, Past Year and Next Two Years (Est.), 100 Cities Over 100,000 Population

A. PAST YEAR

Population Group	Number of Cities In Group	Reporting	Displacement By Programs					Public Buildings	Other <sup>1/</sup>
			Total	Urban Renewal	Streets and Hwys.	Code Enforcement	Buildings		
Over 1,000,000	5	5	1,456	993	79	13	300	71	
500,000 - 1,000,000	16	13	1,126	768	298	0	60	0	
250,000 - 500,000	30	23	1,520	1,359	118	30	11	2	
100,000 - 250,000	80	59	1,768	1,006	634	105	4	19	
Total	131	100	5,870	4,126	1,129	148	375	92	
Percent			100.0	70.3	19.2	2.5	6.4	1.6	

B. NEXT TWO YEARS (EST.)

Over 1,000,000	5	5	4,452	3,022	172	210	930	118
500,000 - 1,000,000	16	13	3,262	2,380	796	0	75	11
250,000 - 500,000	30	23	4,017	3,270	507	70	15	155
100,000 - 250,000	80	59	4,246	3,163	699	265	99	20
Total	131	100	15,977	11,835	2,174	545	1,119	304
Percent			100.0	74.2	13.6	3.4	6.9	1.9

<sup>1/</sup> Includes public housing, parks, schools, parking ramps, and lots.

SOURCE: Questionnaire survey of Advisory Commission on Intergovernmental Relations - U. S. Conference of Mayors, Summer 1964.

requirements for several major State and local programs causing displacement. Urban renewal and the Federal aid highway program fall in this category, and together they cause by far the most frequent incidence of displacement. Other such programs are public housing and mass transportation. Federal property acquisitions not involving grants-in-aid, such as those conducted by the Corps of Engineers and the Department of the Interior, cause relatively few urban displacements. General Services Administration, on the other hand, is responsible for constructing Federal office buildings and creates some relocation problems at the local level. Similar problems are created by a State or municipal building project.

The Federal Government also has a leading role in determining policies, setting standards, and providing funds for economic and social programs that affect the ability of displaced persons and businesses to readjust. Among these are the public housing program, FHA loan insurance, urban renewal, public assistance, unemployment compensation, Small Business Administration, programs for the elderly, and protection of the rights of minority groups.

State governments conduct or participate in federally aided construction programs such as the interstate and primary-secondary highway program and the Hill-Burton hospital construction program. They are, of course, in a central position with respect to relocation powers and activities of their local governments, subject to limitations provided by constitutional home rule and court interpretation. State legislators have essentially full power to aid, direct, and limit local actions in causing displacements and providing relocation adjustment. States have granted localities considerable latitude in undertaking activities that cause displacement. As will appear in Chapter III, however, they have done relatively little with respect to authorizing local jurisdictions to provide relocation payments and services. They have done even less to provide technical and financial assistance for such services.

Because local governments are the most easily accessible to displaced persons and businesses, it is to be expected that they bear the brunt of complaints for dislocation problems regardless of which agency or level of government has been the cause. Also, local governments are affected by the policies and activities of neighboring localities as well as those of the State and National governments. Zoning, housing, and building ordinances, regulations of individual municipalities in metropolitan areas, and the relative amount of vacant land within a reasonable distance of jobs, affect the capacity of their neighbors to provide adequate standard housing for persons displaced within their boundaries.

### III

#### CURRENT POLICIES AND PRACTICES IN RELOCATION

Relocation is of most concern in urban areas where people and businesses are concentrated, governmental acquisition of property is most expensive, and intergovernmental relations are most complex. One program that has caused considerable displacement in urban areas is urban renewal. Since its inception in 1949, through September 1963, it is estimated to have displaced 177,000 families and over 39,000 businesses. It is the first major program in urban areas in which government accepted public responsibility to assure adequate housing for those displaced by government property takings. It has had the most persuasive influence throughout the country on policies and procedures for handling relocation activities by municipal governments. Largely financed by Federal funds, shaped by Federal law and regulations, but carried on with considerable policy discretion by local agencies, urban renewal has also caused the most problems essentially because displacement, especially in the early years of slum clearance, has been so central to its purpose. As will become clear, however, the urban renewal program has been characterized by resourceful efforts to ease the displacement hardships it causes and to make relocation an integral part of a government property-taking program. Again, this is because an important need in relocation--housing--is a central aspect of the urban renewal function.

For these reasons, and because it provides the most abundant data on the experience and problems associated with displacement and relocation, attention is first directed to the law, practices, and problems surrounding displacement of people and businesses caused by urban renewal. Thereafter are analyzed highway programs; public housing; mass transportation, other Federal and federally aided programs; State programs; and nonfederally aided local programs, including code enforcement and public building administration. Finally, attention is directed to some problems cutting across governmental and program lines.

The description and analysis of experience and problems in relocation are based on a number of sources: a questionnaire developed under joint sponsorship of the Advisory Commission and the U. S. Conference of Mayors and sent to the Mayors of the 131 cities with 1960 populations of 100,000 or more; a Commission staff tabulation of data contained in "workable program" submissions to the Housing and Home Finance Agency from cities with certified workable programs in early 1964; the record of hearings and the staff report

of the Select Subcommittee on Real Property Acquisition of the Public Works Committee of the House of Representatives; the record of hearings in recent years of other Congressional committees such as the Senate Special Committee on Aging and the Housing Subcommittee of the House Committee on Banking and Currency; numerous articles and special studies; and interviews with officials at all three levels of government who have been concerned with relocation.

Efforts are made to give examples of experience in individual cities and States, but when general conclusions are drawn, they do not necessarily apply in every case. Cities and States vary markedly in the degree to which they undertake programs causing displacement; the conditions under which they conduct the programs, including those causing difficult relocation problems; and the philosophy, conscientiousness, ability, and energy they apply in attacking the problems.

#### A. Urban Renewal

Urban renewal in the United States, as noted, is mainly a Federal-local program with strong emphasis on local responsibility for conceiving, planning, and carrying out renewal projects, and the Federal Government primarily providing financial assistance and general program direction. Also, assumption of relocation responsibility has come largely at the instigation of the Federal Government and under the influence of its policies.

##### 1. Development of present federally aided relocation program

Provision for relocation in the urban renewal program dates back to its predecessor Federal programs in the field of slum clearance and construction of new housing. <sup>1/</sup> The Public Works Administration in the early 1930's sometimes made financial help available to families displaced by its land clearance activities. When the United States Housing Act of 1937 transferred the housing program to the United States Housing Authority, local housing agencies were required to develop plans for relocating slum dwellers displaced from public housing sites. From this time until passage of the Housing Act of 1949, responsibility for relocation from clearance

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<sup>1/</sup> This historical summary draws heavily on Martin Millspaugh, "Problems and Opportunities of Relocation," Law and Contemporary Problems, XXVI, No. 1 (Winter 1961), pp. 8-11.

areas was recognized only haphazardly by the Federal Government. Various States, cities, and private builders, however, assumed some responsibility for relocation in their clearance and rebuilding activities. 2/

At the end of World War II, when long postponed construction created an unprecedented public works boom at the same time the Nation faced a critical housing shortage, the task of relocating families and businesses became increasingly difficult. Most States and cities that had set up slum clearance and redevelopment programs before 1949 provided some relocation assistance. These provisions were superseded by the requirements of the federally assisted urban renewal program established by Title I of the Housing Act of 1949.

The 1949 Housing Act made it clear that the National Government considered relocation a public responsibility and an essential feature of slum clearance. The Act required a local public agency (LPA) carrying out a federally aided redevelopment project to have a feasible method for temporary relocation of displaced families; required a showing of rehousing resources; and provided that priority in public housing should be given families displaced from redevelopment areas and public housing sites. Although implementing regulations authorized financial assistance for displacement, emphasis was on expediting redevelopment rather than benefitting displacees. Thus, the displacee could be paid for moving expenses and the first month's rent in his new dwelling, but only when necessary to move off the site; the total amount of financial assistance in each project had to be less than the estimated combined cost of delays and eviction proceedings caused by families refusing to move.

The Housing Act of 1954 converted slum clearance and redevelopment to "urban renewal," and led to establishment of the Urban Renewal Administration (URA) as a major constituent of the Housing and Home Finance Agency (HHFA). Emphasis was shifted from individual redevelopment projects to the concept of an effective program for attacking the entire problem of urban decay. For relocation, this meant: (1) rehabilitation of structures wherever feasible, replacing the total clearance concept and thus easing relocation pressures; and

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2/ See, for example, Jack Meltzer, "Relocation of Families Displaced in Urban Redevelopment: Experience in Chicago," Urban Redevelopment: Problems and Practices, ed. Colman Woodbury (Chicago: The University of Chicago Press, 1953), p. 411.

(2) the requirement that a city adopt a "workable program" for effectively dealing with the problem of urban slums and blight within the community.

One of the seven elements of the workable program prescribed by HHFA was the development and implementation of an effective plan for helping families displaced by urban renewal projects to obtain standard housing within their means. No similar requirement was applied to relocation of individuals and businesses although LPA's were encouraged to have such a program for them, too. The locality was to determine both immediate and long range relocation needs before displacement occurred and plan, organize, and initiate projects and activities that would assure availability of the necessary housing resources. 3/

Under the 1954 Act, the HHFA Administrator also was given the nondelegable responsibility of approving a local public agency's relocation plan. In addition, the Act authorized Federal Housing Administration loan insurance on liberal terms for low cost private housing for displaced families in eligible localities.

In the Housing Act of 1956, Congress decided for the first time that urban renewal displacees could receive financial help as a matter of right rather than as a device for facilitating slum clearance. Local public agencies receiving Federal funds were authorized to make payments to all dislocated families, individuals, and businesses for "reasonable and necessary moving expenses and any actual direct losses of property". 4/ to a maximum of \$100 per family or individual, and \$2,000 per business firm. Because of doubts as to whether State constitutions and laws would permit local public agencies to extend compensation in excess of an acquisition award, the Act provided for relocation payments to be covered by a 100 percent Federal grant.

The payment limit for businesses was raised to \$2,500 by a 1957 amendment, and HHFA was allowed to permit a local public agency to make fixed payments in lieu of actual moving expenses to all eligible families and individuals. The Housing Act of 1959 increased family and business limits to \$200 and \$3,000, respectively, and broadened

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3/ U. S., Housing and Home Finance Agency, The Workable Program for Community Improvement, Fact Sheet (Washington, February 1962).

4/ 42 U.S.C.A. 1456(f).



relocation payments coverage to include those displaced in an urban renewal project by any governmental action connected with the project, including code enforcement and rehabilitation. The 1959 Act also provided a new program of two-thirds Federal matching grants to help localities prepare "community renewal programs" designed to appraise a locality's total need for all types of renewal measures and its total resources for putting those measures into effect. 5/

The 1961 Housing Act removed the ceiling on relocation payments to businesses. By regulation of the HHFA Administrator, business moving expenses may not exceed \$25,000, and any payment over \$10,000 requires the approval of the Administrator. The 1961 Act also authorized Small Business Administration loans on special terms for displaced business firms. The loans bear interest under a formula which is the same as that for college housing loans.

The Housing Act of 1964 further expanded the Federal Government's program for relocation in urban renewal areas. 6/ It required that there be a feasible method for relocating individuals as well as families displaced from an urban renewal area. The HHFA Administrator is also required to issue regulations for establishment of each urban renewal program of a relocation assistance program designed to determine the needs of displacees, including businesses, for relocation assistance, provide information and assistance, minimize the hardships of displacement, and coordinate relocation activities with other project activities and related governmental activities. In addition, the Small Business Administration is directed to provide, at the earliest practicable time, relocation assistance and information for small business concerns to be displaced from urban renewal areas.

The 1964 Act also, for the first time, authorizes additional relocation adjustment payments of up to \$500 to families and elderly individuals (62 years of age or older) who are eligible but unable to secure public housing. Displaced business concerns with average annual net earnings of less than \$10,000 may receive an additional relocation payment of \$1,500 provided the firms are not part of an enterprise having an establishment outside the urban renewal area.

Finally, the 1964 Housing Act requires that relocation regulations include provisions to assure that relocation payments are made

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5/ 42 U.S.C.A. 1453(d).

6/ Public Law 88-560.

as promptly as possible without regard to any subsequent proceedings, determinations, or events relating to the property which do not bear on whether the displacement in fact occurred.

## 2. Federal regulations for urban renewal relocation

Urban Renewal Administration regulations prescribe relocation requirements that localities must meet to qualify for urban renewal loan and grant funds. They are administered by the Division of Relocation and Community Organization, URA, but final authority for finding that relocation requirements have been satisfied rests solely with the HHFA Administrator and cannot be delegated.

In June 1962, URA revised its requirements for relocation planning to emphasize the LPA's responsibility to aggressively seek new and existing housing to meet displacement needs. Regulations were tightened up to require more specific evidence of reported plans to construct new housing as a relocation resource; a program to keep site occupants currently abreast of all official developments affecting them; referral to the local code enforcement organization of substandard dwellings to which self-relocated families have moved; more definitive surveys of site occupant relocation needs; and more detailed reports of local relocation experiences. <sup>7/</sup>

The survey and planning application must contain, for example, estimates of number of site occupants in the project area, number of families to be displaced, and narrative description of the housing supply in the locality, indicating white and nonwhite availability. The application for loan and grant includes the relocation program, describing administration organization for relocation, relocation standards of "decent, safe, and sanitary" housing (which cannot be below the level of the local housing code), proposals for obtaining relocation housing, relations with site occupants, the LPA's eviction policy, relocation payment procedures, and relocation services; estimates of housing requirements and resources for displaced families; cost estimates for carrying out the relocation program; and resolution by the governing body of the locality finding that relocation is feasible. During the period site occupants are "in the

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<sup>7/</sup> James G. Banks, Relocation--A Balanced Consideration of Its Implications in Community Development. Speech to Potomac Chapter of National Association of Housing and Redevelopment Officials, Washington, D. C., March 14, 1963 (mimeo.).

relocation workload," the LPA must submit periodic reports of progress to HHFA.

### 3. Related Federal programs

Several other Federal programs bear importantly on relocating displacees from urban renewal areas. Federal grants are available to localities to pay up to two-thirds of the cost incurred in preparing a Community Renewal Program (CRP) covering the full range of urban renewal action required to meet local needs. A Community Renewal Program is intended to help a community approach its problems of blight on a citywide, rather than a piecemeal, basis. All the deteriorated and declining areas of the city can be identified and classified as to relative urgency and degree of urban renewal action needed. Included in the program is determination of relocation resources needed and available for renewal projects. 8/

The Small Business Administration (SBA) is authorized to make below-market interest loans of up to 20 years to assist small business concerns reestablish themselves if they have suffered substantial economic injury as a result of displacement by an urban renewal project or any other construction conducted or financed by the Federal Government. 9/ By the 1964 Housing Act, moreover, the SBA is also directed to provide relocation assistance and information for small business concerns to be displaced from urban renewal areas at the earliest practicable time. 10/

With respect to providing housing for the displaced, preference for admission to new or existing low rent public housing is provided by law for families of low income displaced by urban renewal or other action by governmental bodies. 11/ Section 221 of the National Housing Act authorizes the Federal Housing Administration (FHA) to provide liberal mortgage insurance on new or rehabilitated housing for sale or rent to families displaced from urban renewal areas or by other governmental action causing displacement. 12/ Section 221(d)(3)

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8/ 42 U.S.C.A. 1453(d).

9/ 15 U.S.C.A. 636(b)(3).

10/ Public Law 88-560, Sec. 305(c)(3).

11/ 42 U.S.C.A. 1410(g).

12/ 12 U.S.C.A. 1715(1).

provides a below-market or low interest rate rental housing program for displaced families and other low and moderate income families. Such mortgages are available in communities having an approved workable program and may be obtained by nonprofit corporations, limited dividend corporations, public bodies (except local housing authorities which provide only federally assisted low rent public housing), and cooperatives. 13/ Finally, the low income housing demonstration program authorizes exploration of new and improved means for providing housing for low income families; 14/ and the urban renewal demonstration program makes grants for demonstration projects to improve urban renewal, including the relocation process. 15/

#### 4. Local and State responsibility for urban renewal relocation

As of June 30, 1963, federally aided urban renewal projects were underway in 679 localities. These were located in 42 States, the District of Columbia, Puerto Rico, and the Virgin Islands. Five additional States and Guam had enabling authority for their cities to participate. Only 16 percent of the projects were in communities of 100,000 population and over. Nearly half the localities had populations of less than 25,000. 16/

Under the various State enabling statutes, a wide variety of "local public agencies" (LPA's) are authorized to carry out urban renewal projects. In some, a separate agency is authorized, with a governing board commonly appointed by the mayor with approval of the city council. In others, the powers of existing local authorities are extended to include urban renewal, or the city government itself is designated as the LPA, and the program is carried out through a department of city government.

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13/ Ibid.

14/ 42 U.S.C.A. 1436.

15/ 42 U.S.C.A. 1452(a).

16/ William L. Slayton, Commissioner, URA, Report on Urban Renewal. Statement before the Subcommittee on Housing, Committee on Banking and Currency, U. S. House of Representatives, November 21, 1963 (Washington: Government Printing Office, 1964), p. 402.

Apart from creating the local renewal agency, the involvement of the local governing body (city council) in the relocation aspect of an urban renewal project consists of approval of the project causing displacement, approval of the workable program, and formal determination that a relocation program is feasible. The LPA is responsible for preparing the relocation program; carrying out the relocation of families, individuals, and businesses in accordance with the approved program; making relocation payments to displacees for moving expenses and loss of property; and requisitioning grant payments from HHFA as full reimbursement.

Aside from providing statutory authority for local participation in the Federal-local urban renewal program, States as a whole involve themselves very little in urban renewal activities generally, and relocation specifically. Connecticut, Massachusetts, New York, and Pennsylvania share in the one-third non-Federal share of urban renewal projects, thereby contributing to the financing of relocation administration (but not payment of relocation expenses which are 100 percent federally financed, as noted earlier). In New York, localities must meet certain requirements to obtain approval for State grants, including relocation plans and performance. Furthermore, the New York legislature in 1964 enacted a law authorizing the State Commissioner of Housing to advance funds, in anticipation of State capital grants, to localities to help them prepare preliminary plans for relocation housing for urban renewal displacees. 17/

A few States also provide technical assistance for local renewal programs. In Kentucky, for example, the Urban Renewal Section of the State Division of Planning and Zoning provides technical and advisory services to communities engaging in urban redevelopment activities. Included is assistance in the techniques of relocation. 18/

Another way in which States are involved in urban renewal relocation is through general statutes requiring relocation payments to people and businesses displaced by property takings by the State and its localities where the requirements differ from those under the Federal urban renewal program. Examples are Maryland, Wisconsin, Pennsylvania, Minnesota, and Tennessee (see Table 7, page 71). Recent heightened interest in eminent domain procedures has led to

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17/ Laws of New York, 1964, Chapter 225.

18/ Kentucky Department of Commerce, Commonwealth and Community: The Kentucky Program of State Assistance for Community Development (undated).

creation of many State study commissions, such as those in Pennsylvania, Maryland, and California. If experience in these States is a guide, these activities might well lead to additional State legislation affecting local relocation payments.

The Advisory Commission-Conference of Mayors questionnaire asked cities to indicate whether their relocation activities were inhibited by State law. A Georgia city indicated that State law required public sale of redevelopment land, thus making it impossible for the LPA to give site preference in the re-use area to displaced businesses. This was the only legal inhibition indicated, although a number of cities offered the comment that the States should help them financially in carrying on relocation activities.

In general, it appears that States by and large have played a relatively inactive role in meeting relocation problems caused by urban renewal. They have not inhibited localities. Some notable exceptions aside, neither have they done much to help or encourage them either by financial or technical assistance or by establishing planning requirements as in New York State. The different degrees of vigor, imagination, and resources that localities have brought to the urban renewal relocation task have been largely the product of differences in purely local responses to the problems of urban renewal.

##### 5. Some nationwide statistics

Table 3 indicates experience in relocating families, individuals, and businesses displaced by urban renewal projects since 1949, as reported to the Urban Renewal Administration by LPA's. Over a period of almost 15 years, 176,908 families, 65,657 individuals, and 39,339 business firms were displaced by 703 projects in 405 cities.

According to reports of local agencies compiled by URA, about 80 percent of the 163,120 relocated families moved to standard housing. The remaining 20 percent were fairly evenly divided among those who self-relocated in substandard housing (6.7 percent), moved out of the city (6.5 percent), or could not be located at their new addresses (4.9 percent). Housing condition was known for 86.6 percent of all families relocated. Of these, 93.0 percent relocated in standard housing.

Table 4 shows the recent trend in nationwide success in relocating families in standard housing, according to reports compiled by URA from local sources.

Table 3.  
Summary of Urban Renewal Relocation Activity  
through September 30, 1963

<u>Families</u>	<u>Total</u>	<u>Percent</u>	<u>White</u>	<u>Nonwhite</u>	<u>Color Not Reported</u>
Total in acquired properties	176,908		48,585	81,686	46,637
Eligible for low rent public housing	97,164				
Total relocated	163,120	100.0	42,922	75,216	44,982
Standard Housing (subtotal)	130,319	79.9			
Federally aided public housing	32,172	19.7			
State or locally aided public housing	2,849	1.7			
Private rentals	64,915	39.9			
Sales	30,383	18.6			
Substandard Housing (subtotal)	10,891	6.7			
Condition Unknown (subtotal)	21,910	13.4			
Relocated out of city	10,606	6.5			
Whereabouts unknown	8,053	4.9			
Evicted	1,761	1.1			
Miscellaneous	1,490	0.9			
Not yet relocated as of 9/30/63	13,788		5,663	6,470	1,655
<u>Individuals</u>	<u>Total</u>		<u>White</u>	<u>Nonwhite</u>	<u>Color Not Reported</u>
Total in acquired properties	65,657		29,378	26,009	10,270
Relocated	60,230		26,840	23,983	9,407
Evicted	511		78	277	156
On site as of 9/30/63	4,916		2,460	1,749	707
<u>Business Concerns</u>	<u>Total</u>				
Total in acquired properties	39,339				
Relocated	34,445				
Evicted	185				
On site as of 9/30/63	4,709				

SOURCE: Urban Renewal Administration unpublished data.

Table 4.  
Relocation of Families by Urban Renewal  
Projects--Program Totals

	Cumulative to Dec. 31, <u>1961</u>	January 1, 1962 to <u>June 30, 1963</u>	Cumulative to June 30, <u>1963</u>
All families relocated	127,136	30,276	157,412
Housing condition known (as percentage of all families)	86.1	88.8	86.7
Standard housing (as percentage of families whose housing condi- tion is known)	91.8	93.6	92.2

SOURCE: Slayton, op. cit., p. 410.

Comparable cumulative figures for an additional three months (through September 30, 1963) are: all families relocated--163,000; housing condition known--86.6 percent; and standard housing (as percentage of families whose housing condition is known)--92.3 percent.

Data on business displacement reported to URA do not provide a similar yardstick for measuring progress in relocating businesses. One reason is that until Congressional action in 1964, the law did not require LPA's to provide relocation advisory services to displaced businesses as well as families. Thus, there was less direct governmental responsibility. Another reason, mentioned by the Commissioner of Urban Renewal in his statement to the House Subcommittee on Housing 19/, is that satisfactory data on the success of business relocation are more difficult to develop.

#### 6. Problems of urban renewal relocation

Problems of urban renewal relocation are analyzed under two headings: (1) rehousing displaced families and individuals, with

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19/ Slayton, op. cit., p. 415.



separate attention to the special problems of nonwhite families, large families, and the elderly; and (2) relocating displaced business concerns.

It must be emphasized that in many respects this extended discussion of relocation problems under the "urban renewal" heading is for convenience, and failure to repeat the discussion does not imply that these problems are peculiar to urban renewal. The supply of private and public housing, the adequacy of relocation payments and advisory services, and the special problems of nonwhites, large families, and the elderly confront all public works programs in greater or lesser degree.

a. Rehousing families and individuals

Cities responding to the ACIR-CM questionnaire were asked to report any problems they faced in relocating families displaced by urban renewal projects. By far the problem most frequently mentioned was lack of an adequate supply of standard housing, particularly for large, low income, and nonwhite families. Conversely, among those indicating no problems, the most frequent explanation was that there was an ample supply of housing in the community, available for all types of need. A similar conclusion was drawn from examination of workable program submissions to the HHFA. The status of the housing supply suitable to the various needs of displacees is thus--not surprisingly--the most important element in the relocation problem. Two kinds of housing, of course, make up the supply: public and private.

(1) Low rent public housing

As of September 30, 1963, the Urban Renewal Administration reported that 54 percent of the families displaced since inception of the Federal program were of an income level to make them eligible for low rent public housing. Under the law, these families have priority for public housing. Only 19.7 percent of the total relocated, however, were in federally aided public housing. 20/

A number of cities have reported an even lower percentage of occupancy. In Philadelphia, after two years of operation of the central relocation office, 80 percent of the displaced families were

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20/ See Table 3, page 25 above.

eligible for public housing. Sixty-seven percent were referred to public housing, but less than 15 percent moved in. 21/

Lack of available public housing is a major reason for failure to accommodate the displaced, as indicated by many cities' responses to the ACIR-CM survey. Even where there are vacancies, moreover, there may not be enough large units for the number of large families applying. In addition, some families who meet income requirements for public housing are ineligible for other reasons: they may be barred because of police records, alcoholism, illegitimacy, disorderly conduct, mental or physical illness, rent delinquency, social disease, juvenile delinquency, or other reasons. 22/ The family income may actually be too low--a public housing project must have enough income to pay operating costs and thus it may be necessary to maintain a distribution of incomes which limits the number of units available to the lowest income families. In recognition of this problem, the 1964 Housing Act provides an additional Federal subsidy to local housing authorities to enable them to take in more displaced families below the minimum acceptable income limit. 23/ Such a special subsidy already existed for the elderly.

Many eligible families reject public housing. 24/ Although 68 percent of the families displaced by New York's West Side renewal project were eligible for public housing, only 16 percent said they would accept it. 25/ Drawing on several studies, Martin Millspaugh grouped the reasons for rejection under four headings: (1) the desire to stay close to the old neighborhood, whether or not public housing is available there; (2) the feeling that public housing has a stigma; (3) unwillingness to accept the rules and regulations of

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21/ Philadelphia Housing Association, Relocation in Philadelphia (1958), p. 29.

22/ Ibid., pp. 22-23.

23/ Public Law 88-560, Sec. 402.

24/ This was one of the relocation problems cited in the Nashville reply to the Advisory Commission-Conference of Mayors questionnaire.

25/ Citizens Housing and Planning Council of New York, Committee on Urban Redevelopment, Toward a Better New York: A Report on the Urban Renewal Problems of the City, with Recommendations (1960), pp. 14-15.

publicly administered housing, including refusal to spend as high a proportion of their income on housing as is required in public housing; and (4) dislike of the physical character of public housing projects, such as elevator living and concrete floors. 26/

Millspaugh concluded, "Clearly, the relocation plan for an urban renewal project will break down in operation if the standard rehousing resources for low income families are calculated solely from the number of available public housing units, while more than half of the low income families relocated elsewhere. The 'elsewhere' in this case may mean substandard housing, or housing beyond their means." 27/

A number of approaches have been suggested to increase the supply of low rent housing and make it more acceptable to eligible displacees. The Administration's 1964 Housing and Community Development Bill proposed revising the formula for Federal payments to local housing projects to enable the acquisition and rehabilitation of private housing facilities by local housing authorities. 28/ It has been proposed that rents of low income families be subsidized in private dwellings, and a number of HHFA low income housing demonstration grant projects are being conducted to test the feasibility of the idea. 29/ As a method of helping to diversify and disperse public housing, this Commission has suggested financial assistance to private nonprofit organizations for the construction of dwellings for low income groups. 30/ It has also been suggested that intensive social

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26/ Martin Millspaugh, "Problems and Opportunities of Relocation," Law and Contemporary Problems, Vol. XXVI, No. 1 (Winter 1961) pp. 12-13. See also Connecticut Advisory Committee to the U. S. Commission on Civil Rights, Family Relocation Under Urban Renewal in Connecticut (Washington, July 1963), p. 51.

27/ Ibid.

28/ H.R. 9751, 88th Congress, 2nd Session, Sec. 404.

29/ HHFA, Office of the Administrator, Low-Income Housing Demonstration Program--Project Directory (Washington: undated).

30/ Advisory Commission on Intergovernmental Relations, Metropolitan Social and Economic Disparities: Implications for Intergovernmental Relations in Central Cities and Suburbs (Washington: Government Printing Office, 1965), p. 99.

work with problem families would help make them eligible for admittance to public housing projects. Demonstration projects have been conducted on this proposal. 31/

(2) Private housing

The 46 percent of families displaced by urban renewal whose income level makes them ineligible for low rent public housing must rely on the private market. Even if the market provides an ample supply of standard housing for their various income levels, housing needs, and neighborhood preferences, they face special problems that stem directly from the urban renewal program. 32/

First, demolition tends to reduce, at least for the short run, the quantity of housing available to families who live in the cleared area. Commonly, housing built in the renewed area is for middle and upper income families, beyond the financial means of most of the displaced. The 1954 Housing Act placed emphasis on rehabilitation for this reason, and later amendments have moved further in this direction. Even neighborhood conservation and rehabilitation, however, will displace some families. Code enforcement eliminates overcrowding or perhaps requires outright condemnation of some dwellings, forcing families out. It also forces an increase in rents to pay for required repairs and rehabilitation, again tending to cause displacement.

A second characteristic of the housing problem of families displaced by urban renewal (and this applies to all governmentally displaced families), distinguishing them from others contending with a limited housing supply, is the matter of timing. Displaced against their will, they cannot wait until the housing market suits them. Also, they must compete with others in the same position, such as other displacees of urban renewal and other governmental programs, new migrants to the city, and new families.

A principal objective of Federal policies and programs in housing and urban redevelopment has been to anticipate or overcome

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31/ See for example, The District of Columbia Redevelopment Land Agency, Community Services and Family Relocation (Washington, D. C., 1964).

32/ Millspaugh, op. cit., p. 14.

the timing obstacle that handicaps displaced families and individuals. As described earlier, certification of a city's workable program-- precondition for a Federal urban renewal loan or grant--and the loan or grant application itself demand satisfaction of detailed information about determining the status of the housing supply and displacees' specific housing needs, and provision of assistance to families in finding the housing they want.

In addition to the normal techniques of finding housing and helping families relocate, some cities use other methods. Philadelphia found that foreclosure sales under GI mortgages produced 40 to 50 houses a month, many of which were priced less than \$10,000. 33/ New York City pays finder's fees up to \$300 to owners, brokers, and agents who list apartments with the Department of Relocation. New Haven and Yonkers also pay finder's fees. New Haven's are paid directly to landlords or brokers who locate large standard units for large families. 34/

In the ACIR-CM survey, cities were asked to check services they provided relocated families. Services listed were ones that the Urban Renewal Administration urges LPA's to provide as part of their program of services to site occupants, such as conducting an information program to advise site occupants of relocation aid available, interviewing occupants to ascertain relocation requirements, and referral to a social agency of families needing assistance. Of the 72 cities reporting urban renewal relocation activity in the past year, all but a very few indicated they provided all seven specified services. These responses did not yield a basis for evaluating the quality or consistency of the services nor their relationship to other parts of the total relocation program.

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33/ Philadelphia Housing Association, op. cit., p. 38.

34/ Information received in ACIR-CM survey. New Haven and Syracuse in 1963 paid finder's fees for which they were reimbursed by Federal funds. The payments were for a limited number of large sized families of low income and problem families. The Regional Administrator, New York Region, HHFA, said, "continuance of funds for this purpose is conditional upon a review of the effectiveness of the finder's fee program for the housing of this initial group of families." U.S., Congress House, Committee on Public Works, Select Subcommittee on Real Property Acquisition, Hearings, op. cit. (Washington: Government Printing Office, 1964), pp. 26-27.

Close observers of the relocation activities of LPA's have raised questions about the effectiveness of these surveys of housing needs and resources and relocation services. A recent study paid particular attention to the relocation advisory services offered by 41 cities in urban renewal projects in the four year period 1955-1959. The author found noticeable disparities among the cities in these services:

Only about one-third of all communities furnished evidence of making competent relocation counsel available on a family-by-family basis to prospective relocatees for tabulation of these resources and needs upon which effecting salutary changes in residence would be contingent. The high correlation between preferred, thoroughgoing counseling services for relocatees in at least 15 municipalities and the great number of satisfactory relocations in them, especially in regard to the minimization of substandardness and transiency in offsite dwellings, is noteworthy....In general, larger cities have given more continuing attention to the social and psychological amenities of relocation; their incidences of satisfactory relocations have been high. 35/

One aspect of housing resource surveys which has received increasing attention recently is the areawide character of the housing market and, therefore, the need for areawide surveys of housing supply and demand if relocation plans are to be realistic. For example, the city of Oakland reported in its reply to the ACIR-CM survey that among actions needed by other governments is "regional centralized service and technical assistance on prediction of housing supply and housing requirements of those displaced."

A recent report on metropolitan planning commented thus:

Federal aid for urban renewal...has as one of its main purposes the elimination of slums and the improvement of housing conditions. To safeguard these aims, Federal law and administrative policy require that people displaced from renewal areas must be relocated

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35/ Henry W. Reynolds, Jr., "Population Displacement in Urban Renewal," The American Journal of Economics and Sociology, Vol. 22, No. 1 (January 1963), pp. 113-128.

in sound housing. Local renewal authorities must furnish evidence that decent housing is available for relocation within the metropolitan area, but the reports of local authorities are often poor substitutes for a study of the metropolitanwide housing market. Various local agencies may each lay claim to the same vacancies as resources for relocation; vacant units within one locality may be counted as relocation reserves in the reports of several different renewal authorities. In addition, unless the total metropolitan housing demand is taken into consideration, a simple count of vacancies may fail to reveal that families other than those to be displaced by urban renewal are likely to occupy them....Metropolitan housing studies, which should be conducted as part of the work program of a metropolitan planning agency, would make possible a more realistic overall assessment of an area's housing resources, and would furnish the basis for a comprehensive attack on the problems of slums. Particular renewal projects could be reviewed in the light of such studies, and modifications could be indicated where the metropolitan picture reveals inadequacies in the supply of relocation housing. 36/

Under the Federal urban planning assistance ("701") program, metropolitan planning agencies can receive Federal grants of up to two-thirds of the cost of the conduct of such studies of the areawide housing market if the studies are conducted as part of their comprehensive planning programs. Another Federal program, the community renewal program, enacted in 1959, also authorizes areawide housing studies even though this program is conducted by individual localities. Community renewal programs are required to include consideration of metropolitan and regional factors affecting the community, especially with regard to (1) economic and market studies,

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36/ The Joint Center for Urban Studies, Massachusetts Institute of Technology and Harvard University, The Effectiveness of Metropolitan Planning, prepared in cooperation with the Subcommittee on Intergovernmental Relations of the Committee on Government Operations, U. S., Senate (Washington: Government Printing Office, 1964), p. 13.

(2) relocation housing, and (3) minority group housing. 37/ Near the end of 1963, 97 localities had undertaken community renewal programs. 38/

Supplementing its requirements that local public agencies do adequate relocation planning and advise and guide displaced families in relocating in the housing, the Federal Government, over the years, has established a number of programs directed at providing more privately owned housing for families displaced by urban renewal and other urban projects. These were described earlier in this report.

Special Problems of Nonwhite Families, Large Families, and the Elderly. Especially hard hit by displacement due to urban renewal are nonwhite families, large families, and the elderly. Rehousing these groups was high on the list of "problems" reported by cities responding to the ACIR-CM survey, particularly the rehousing of large, low income families. Dayton, Des Moines, Honolulu, New Haven, Norfolk, Oakland, Rochester, and Tampa were among cities making special note of these problems.

The most critical impact is felt by the nonwhites who represent a disproportionate part of the population occupying urban areas under renewal. Of the total number of families displaced by urban renewal in the 15 years ending on September 30, 1963, 63 percent of those for whom color was reported were nonwhite.

Nonwhites are underprivileged in terms of education, income, employment, housing, and other social and economic characteristics. 39/ Their lower status is reflected in the fact that through September 30, 1963, 56 percent of the displaced nonwhites were eligible for low rent public housing, compared to 38 percent of the whites. Moreover, even those who do have income enabling them to afford standard private

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37/ U. S., Urban Renewal Administration, Revised Policies for Community Renewal Programs, Local Public Agency Letter No. 276 (Washington: August 19, 1963), p. 3.

38/ Slayton, op. cit., p. 397.

39/ See Advisory Commission on Intergovernmental Relations, Metropolitan Social and Economic Disparities: Implications for Intergovernmental Relations in Central Cities and Suburbs (Washington: Government Printing Office, 1965).



housing often face obstacles of discriminatory real estate financing and zoning practices which reduce the supply of housing available to them. They find a shortage of land available to build on as well as a shortage of existing housing available to purchase or rent. 40/ Those above the income level necessary to qualify for low rent public housing find it more difficult to borrow than do white families of similar economic status. As a consequence, where urban renewal has been undertaken with too little regard for the problem of displacement, it has been disparaged with the name "Negro removal." Nonwhites have been forced into already crowded housing facilities, thereby spreading blight, aggravating ghettos, and generally defeating the social purpose of urban renewal.

Numerous reports and investigations 41/ have focused on this problem, and there has been a deliberate shift in urban renewal activities. Among these are the change in emphasis from slum clearance to renewal, with increased emphasis on conservation and rehabilitation; the prescription of better information on housing supply and more detailed planning of relocation, by color, income, and size of families; and more insistence on improved counseling service by local relocation agencies before loans and grants are approved. In addition, progress has been made in attacking the whole problem of housing discrimination through the spread of local and State open occupancy ordinances and statutes and the Federal Executive Order banning discrimination in Federal and federally aided housing and related programs.

Even so, the problem of relocating nonwhite families is not easy, as HHFA Administrator Robert C. Weaver indicated in this comment:

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40/ In commenting on "Principal Problems" in the ACIR-CM survey, Allentown, Pennsylvania, said: "Need for more freedom of movement for minority families."

41/ See annual reports of U. S. Commission on Civil Rights, 1959, 1961, and 1963 (Washington: Government Printing Office); Connecticut Advisory Committee to the U. S. Commission on Civil Rights, Family Relocation under Urban Renewal in Connecticut (Washington: Government Printing Office, July 1963); and Massachusetts Advisory Committee to the U. S. Commission on Civil Rights, Discrimination in Housing in the Boston Metropolitan Area (Washington: Government Printing Office, December 1963).

The contradiction between national purpose and local prejudice, however, has long been evident. In many cities, low rent public housing programs are restricted to the crowded older areas, and have resulted in the construction of new housing in an environment of blight and segregation. The Federal Urban Renewal Program has provided the means by which local public agencies could eliminate blighted housing and deteriorated areas of the central cities; but the net gains of this program have been seriously affected in many cities because of the existence of racial prejudice and discrimination. Local attempts to relocate families displaced by urban renewal projects into decent housing and better neighborhoods have been unsuccessful in many instances. During the past year, we have recognized these problems, and federal programs are increasingly emphasizing more effective relocation at the local level. But the basic problem still harrasses us. 42/

Large families and the elderly are also especially hard hit by urban renewal displacement. The difficulties of housing large families have already been noted in connection with the shortage of large units in low rent public housing. Large units are also in short supply in the private housing market, particularly where housing codes are enforced with respect to occupancy limits. This is one reason code enforcement, while recommended as likely to cause less dislocation than clearance, still cannot be looked to as a way of avoiding relocation entirely. Even so, public action to conserve and rehabilitate older, existing dwellings seems a promising approach to accommodating displaced large families.

The elderly have special housing problems stemming from the "more or less inherent qualities of the aging process itself--decreasing physical ability and increasing psychological withdrawal among them--and by social forces that are almost equally as inherent, such as early retirement and the impersonality of urban living." 43/

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42/ Robert C. Weaver, "Major Factors in Urban Planning," The Urban Condition, ed. Leonard J. Duhl (New York: Basic Books, Inc., 1963), p. 103.

43/ University of Pennsylvania and National Association of Housing and Redevelopment Officials, Essays on the Problems Faced in the Relocation of Elderly Persons (June 1963) (mimeo.), p. 29.

With generally low income and an inadequate supply of housing attuned to their needs, the elderly are especially vulnerable to disruption caused by urban renewal and other property acquisition proposals of government. The problems are compounded for the nonwhite elderly. As a consequence of this vulnerability and the growing size of the elderly population, particularly in urban areas, considerable attention is being directed toward their relocation when forced to move.

The Special Senate Committee on Aging, in October 1962, formed a Subcommittee on Involuntary Relocation of the Elderly. It reported in preliminary findings that the elderly represent the most difficult group to relocate satisfactorily and that in many cities production of housing suitable for them and within their economic means is not keeping pace with the rate at which such units are being torn down as a result of changes in urban land uses. 44/

A special study is now being conducted jointly by the University of Pennsylvania's Institute for Urban Studies and the National Association of Housing and Redevelopment Officials under a Ford Foundation grant. The problems faced by elderly relocatees are being analyzed and recommendations developed for more adequate means of easing the burden relocation places on these people. An interim report on the study states:

Relocation agencies are criticized on many grounds. They do not notify the residents far enough in advance; they do not distribute information on rights and procedures; they require the residents to come to them for help; they make minimal efforts to secure good housing for the relocatees; and so on. True in some cases, false in others, these charges nevertheless demonstrate that relocation is a threat--or at least that the residents feel threatened. Whether the relocation process itself produces this harm or whether it simply aggravates the present situation beyond tolerance limits, the threat remains. Householders are faced with having to reconstruct their lives at a time that does not coincide with a planned or desired change. They must act quickly where no autonomous

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44/ U. S., Senate, Developments in Aging, 1959 to 1963, a report of the Special Committee on Aging, 88th Cong., 1st Sess., Report No. 8, p. 112.

action would otherwise have occurred. They must terminate relationships and break routines that--especially for the elderly--have been equated with life itself. 45/

The report goes on to observe that the unkind treatment commonly associated with relocation is less true now than in recent years. "Practices such as temporary moves to substandard housing, multiple relocation, withholding of information and valuable aids, unduly long (or short) periods between announcement and demolition, and stringent procedures regarding payments, are now regarded as less than humane treatment by most officials." 46/

The elderly have benefited from the increased emphasis in the Federal urban renewal program on more sensitivity to the relocation program and through tightening up of requirements on planning and carrying out the relocation process. In addition, the Federal Government, in the Housing Acts of 1956, 1959, and 1961, established a number of programs to increase the supply of housing for the elderly. These acts include provisions to (a) make direct Federal loans to private, nonprofit corporations, consumer cooperatives, and public agencies to provide rental or cooperative housing for elderly families and elderly persons, (b) make federally aided low rent public housing units more readily available to older persons of low income and to encourage the provision of units specifically designed for the elderly, (c) assist older people to finance the purchase of homes of their own, (d) assist the financing of both profit and nonprofit rental projects especially designed for the elderly, and (e) assist the financing of privately owned nursing homes. 47/

The Administration's 1964 Housing and Community Development bill provided for rent supplementation payments to individuals aged 62 and older similar to those provided for displaced families, for a period of up to two years. As passed, the Act authorizes payments of up to \$500 as a "relocation adjustment" payment to all displaced

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45/ University of Pennsylvania and National Association of Housing and Redevelopment Officials, op. cit., p. 41.

46/ Ibid., p. 45.

47/ HHFA, Federal Programs for Senior Citizen Housing, Fact Sheet (Washington, February 1962).

families and to displaced individuals aged 62 and older. 48/ The Act also expands the relocation requirement to extend to individuals the provision for assuring a supply of adequate housing as a condition of approval of an urban renewal loan or grant. Previously, no such assurance was required for individuals although it was encouraged. Since so many of the elderly are widows or widowers, this change has particular significance both for the individuals concerned and for the importance of the relocation factor in planning urban renewal programs and projects. 49/

(3) Moving costs

All families displaced by urban renewal or other government action are confronted with expenses of moving a home. As indicated earlier, Federal law authorizes localities to compensate displacees for out-of-pocket losses attributable to "reasonable and necessary moving expenses and any actual, direct losses of property." The limit is \$200 for the family or individual. Reimbursement is financed entirely by the Federal Government.

Experience indicates that few families or individuals are compensated for "losses of property." Ninety-eight percent of the total paid by the Federal Government has been for moving costs. In addition, the \$200 limit on payments in moving costs, with few exceptions, is more than adequate. Of the 57,743 payments made to families through December 31, 1961, the average payment for moving expenses was \$70.02. 50/

The Federal provision has been criticized for not covering costs necessarily involved in moving a family other than strictly the cost of moving household goods. Items mentioned are such things as utility deposits, appliance installations, redecorating costs, and payments of first month's rents in advance; or, if the home is purchased, down payments, closing costs, and necessary alterations.

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48/ Public Law 88-560, Sec. 310(a).

49/ Ibid., Sec. 305(a).

50/ Urban Renewal Administration, Relocation from Urban Renewal Project Areas through December 31, 1961 (Washington: Government Printing Office, 1962), p. 22.

A number of cities responding to the ACIR-CM survey felt such items should be authorized for Federal reimbursement.

Survey responses also indicated that a number of cities provide additional compensation for some of these miscellaneous expenses out of non-Federal funds. For example, New York City pays displaced families bonuses of up to \$500 in addition to moving expenses if they relocate themselves without the help of public authorities. Amount of the bonus depends on the number of rooms occupied before moving. Chicago pays the first month's rent and utility deposits. Gary, Indiana, pays rent allowances and extra moving expenses. Allentown and other Pennsylvania cities called attention to the fact that the 1964 eminent domain act of the Pennsylvania legislature authorizes relocation payments not allowed by URA.

The question of the maximum amount which the government will pay for moving expenses and property losses occasioned by urban renewal must be considered in relation to the policies governing relocation necessitated by other types of governmental action. As it stands now, the urban renewal program has gone further than almost any other public acquisition program in reimbursements for moving expenses.

#### (4) Coordination with other programs

Another problem that confronts urban renewal relocation agencies is that of inconsistency of all governmental relocation programs. It arises usually because of responsibilities given to the agencies for handling displacements caused by other governmental action. Consideration of this problem is deferred until after all these programs have been reviewed.

#### (5) Record of performance

In light of the problems involved in relocating displaced families and individuals and the steps taken to meet them, there may be some question whether the relocation program is contributing most effectively to the objectives of the National Housing Act: "realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family." 51/ An answer to the

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51/ 42 U.S.C.A. 1441.

question can be little more than an informed judgment since performance is hardly quantifiable, unlike a road construction program, for example, and the terms "decent, safe, and sanitary dwellings" and "other areas not generally less desirable in regard to public utilities (etc.)...reasonably accessible to their places of employment" are not precisely definable. Even URA statistics include a certain percentage of families unaccounted for. Moreover, as noted below, there is some question about URA statistics on those families whose relocation status is known.

A perusal of vast numbers of reports, statements, and speeches on urban renewal and its relocation phase, and communication with relocation officials and informed observers, indicate varying appraisals of the performance record. Two general groups are probably indicative of the major differences of opinion among informed persons concerned with maintaining and strengthening the urban renewal program. The first is probably best exemplified, at least in published statements and speeches, by HHFA and URA officials in charge of the federally aided urban renewal program. They acknowledge the existence of problems in achieving relocation objectives and the different degrees of relocation success among different localities. Understandably, however, they are particularly sensitive to the "as soon as feasible" qualification in achievement of the National Housing Act's policy goal for urban renewal. They stress the steps taken to overcome problems and emphasize the gradual improvement in relocation over the years. Emphasis is perhaps more on what has been accomplished than on what remains to be done. They tend to appraise relocation results in terms of the diverse objectives of urban renewal--economic and social--and the way these have shifted since 1949 in response to changing political, economic, and social forces at both the national and local levels.

Much of the attitude of Federal housing officials toward present performance under urban renewal relocation may be inferred from earlier descriptions of present Federal and local policies and practices and steps taken and proposed to meet the major problems. To crystallize a fair representation of their "stock-taking," however, perhaps the best reference is to brief quotes from the statement made by the Commissioner of Urban Renewal in his Report on Urban Renewal in late 1963. <sup>52/</sup> Tables 3 and 4 cited earlier are an integral part of that report.

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<sup>52/</sup> William L. Slayton, Commissioner, URA, Report on Urban Renewal, Statement before the Subcommittee on Housing, Committee on Banking and Currency, U. S. House of Representatives, November 21, 1963 (Washington: Government Printing Office, 1964), pp. 414-415.

Through June 1963 (he states), more than 157,000 families had been relocated from urban renewal areas. A determined effort is made to keep track of all families and to see that each one has an opportunity to move into decent, safe, and sanitary housing. As a result, reports are available on the housing conditions of nearly 87 percent of all relocated families. The remaining 13 percent included 6 percent who moved out of the jurisdiction, 5 percent who were untraceable, and 2 percent who were otherwise removed from the workload. Over 92 percent of those whose rehousing conditions have been reported moved into decent, safe, and sanitary housing meeting the requirements of the approved relocation plans.

...About 46 percent (of relocated families whose housing conditions were known) went into standard private rental housing, about 21 percent into standard sales housing, and about 25 percent into public housing. The remainder of less than 8 percent did not take full advantage of the relocation services offered to them and relocated themselves into housing which did not meet the requirements of the locally approved relocation plan.

We are particularly pleased with the progress in the last year or two to improve even this high level of performance. The following table provides a basis for comparing the results of the relocation since January 1, 1962, with previous data. 53/ I am confident that even more progress in the quality of relocation will be made as a result of efforts now underway.

...On the whole, as the statistics show, the relocation aspects of urban renewal are being done well. Relocation performance has shown steady improvement and every effort will be made to continue that trend.

The success of relocation is particularly noteworthy in view of the fact that the slums and deteriorating areas of the city hold the highest proportion

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53/ See Table 4, p. 26 above.



of the poor and disadvantaged. A recent survey of 68 renewal project areas indicated that almost 29 percent of the families had monthly incomes of less than \$200. For such families the availability of an adequate supply of low-rent public housing units is an obvious necessity. But even this source will not meet all of the problems. Some family incomes are so low that they cannot afford the modest rents of low-rent public housing. Some families are so large that public housing cannot supply adequate sized units. Socially maladjusted families and the homeless men of "skid row" cannot be easily housed. Although the relative number of these problem cases is low in most relocation workloads, they are a matter of acute concern.

We are now stressing, in many aspects of the urban renewal program, the importance of enlisting the full cooperation of the communities concerned in meeting these basic social problems. For example, many cities are now undertaking community renewal programs which include studies of the social problems and needs of people living in blighted areas. The CRP also offers an opportunity to develop better relocation plans-- plans that account for the total demand for housing in the community and its urban area. In this respect, it is worth noting that the displacement of families from urban renewal accounts for only a minute part of a city's housing needs. As a general illustration, renewal displacement amounts to only about 20,000 of the 12 million American families that move each year.

Similarly, improved relocation methods are being stressed in our regular project relocation activities and under the demonstration grant program authorized by section 314 of the Housing Act of 1954. These activities stress particularly the needs of families with social problems, the relocation of homeless men from skid row areas, and the provision of specialized services to displaced business firms. The objective is to alleviate the impact of displacement and to help achieve, wherever possible, a positive gain through the relocation process.

Critics of the urban renewal relocation record stress what remains yet to be done to provide standard housing in a desirable environment for all displacees rather than what has been done and the obstacles already overcome. They are not inclined to accept the

present balance of economic and social objectives as reflected in local renewal projects but rather underscore the human problems created by renewal and suggest that government needs to reexamine the whole urban renewal program to give these problems proper focus. Thus, in some respects, their quarrel is more with the objectives and strategy of the urban renewal program than with its relocation policy and practice.

This group consists mostly of sociologists, psychiatrists, and, increasingly, planners. Essentially they are more the "outsiders" looking at the long run and total consequences of relocation vis-a-vis society's general goals, contrasted with administrators in charge of day-to-day planning and operations, and responsible for a program about which a considerable amount of controversy and uncertainty persists.

A recent article by Chester Hartman in The Journal of the American Institute of Planners affords a summary of the appraisal by this group. <sup>54/</sup> It is an analysis of the results of an intensive follow-up study of relocation from the Boston West End project and 30 similar studies in Boston and other cities.

Relocation results vary markedly for different projects and at different points in time, says Hartman, and while there are not enough data to determine the causes of variation, it is clear that better results are to be expected where there are a great many sound low rent vacancies available and where relocation planning and services are competently provided.

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<sup>54/</sup> Chester Hartman, "The Housing of Relocated Families," The Journal of the American Institute of Planners, Vol. XXX, No. 4 (November 1964), pp. 266-286. Many of the conclusions in Hartman's analysis are also reflected in such writings as the following: The Urban Condition, ed. Leonard J. Duhl (New York: Basic Books, Inc., 1963); Herbert J. Gans, The Urban Villagers (New York: The Free Press of Glencoe, 1962); Peter Marris, "The Social Implications of Urban Redevelopment," Journal of the American Institute of Planners, Vol. XXVIII, No. 3 (August 1962), pp. 180-186; Dorothy S. Montgomery, "Relocation and Its Impact on Families," Social Casework, Vol. XLI, No. 8 (October 1960), pp. 402-407; William G. Grigsby, "Housing and Slum Clearance: Elusive Goals," and Elizabeth Wood, "Social-Welfare Planning," The Annals, Urban Revival: Goals and Standards, Vol. 352 (March 1964), pp. 107-118 and 119-128, respectively.

His analysis led him to conclude that:

- \* There was a general failure to ameliorate overcrowded conditions.
- \* In most cases, housing quality, in terms of structural conditions and facilities, had improved considerably.
- \* Those relocating in public housing fared better than those in private.
- \* Displacees experienced an increase in the ratio of their housing costs in relation to income.
- \* A relatively large number moved into substandard housing or failed to improve their overall residential status despite increased rents.
- \* Poorer families suffered most from the increase of rent/income ratio.
- \* The effects of discrimination made decent relocation housing more difficult and expensive for nonwhites.
- \* The geographic dispersion of nonwhites was less than that of whites.
- \* Existing segregation patterns were continued or intensified.
- \* Few families found housing with referral assistance from the relocation agency.
- \* A high percentage of the displaced families were "lost" without a record as to where they went and whether their relocation housing was standard.

These add up to the conclusion that although the results appear to vary widely from project to project, "on the whole relocation has made a disappointingly small contribution to the attainment of 'a decent home in a suitable living environment for every American family.' Given the premise that one of the cardinal aims of renewal and rehousing should be the improved housing welfare of

those living in substandard conditions, it is questionable whether the limited and inconsistent gains reported in most studies represent an acceptable level of achievement."

In arriving at this conclusion, Hartman raises doubts about the reliability of data cited by Federal officials with respect to relocation progress.

Official relocation figures, as reported by local renewal authorities and compiled by the Urban Renewal Administration, indicate that relocation has consistently resulted in an extremely high percentage of families living in standard housing. URA data indicate that through September 1963, only 7.7 percent of the 141,210 families displaced from urban renewal sites for whom post-relocation information is available (87 percent of the total number of families displaced) moved into substandard housing. These reports are widely used by Federal and local officials and in planning literature to describe the results of urban renewal, and they contribute significantly to the public's image of the program. Recently, however, responsible persons in the housing and planning field have been questioning the reliability of official figures. Careful study of local housing conditions has led many observers to conclude that in view of the extent of displacement and the income and demographic characteristics of relocation caseloads, it is highly improbable that relocation could have had such consistently beneficial results. 55/

The author cites specifically the results of independent checks conducted by the Center for Community Studies on the West End (Boston) and another separate study of the West End. The latter found that with respect to post-relocation housing evaluations, "there is no systematic method for the relocation fieldworker to use in the evaluation process" and that a system of "compromised standards" was used in the evaluation process whereby standards

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55/ Hartman, op. cit., p. 280. For similar skepticism by a respected authority on housing, see Charles Abrams, quoted in "Meeting of Six Minds," The National Housing Conference, The Housing Yearbook, 1962 (New York: Abco Press, 1962), p. 11.

employed in the pre-relocation housing surveys were far more inclusive and detailed than the standards used in evaluating post-relocation housing.

Hartman concludes:

It is not clear whether these critical findings, based on observation of a single operation, can be generalized to other cities and to more recent procedures. It is difficult and expensive to obtain independent data, local authorities are frequently reluctant to allow inspection of their records and operating procedures, and until recently few responsible persons have dared express skepticism about the operations of public bodies undertaking renewal....but it is clear that as long as relocation remains a secondary interest in the renewal process and the primary impetus for renewal is to replace low income housing with "higher" uses, there will be strong pressures to use compromised standards and to understate any adverse impact of the relocation process on displaced families. 56/

The basic reason why urban renewal is not more successful in relocation, Hartman says, is the lack of emphasis given to the problem in the urban renewal program.

It is an inescapable conclusion that relocation has been only an ancillary component of the renewal process; were this not the case, the community would find totally unacceptable "slum clearance" projects which leave as many as two-thirds of the displaced families still living in substandard conditions, or which actually increase the incidence of overcrowding. With few exceptions, relocation in this country has not truly been a rehousing effort (in the British sense of the word), a plan which focuses primary attention on the problem of how to insure that people living in substandard housing are resettled into decent homes. 57/

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56/ Hartman, op. cit., p. 281. For further reference to housing standards used, see Martin Anderson, The Federal Bulldozer (Cambridge: Massachusetts Institute of Technology, 1964), p. 64.

57/ Hartman, op. cit., p. 278.

Hartman's analysis indicated to him that environmental considerations are virtually absent in assigning and evaluating relocation dwellings. Recognizing that no meaningful criteria have been established for determining what constitutes a "suitable living environment," he says that the local authority at a minimum should avoid relocating families in areas slated for early renewal.

Hartman acknowledges that the current housing picture may have changed since the 1950's when over two-thirds of the studies he reviewed were made. He notes changes in the Federal Government's housing policies since 1961, the President's executive order on equal opportunity in housing, the 221(d)(3) housing program, a shift away from the bulldozer approach to urban renewal, and increased concern for the problems of relocated families. Yet, he says it is not clear whether the shortcomings are entirely things of the past. He cites the lack of reliable data on current relocation experience and the limited supply of low cost housing. Also,

...It is only through local operating agencies that actual changes will come about, and there still exist wide differences in local conditions and in the aims and personnel of these agencies; these differences make it extremely difficult to translate changes in Federal policies and procedures uniformly and rapidly to the local level....The question is how much have things changed and how far are we still from acceptable levels of achievement. In view of past experience, the burden of proof must be on the public agencies to produce valid answers to these questions and to demonstrate that satisfactory relocation is now being achieved. 58/

Hartman does not underestimate the difficulties local public agencies face in relocation:

On the one hand, they have a statutory obligation to relocate all families who so desire in decent, safe, and sanitary housing, convenient to their place of work and at rents they can afford; on the other hand, the agency's rebuilding operations do not provide suitable housing for those displaced. The conflict between demands and resources becomes evident when one

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58/ Ibid., p. 279.

considers the magnitude of family displacement, the fact that displaced families for the most part have the double disadvantage of being both poor and nonwhite, the shortage of low rent standard vacancies in most cities, the limited usefulness of public housing as a relocation resource, and the competition for relocation housing from families displaced by the highway program and other forms of public and private construction. 59/

Given these conflicts, there are bound to be inherent defects in a system that requires the agency executing the programs to appraise relocation results.

Accordingly, one must question whether local authorities are free to judge and report on the results of their relocation operations in an objective and impartial manner. In effect, the local agency may have no choice but to issue extremely positive relocation reports: anything less than this might produce legal, political, and technical conflicts which could slow up or curtail the entire rebuilding effort, which is the principal goal of the authority and its program. 60/

Hartman suggests that responsibility for evaluating relocation results be placed outside the local renewal authority, either with another governmental agency or with a nongovernmental research group.

Finally, he says that "relocation results in a somewhat selective incidence of benefits in terms of housing welfare, but imposes a quite unselective incidence of costs, personal as well as financial. These results suggest that far greater attention must be paid to the impact and dynamics of the dislocation and relocation experience on various subgroups within the affected population....With a greater understanding of the effects of relocation and of the various subgroups within a relocation population, it may be possible to devise more sophisticated programs which will, through incentives, hasten the mobility of those prepared to make changes and will, at the same

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59/ Ibid., p. 280.

60/ Ibid., p. 280.

time, be sensitive to the special needs of those who cannot cope with forced change by providing new services and benefits for them or by obviating the necessity to relocate."

Hartman suggests that relocation be viewed in a broader context than housing welfare:

...The loss of familiar places and persons, and the difficulties of adjusting to and accepting new living environments may be far more serious issues than are changes in housing status. If we are to undertake valid cost-benefit analyses of the impact of relocation, it is essential that the investigation of housing change be placed in the larger context of residential change, the various social and psychological aspects of community life, and how they vary among different population groups. 61/

It seems that the difference between the appraisals of the two groups--summarized at the risk of oversimplification--is fundamentally one of emphasis. Both evidence understanding and acceptance of many aspects of the other's position and point of view. Hartman's comments reveal, for example, an understanding of the political problems involved in changing program emphasis in a direction more sensitive to social factors and the problems involved in translating national policy in a Federal-local program into action on the "firing line" at the local level. Federal officials for their part indicate, for example, understanding and concern for the human problems of relocation, as was clear from the Urban Renewal Commissioner's statement.

With specific reference to the last section quoted from Hartman dealing with the broader welfare context in which relocation must be viewed, HHFA Administrator Robert C. Weaver has said:

There is another phase of relocation which is still not adequately taken into account by the program. It relates to the criteria established for selection of sites to be demolished. There remains a tendency to place too great dependency upon evidences of physical blight and ignore the social attributes. This reflects a failure to differentiate between an area of

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61/ Ibid., p. 279.



low rent housing and a slum. Thus, too little attention has been paid to the incidence of home ownership.

And we still do not probe sufficiently deeply into the cohesiveness of neighborhoods, even when they evidence physical declines. These issues have been brought into focus by literature on social effects of relocation incident to urban renewal. Their most dramatic manifestations involve the displacement of long-established families from neighborhoods where they have deep roots. Occasionally, there is high incidence of home ownership and often older persons are involved. What has been disclosed is that even in some substandard or blighted neighborhoods there are strong community ties and effective social organization. 62/

Weaver adds, however,

Unfortunately, on the basis of these examples, there has been a tendency to identify all demolished urban renewal areas as cohesive, socially viable neighborhoods. As a matter of fact, the majority are not. 63/

Passage of the Economic Opportunity Act of 1964 64/, moreover, has implications for relocation which are likely to lead to greater governmental concern at all levels for the total welfare of displacees, not just their housing needs. As long ago as May 1961, Weaver indicated how the relocation process provides a unique opportunity to help in the upgrading of the socially and economically underprivileged and the so-called "problem families":

...It is just at that moment that a family has been uprooted, has been provided through relocation assistance with the means of establishing a new home, and has been brought into contact--some for the first

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62/ Robert C. Weaver, "Trends in Urban Renewal," Land Economics, Vol. XXXIX, No. 4 (November 1963), pp. 331-332.

63/ Ibid., p. 332.

64/ Public Law 88-452.

time, and many for reacquaintance--with the social agencies of the community, that miracles can be accomplished. 65/

In a more recent speech, the URA Commissioner noted the pilot program being conducted in New Haven in meshing in relocation with aspects of the "anti-poverty" program and said:

We now have the opportunity with President Johnson's war on poverty program to begin to mold that kind of program into urban renewal activities. I see the kind of program that would take the family at the time that it is being displaced, analyze the social and economic needs of that family, provide the kind of retraining necessary to the head of the family, thus improving its economic condition, and deal with the particular social problems of the family. 66/

b. Problems in the relocation of displaced businesses

In light of the fact that the original, primary objective of urban renewal was to improve housing, it is understandable that relatively little attention was paid at the outset to problems created in displacing businesses. Deteriorated housing areas contained many businesses, however, particularly of the small retail and service type established to serve the immediate neighborhood. In addition, some projects in the 1950's were for clearing "skid rows" in which improved housing for the residents was really incidental to a broader economic purpose. 67/ As urban renewal emphasis shifted

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65/ Quoted in Weaver, op. cit., p. 332.

66/ William L. Slayton, New Directions in Urban Renewal, remarks before the Virginia Municipal League, Arlington, Virginia, September 22, 1964, p. 11.

67/ For example, see University of Minnesota, A General Report on the Problem of Relocating the Population of the Lower Loop Redevelopment Area, prepared for Housing and Redevelopment Authority in and for the City of Minneapolis in cooperation with U. S. Bureau of the Census (Minneapolis, 1958).

more toward rehabilitation of the economic bases of the cities, and therefore toward combating all obsolescence, the impact on business became increasingly severe. The 1956 Housing Act permitted 10 percent of Federal urban renewal grant funds to be used for projects not predominantly residential either before or after renewal. The 1959 Housing Act expanded this allowance to 30 percent. 68/ The Administration in its 1964 Housing and Redevelopment bill sought, unsuccessfully, to have this percentage increased to 35 percent.

Through September 30, 1963, local public agencies reported to URA that they had displaced 39,339 business concerns of which 34,445, or 88 percent, had been relocated. All but a few of the rest were still on the site as of the reporting date. Payments for moving expenses and property losses were made to 21,162 firms and amounted to \$29,726,615, for an average payment of \$1,405. 69/

A survey of 50 local public authorities for urban renewal was made by the Urban Renewal Administration to provide a representative national picture of the relocation of displaced businesses in 1963. It disclosed that 64.7 percent of all the displaced businesses reestablished operations while 35.3 percent discontinued operations. 70/ As indicated below, this is significantly above the normal rate of business disappearance or liquidation.

The high rate of business terminations is symptomatic of conditions which have brought about criticisms of the provisions of the urban renewal program for compensating and aiding displaced businesses as well as of procedures in taking business property.

In its response to the ACIR-CM survey, for example, the city of Scranton, Pennsylvania, reported:

On the federal level, a more effective program for the relocation of small businesses should be developed. This segment of our economy more than any other has felt the adverse sting of renewal and has been seriously affected by it. A program which would foster a closer relationship between the small businessman and the relocation departments might produce more effective

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68/ 42 U.S.C.A. 1460.

69/ Slayton, Report on Urban Renewal, op. cit., p. 414.

70/ Study of Compensation and Assistance, op. cit., p. 29.

results in terms of more successful relocations-- with a minimum of distress both financially and physically.

Chicago complained of the "excessive documentation required for commercial relocation payments." Los Angeles said the "\$3,000 maximum relocation payment, if there is loss of property included, imposes a hardship on some businesses. The inability of many small (one or two person) tenant businesses to transfer their 'good will' to a relocation site is a factor in the number who discontinue operations. Some payment by the displacing agency for loss of income in (the) moving process would perhaps enable more businesses to relocate successfully." Hammond, Indiana, suggested raising or removing the \$25,000 limit on reimbursable business moving expenses.

(1) Testimony before Select Subcommittee on Real Property Acquisition

Extensive testimony was presented before the House Select Subcommittee on Real Property Acquisition by experts who had conducted special studies of business relocation problems under grants from the Urban Renewal Administration and Small Business Administration. 71/ Dislocated businesses, they testified, are bearing a disproportionate share of the social cost of the project which causes their displacement. More of them are forced to discontinue than are businesses unaffected by governmental action. Thus, a study of two urban renewal project areas concluded that the discontinuance rate of businesses at least trebled during the project execution state compared with the rate of the preceding five year period. 72/

Studies of small business turnover throughout the United States show that the first two years of existence are the hardest,

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71/ Select Subcommittee on Real Property Acquisition, Hearings, op. cit., especially pp. 121-132, 168-175, 190-195, 261-281, and 295-317. Also see National Federation of Independent Business, Report on Survey of Adequacy of Compensation Paid to Firms Forced to Relocate Operations Due to Government Construction Projects (Washington, August 1963).

72/ Select Subcommittee on Real Property Acquisition, Hearings, op. cit., p. 122.

and the firm that survives five years has an excellent chance of continuing as long as the owner lives or as long as there is any demand at all for the product or service it provides. Small businesses that have been operating over five years and then are displaced, however, show a much higher discontinuance or closing rate than if left alone, indicating that they are being severely hit by displacement.

The dislocation problem is mainly one of small businesses and particularly those owned and operated by the elderly. The typical small displaced business found in studies of Boston, Providence, New Haven, and Hartford is an independent commercial establishment, a partnership, or proprietorship, rather than a corporation. Owners are usually over 60 years old and are tenants without long-term leases. Apparently, however, there is no discernable difference between the ability of tenants and owners to relocate successfully. Commercial tenants pay very low rents and occupy small space. Almost invariably, they relocate in the same city and occupy about the same area but at double the square foot rental.

Special problems they face in displacement are: (a) shortage of time in relocating; (b) the shrinking supply of suitable space and rising rent levels due to competition from other displacees; (c) the fact that timing of their move is in the hands of others; and (d) the frequent impossibility of developing an internal financial position sound enough to qualify for loans.

The elderly fare far worse than other small businessmen. They have less capital and find it more difficult to obtain outside financing, including Small Business Administration loans. They have little energy or spirit to start again in a new location. The relocation problem is particularly serious for small enterprises operated by owners who depend on them for a livelihood. These are usually retail or personal service concerns. Difficulties are severe in the most ubiquitous, nonspecialized types of business, such as "Mom and Pop" grocery stores or taverns, and those that require special zoning or licenses, such as liquor stores. <sup>73/</sup> The impact on the elderly businessman is aggravated when he is a resident as well as a

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<sup>73/</sup> Two problems cited by Rochester, N.Y., in the ACIR-CM survey were "difficulty in relocation of the neighborhood oriented business" and "restriction of movement of package liquor stores and bars to New York State Liquor Authority regulations; though recent modifications have been made in liquor code, relocation possibilities for this kind of business are still limited."

business operator in the displacement area. He feels personal disturbances as well as a threat to his livelihood.

The displaced businessman, moreover, feels the economic handicaps of age long before he reaches 65. Seniority requirements and the employer's costs of retirement and insurance programs hurt the older man's chances of becoming an employee. If he wishes to stay in business, he finds it difficult to finance the purchase of real estate and equipment because of short amortization schedules. Furthermore, his age makes him a poorer loan risk. Government's only effective alternative to relocating the elderly businessman successfully as a self-sustaining person--businessman or employee-- is to give him public assistance.

Adding to the relocation difficulties of displaced businesses is the economic hardship they may suffer in the critical period between announcement and start of an urban renewal project. The announcement creates a "wet blanket" effect which depresses the area. Tenants are anxious to move out, decreasing the area's attractiveness and lowering income of property owners. During demolition and construction, businessmen who remain in the area lose income. They sustain further income loss during the actual period of packing, moving, and resettling at a new location. Finally, adjustment to the new location requires at least six months and perhaps as long as the "critical two years" during which survival of new businesses is most in doubt.

Frequently, businesses would like to return to the renewed area but face appalling obstacles. Many difficulties of the first move out of the renewal area must be repeated. Rents in the renewal area are invariably higher and space is less likely to be suitable to their needs. Finally, small commercial establishments, which relied originally on a neighborhood trade, now find that their market has dispersed.

Prof. William N. Kinnard, Jr., summarized recent findings on the problems of business relocation thus: 74/

(a) Increasing relocation payments are useful but hardly sufficient to compensate the businessman for all losses involved.

(b) It is completely indefensible to treat persons or businesses affected by different federally sponsored programs in a

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74/ Select Subcommittee on Real Property Acquisition, Hearings, op. cit., pp. 309-311.

markedly different fashion. (See Tables 5 and 6 and later discussion for varying provisions of these programs.)

(c) Some affected businesses are marginal or even submarginal and could not be saved under any circumstances. Even so, there are many that discontinue or disappear which, except for forcible dislocation, could have survived in their previous locations or, under conditions of voluntary relocation, in other locations as well.

(d) Compensation for real property solely in terms of the prices and rentals paid in the old location fails to recognize that the public improvement program, by removing some of the supply of space and creating a large volume of demand at one time, changes the market confronting the businessman forced to relocate.

(e) The whole process of handling the business dislocatee, and particularly the matter of communicating with him, needs substantial improvement. "Despite genuine and generally effective efforts on the part of local administrations to provide assistance to affected businessmen, there is a general pattern of confusion and uncertainty that manifests itself throughout the studies that have been made." 75/

(f) Businesses that disappear or discontinue often involve a loss of livelihood for the owner-operator and his employees, particularly the older ones.

(g) Businessmen need loans as well as grants to see them through the period of interrupted income. "...Despite sincere efforts to improve the situation, the Small Business Administration program of loans to dislocated businesses does not appear to have met a major portion of the need."

(h) A large proportion of businessmen and their employees may remain nonproductive economically for a long time. They often must be supported by public assistance and need the help of social agencies.

(i) A very large share of the displaced businesses are tenants who are in no way benefited by compensation for real property takings.

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75/ In its reply to the ACIR-CM survey, Milwaukee lamented its "lack of trained technicians to process relocation claims where complicated business moves are involved."

Prof. Kinnard concluded on the basis of his and other research that:

Certain changes should be made in Federal law to eliminate existing inequalities and lack of uniformity in treatment of affected businesses. Moreover, the concept of just compensation should, in my view, include more than payment for rights in realty. Public action can and does adversely affect business operations without any reference whatsoever to their real estate holdings or rights in realty. It is my position that the burdens and costs of public improvement programs should be borne by the community at large, which is to benefit from the improvements, and not by individual businessmen in a haphazard, nonsystematic fashion. Perhaps the most unfortunate aspect of the present state of affairs is that there seems to be an inverse relationship between the relative burdens that individual businessmen have to bear and their ability to bear them. 76/

(2) Small Business Administration disaster loans to displaced businesses

As indicated earlier, the SBA disaster loan program authority was broadened by the 1961 Housing Act to include loans to businesses displaced by Federal and federally aided programs. Criteria used by SBA in making the loans are: (1) the borrower is not required to put up collateral; (2) loans can be made for 20 years, which is 10 years beyond the regular SBA loan program; (3) interest rate can be no higher than the average annual rate on all U. S. interest-bearing obligations at the end of the last fiscal year plus one-fourth of one percent (this was three and five-eighths in early 1964); and (4) an amount for working capital can be included in the loan. Major concern in SBA in making the loan is whether it can be repaid. 77/

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76/ Ibid., p. 312.

77/ Ibid., p. 104.



The record of loans granted under the program since its inception in June 1961, through June 30, 1964, was as follows: 78/

<u>Displacing program</u>	<u>Number of loans</u>	<u>Total amount</u>	<u>Average amount</u>
Urban renewal	221	\$12,948,500	\$58,590
Highways	53	4,419,400	83,849
Flood control	<u>4</u>	<u>164,500</u>	<u>41,125</u>
TOTAL	278	\$17,532,400	\$63,066

At the Boston hearings of the Select Subcommittee on Real Property Acquisition, the SBA regional director for Region 1 was asked why there had been so few displaced business disaster loans--an average of about 23 per quarter nationwide. His reply indicated that the program was suffering from a lack of knowledge about it. 79/

Figures submitted to the Select Subcommittee indicated that in SBA Region 1 (New England), about one-half the loans went to service businesses. Also, the average loan recipient showed average net profits of \$5,000 to \$10,000 for the three preceding years, including salary and withdrawals by the owner-operator, but less than \$1,000 when salary and withdrawals were excluded. 80/

(3) Some proposals for improvement

On the basis of the findings reviewed in his statement to the Select Subcommittee on Real Property Acquisition, Prof. Kinnard made a number of recommendations for corrective action:

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78/ Information received from Small Business Administration, Washington, D. C., October 20, 1964. For further analysis of SBA loan operations, see Study of Compensation and Assistance, op. cit., pp. 455-471.

79/ Select Subcommittee on Real Property Acquisition, Hearings, op. cit., p. 104.

80/ Ibid., pp. 110-111.

(a) There should be a single standardized pattern of compensation for business relocation and property loss expenses for all Federal and federally aided programs.

(b) Compensation for business relocation expense and loss should be mandatory rather than voluntary. "It may be necessary to make Federal grants rather than participating arrangements in order to achieve this aim, but if at all possible, local communities and States should bear some of the burden. The important point, however, is that the body politic, whether at the Federal, State, or local level, or a combination of two or more, should bear the burden of loss which is experienced, rather than the private business establishment."

(c) Business advisory services should be significantly more localized, including expansion of SBA activities and making available business advisory specialists.

(d) The Federal Government should seriously consider financing employment of social workers to help deal with the adjustment problems of the small businessman, particularly the elderly.

(e) A retraining program should be set up, most logically through revision of the Federal-State public employment service.

(f) A single lump-sum payment for loss of business and interruption of income should be made. This should be at the beginning rather than end of the relocation process, thereby helping to save some displacees.

(g) SBA loans should be liberalized, particularly for the elderly. Liberalization should include a differential and favorable rate of interest, at least one percent below the rate in regular nondisaster SBA loans; loans to buy existing businesses for relocation; increased loan funds for working capital, business expansion, and purchase of real property and equipment; and special term loans for businessmen aged 50 and over.

(h) Maximum moving expense allowances should be standardized at \$25,000 with administrative flexibility to allow payments for combined moving expenses and property losses beyond the present \$3,000.

(i) Through declaration of intent in the law, or by administrative practice, dislocatees should have priority in obtaining licenses when required.

(j) Particular emphasis is needed on follow-up advisory services and special loans to relocated businesses experiencing an income drop in their new location.

(k) Research programs into the needs of persons and businesses affected by governmental displacement should be expanded.

With respect to the related question of valuation and compensation in property acquisition, Kinnard recommended "a much closer approximation to equality or uniformity of treatment of property owners within any given project, within any given program, and among the different programs of the various Federal agencies involved in real property acquisitions." Specific steps recommended were:

(a) A "no trade" policy in offers of full and fair market value. The full and final approved offer should be made during negotiations, and the full amount of the offer should be made available immediately to the property owner without prejudice to possible future litigation.

(b) Congress should spell out in detail in the law its intent in providing for just compensation in order to remove much of the variation in awards.

(c) The law or administrative regulations should permit the acquiring agency to make the money available quickly in order to avoid the "wet blanket" effect.

(d) There should be much greater uniformity in rules and procedures in order to accentuate "just" compensation.

(e) Objective research on the problems of evaluation for just compensation should be encouraged, preferably through university research organizations.

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In Tables 5 and 6 following are summarized, for ready reference, the present provisions for urban renewal relocation payments, advisory services, and assistance of available housing and the comparable provisions for other Federal and federally assisted programs discussed below.

Table 5.

Statutory Maximum Relocation Payments Authorized for Federal and  
Federally Aided Programs

<u>Department or Program</u>	<u>When Individual or Family is Displaced from Dwelling</u>	<u>When Displaced Business Terminates (Does Not Move)</u>	<u>When Displaced Business Reestablishes</u>
Urban Renewal	Moving expenses and losses on disposition of personal property to \$200 for anyone, plus relocation adjustment payment up to \$500 for low and moderate income families and elderly individuals, the exact amount depending on family's or person's income and the rental level of available housing.	\$3,000 (almost exclusively for losses on disposition of personal property) plus an additional \$1,500 for firms with average annual net earnings of less than \$10,000 per year which are not part of an enterprise having establishments outside the urban renewal area.	Loss of property only to \$3,000; or moving expenses and loss of property combined to \$3,000; or <u>total</u> certified moving expenses only (administrative ceiling established at \$25,000); plus additional \$1,500 allowance as for firms terminating.
Public Housing	Same as urban renewal.	Same as urban renewal.	Same as urban renewal.
Mass Transportation	\$200 (moving expenses and losses on disposition of personal property).	\$3,000 (almost exclusively for losses on disposition of personal property).	Loss of property only to \$3,000; or moving expenses and loss of property combined to \$3,000; or <u>total</u> certified moving expenses only (administrative ceiling established at \$25,000).

Table 5 (con't.)

<u>Department or Program</u>	<u>When Individual or Family is Displaced from Dwelling</u>	<u>When Displaced Business Terminates (Does Not Move)</u>	<u>When Displaced Business Reestablishes</u>
Federal Aid Highways <u>a/</u>	\$200 (moving expenses only).	No payment.	\$3,000 (moving expenses only).
Defense Department; Interior (except NPS); NASA	"Fair and reasonable costs" <u>b/</u> (moving expenses, costs in search for replacement property, costs to obtain financing and closing costs for replacement property).	No payment.	"Fair and reasonable costs" <u>b/</u> (moving expenses, costs in search for replacement property, costs to obtain financing and closing costs for replacement property).

Footnotes

a/ This is the only program among those listed in which relocation expenses are not paid entirely with Federal funds. Payments are authorized on a matching funds basis only where States make payments pursuant to State law. See text, pages 66 and following, for further information.

b/ Statute limits total payment for all relocation claims pertaining to a parcel of real property to 25 percent of its fair market value. Select Subcommittee on Real Property Acquisition staff found no cases in which it was necessary to reduce a payment because of the statutory limitation; however, current programs of these agencies generally cause displacements only in rural areas or occasionally in very small urban areas.

SOURCE: Study of Compensation and Assistance, op. cit., p. 101.

Table 6.

Statutory Requirements for Relocation Assistance and Assurance  
of Standard Housing in Federal and Federally Aided Programs

<u>Department or Program</u>	<u>Relocation Assistance</u>		<u>Assurance of Standard Housing</u>
	<u>Persons</u>	<u>Businesses</u>	
Urban Renewal	HHFA Administrator issues regulations requiring a relocation assistance program including measures to (1) determine needs of families and individuals for relocation assistance, (2) provide information and assistance to aid in relocation and otherwise minimize hardship of displacement, and (3) assure necessary coordination of relocation activities with other governmental actions in the community which may affect carrying out of relocation program.	Same as for persons.	Loan or capital grant contracts require local public agencies to show that there is a feasible method for temporary relocation of displaced families and individuals and that there are decent, safe, and sanitary dwellings equal to number of displaced units. Rehousing units must not be generally less desirable in regard to public utilities and public and commercial facilities, and must be at rents within the financial means of the displaced and reasonably accessible to their places of employment.
Public Housing	None.	None.	Same as urban renewal.

Table 6 (con't.)

<u>Department or Program</u>	<u>Relocation Assistance</u>		<u>Assurance of Standard Housing</u>
	<u>Persons</u>	<u>Businesses</u>	
Mass Transportation	None.	None.	Same as urban renewal except provision does not apply to individuals.
Federal Aid Highways	Secretary of Commerce requires State highway departments to give satisfactory assurance that relocation advisory assistance shall be provided for relocation of families. No requirement that advisory services be directed toward finding decent, safe, and sanitary housing at prices or rents within their means.	None.	None.
Defense Department; Interior; NASA	None.	None.	None.
TVA	Authorized to advise and cooperate in readjustment of population displaced by its projects and to cooperate with Federal, State, and local agencies to that end.	None.	None.

SOURCE: Urban renewal--Housing Act of 1949, as amended through September 2, 1964, and Housing Act of 1964, Public Law 88-560, approved September 2, 1964; public housing--Public Law 88-560, September 2, 1964; mass transportation--Public Law 88-365, 88th Congress, July 9, 1964; federally aided highways--Federal Aid Highway Act of 1962, Act of October 23, 1962, 76 Stat. 1145, 1146, 23 U.S.C.A. 133; Department of Defense--Act of September 2, 1962, 76 Stat. 511, 10 U.S.C.A. 2680; Department of the Interior--Act of May 29, 1958, 72 Stat. 152, 43 U.S.C.A. 1231, et. seq.; National Aeronautics and Space Agency--Act of August 14, 1962, 76 Stat. 382, 384, 42 U.S.C.A. 2473; Tennessee Valley Authority--16 U.S.C.A. 831c(1).

## B. Federal Aid Highways

The Federal aid highway programs--interstate, primary, secondary, and urban extension--are second only to urban renewal in impact on urban relocation problems. According to the reports of the 100 cities over 100,000 population responding to the ACIR-CM survey, for example, streets and highways displaced 10,206 families and 1,129 businesses in their most recent year of activity. These were 27.6 and 19.2 percent, respectively, of total family and business displacements. The same cities estimated that in the next two years highway and street programs will displace each year an average of 13,768 families and 1,087 businesses. 81/

Although the Federal aid highway program to urban areas dates back to 1934, and the interstate program to 1956, provision was first made for relocation assistance in 1962. The assistance it gives to displacees in avoiding relocation hardships is appreciably less certain and inclusive than the aid extended under the Federal urban renewal program.

### 1. Development of present relocation program

In his 1961 special message to the Congress on the Federal aid highway program, President Kennedy urged enactment of legislation to meet the problem of relocation assistance to persons displaced by Federal aid highway construction. He reiterated the plea in his 1962 transportation message to the Congress: "To move toward equity among the various federally assisted programs causing displacement, I recommend that assistance and requirements similar to those now applicable to the urban renewal program be authorized for the Federal aid highway program and the urban mass transportation program." 82/

The Administration proposal was patterned in many respects after the urban renewal relocation requirements, although less inclusive and generous. It provided that State highway departments, in order to qualify for Federal aids, would have to assure a feasible

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81/ See Tables 1 and 2, pp. 12 and 13 above.

82/ U. S., President, 1961-1963 (Kennedy), The Transportation System of Our Nation, Message to Congress, April 5, 1962, House Document No. 384.



method for temporary relocation of displaced families and an adequate supply of standard housing conveniently located and within the financial means of the displacees. Payments to families, individuals, and businesses for moving expenses and loss of personal property were authorized to be included within the project cost to be financed in part by Federal funds.

Opposition developed mainly around the fear of diversion of trust funds from the 41,000-mile interstate program scheduled for completion in 1972. Other objections raised were that the requirement to assure a feasible method for relocating families in standard housing would seriously delay the interstate program's schedule; would add great costs; and that, in any case, the problem of dislocation was being considered across-the-board for all Federal and federally aided construction programs by the Select Subcommittee on Real Property Acquisition of the House Public Works Committee, and any Congressional action should await its report.

## 2. Present relocation provisions

As passed, however, the Federal Aid Highway Act of 1962 provided that prior to approval of any interstate or Federal aid primary, secondary, or urban extension project for right-of-way acquisition or actual construction the Secretary of Commerce would require the State highway department to give satisfactory assurance that relocation advisory assistance will be provided for relocating families displaced by the project. This replaced the provision in the Administration bill requiring State highway departments to give assurance that "one or more feasible methods" of relocation assistance be provided by the State. Advisory services are not required for displaced individuals or businesses.

The Secretary of Commerce may approve, as part of the cost of construction of any Federal aid highway program, payments for moving expenses made by a State highway department or its agent to people or businesses displaced from real property acquired for the project. Maximum payments allowed are \$200 for a family or individual and \$3,000 for a business or nonprofit organization. Reimbursement of direct loss of personal property, as in urban renewal projects, is not authorized. Moving expenses for business or nonprofit organizations are limited to a distance of up to 50 miles. Inclusion of the cost of payments within the project costs means Federal financing of

90 percent of the payments on interstate projects and 50 percent of the payments on Federal aid primary, secondary, and urban extension projects. 83/

Under the Bureau of Public Roads regulation implementing the 1962 Act, State highway departments are required to submit to the BPR division engineer detailed information about relocation advisory services for families and policies and procedures for reimbursing moving costs. The State's relocation advisory service must include as a minimum an office having major responsibility for relocation assistance on a Statewide basis. A local subsidiary office must be established for each project where there are 25 or more families to be relocated. On projects with fewer than 25 relocatees, relocation service may be rendered by individual contacts with the families by representatives from the central or other relocation assistance offices.

Offices must list properties for sale, available rental properties, public housing projects, other available replacement housing, and information about services offered by other related agencies, such as social welfare agencies, urban renewal agencies, and public housing authorities. Expenditures incidental to relocation advisory service are eligible to participate in Federal aid if they are chargeable directly to a project, but general administrative expenses of relocation are not eligible. State highway departments may pay moving expenses on the basis of a fixed schedule rather than actual expenses. All payments must be documented by receipted bills in case of actual expenses and with citation of the schedule if on a scheduled basis. 84/

### 3. Action by the States

Since passage of the highway relocation requirement, all State highway departments have set up machinery for giving relocation advisory assistance.

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83/ 23 U.S.C.A. 133.

84/ U. S., Department of Commerce, Bureau of Public Roads, Right-of-Way Procedures (Assistance for Displaced Families and Businesses, Policy and Procedure Memorandum 21-4.4, November 9, 1962.

Since the Federal law merely authorizes Federal sharing in payment of relocation expenses by the States, actual payment depends on State legal authorization. Eight States already had authorization for some kind of payment when the Federal relocation provision was passed: Connecticut, Maryland, Minnesota, Nebraska, New York, Rhode Island, Tennessee, and Wisconsin. Many of these laws were very limited in their application and were not as broad as the Federal highway provision. In Connecticut and Rhode Island, for instance, payments were required to residential tenants but not owners; authorized payments for business moving expenses varied from nothing in Connecticut and Rhode Island to actual cost in Nebraska. 85/

Currently, there are 22 States with statutory authorization for payment of moving costs. In addition, some States pay moving costs, pursuant not to a specific statutory authorization, but to a decision of the State court or its attorney general. 86/

Twelve of the 22 State laws are substantially in accordance with the reimbursement provisions of the Federal Aid Highway Act of 1962: Kentucky, Massachusetts, Nevada, New Jersey, New York, Ohio, Oregon, Rhode Island, Utah, Vermont, Virginia, and West Virginia. Payments are authorized for "reasonable and necessary moving expenses" (except for Nevada where actual costs are specified); maximum payments are not to exceed \$200 for residential occupants (except for New York where \$300 is allowed) and \$3,000 for business concerns; and, with the exception of Oregon, payment of a fixed amount in lieu of payment for actual expenses is authorized for industries and families, although several of these (Vermont, Virginia, and New Jersey) have not implemented such authorization. In all these States, payments are authorized for displaced occupants without reference to their interest in the real estate (i.e., both owners and tenants, with and without leases, are eligible for payments). 87/

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85/ U. S., House of Representatives, Federal Highway Act of 1962, Hearings before the Subcommittee on Roads, Committee on Public Works, 87th Cong., 2nd Sess., 1962, p. 53.

86/ U. S., Department of Commerce, Bureau of Public Roads, Relocation Assistance Program, Memorandum, September 20, 1963, p. 1.

87/ U. S., House of Representatives, Committee on Public Works, Select Subcommittee on Real Property Acquisition, Staff analysis of laws of 22 States having compensation for highway relocation (typed), (no date).

The ten States with legislative authorization to pay moving costs that depart from the Federal formula to a substantial degree are Connecticut, Hawaii, Maryland, Minnesota, Nebraska, North Dakota, Oklahoma, Pennsylvania, Tennessee, and Wisconsin. South Dakota enacted a statute authorizing payment of moving costs in 1963, but the State Highway Department, in exercising its discretion also conferred by statutes, has chosen not to implement it. 88/

The Pennsylvania law, passed in June 1964 by the legislature, authorizes payments of highway relocation moving costs as part of the State's first comprehensive eminent domain act applicable to all property takings by State and local agencies. 89/ It provides that "just compensation" shall consist of the fair market value of the real property taken, plus such other damages as provided in the law. The latter include the following and are payable to both owners and tenants of real property:

(1) Reasonable expenses of removal, transportation, and installation of machinery, equipment, or fixtures, not to exceed \$25,000 and in no case to exceed the market value.

(2) Business dislocation damages, where it is shown that the business cannot be relocated without substantial loss of patronage. Compensation for these damages is the monthly rental for the business premises multiplied by the number of months remaining in the lease, not to exceed 24 months. Payments may be no more than \$5,000 and no less than \$250.

(3) Moving expenses for personal property other than machinery, equipment, or fixtures, not to exceed \$500 for residential and \$25,000 for business moves, and in no case to exceed the market value of the personal property.

Table 7 below presents pertinent data on the laws of the ten States authorizing highway relocation payments substantially different from the Federal formula. In most of the 22 States, authorization for payment of moving costs applies only to highway displacements. Exceptions include Maryland, Massachusetts, Minnesota, New York, Pennsylvania, Tennessee, and Wisconsin. In a few of the States, the law for

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88/ Ibid.

89/ Laws of Pennsylvania, Act No. 6, June 22, 1964.

Table 7.

Ten States with Laws Authorizing Relocation Payments for  
Federal Aid Highway Displacees Differing Substantially  
from Provisions of the Federal Aid Highway Act of 1962

<u>State</u>	<u>Maximum Payment</u>		<u>Persons Eligible</u>
	<u>Residential</u>	<u>Business</u>	
Connecticut	\$250	--	Residential nonowner occupants only, business concerns not eligible. Paid only in projects displacing 20 or more units.
Hawaii	\$100	\$300	Occupants.
Maryland	No dollar limit, but cost of move may not exceed fair market value of personal property moved.		Occupants.
Minnesota	\$200	\$3,000	Owner, contract vendee, and lessee of real estate from which displaced are the only persons eligible.
Nebraska	\$20 per room	No limit	Owners of real estate from which displaced and tenants with unexpired leases.
North Dakota	No dollar limit, but payments may not exceed value of personal property moved.		Owners of real estate from which moved only; tenants are not eligible.
Oklahoma	No dollar limit	--	Occupants.

Table 7 (con't)

<u>State</u>	<u>Maximum Payment</u>		<u>Persons Eligible</u>
	<u>Residential</u>	<u>Business</u>	
Pennsylvania	\$500	\$25,000 plus business dis- location damages from \$250-\$5,000, the amount depending on rental value.	Occupants.
Tennessee	No dollar limit	--	Owners of real estate and tenants with unexpired leases.
Wisconsin	\$150	\$2,000	Owners of real estate from which displaced and tenants with written leases of at least three years.

SOURCE: Select Subcommittee on Real Property Acquisition, Study,  
op. cit., p. 104.

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highway relocation payments and services provides for some action by municipalities. In Connecticut, for example, where more than 20 dwelling units are to be displaced by a State highway project within a municipality, the municipality must file a plan for and conduct the relocation. The Commissioner of Highways reimburses the municipality up to \$250 per housing unit displaced. 90/ In West Virginia, the State road commissioner may call on and coordinate the services of such agencies of State and local government as may be able to render advisory assistance to displaced persons. 91/

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90/ Conn. Gen. Statutes, Sec. 13a-81.

91/ W. Va. Code 1448(20).

4. Experience under highway relocation assistance program and relations with localities 92/

Highway relocations are largely an urban phenomenon. In the first six months of the Federal highway relocation assistance program, 89 percent of the residential moves and 86 percent of the business moves were in urban areas. Wyoming, for example, reported it rendered no relocation advisory assistance because not a single building was involved on any of its Federal aid projects during the period. In contrast, 7,881 residential and 561 business units were relocated in Ohio.

Of the approximately 21,000 residential units moved, 30 percent had an estimated value under \$6,000 or rented for less than \$60 per month each; 44 percent had a value between \$6,000 and \$15,000 or rented for between \$60 and \$110 per month each; and the rest were valued at \$15,000 and over or rented for \$110 or more per month.

Commenting on the number of requests for assistance, the BPR stated:

As we had expected from a similar experience by urban renewal, most Americans seem to prefer to provide their own assistance. Only 12 percent of about 21,000 families which had to move made any contact with the assistance offices, and only about 4 percent of the total accomplished relocation through the assistance offices.

During the same six month period, 1,967 businesses were displaced. Relocation inquiries were received from 231, and State relocation assistance was provided in 36 cases. Such assistance is not required by the Federal law but is encouraged by BPR.

Several different kinds of relocation assistance offices were used. For residential moves, about 45 percent of the projects used State highway department district offices; 16 percent used on-site relocation offices set up by State highway departments; 14 percent used local urban renewal agencies; and 25 percent used other arrangements. For business moves, about 61 percent of the projects used

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92/ This section is drawn largely from Bureau of Public Roads, Relocation Assistance Program, op. cit., and letter from E. H. Swick, Director, Office of Right-of-Way and Location, BPR, November 18, 1963.

State district offices; 8 percent used on-site relocation offices; 19 percent used local urban renewal agencies; and 12 percent used other arrangements.

The following States made some use of local public agencies:

<u>States</u>	<u>Projects</u>	<u>Residential relocations</u>
Connecticut	6	109
Georgia	1	18
Hawaii	2	3
Iowa	2	303
Ohio	<u>7</u>	<u>2,559</u>
	18	2,992

According to the ACIR-CM survey, Cincinnati, Cleveland, Akron, Columbus, Dayton, Toledo, Canton, and Youngstown, among Ohio cities, contracted with the State highway department to provide relocation services. Similar contracts or informal agreements were reported from Louisville, Ky., Omaha, Neb., Greensboro, N. C., New Bedford, Mass., and Providence, R. I. On the other hand, the Boston respondent said that "future highway construction by the State in Boston would require the State program to have separate relocation staff and offices, providing same services, financial aid, but probably using different and less acceptable philosophy in treating people and their problems." Also, the Minneapolis reply stated that "under present State legislation it is not possible for the State Department of Highways to enter into contract with another agency to provide relocation services for families displaced by highway programs."

##### 5. Problems of relocation under the Federal Aid Highway Act

Provisions of the Federal Aid Highway Act with respect to payments and services to persons and businesses displaced by federally aided activities clearly provide considerably less assurance than similar Federal provisions on urban renewal that displaced individuals and families will be spared hardship and will be "made whole." No assurance is required of State officials to show that there is a



"feasible method" of relocating families and individuals and an adequate supply of standard housing available or being made available and within their means. An advisory service is required, but it applies only to families, not individuals and businesses, and is far short of the requirement of the Housing Act for a positive relocation assistance program, applicable to all three categories of displacees. Relocation payments are authorized, not required, with the result that in 28 States displacees are not entitled to payments under the Federal Act, including such urbanized States as California, Illinois, Michigan, and Texas. Payments to business are limited to a maximum of \$3,000 for expenses of moving up to 50 miles and may not include payment for direct loss of personal property. Finally, the cost of administering the relocation program does not qualify for reimbursement by the Federal Government as part of the project cost.

The reason why relocation payments attending highway construction are limited to a few States, but made by all States involved in urban renewal, is undoubtedly that the Congressional provision in the former program is permissive and, in the latter, mandatory. Opponents of a mandatory requirement during the deliberations leading up to passage of the 1962 Highway Act contended that some States have constitutional barriers to diversion of earmarked highway funds, and a mandatory requirement of use of such funds for relocation payments would end their Federal aid highway program. However, some States that raise the issue regularly use highway funds to provide federally mandated advisory assistance and utility relocation. Also, no case has ever been brought to court for a judicial determination.

Some contend that the hardship aspect of highway displacement can be minimized if the State pursues a policy of intelligent planning and advance acquisition of rights-of-way. Avoidance of highway "crash programs," giving people more time to plan and carry out their move when combined with convenient payments for property acquisition, assistance, and advice, can make the move more voluntary than forced. California State highway officials have placed great emphasis on this approach to right-of-way acquisition since the following policy was enunciated by Governor Warren in 1946: "No tenant in a residential building will be evicted unless it is established that he has a reasonably comparable place to move, even if it is necessary to delay the freeway construction." 93/

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93/ Rudolph Hess, "Relocation of People and Homes from Freeway Rights-of-Way--Community Effects," The Residential Appraiser, Vol. 28, No. 4 (April 1962), p. 3.

California officials have found that "a long-range planning program, orderly right-of-way acquisition, and well planned clearance activities permit owners and tenants alike sufficient time to make their own arrangements without assistance." 94/ The mobility rate of California's population and the rate of new housing starts have virtually assured a continuing supply of suitable accommodations in all price brackets for those wishing to reinvest in substitute private housing. The need for relocation assistance which must be given is thus directly affected by the quantity of comparable housing available in the area. Even in California, however, with its planned acquisition program and relatively loose housing market, the Highway Department has extended help, enlisting the aid of public housing authorities, real estate boards, and has asked right-of-way agents to canvass tenants and personally assist in locating alternative housing. If no other accommodations were available, tenants in the path of imminent construction were temporarily relocated to vacancies in other State-owned homes on freeway projects scheduled for later construction. 95/

The impact of an urban highway program may be quite different on relatively new and growing communities like those in California and older, stabler ones of the big metropolitan areas of the East. In California, there is readily available land, long-continuing rapid housing development, and a basic tie to the automobile in the layout of communities; whereas the East is typified by intensive use of land, relative shortage of surrounding vacant land for new housing development, and land use based more on use of mass transportation, such as streetcars and buses. Advance planning is likely to be much less helpful in avoiding vast disruption and dislocation in the latter type of community than in the former. Thus, even with advance planning as an essential part of an overall system of minimizing the hardships of displacement, it seems that, at least in the bigger, older, more congested cities, containing the underprivileged, elderly, and non-white particularly, positive measures of relocation assistance and service are indispensable.

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94/ Ibid., p. 8.

95/ Ibid., p. 3.

A recent study by Prof. Basil Zimmer of Brown University on the effects of displacement on small business illumines the relative impacts of urban renewal and highway programs. 96/ He reported on the experiences of more than 350 small businesses displaced either through urban renewal or highway construction programs in Providence, R. I., during the five year period 1954-59. The study was conducted under a research grant to Brown University from the Small Business Administration. One-third of the business concerns studied were displaced by urban renewal, two-thirds by highway projects. Urban renewal projects tended to displace food-related and service businesses, and generally smaller establishments than those displaced by highways. Owners of businesses in renewal areas tended to be older, less well educated, less well-to-do. In urban renewal areas, businesses were the marginal, neighborhood type, compared with the larger, more firmly established concern in the highway project path. As a consequence, urban renewal displacees were in a less favorable financial position to absorb the disruptive effects of relocation and generally regarded displacement with a more negative attitude. 97/

Generally speaking, these differing impacts are to be expected in view of the different objectives of the urban renewal and highway programs. One is primarily directed at clearing and rehabilitating deteriorated areas containing poor housing, whereas the other is concerned primarily with building roads. Moreover, while an urban renewal project is likely to be limited to a blighted area, containing a large proportion of marginal businesses and housing, an urban highway program must pass through areas with differing degrees of economic and social vigor. On the other hand, highway builders may be more likely to route their roads through slum areas because of the lower values of real estate improvements, if not of land.

In any case, even highway projects cause considerable hardship for small businesses of the kinds discussed earlier in connection with urban renewal. As Kinnard concluded on the basis of Zimmer's and other studies: "Dislocations occasioned by highway projects are subject to the same kinds of pressures as those stemming from urban renewal projects. There must be significant numbers of elderly businessmen forced to move as a result of highway projects, and the

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96/ Basil G. Zimmer, Rebuilding Cities: The Effect of Displacement and Relocation on Small Business (Chicago: Quadrangle Books, Inc., 1964).

97/ Ibid., pp. 34-39.

expanding volume of highway projects that cut through existing commercial and/or industrial use areas means that this problem is as important in the highway program as it is in the urban renewal program. A similar argument would apply to such other public improvement programs as airport expansion and public building construction." 98/

It is reasonable to assume, moreover, that urban highway projects cause relocation problems for families and individuals similar to those caused by urban renewal. The U. S. Commission on Civil Rights, for example, noted the similar effects of the highway and urban renewal programs in displacing nonwhites: "...it has been estimated that Detroit's Chrysler expressway, going through eight miles of the central city, will displace 3,900 families, 3,390 of them nonwhite." 99/

These problems and the failure of the highway program to counteract them bother local agencies concerned with overall relocation problems. Kansas City, Mo., for example, in its reply to the ACIR-CM survey, said: "The State Highway Department provides no follow-up service after providing listings to the displacees, which may well result in a second displacement through code enforcement."

The administrator of the family and business relocation service in Providence, R. I., which handles relocation under contract for the State highway department, told the Select Subcommittee on Real Property Acquisition:

...The term "advisory" referred to in the (Federal Highway) act is vague and has little significance in most instances. In carrying out a successful relocation program at national and local levels, it is imperative to produce legislation which will have more meaning and comprehensiveness. For example, this act fails to require specific services such as social casework, a concrete follow-up procedure, and workable inspection procedure, and a sociological approach to residents facing displacement. Relocation assistance has little meaning unless it spells out the specific

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98/ Select Subcommittee on Real Property Acquisition, Hearings, op. cit., p. 305.

99/ U. S., Commission on Civil Rights, 1961 Report: Housing (Book 4) (Washington: Government Printing Office, 1961), p. 99.

responsibility to be rendered by the local public agency. No provisions take cognizance of the fact that all types of hardship such as chronic illness and unemployment exist among our displacees.

In the area of administrative costs, the act fails to make available funds for the administrative operation which is the very foundation of the program. 1/

The statement went on to criticize the insufficiency of the \$3,000 limit on business moving expenses and the 50 mile limit on moving, and to recommend establishment of a consultant service for business firms facing displacement and extension of financial help to such businesses to help them avoid liquidation.

### C. Public Housing

Prior to passage of the 1964 Housing Act, the relocation policy of the Public Housing Administration was aimed at avoiding hardship for any families living on a proposed public housing site. The local housing authority was required to: (a) demonstrate to PHA that relocation was feasible; (b) establish a plan satisfactory to PHA for relocating site occupants; and (c) in the annual contributions contract, agree to carry out the relocation plans. 2/

PHA had no specific authority to make payments for assistance but derived the power from its general statutory authority to pay "development" costs. Thus, moving costs were deemed payable if the local authority determined that, unless such costs were paid, legal eviction would be necessary to remove certain site occupants and that attendant expenses in attorney's fees, court costs, and costs incident to delaying the project would equal or exceed the proposed financial help. Payments were made for business as well as residential moves.

Practices of local housing authorities varied under these general prescriptions. The director of the New York regional office, PHA, told the Select Subcommittee on Real Property Acquisition:

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1/ Select Subcommittee on Real Property Acquisition, Hearings, op. cit., p. 247.

2/ Ibid., statement of Herman D. Hillman, Director, New York regional office, PHA, p. 35.

In many cities or towns in this region with slums to clear for a public housing site, no direct financial benefits or other expenditures in relocation have been paid to displaced families. In other communities, however, economic prudence supported local decisions to make cash payments. For example, in one city in New Jersey, moving costs for 35 families were paid at an average of \$70. Also in the community, 19 families were paid the first month's rent in their new or temporary premises at an average of \$46. 3/

The 1964 Housing Act gave PHA specific authority to finance relocation assistance payments by extending to the public housing program the relocation provisions of Federal aid urban renewal. Local housing authorities may make relocation payments to families, individuals, and businesses with the payments 100 percent reimbursable by the Federal Government. 4/ Local units must demonstrate that there is a feasible method for relocating displaced families and that there are available, or are being made available, an adequate number of standard housing units to meet their needs. 5/

The 100 cities responding to the ACIR-CM questionnaire reported a displacement of 2,576 families by public housing activities during the last completed year. Of these, however, 590 were "over-income" displacements; that is, families whose incomes had become too high to retain eligibility for continued residence in low rent public housing. The net families displaced by property acquisition for housing construction were therefore 1,986, or about five percent of total families reported displaced by all programs. Businesses displaced by public housing site acquisition totaled 75, or 1-1/2 percent of total business displacements. Cities anticipated for the next two years a displacement of 7,844 families and 127 businesses by public housing, again a step-up in the average yearly rate of displacement.

Averages, of course, obscure the impact of public housing displacements in individual cities. Forty cities reported no displace-

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3/ Ibid.; also see Ibid., p. 218 for description of experience in Providence.

4/ Public Law 88-560, Sec. 406.

5/ Public Law 88-560, Sec. 405.

ments whereas a few reported rates considerably higher than the average; for example, Cleveland--29 percent of total displacements of families, Honolulu--23 percent, District of Columbia--29 percent, Knoxville--18 percent, and Norfolk--15 percent. In other years, the impact on individual cities might be quite different.

#### 1. Administrative responsibility

Of the 25 cities reporting displacement due to public housing site acquisitions, relocation in 18 is handled by the local public agency in charge of urban renewal relocations. In all but a few of the remaining cities, the local housing authority (without urban renewal responsibilities) administers relocation.

#### 2. Relocation payments and services

Twenty-three of the 25 cities made payments to families for moving expenses. Those that reported maximums said they made payments for business dislocation, with two (Newark and Providence) paying for direct property losses as well.

Just about all cities that displaced families by public housing site acquisitions gave the following relocation assistance: information program on assistance available, interviews to ascertain relocation requirements, arrangements with existing housing sources for notification of vacancies and referral to such vacancies, and referrals to social agencies of families needing help. Somewhat fewer inspected housing for adequacy of standards and traced families to find whether they were relocated in standard housing. Assistance was given to businesses only by about one-half of the cities, and this consisted mostly of advice on getting SBA loans and listing of available vacancies.

Reports on total amounts of relocation payments, administrative costs, and sources of funds were very fragmentary.

#### D. Urban Mass Transportation Act of 1964

Congress in 1964 enacted a new direct Federal-local aid program for urban areas that provides for relocation assistance to displacees--the Urban Mass Transportation Act of 1964. It authorizes the HHFA Administrator to make grants or loans to help States and localities

finance the acquisition, construction, reconstruction, and improvement of facilities and equipment for mass transportation service. 6/

The Act requires, as a condition of financial assistance, that relocation planning and assistance be similar to that set forth for urban renewal loans and grants except that certain additional provisions on urban renewal relocation carried in the 1964 Housing Act are not included. These concern: (a) the assurance of existence of a relocation program to individuals as well as families; (b) requirement that the HHFA Administrator prescribe measures to constitute an adequate relocation assistance program; (c) payment of "relocation adjustment" allowances to businesses and individuals; and (d) payment of additional rental subsidies to local housing authorities so they can admit displacees whose incomes are too low for admission.

Relocation payments, as in the urban renewal and public housing laws, are 100 percent reimbursable by the Federal Government.

E. Other Federal and Federally Aided Programs  
Causing Displacement

The staff of the Select Subcommittee on Real Property Acquisition identified nine major Federal departments and agencies causing an appreciable amount of displacement in the course of property takings during the past several years. In addition to the HHFA and Bureau of Public Roads, which administer the four Federal grant-in-aid programs already described, the nine include the Department of Agriculture (Forest Service and Soil Conservation Service); Department of Defense (Corps of Engineers and Navy); National Aeronautics and Space Administration; General Services Administration; Department of the Interior (Bureau of Land Management, Reclamation Bureau, Fish and Wildlife Service, National Park Service, and miscellaneous); Post Office Department; and the Tennessee Valley Authority. An additional agency recently causing displacement within a particular region is the International Boundary and Water Commission, United States and Mexico.

Data gathered by the staff of the Select Subcommittee with respect to displacements caused in the past and expected in the future due to Federal and federally aided property acquisitions are summarized, by agency, in Appendix Tables 1 and 2.

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6/ Public Law 88-365, July 9, 1964.



Of the above departments and agencies, Congress has provided by law for various degrees and types of relocation payments and assistance for all or some of the programs under the Defense Department, the Department of the Interior, 7/ NASA (property acquisitions administered by U. S. Army Engineers), TVA, the Department of Commerce, and HHFA.

#### 1. Tennessee Valley Authority

TVA was the first of these to have any type of authority to make relocation payments and offer assistance. Its 1933 Act declared that TVA "shall have power to advise and cooperate in the readjustment of the population displaced by the construction of dams, the acquisition of reservoir areas, the protection of watersheds, the acquisition of rights-of-way, and other necessary acquisitions of land...and may cooperate with Federal, State, and local agencies to that end." 8/ Methods of cooperation were left to administrative determination. TVA has never paid monetary benefits directly to displaced individuals but has set up instead a comprehensive relocation and readjustment service in cooperation with the agricultural extension services of the land grant colleges in the seven valley States.

In the 30 years of its operations through the fall of 1963, TVA gave resettlement and readjustment assistance to 14,758 families. The heads of a majority of the families were tenants or farmhands having no compensable interest in the land. The average cost to TVA was \$110 per family. 9/

Although TVA does not have authority to make direct relocation payments, it makes monetary allowance for moving expenses in determining what it regards as a fair offer for property. Short term occupants, however, usually must pay their own moving costs.

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7/ The National Park Service, by opinion of the Comptroller General, is prohibited from paying claims for moving and related expenses.

8/ 16 U.S.C.A. 831c(1).

9/ Select Subcommittee on Real Property Acquisition, Hearings, op. cit., pp. 308-309.

2. Departments of Defense and the Interior; National Aeronautics and Space Administration

In 1951 Congress authorized the military departments to reimburse landowners and tenants for moving expenses in connection with lands acquired for specific military projects. 10/ In 1952 this authorization was broadened to apply to all public works projects of the military departments. 11/

In 1958 Congress granted the Secretary of the Interior similar authority in connection with lands acquired for construction, operation, or maintenance of developments under his jurisdiction. 12/ Such developments include acquisition of lands for water conservation and for other public works projects of the Bureau of Reclamation.

In 1962 Congress authorized NASA to pay moving costs to owners and tenants under conditions similar to those provided for the military departments and the Interior agencies. 13/

All of the above are authorized to pay for "expenses and other losses and damages incurred...in the process and as a direct result of moving." In general, each reimburses all owners and occupants of property taken for a project, paying reasonable and actual costs to a maximum of 25 percent of the market value of the property. However, no advisory assistance or service is given.

Comparative provisions with respect to relocation payments and assistance under Federal and federally aided programs, including those authorized for HHFA and the Bureau of Public Roads, are summarized in Tables 5 and 6 above.

That there is great inconsistency among Federal and federally aided programs with respect to provisions for relocation is quite apparent from Tables 5 and 6 and the earlier discussion of the four federally aided programs. The inconsistencies are further apparent in an examination of administrative regulations issued by agencies

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10/ 65 Stat. 364, Sec. 501(b).

11/ 66 Stat. 624-625, Sec. 401(b).

12/ Public Law 85-433.

13/ Public Law 87-584.

authorized to make relocation payments. A sampling of these variations, drawn from a comprehensive compilation prepared by the Select Subcommittee, is presented in Appendix Table 3.

As indicated in Chapter II, the wide range of variations in law and practice was a principal reason for the establishment of the Select Subcommittee on Real Property Acquisition in 1961.

#### F. State Displacement Activities, Other than Highways

The great bulk of State government activity causing displacement is Federal aid highway construction. In 1962, the highway program accounted for 73.7 percent of total State capital outlay expenditures. Education accounted for 13.7 percent, hospitals 2.4 percent, natural resources 2.2 percent, general public buildings 1.1 percent, and miscellaneous (including a very small percentage of non-Federal aid highways) 6.9 percent. <sup>14/</sup> Measured by expenditures, therefore, it would appear that State property acquisition other than for highways causes relatively little displacement. In addition, much non-highway acquisition occurs outside urban areas and thus is less likely to cause hardship of forced displacement. Many of these properties are for State university buildings, chronic care hospitals, conservation acquisitions, and parks.

Although, as noted, the most critical State displacement problem is caused by highway construction, another--though less frequent--displacement problem is caused when States construct office buildings in congested urban areas. Recent examples are the State office building complexes in Baltimore, Md., St. Paul, Minn., and Albany, N.Y., and the State office building in the Government Center Area of Boston. The New York State project involved displacement of about 3,000 families and many businesses, and relocation was handled by the State Division of Housing and Community Renewal. Persons displaced for the Boston office building were given no assistance, although others in the area received

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<sup>14/</sup> U. S., Department of Commerce, Bureau of Public Roads, Highway Statistics 1962 (Washington: Government Printing Office, 1964), p. 85; U. S., Department of Commerce, Compendium of State Government Finances in 1962 (Washington: Government Printing Office, 1963), p. 24.

money and advisory assistance under the urban renewal program. <sup>15/</sup> The Baltimore site was in an urban renewal area, and relocation payments were made under urban renewal provisions.

#### 1. Coverage of State laws

Of the 22 States that pay moving expenses for Federal aid highway displacees, in 15 the law applies exclusively to highway displacements. Only seven make any kind of relocation payment or offer service for displacements caused by other types of State activities, including non-Federal aid highways. These are: Maryland, Massachusetts, Minnesota, New York, Pennsylvania, Tennessee, and Wisconsin. In these States, the provisions extend to all types of State activities. Of these seven, moreover, in all but New York the requirement to pay moving expenses extends to the local governments as well.

Payments allowed for relocation vary among the seven States. Most liberal are made by Maryland, which allows payments up to the value of the personal property being moved; and Pennsylvania, which allows maximum moving payments of \$500 for residences and \$25,000 for businesses and, in addition, allows payments up to \$5,000 for business "relocation adjustment."

Under the Federal Aid Highway Act, as noted, all States are required to provide relocation advice and service regardless of whether they make relocation payments. None of the seven imposes a similar requirement for non-highway dislocations.

When the Massachusetts legislature in 1963 directed State and local agencies taking property to pay moving costs, it made no provision for advisory assistance. A bill was introduced, however, for creating a relocation assistance board consisting of the commissioner of public works, the commissioner of administration, the chairman of the State housing authority, the head of the division of accounts, and a citizen at large. Its purpose was to establish a unified policy and insure

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<sup>15/</sup> Massachusetts, House, Legislative Research Council, Relocation Assistance for Persons and Firms Displaced by Public Action (Boston: Wright and Potter Printing Co., 1962), p. 14.

equal and effective assistance to all displacees. The bill was referred to an interim committee for study and report back to the 1965 legislative session. 16/

A number of cities responding to the ACIR-CM survey expressed the wish that States would be more active in providing relocation payments and services. New Haven, Conn., for example, suggested that "all State agencies should develop a relocation policy equivalent to that required of the State highway programs." Paterson, N. J., on the other hand, said it would like the State government to "work through the designated local relocation agencies."

Despite the general lack of assumption of responsibility by States for relocating displacees of its property acquisition programs, interest is growing. Thus, an increasing number of States have appointed interim legislative commissions or other bodies to study eminent domain procedures with a view to possible revision. These usually include relocation compensation in their recommendations, as shown in the committee reports in Pennsylvania, California, Wisconsin, and Maine. In such cases, moreover, revisions may also affect the relocation responsibilities of local governments as well as State agencies, as demonstrated in Maryland and Pennsylvania. Even in these cases, however, emphasis is on compensation for incidental damages suffered, and the statutes include nothing with respect to other governmental action that must be taken as a condition of proceeding with property taking. Thus, there are no State requirements for surveying housing needs and resources, providing temporary relocation housing, or giving service and assistance to families and business owners.

#### G. Other Displacement by Local Governments in Urban Areas

Urban renewal and streets and highways activities together account for about 65 percent of the people and about 90 percent of the business concerns displaced by governmental action in urban areas, according to cities in the ACIR-CM survey. The remainder of displacement by local government in urban areas is caused by code enforcement, public buildings, public housing, and other activities involving acquisition of real estate for public use, such as local streets, schools, parks, and off-street parking facilities.

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16/ Select Subcommittee on Real Property Acquisition, Hearings, op. cit., pp. 72-73; and information received from Massachusetts Legislative Research Council.

According to replies received in the ACIR-CM survey, cities are not prohibited by State law or local charter from making payments and offering services to displaced persons and businesses. In a few States, in fact, cities and all State agencies and units of local government are mandated by statute to pay for displacements caused by any type of governmental action. These States include Maryland, Pennsylvania, and Wisconsin. 17/ States do not, however, provide funds to help localities make payments and this, understandably, is one complaint of cities responding to the survey. The State requirement for payment of relocation expenses is part of the eminent domain law and therefore does not apply to displacement caused by code enforcement.

Data cited for miscellaneous local government displacements in this section were taken from the joint ACIR-CM survey, except where otherwise noted.

#### 1. Code enforcement

Enforcement of housing, safety, and health codes forces families and individuals to move for several reasons: (a) to end overcrowding as defined by minimum occupancy standards; (b) to vacate a dwelling unit temporarily while it is being rehabilitated to meet minimum structural, safety, and health standards; and (c) to vacate it permanently when it is to be torn down for being unsafe or unsanitary.

Under the National Housing Act, cities applying for urban renewal grants and loans are required to treat persons and businesses displaced by code enforcement activities connected with the project in the same manner as they treat those displaced by property acquisition. 18/ Thus, the laws and practices of urban renewal, previously described, apply to this portion of code enforcement. Code enforcement discussed here is carried on outside urban renewal project areas.

The 100 cities responding to the ACIR-CM questionnaire reported a displacement of 5,746 families and 148 businesses by code enforcement activities during the past year, and estimated displacements in the next two years would be 28,601 families and 545 businesses, respectively. In relation to the total reported displacement load, code

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17/ For relocation provisions, see Table 7, pp. 71 and 72 above.

18/ Housing Act of 1949 as amended, Sec. 106(f)(2).

enforcement displacements of families accounted for about 16 percent in the past year and are estimated at 23 percent for the next two years; for businesses, the figures are 2.5 percent and 3.4 percent, respectively. 19/ Percentages for families correspond generally with figures reported on workable program submissions. Since code enforcement is directed mainly at housing conditions, it is not surprising that it causes relatively little business displacement.

Figures reported by the 100 cities indicate that the average yearly rate of displacement of families by code enforcement in the next two years will be about two-and-one-half times what it was in the most recent year. This expectation is in line with the emphasis being placed on code enforcement, rehabilitation, and conservation in urban areas. This emphasis was underscored with passage of the 1964 Housing Act. The act adds a requirement that, beginning in September 1967, no workable program will be certified or recertified unless the locality has had in effect for at least six months a minimum standard housing code and the HHFA Administrator is satisfied that the locality is carrying out an effective program of enforcement to achieve compliance with the code. 20/ As with other elements of the workable program, localities will be expected gradually to improve their code enforcement in order to assure recertification of their workable programs. "Some communities may be denied recertification until such time as the Administrator is satisfied that the community has fully complied with the new requirement for the workable program." 21/ The HHFA Administrator is authorized to provide technical assistance to localities in improving their code enforcement.

The new law also permits the cost of code enforcement activities carried out in urban renewal project areas to be included as a part of eligible project cost, payable up to three-fourths by the Federal Government. Previously the law did not allow reimbursement for preparing violation notices, for making compliance inspections of code violations, and for similar essential parts of a municipal code enforcement program.

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19/ See Tables 1 and 2, pp. 12 and 13 above.

20/ Public Law 88-560, Sec. 301.

21/ U. S., Congress, Senate, Committee on Banking and Currency, Housing Act of 1964, 88th Cong., 2nd Sess., Report No. 1265, p. 9.

So far as displacement is concerned, the additional load occasioned by enforcement activity connected with urban renewal projects will be handled within the urban renewal relocation process. It is likely that general acceleration of local code enforcement will stimulate increased displacement in nonurban renewal areas also, thus adding to the nonurban renewal part of the total relocation problem.

a. Administrative responsibility

Of the 69 cities reporting displacement due to code enforcement, a majority (36) provide for relocation through the local public agency that manages urban renewal relocations. This is not surprising in light of the fact that LPA's are required to take care of all relocations arising in urban renewal areas, including those caused by code enforcement. Other agencies administering code enforcement displacement include welfare departments, health departments, and building inspection departments. Arrangements for LPA's to be responsible are concluded through a variety of instruments such as ordinances, resolutions, informal agreements, and contracts.

b. Relocation payments and services

Only five of the 69 cities reporting code enforcement displacements made relocation payments for moving expenses and property losses to families. 22/ The five included New Bedford, Mass., and Evansville, Ind., indicating that size of city was not an important consideration. Three cities made moving-expense payments for business relocations.

With respect to services and assistance to displaced families, 41 cities had an information program to advise site occupants of relocation assistance available; 77 conducted interviews to ascertain relocation requirements; 45 made arrangements with sources of existing private and public housing to provide notification of vacancies and assist in finding vacancies; 47 made referrals to cooperating private real estate firms or landlords; 38 inspected relocation housing to determine whether it was standard; 23 traced families who left without providing a forwarding address to ascertain if they relocated in standard housing; and 41 made referrals to social agencies of families needing social work assistance.

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22/ See Appendix Table 4.



Fewer services were offered to displaced businesses: 22 cities gave advice on obtaining Small Business Administration loans; 13 allowed preference to the displacee in relocating on the site from which displaced; 22 maintained a list of available sites for relocation; and 5 provided other services, such as aid in checking zoning and licensing requirements for future sites and assistance in filing claims for moving expenses.

c. Financing of payments and services

Fragmentary information was received in the ACIR-CM survey about the amount and source of money disbursed for relocation payments and administrative costs occasioned by code enforcement displacements. Frequently, costs were lumped with those for relocation of other types of displacement and did not distinguish allocations between people and businesses. All costs for code enforcement relocation were borne by the locality.

2. Other local public works causing displacement

Only 16 cities reported displacements last year due to public buildings other than schools. Three cities reported displacement due to school building construction, and nine for other types of property acquisition such as parks, local streets, and miscellaneous public works. A few cities were represented in more than one of these categories.

Public buildings accounted for 3,385 family, and 375 business, displacements for the year last completed, but these were concentrated in New York City (2,168 families and 300 businesses). Estimates for the next two years placed public building displacement at 6,861 families and 1,119 businesses, with New York City accounting for 4,031 and 930, respectively.

New York City was also responsible for most reported family displacements caused by school building construction--218 out of 279; and accounted for 600 displacements estimated for the next two years out of the total for all cities of 663. No business displacements by school buildings were reported by any city for the past year nor estimated for the next two years.

Miscellaneous property acquisitions were reported to have displaced 679 families and 10 businesses in the past year and were estimated at 1,268 and 19, respectively, for the next two years. New

York City again accounted for the bulk of family displacements: 377 last year and 1,000 estimated for the next two years.

a. Administrative responsibility

An overwhelming number of cities reported that the agency responsible for managing urban renewal relocation was assigned administrative responsibility for relocating displacements due to public building activity, whether or not displacement actually occurred in the past year. The same pattern held true for miscellaneous displacements, although not quite so invariably. This suggests a tendency to centralize miscellaneous relocations in the agency handling the bulk of the relocation load--the urban renewal agency.

b. Relocation payments and services

Moving expenses of both families and businesses were paid by about half the cities that reported displacements due to public building construction. With few exceptions, they reported that all seven relocation services, listed on the questionnaire check sheet, were extended to displaced families. All but a few reported that they had informed businesses about the assistance they might obtain from the SBA. However, this was about the limit of relocation help that cities gave to business--except large cities, such as Hartford and Providence, which could offer more comprehensive counsel based on long experience with business displacements.

3. The Port of New York Authority

Cities account for most but not all locally generated displacements; counties and special districts are also involved, although little information is available on the amount of their displacement. <sup>23/</sup> Among nonmunicipal agencies, the Port of New York Authority has had far reaching experience in relocation although, as in many other respects, it cannot be regarded as typical of the experience of independent

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<sup>23/</sup> The ACIR-CM survey did, however, include replies from municipalities which are, in varying degrees, consolidated or separated city-counties, such as the Metropolitan Government of Nashville and Davidson County, the City and County of Honolulu, and Arlington County, Virginia.

authorities. The 1962 law establishing a centralized department of relocation for New York City did not provide for coordinating with the Port of New York Authority, presumably because the latter is a tri-State, and not a local, authority.

Illustrative of the Port's relocation activities is its work in 1957-1959 in connection with addition of a six lane lower deck to the George Washington Bridge, including construction of access highways. <sup>24/</sup> The access improvements, including a new trans-Manhattan expressway and a public bus passenger station, involved major property acquisitions causing displacements of 1,818 families and 109 commercial structures in the Washington Heights section of Manhattan.

The Port Authority assumed the obligation of helping residential tenants to relocate to new quarters. According to its usual practice, it had no formal program for relocating commercial tenants and owner-residents of dwellings but offered assistance whenever practicable. The program followed principles established earlier in bus terminal and tunnel approach projects and was executed by trained tenant relocation staff in its Real Estate Department.

For tenants who sought out and rented new residences for themselves, a sliding scale of bonus payments up to \$200 was provided, decreasing with passage of time after title vesting. There was also a schedule of payments for decorating (up to \$210) and moving expenses (\$25 per home) and a smaller bonus payment (\$100) was made to tenants relocating to apartments obtained by the Port Authority. In the latter cases, the broker or owner supplying the apartment received a commission (\$150). Total relocation costs averaged \$535 for each of the 1,818 families.

#### H. Some Additional Intergovernmental Problems

##### 1. Inconsistency among programs

As noted above, inconsistencies in relocation laws and practices were apparent in the description of Federal and federally aided programs. Review of relocation programs at the State and local levels clearly reveals substantial variations in relocation practices among all

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<sup>24/</sup> The Port of New York Authority, Department of Real Estate, Washington Heights Tenant Relocation Program (October 1959).

governmental programs. Evidence from every source--including cities' replies to the ACIR-CM questionnaire, hearings of the Select Subcommittee on Real Property Acquisition, and special studies--indicates that this is a nagging predicament. It appears to intrude constantly into the work of local urban renewal agencies as noted in the earlier discussion of urban renewal.

Cities in the ACIR-CM survey were asked their views on the desirability of uniformity. A typical response was: "The reason for uniform practices in relocation payment and service among agencies of all three levels of government seems readily apparent." Of the 100 cities responding, 86 answered the question:

...71 favored uniform practices in relocation payments and services among all local agencies.

...70 favored uniformity among all State agencies causing displacement.

...74 favored uniformity among all Federal agencies causing displacement.

...72 favored uniformity among agencies of all three levels of government causing displacement.

Adding emphasis to these opinions, a substantial number of cities mentioned "uniformity" when asked what actions, at each of the levels, would contribute to more effective resolution of their relocation problems. A number described the impact of nonuniformity on citizens forced to move. Chicago commented, for example:

Families on one side of a street may be displaced by urban renewal and obtain numerous services, whereas families on the other side of the same street may be displaced by an expressway and receive relatively few services. In the one case a relocation payment is processed; in the other there is no relocation payment.

The disparities and feelings of unequal treatment are even more extreme for displaced businesses since the two major displacing programs--urban renewal and highways--differ markedly in their monetary payments and, at least when the 1964 Housing Act amendments are in effect, in their services. Other programs extend little or no assistance to businesses.

Representative of comments from the minority of cities which did not favor uniform relocation practices were these: Milwaukee, Wis.: "Local agencies may not be able to afford to pay as much for relocation claims as the State or Federal agencies." Dearborn, Mich.: "The local unit of government is closest to the problem and therefore better able to apply a subjective standard." Lincoln, Neb.: "Uniformity of practice would be desirable only if the characteristics of displacement problems were similar...uniformity in and of itself is not a desirability unless it achieves our overall goal of usable assistance when needed."

## 2. Coordination of relocation activities within individual local jurisdictions

Inconsistency is found not only in laws and policies--it shows up as well in their administration. Even if laws and policies are uniform, practice is less likely to be consistent if administration is dispersed among a number of agencies. The logic is similar to that behind the recommendation of the Commission in the property tax field that the local assessing function be vested in a single county assessing office rather than in the assessors of numerous units of smaller jurisdictions, such as cities and towns. <sup>25/</sup>

Other advantages accrue to a centralized relocation service. Displacees are less likely to be confused about where to go for relocation payments and assistance. Economies of scale can be realized along with sharper expertise in the staff. For private and public welfare agencies, questions of contact, referral, and coordination with respect to problem families and individuals are apt to be simplified.

However, the disadvantages of centralized relocation were summarized by one observer as follows:

A centralized relocation service...raises certain serious questions. It will keep in some kind of step the relocation activities occasioned by different redevelopment undertakings but may correspondingly weaken the coordination required among site clearance, demolition, and management within each major program.

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<sup>25/</sup> Advisory Commission on Intergovernmental Relations, The Role of States in Strengthening the Property Tax, Vol. 1 (Washington: Government Printing Office, 1963), p. 15.

Further, how should basic policy decisions--notably those as to the rates at which various programs may go ahead without making relocation impossible--be made? Conceivably, this could be done through the creation of a policy board composed of either legislators and public members designated by the mayor, representatives of the operating agencies themselves, or a combination of both. Each organizational form raises its own problems. 26/

The writer concluded, however, that "in the light of the experience on this issue...a city-wide relocation service appears to be in a better position to deal with the various problems that arise in connection with relocation. A policy board would allow all agencies and departments concerned a voice in the formulation of policies and procedures as well as in the control of relocation operations, including the setting of priorities and rates of progress." 27/

In reference to the policy board suggestion, it is interesting to note that New York City has a Mayor's Housing Policy Board on whose executive committee the Commissioner of Relocation serves. "The membership of the Commissioner ensures the dimension of relocation a prominent place in overall housing and public improvement planning." 28/

A number of respected students of relocation problems have recommended centralization of relocation responsibility in local governments. For example, Prof. William Kinnard, cited earlier in reference to the problems of business relocation, told the Select Subcommittee on Real Property Acquisition:

The most successful and meaningful relocation assistance to all types of dislocatees is provided when one local agency administers relocation services for affected

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26/ Jack Meltzer, "Relocation of Families Displaced in Urban Redevelopment: Experience in Chicago," Urban Redevelopment: Problems and Practices, ed. Coleman Woodbury (Chicago: The University of Chicago Press, 1953), p. 450.

27/ Ibid., p. 450.

28/ New York City's reply to ACIR-CM survey.

families and businesses alike, and for all programs within the community--urban renewal, highways, and other public improvement undertakings. 29/

Similarly, Martin Millspaugh, also cited earlier, balancing advantages and disadvantages, concluded that, "It appears logical for the organization of a relocation program to focus responsibility for all relocation operations in the community at one central point." 30/

The "workable program requirement" for localities seeking urban renewal and public housing grants requires them to indicate how they propose, if at all, to coordinate the various phases of relocation--planning relocation, providing housing, assisting displacees. The question is concerned with both urban renewal and nonurban renewal displacees. A review of workable program submissions showed that HHFA officials are impressing on localities the desirability of moving toward more coordinated administration of the relocation activity with each yearly workable program recertification.

The ACIR-CM survey sought to determine the extent to which cities have centralized administration of activities causing displacement. One indication is provided in the tabulation shown in Appendix Table 5. Of the 100 responding cities, 47 reported that one agency was providing family relocation service for two or more activities causing displacement. In 32 of these, the agency served at least four activities including, most frequently, urban renewal, code enforcement, and public building construction. In 43 cities, the urban renewal agency was the central service unit. Frequently, it did not give the same service to displacees of all programs. In most cases, for example, it gave advisory assistance but no relocation payments.

Thirty-three of the 100 cities tended to center in one agency responsibility for two or more activities affecting business relocation. Again, the agency was usually the urban renewal department.

The ACIR-CM survey also asked those cities not having a single relocation agency whether there were any arrangements for coordinating under an overall government policy the planning and provision of all

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29/ Select Subcommittee on Real Property Acquisition, Hearings, op. cit., p. 304.

30/ Millspaugh, op. cit., p. 34.

relocation services within the city. About a dozen reported such arrangements. Philadelphia reported, for example, that such responsibility resided in its City Office of Development Coordinator, and Seattle made a similar comment with reference to the City Director of Urban Renewal. In both cases, the officer cited is the officially designated coordinator of relocation under the workable program requirement. Oakland said that it met this workable program requirement through collaboration between the relocation officers of the redevelopment agency and the building and housing department.

Another indication of the attitudes of local governments toward centralization of relocation administration is disclosed by the number of cities that mentioned the need for a centralized agency as one of their principal problems. Washington, D. C., for example, cited as a problem "absence of central relocation agency." 31/ Kansas City, Mo., said among other actions required is "support of a central relocation bureau which could contract services to agencies at all levels of government and in all categories." Newark blamed lack of a central agency, in part, for program delays. And, as a step toward desirable consistency among relocation programs, Sacramento said, "a centralized Relocation Department having informal or contractual agreements with those agencies causing displacement would not only make the task of all the aforementioned agencies much easier, but would offer equal relocation services to all occupants displaced by governmental action."

Related to the issue of coordinating relocation activities within individual jurisdictions is that of the location of the relocation agency within the administrative structure and its relationship to the chief executive. One observer studied the relocation performance of 41 cities over 100,000 population engaged in urban renewal projects in the period 1955-59, with a particular view to discovering whether there was any relation between performance and the degree of structural integration in the city government. 32/ One specific effect he saw in the relocation activities of the cities with diffused executive authority was "their inability to perceive the place and impact of relocation in renewal, and how to prepare for

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31/ Congress subsequently established such an agency for the District of Columbia.

32/ Harry W. Reynolds, Jr., "Local Government Structure in Urban Planning, Renewal, and Relocation," Public Administration Review, Vol. XXIV, No. 1 (March 1964), pp. 14-20.



it." Another was the "considerable difficulty which this group of municipalities experienced in integrating other relevant community agencies, public and private, into the discharge of relocation responsibilities."

On the other hand, he found that the cities with integrated structures and cohesive leadership from the mayor or city manager accomplished more creditable records in relocation. They allowed particularly for use of practices capable of coping with the "crucial ingredients in the relocation process," including intensive counseling of families about to be displaced, extensive gathering and dissemination of clues about suitable off-site housing, and pre-entry inspections of housing to which displaced families were moving.

He concluded that:

...strong executive leadership and an integrated structure have gone hand in hand with a high frequency of coordination among relevant public agencies and a considerable degree of satisfactory performance in relocation. The relationship between satisfactory program performance and integrated executive structure has lain in the fact that the latter has shown itself to be an indispensable medium for tying in planning, code enforcement, welfare, housing, and personnel skills to the task of population displacement, making possible the careful diagnosis and satisfaction of the rehousing needs of site occupants.

...effective leadership is needed to give viable expression and direction to relocation and renewal, including both structural and non-structural considerations relevant thereto. Without its formal embodiment at or near the apex of executive authority, any means of leadership for relocation is likely to be of uncertain impact, without useful channeling. 33/

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33/ Ibid., pp. 19-20.

### 3. Coordination of relocation activities among local jurisdictions in metropolitan areas

It was noted earlier that the special problem of housing displaced nonwhites is caused to a considerable degree by housing policies that discriminate against minority groups specifically and low income groups generally. As pointed out in the Commission's report dealing with metropolitan social and economic disparities, <sup>34/</sup> these policies show their effects dramatically in relations between central cities and suburbs in metropolitan areas through restrictive zoning practices, failure to authorize public housing, and other public and private actions that restrict housing opportunities and retard free movement of the population. More consistency in areawide housing, zoning, and related policies was suggested as a means of reducing these frictions.

There are other reasons for improved interlocal cooperation in metropolitan areas so far as the relocation problem is concerned. Economies of scale and enhanced expertise are possible through joint or cooperative administration of services and payments. Since the housing market generally is areawide, individual localities are concerned about the housing resources and needs of the entire area when they are trying to relocate the displaced within their own borders.

In response to the ACIR-CM survey, many cities indicated they could be helped by improved cooperation with neighboring localities or the county and more consistency of policy on zoning ordinances, housing and building codes, and ordinances banning discrimination in housing. The following is a sampling of comments in answer particularly to the question, "What actions, if any, by other local governments in your area (including counties and neighboring municipalities) would contribute to more effective handling of your relocation problems?"

"(We need) more low income housing in suburbs." - Buffalo, N.Y.

"If they (neighboring municipalities) would adopt a Fair Housing Ordinance in their communities." - Cleveland, O.

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<sup>34/</sup> Advisory Commission on Intergovernmental Relations, Metropolitan Social and Economic Disparities: Implications for Intergovernmental Relations in Central Cities and Suburbs (Washington: Government Printing Office, 1965).

"With the establishment of a tri-parish regional planning commission in this area, we may look forward to a uniform type of action and cooperation in the handling of inter-parish relocatees." - New Orleans, La.

"Overall consideration of housing problems in the Bay Area would be helpful. The development of a comprehensive program for meeting the needs on an areawide basis would enable consideration of such factors as land costs, employment opportunities, etc.; in relation to the various sections of the Bay Area." - San Francisco, Calif.

"The suburban areas, because of present real estate practices, or because of the economics of the metropolitan market, are pretty much closed to displaced families in the District of Columbia....(we need) a fair housing ordinance (in suburbs), such as that now in effect in the District of Columbia." - Washington, D. C.

(County and neighboring municipalities action needed): "Making information available through uniform reports on additions to the housing supply and any deletions from the same supply together with information on the vacancy ratio and rate of turnover....Through local building and housing codes and zoning ordinances which were created to provide varying types of housing in terms of price, size, and density." - Minneapolis, Minn.

"Regional centralized service and technical assistance in prediction of housing supply and housing requirements to those displaced." - Oakland, Calif.

"Creation of low and middle income housing and open housing policy (in suburbs)." - Rochester, N. Y.

"The County should adopt suitable building and minimum housing codes." - Wichita, Kan.

"Zone land for new housing to allow construction of moderate income rental and sales housing." - Hartford, Conn.

"One major problem we anticipate is that the absence of adequate codes and enforcement procedures in neighboring municipalities and counties will attract people displaced from substandard housing in Rockford and thus perpetuate the undesirable situation we are trying to correct. One other important area where action on the part of other local governments would contribute to more effective handling of relocation problems would be the establishment or designation of an

agency responsible for relocating people in the area to whom displacees interested in relocating in that area could be referred." - Rockford, Ill.

"Joint participation in a local relocation service primarily to provide consultive and coordinative service to the affected parties. Establish a relocation housing referral service through existing organizations, where practical, including follow-through on code enforcement to eliminate substandard housing. For businesses, the provision of information on available sites within a metropolitan area." - Tacoma, Wash.

"If similar relocation services were provided by other local governments in our area, either through contracting for such services with a central relocation office in the city, or by establishing an office of their own, the whole process of relocation may be expedited because referrals would cut across municipal boundaries and the availability of new units would increase as the market area increased." - Youngstown, O.

A small number of cities, on the other hand, indicated that no particular action of their neighboring local governments would help them in managing relocation. Among them were Des Moines, Ia.; Ft. Wayne, Ind.; Greensboro, N. C.; Richmond, Va.; and Utica, N. Y. Tulsa, Okla., said: "Cooperation has been good." Lincoln, Neb., commented: "Inasmuch as our relocation is so very limited, I doubt if any action by other local governmental agencies would be helpful;" and Scranton, Pa., said: "For the most part, our relocation activity is strictly a local situation and presently is not affected either positively or negatively by what other proximate government bodies do."

Providence, R. I., said: "Due to our geographic entities, the action taken by local neighboring governments would have very little effect on our local relocation program. However, as previously mentioned, the trouble lies at the top and not at the lower echelons of government."

## IV

### RECOMMENDATIONS

This report has examined (1) the extent and trend of the displacement of people and businesses as a consequence of governmental programs; and (2) the policies, practices, and problems of Federal, State, and local governments in providing relocation assistance for persons and businesses so displaced. This chapter identifies major findings and presents recommendations for inter-governmental action to meet the relocation problems described.

Governmental responsibility for assisting displacees to relocate stems from two sources: (1) Government's exercise of eminent domain in acquiring real property; and (2) its concern for the economic and social welfare of its citizens. Under the constitutional doctrine of eminent domain in the United States, government can force people to sell their property. The property owner thus cannot refuse to sell if he believes the price offered is insufficient to compensate for all costs of reestablishing himself. Since the courts generally have limited compensation to the fair market value of the real property acquired, property owners and tenants must look to the legislature to be compensated for incidental costs not covered by the value of the real property taken.

Unlike property owners displaced by public acquisition, owners displaced by private acquisition can hold out for a sales price which will assure them compensation for the cost of resettling as well as the value of their real property. Tenants in such cases, on the other hand, have little protection, particularly if they have no lease. Lower income groups are usually renters and find it most difficult to rehouse and readjust.

Under its economic and social welfare programs, such as housing, public assistance, and unemployment compensation, government has adopted a policy of concern for the economic and social opportunities of its citizens. Specific concern for the social and economic effects of forcible displacement is consistent with this general policy.

As a general principle, therefore, the Commission concludes that persons and businesses displaced by local, State, or Federal public works and other programs are entitled to assistance in relocating, and this entitlement extends to lessees and tenants as well as to owners of homes and business establishments.

## A. Summary of Findings

The Commission has found that governmental displacement of persons and businesses is substantial, particularly with respect to the federally aided urban renewal and highway programs and local code enforcement. All indications are that it will continue to grow. Thus, in a joint survey by the Commission and the U. S. Conference of Mayors, 100 cities over 100,000 population reported displacements last year of 36,900 families and 5,800 business concerns and estimated an average yearly displacement in the next two years of 62,500 families and 8,000 businesses.

The Commission found great inconsistencies in present provisions for relocation assistance. These inconsistencies are among different programs within the same level of government--local, State, and Federal--and among levels of government. They concern the amount and scope of relocation payments, advisory assistance, and assurance with respect to availability of standard housing. Nationwide, federally aided urban renewal and highway programs cause the most displacement. The urban renewal program makes the most comprehensive provision for relocation assistance; relocation provisions of the highway program are appreciably less generous.

The effect of the inconsistencies is felt most keenly in urban areas where programs of all kinds at all three levels of government most frequently come together. Cities responding to the special ACIR-CM survey were overwhelmingly critical of the effects of inconsistent relocation policies. Many cited the inequity of policies that result in one man's receiving moving expense payments and advisory assistance while his neighbor, displaced by a different program, receives nothing.

The worst problem in relocating families and individuals is the shortage of standard housing for low income groups. Cities reporting no relocation problems usually attribute their fortune to the availability of adequate housing for families of all income levels. An insufficient supply of public housing is a relocation problem in some cities. Another problem, however, is rejection of public housing by many displacees whose income makes them eligible for public housing and who have priority under Federal programs.

Nonwhites have the most difficult relocation problem of all population groups. This comes from their generally lower economic and educational status; the impact of urban renewal and code enforcement programs on neighborhoods where they are concentrated; and public and private practices that restrict their access to housing.

Large families and the elderly present other special housing problems. Large families with low incomes find an inadequate number of available large units of public housing. The elderly often live in the path of urban renewal, highway, and code enforcement programs. They are least able--psychologically and economically--to adapt to forced change caused by displacement. When the elderly are nonwhites, their relocation difficulties are aggravated.

Among business displacees, small businesses, particularly those owned and operated by the elderly, are the main dislocation problem. The typical displaced small business is an independent commercial establishment, a partnership, or a proprietorship rather than a corporation. The elderly have less capital and find it more difficult to secure outside financing. They have little energy or spirit to resume business in a new location. Their problem is most serious when they operate their own business and depend on it for their livelihood. Their businesses are usually retail or personal service stores, dependent on long-developed neighborhood patronage.

Advisory assistance is of growing importance in the relocation process. For the poor, the nonwhite, the elderly, and many small business people, relocation payments are not enough to assure their making an adequate adjustment to a forced move. They need intensive counseling to prepare them for displacement and help them carry out their move; clues about suitable housing, business opportunities, and alternative sources of livelihood if they discontinue business; and follow-up after displacement to help make a successful readjustment.

The relocation process often discloses the social and economic needs of displaced persons, and thereby offers a unique opportunity for effective application of the techniques and services of local, State, and Federal programs dealing with less privileged social and economic groups. Such programs include housing, public assistance, education, employment, and training.

To be effective, attacks on problems caused by governmental displacement demand action by all three levels of government. The most obvious reason is that major programs causing displacement--urban renewal and highways--are intergovernmental in nature. Another reason is that the impact at the local level--where it is the greatest--is the result of property acquisition programs stemming from all three levels. Moreover, municipalities can do little without permission of their State governments. Finally, relocation problems primarily involve housing; the housing market is areawide; and the most effective use of that market can be made only through cooperation among local government units in the metropolitan area.

The following 14 recommendations for local, State, and Federal action to help meet the foregoing problems are presented under six major headings:

- . Uniformity of relocation advisory assistance and payments.
- . Assignment of responsibility for determining relocation payments.
- . Assurance of the availability of standard housing for displaced people.
- . Financing of relocation costs.
- . Modifications of related Federal programs to ease the relocation process.
- . Local organization, technical assistance, and planning for relocation.

## B. Recommendations

### Uniformity of Federal relocation advisory assistance and payments

1. The Commission recommends that the Congress establish a uniform policy of relocation payments and advisory assistance for persons and businesses displaced by direct Federal programs and by Federal grant-in-aid programs, and that the President direct that the necessary steps be taken to formulate uniform regulations for carrying out such a policy.

In his 1962 transportation message to the Congress, President Kennedy said: "To move toward equity among the various federally assisted programs causing displacement, I recommend that assistance and requirements similar to those now applicable to the urban renewal program be authorized for the Federal aid highway program and the urban mass transportation program."

That the Federal Government is still a long way from achieving the equity visualized by the late President is apparent from the findings of this report. Some Federal programs, such as those conducted by the Corps of Engineers, are permitted to pay "fair and reasonable costs" of relocation up to 25 percent of the fair market value of the real property taken. Allowable reimbursable costs



include, besides actual moving expenses, costs incurred in searching for replacement property and costs of financing and settlement in the purchase of replacement property. Other Federal programs authorize no payments at all. The full range of variations among Federal and Federal grant-in-aid programs was shown in Tables 5 and 6, pages 62 and 64 above.

The most dramatic instances of the effects of these inconsistencies occur in urban areas where different Federal and Federal grant-in-aid programs displace neighboring properties. A homeowner whose property is taken for a federally aided urban renewal project is entitled to moving costs up to \$200. His neighbor, whose property is taken for a federally aided highway program, is entitled to \$200, but only if the State has authorized it. Twenty-eight States have not authorized such payments, and even among the States that have, an appreciable number have not authorized payments up to the Federal limit, or not for tenants and lessees. A third homeowner in the same neighborhood may receive nothing at all if his property is taken by General Services Administration for an office building. Inconsistency in payment of business moving expenses is even greater since the Federal Aid Highway Act allows business moving expenses only up to \$3,000, whereas displacement by a federally aided urban renewal project entitles a business owner to as much as \$25,000 for moving expenses. Displacement by GSA would be without compensation for moving costs.

Similar variations exist with respect to advisory assistance given to displacees. These deficiencies are most serious in urban areas where property takings most frequently displace those in need of assistance--low income and underprivileged groups, the elderly, and the marginal small businessmen. Advisory assistance extended under Federal urban renewal is the most comprehensive; the Federal highway program provides no service to businesses and individuals; and only TVA among other Federal programs is required to give any kind of advisory help.

The wide range of differences in relocation measures in direct Federal and federally aided programs was one consideration leading to establishment in 1961 of the House Committee on Public Works' Select Subcommittee on Real Property Acquisition. Prior to that, numerous bills introduced in Congress concerned authorization for different agencies to pay relocation costs and provide services. One bill that passed the Senate in 1960 would have authorized all executive agencies not already having specific moving cost legislation to reimburse owners and tenants for such expenses under the same formula as adopted for the Defense and Interior Departments.

Federally aided urban renewal and highway programs between them account for about 65 percent of the people and 90 percent of the businesses displaced in urban areas. Removal of the differences in relocation provisions in these two and in other direct Federal and federally aided programs would go a long way toward establishing equity and consistency of treatment of all persons and businesses displaced by governmental action in urban areas.

Social and economic side effects of displacement concern such federally aided programs as housing, public assistance, employment security, and Small Business Administration. These programs would be better able to serve displaced persons and businesses if the programs causing displacement followed consistent relocation policies.

With respect to federally aided programs--especially urban renewal and highways--it might be contended that determination of relocation policies should be left to State and local governments since they are responsible for executing displacements and bear the brunt of public reaction. While it is true that these are partnership programs in which heavy emphasis is placed on State and local initiative and day-to-day responsibility, the Commission believes that the national interest is served best when dislocation hardships are held to a minimum. From the record of the lag in many cities in offering effective relocation assistance and the fact that more than a majority of States have not chosen to make highway relocation payments or are making payments below the maximum for which Federal reimbursement is available, the Commission concludes that assumption of national government responsibility is essential to assure a uniform and equitable approach toward relocation assistance in federally aided programs.

A uniform policy of relocation payments should take account of the various types of expenses incurred by displaced families and individuals. These fall into three categories: the cost of moving household and personal effects; the cost of miscellaneous expenses, such as utilities connections and disconnections, advance payments of rent, rent deposits, and decorating expenses; and, in the case of property owners seeking to purchase another residence, the cost of acquisition, such as documentary stamps and title search fees. Reimbursement might be made on the basis of actual costs incurred or on the basis of lump sums payable for each of the three categories. The simpler method of lump sum payment has the advantage of quick processing and settlement of claims, a consideration of importance in expediting relocation adjustment.

From the standpoint of economic costs suffered in displacement, displaced businesses fall into two general categories. The first is businesses that can move to a new location and continue to function as

before, following a period of interrupted operations--usually larger firms and firms engaged in manufacturing or wholesale trade. Their relocation costs involve the interruption of business operations, looking for a new location, moving, and settling in a new location. The second category of displaced businesses consists of those that cannot move their customers with them--mainly small retail or service businesses that depend on a neighborhood trade built up over a long period of time. Often they are marginal and sometimes even submarginal operations. Generally, they are firms that would qualify under the special \$1,500 relocation allowance provided in the 1964 Housing Act for businesses displaced by urban renewal projects since they would be small (average net earnings under \$10,000 per year) and would not be part of a chain. Because these businesses are neighborhood oriented and cannot take their clientele with them, owners are faced with the choice of buying an existing business elsewhere, developing and promoting a new one from the ground up, or closing down and working for someone else. Thus, they suffer the loss of "good will" or "going concern value" of their displaced business. In addition, if they decide to give up business and seek employment from someone else, they may incur the cost of temporary unemployment and retraining--the cost of developing a new livelihood.

As in relocation of families, costs arising from relocation can be administered through an itemized schedule or a system of lump sum payments. Again, the latter method has the major advantage of simplicity and quicker settlement--less red tape, less variation in administrative practice among different Federal and federally aided programs, and less likelihood of forcing the small business owner to resort to the costly and time consuming process of employing a lawyer.

Compensation for loss of good will, relocation adjustment, or business interruption has seldom been paid by government in the past. A major reason has been the difficulty of measurement compared to the other costs of displacement. Recognition of the equity of paying for such costs is gaining acceptance, however, and provision for compensation of some kind is being written into law. Thus, the new Pennsylvania law compensates for "business dislocation damages" up to \$5,000, based on monthly rentals; and the 1964 Housing Act provides a special relocation payment of \$1,500 to certain small businesses.

Advisory assistance is essential to help displacees meet the costs of displacement--tangible and intangible. Such assistance is particularly needed by the poor, minority groups, the elderly, and the small businessmen who are most disrupted by a forced move. Assistance may consist of information, advice, guidance, and generally all reasonable aids necessary to minimize the hardship of relocation. Cities with most success in relocating families and individuals have

done intensive counseling just prior to displacement, using full-time professionally trained social workers (sometimes on loan from public welfare agencies); gathered and disseminated a wide range of suggestions about suitable housing; and made a pre-entry check of every dwelling selected by a displaced family to ascertain whether it was substandard or showed signs of becoming substandard. Follow-up, continuing some time after actual relocation, is necessary to assure that displacees have made a satisfactory adjustment in a standard dwelling or a new business.

As noted earlier, merely relocating in a similar building on another site may not be feasible for many small businesses because of the importance of their neighborhood trade. To help owners of such businesses make a satisfactory adjustment requires heavy emphasis on advice, counseling, perhaps special assistance in financing a new operation, and, if the owner does not wish to stay in business, other types of assistance to help him earn a living in some other occupation. Thus, governmental assumption of responsibility for helping to relocate displaced businesses and helping owners adjust to forced change goes beyond mere moving of a business establishment.

Since legislation establishing a uniform relocation policy will need to be implemented by administrative regulations, it is important in the interest of uniformity that these regulations be centrally formulated for all agencies concerned. It is pertinent to note (Appendix Table 3) that there are variations in administrative regulations for payment of certain relocation expenses under the Department of Defense and the Department of the Interior, even though the laws authorizing such payments are virtually the same. To assure uniformity in practice as well as in law, therefore, the Commission recommends that subsequent to the enactment of the suggested legislation, the President direct that necessary action be taken to formulate uniform implementing regulations covering requirements, standards, and criteria for relocation assistance.

#### Uniformity of State relocation advisory assistance and payments

2. The Commission recommends that each State establish a uniform policy within the State covering relocation assistance and relocation payments for persons and businesses displaced by State and local programs.

An overwhelming majority of cities responding to the ACIR-CM survey indicated support for uniformity of relocation practices among all local and State agencies causing displacement. Many cited as their reason the inequity of treatment of neighbors displaced by

different programs; others indicated the reason was so obvious as to need no explanation. The same reasons cited for supporting consistency among Federal programs apply equally to State and local programs.

The small minority of States that have adopted relocation compensation through broadening of the eminent domain law have achieved uniformity for displacements caused by real property acquisitions. However, these laws do not apply to code enforcement displacements nor do they, with few exceptions, provide for relocation advisory assistance.

Most States that make any kind of relocation payments at all have made them under the stimulus of the Federal highway program. Payment usually is limited to displacements caused by highway construction and right-of-way acquisition under the Federal aid program. The Commission believes these States should broaden their laws to apply to all types of displacing action conducted by State and local agencies and should include relocation advisory assistance as well. Relocation assistance for families is now required as a condition for receiving Federal aid highway money and has been put into effect in all 50 States, thus establishing the precedent for extending similar assistance to individuals and businesses and to all types of State and local displacements. While displacements caused by State activities other than highways are relatively limited, where they do occur persons and businesses affected should receive adequate payments and assistance similar to that provided other displacees. The same applies to local government displacements--they are usually more substantial as, for example, in code enforcement procedures.

### Assignment of responsibility for determining relocation payments

3. The Commission recommends that the Congress and State legislatures assign to administrative agencies responsibility for determining the amount of relocation payments, subject to specific statutory maximums.

Two general legislative approaches have been used in the United States to authorize compensation for incidental damages suffered by forcible takings of real property by government. The first, used by the Federal Government and such States as New York, Massachusetts, and Ohio, gives responsibility to administrative agencies to determine and make payments within statutory specifications as to compensable items and maximum allowable payments. The second approach, used by such States as Wisconsin, Maryland, and Pennsylvania, works through a broadening of the eminent domain law by specifying items of incidental

damages that are to be included within the concept of fair market value in awarding just compensation for property taken. Maximums are set in the law except that in Maryland, for example, moving expenses are met not by paying a specific dollar amount but by paying an amount that does not exceed the value of the property moved.

Basically, the difference between the two approaches is that the first is essentially an administrative procedure in which final determination of compensable costs is made by administrative officials within the statutes. The second, on the other hand, adheres to the eminent domain concept and gives the condemnee access to the courts for determining the equity of the condemnor's offer, if the condemnee is not satisfied with that offer.

Arguments in favor of the administrative approach are the following:

(1) The considerable body of data gathered on moving and related expenses makes it possible to determine quite accurately what are the likely maximum reasonable relocation expenses for practically all costs, such as moving, losses of personal property, and dismantling and reinstalling equipment and utilities. Since these constitute the bulk of compensable incidental damage items, they can be clearly established in the statutes and become the basis for expeditious processing of compensation claims. Quick settlement is important to displacees. Even for such items as good will and costs of business interruption, for which a formula may be less easily established in a statute, standards can be set forth as in the Pennsylvania law related to average earnings over a recent period. The Pennsylvania experience suggests, in fact, that even the courts would need statutory guidance in determining "good will" compensation under the "eminent domain" approach. Even if the administrative approach is unsatisfactory on the intangibles of business relocation expense, however, processing most relocation claims would be delayed if all items of damages were made subject to litigation and ultimate court determination.

(2) Court calendars, already overloaded, would be further clogged by adding to them responsibility for adjudicating relocation costs.

(3) Condemnation commissions and juries have reputations of being generous toward condemnees. Departing from general experience to allow individual condemnees to take their cases to a judicial or quasi-judicial body would unnecessarily increase the cost to the public.

(4) The real sufferers in relocation are the people who are least likely to go through the court process to achieve equitable treatment. A legislatively-determined schedule of payments handled administratively is likely to assure them better treatment.

(5) Increasingly, advisory assistance is becoming an important part of relocation adjustment services of government. This is an administrative task. The displacee is likely to receive better treatment overall if his payments and services are made the responsibility of the same agency. This increases the possibility of establishing those special community services that are important for displacees among the less able: training, unemployment compensation, housing, etc. It is pertinent to note that States that have followed the "eminent domain" approach offer no advisory assistance.

(6) Urban renewal and highway programs have had the most influence on relocation policies and practices. Under them, organizations and procedures have already been set up in many places for handling the entire relocation program on an administrative basis. While a shift to the eminent domain approach would not necessarily require abolition of these organizations and procedures, it would certainly cause difficulties of adjustment.

(7) The "eminent domain" approach would extend no relief for persons displaced by code enforcement performed under the police power. One hundred cities over 100,000 population replying to the ACIR-CM survey estimated that their code enforcement activities would displace over 28,000 families in the next two years.

(8) Reliance on the "eminent domain" approach loses sight of the fact that relocation costs have little relation to the value of real property. They are the side effects of property acquisition, frequently affecting most seriously tenants who have little or no claim on the value of real property being acquired.

In behalf of the eminent domain approach, on the other hand, the following advantages are cited:

(1) Even admitting that the reasonable limits of most relocation expenses can be determined fairly on the basis of experience, times and circumstances change and any limits or specifications established in law must be changed. Including such items as compensable under "just compensation" without specification provides more flexibility and obviates the need to make future changes in dollar limits and items specified.

(2) Agreement on awards in most eminent domain cases is reached between the condemning agency and the property owner in the negotiation stage and does not require going to a quasi-judicial condemnation body or a court. Most of the cases under this approach, therefore, would still be handled administratively, as is done by the Maryland State Roads Commission under its eminent domain approach. Administratively, therefore, there would be little difference so far as the great majority of cases are concerned.

(3) Since government involvement in payment of relocation costs emerges from its eminent domain power, there are advantages of tradition and practice in continuing to use that approach on a broadened basis.

On balance, however, the Commission concludes that in the interest of (a) expeditious handling of relocation claims, (b) effective provision of an overall system of relocation assistance, including advice as well as compensation, and (c) the needs of those most urgently requiring relocation help, responsibility for determining relocation payments should be vested in administrative agencies subject to maximums established by statute.

Assurance of availability of standard housing under  
Federal grant-in-aid programs

4. The Commission recommends that the Congress require that State and local governments administering Federal grant-in-aid programs assure the availability of standard housing before proceeding with any property acquisition that displaces people. This requirement should be at least comparable to that in existing Federal urban renewal legislation, assuring that (a) there is a feasible method for temporary relocation of displaced families and individuals, and that (b) there are or are being provided standard housing units at least as great in number as the number of such displaced families and individuals, available to them, within their financial means, reasonably accessible to their places of employment, and in areas that are not generally less desirable in regard to public utilities and public and commercial facilities than the areas from which they are displaced.

The ACIR-CM survey found that the inadequate supply of housing, both public and private, is the single most important obstacle to expeditious relocation of displaced families and individuals. Fourteen cities reported that property acquisition programs had been delayed because of inability to relocate successfully and that in most cases the reason was lack of available housing.



At the present time, only the federally aided urban renewal and public housing programs require that localities provide a feasible method for temporary relocation of families and individuals and assure that there are or are being provided the necessary number of standard housing units to meet the needs of displacees. The mass transportation program has a like provision applicable only to families. States under the Federal Aid Highway Act are required to help families find housing, but there is no requirement that housing be assured as a condition of payment of grant funds. A provision of this kind was included in the Federal Aid Highway Act as introduced but was eliminated in final passage. Other Federal and Federal grant programs do not assure housing.

The requirement that an adequate supply of standard housing be available or in process of being provided would not preclude joint or overall community planning for more than one Federal project or a combination of Federal, State, and local projects going forward at the same time in the same community. Later recommendations with respect to centralization of relocation administration in major urban areas and areawide studies on housing needs and resources would assist in coordinating information and action among the several programs. This would help assure that the housing supply requirement was satisfied for all displacing projects, without duplication of effort in ascertaining the extent of housing needs and resources, and yet avoiding the pitfall of "overlapping counting," i.e., separate programs or projects counting the same housing units as available for their respective displacees.

In conducting housing market research, it is vital that the market be considered on an areawide basis in metropolitan areas. The housing market is areawide, within the limits of convenient travel time to places of employment and trade and individual neighborhood preferences. A requirement that all Federal grant-in-aid programs assure standard housing would encourage comprehensive areawide research on housing needs and resources.

The question may legitimately be raised whether, in fairness, government should not assure availability of a replacement business site and plant as well as standard housing. It appears to the Commission that such assurance is not feasible, for two reasons:

(a) Elements that constitute a standard unit of housing are fairly well established: size, utilities, soundness of construction, neighborhood, safety, cleanliness, etc. Government can fairly easily provide housing if it wishes to. On the other hand, elements that constitute success for businesses in one place, particularly for retail and service enterprises, are very difficult to standardize. To guarantee success in another place would be impossible. Retail and

service establishments develop a unique relationship to customers in a certain neighborhood which is a product of a businessman's ability and the locale in which he operates. No one can guarantee a duplication of the "mix" of these conditions which will bring success on a new site. Most important to him is financial assistance to enable him to exercise his enterprise and ability in a new site in reestablishing a clientele.

(b) Every person needs a place to live, but the business person does not need his own business to make a livelihood. He can enter some other kind of occupation, perhaps working for someone else. Again, the important kind of assistance he needs, if he does not want to continue in business, is help in retraining and in maintaining himself while he is undergoing retraining and making other readjustments to a new occupation.

Assurance of standard housing is uniquely germane to the purposes of urban renewal and public housing programs as it is not to other Federal grant programs. It is also true that persons displaced may presently be living in substandard housing, and that assuring a standard housing supply requires many types of action, public and private, governing the total supply of housing. However, the Commission believes the goal of providing standard housing for all is of such preeminent importance that its availability should be assured even if it means a delay in a federally aided project. Establishing this requirement for all Federal grant programs would probably, in fact, furnish considerable stimulus to the elimination of substandard housing.

#### State assurance of availability of standard housing

5. The Commission recommends that the States enact legislation requiring State and local agencies to assure the availability of standard housing before proceeding with any property acquisition that displaces people. This requirement should assure (a) that there is a feasible method for temporary relocation of displaced families and individuals, and (b) that there are or are being provided standard housing units, at least as great in number as the number of such displaced families and individuals, available to them, within their financial means, reasonably accessible to their places of employment, and in areas that are not generally less desirable in regard to public utilities and public and commercial facilities than the areas from which they are displaced.

The Commission has repeatedly stated its conviction that the way for States to pull their weight in our federal system and forestall a drift of functions to the National Government is to assume more

leadership and responsibility for problems in their urban areas. The Commission has made many suggestions for State action in this direction. In a recent report on The Impact of Federal Urban Development Programs on Local Government Organization and Planning, for example, the Commission recommended that Federal grants-in-aid to local governments for urban development be channeled through the States in cases where a State (a) provides appropriate administrative machinery to carry out relevant responsibilities, and (b) provides significant financial contributions and, when appropriate, technical assistance to the local governments concerned. In another recent report, Metropolitan Social and Economic Disparities: Implications for Intergovernmental Relations in Central Cities and Suburbs, the Commission recommended that States authorize counties in metropolitan areas to provide urban renewal and public housing services to unincorporated areas and small municipalities and, further, that States provide financial and technical assistance to counties as well as municipalities for establishing such services and coordinating their administration, especially in multi-county metropolitan areas.

Certainly one of the most critical urban problems for many years has been assuring an ample supply of housing for all persons, regardless of income. About 15 States have exercised some responsibility for improving housing by extending direct assistance for financing construction of low rent housing or housing for veterans and the elderly. Establishment of a uniform requirement in all State and local property acquisition programs to assure an adequate supply of housing for all persons displaced by public works programs is a direct way to support efforts to improve the housing supply.

As noted earlier in discussing a similar recommendation to the Federal Government with respect to federally aided programs, to assure standard housing is to go further than offering assistance and paying for economic costs caused by forced displacement--some displaced families may be living in substandard housing. The Commission reiterates the position it stated earlier: it considers the provision of standard housing for all a minimum national goal of preeminent importance. It does not hesitate, therefore, to advocate that the States, as well as the Federal Government, use the relocation process as a means to achieve that goal, even if by doing so progress on public improvements is occasionally temporarily postponed.

#### Financing relocation costs of Federal grant-in-aid programs

6. The Commission recommends, with respect to the financing of relocation payments under Federal grant-in-aid programs, that the full costs of payments to any person for relocating a family, and the costs

of payments up to \$25,000 to any person relocating a business, be completely reimbursed by the Federal Government; and that the costs of business relocation payments in excess of that amount be shared on the basis of the cost-sharing formula governing the particular program.

Of major Federal grant-in-aid programs that now pay relocation expenses, urban renewal, public housing, and mass transportation provide for 100 percent Federal reimbursement of moving expenses up to \$200 for a residence. For displaced businesses, they provide 100 percent reimbursement of combined moving expenses and personal property losses up to a maximum of \$3,000 and moving expenses alone up to a maximum of \$25,000. In the latter case, all payments over \$10,000 require approval of HHFA. No Federal reimbursement is provided for any payments made over \$200 and \$25,000 maximums for residences and businesses, respectively.

The other major Federal grant-in-aid program authorizing relocation payments is the federally aided highway program. It authorizes payments up to a maximum of \$200 for a residence and \$3,000 for business moving expenses (but not personal property losses). The Federal Government shares costs on the basis of the project cost-sharing formula, which is 90 percent Federal, 10 percent State on the interstate system and 50-50 on the primary-secondary system. States are not required to make payments, and currently only 22 States have elected to avail themselves of Federal funds. Moreover, a number of these are not paying the maximum permissible under Federal matching.

The Commission believes that the need for assuring adequate relocation payments is so urgent, particularly in the major Federal grant-in-aid programs that cause most displacements--urban renewal and highways--that it is in the national interest to assure payment of at least a substantial amount of each displacee's total relocation costs. An immediate result of this policy would be that all 50 States would make payments for highway dislocation costs since there would no longer be any reason for not doing so.

It would be desirable in the Commission's opinion that the costs of individual payments above \$25,000 be shared with the State and local governments. The Commission believes this policy would reasonably accomplish the twin goals of assuring substantial payment of the total relocation costs of those displaced by Federal grant-in-aid programs and providing some State and local participation in financing as well as administering these partnership programs. State and local sharing in costs over \$25,000 for any displaced business probably would also have a salutary effect on property acquisition procedures of State and local governments. It would encourage them to use more care in acquiring expensive commercial and industrial properties which may not be

absolutely essential to a project but which they may proceed to acquire if they have no responsibility for financing the cost of moving.

Sharing the costs over \$25,000 among Federal, State, and local governments on the basis of the cost-sharing formula governing the particular program would have the advantage of administrative simplicity.

#### Financing relocation costs of State grant-in-aid programs

7. The Commission recommends that the States share in local governments' costs of providing relocation payments and services when such costs are incurred in programs for which localities receive State or Federal grants to which the State contributes part of the local share. The State share should be the same as that provided by the State grant formula for the aided program.

An argument can be made that States should help finance all local costs of making relocation payments and providing advisory assistance. Certainly justified are long standing complaints of local governments that States are too ready to prescribe services that local governments must perform but are not willing to help finance them. The New York State Conference of Mayors recently stated, for example, that it "cannot urge too strongly the proposition that if any matter requiring the expenditure of money by local governments is not truly a matter of state concern, then the Legislature should avoid it or make such expenditures optional rather than mandatory and, on the other hand, that if any matter requiring the expenditure of money is truly a matter of state concern, then the Legislature should provide sufficient state funds for the necessary expenditure."

It is important to note that no State makes any contribution toward reimbursing the relocation expenses it requires localities to absorb in acquiring property under State eminent domain statutes.

The Commission believes that where the local project is one conducted under a State grant-in-aid program, the cost of the relocation payments and administration of advisory services should be reimbursable by the State on the same basis as the aid distribution formula. Costs of relocation are a charge against the program as legitimate as, for example, costs of building a sewage treatment plant or a highway.

The Commission believes further that where localities receive direct grants-in-aid from the Federal Government, States should share in the non-Federal portion of the cost, including relocation expenses.

As pointed out in the Commission's report on Metropolitan Social and Economic Disparities: Implications for Intergovernmental Relations in Central Cities and Suburbs, if the National Government has had to come to the assistance of local units of government in financing services basically beneficial to local residents, it ill befits State governments, sharing equally fundamental and more immediate responsibility for the welfare of their localities, to do less. States like New York and Massachusetts that share in the non-Federal portion of urban renewal projects are also paying one-half the non-Federal part of providing relocation advisory assistance. Their policies in this regard are exemplary and should be emulated by their sister States.

#### Modification of related Federal programs

8. The Commission recommends that the Small Business Administration Act be broadened to authorize disaster loans to small business concerns suffering substantial economic injury as a result of a construction program conducted by State and local governments.

Since 1961, the Small Business Administration loan program has been authorized to make loans, under its disaster loan program, to small business concerns displaced by Federal and federally aided programs. In three years of activity, the SBA made 278 loans totalling about \$17.5 million. Indications are that its service has not been used more often because of a lack of knowledge about the SBA, but that more effort is now being made to obtain better use of its services. Under terms of the 1964 Housing Act, there is required to be established, for the first time, a relocation assistance program for businesses displaced by each federally aided urban renewal project. The Act also requires that SBA provide information and assistance to local public agencies and small business concerns displaced by such projects.

The ACIR-CM survey revealed that, in the 100 cities over 100,000 population reporting, 615 businesses were displaced in the past year by governmental action other than urban renewal and Federal highway programs. These accounted for about 10 percent of total business displacees. The same cities estimated 1,968 businesses would be displaced by similar programs in the next two years, representing over 12 percent of total estimated business displacements. In his statement on behalf of the U. S. Conference of Mayors at the House Committee hearings on 1964 Housing and Community Development legislation, Mayor James H. J. Tate of Philadelphia urged that SBA loans be made available to help any small business survive, whether displaced by Federal, State, or local government action.

In the light of these facts, the Commission urges that the SBA law be amended to permit loans to small businesses displaced by local and State displacement activities, as well as direct Federal activities and federally aided programs.

9. The Commission recommends that the Small Business Administration Act be amended to authorize disaster loans to small business concerns that are adversely affected but not actually displaced by government property takings.

Testimony before the Select Subcommittee on Real Property Acquisition, cited in Chapter III, pointed out that certain small businesses are damaged by governmental property takings even though their own property is not taken. Examples mentioned were small grocery stores on the edge of an urban renewal project which takes away most of the stores' patronage, at least for the period of reconstruction and permanently if the reuse area is entirely different from the previous use; or a relocated highway that isolates an automobile service station; or a truck farmer who depends on roadside trade. Under the SBA law on disaster loans for displaced businesses, such small businesses are not entitled to low interest loans because they are not actually displaced. Damages suffered by these businesses are no less traceable to governmental action than actual displacement, and the Commission believes they should be entitled to small business loans on disaster terms.

10. The Commission recommends that Congress amend the Manpower Development and Training Act to permit widow and widower owners of displaced firms to be eligible for manpower retraining allowances.

Many small displaced businesses are owner operated. One study of some 300 businesses displaced during the period 1954 through 1959 found that one-fifth were in this category. Many are the "Mom and Pop" grocery stores or service businesses run by a widow or widower. Because many owners have operated marginal businesses and do not have the resources or the spirit to reestablish themselves, their only chance of sustaining themselves without resorting to public assistance is to find other employment. Age may be against them, but even if it is not, they may be destitute without a useable skill.

Under the Federal Manpower Development and Training Act, heads of households are eligible to receive training allowances for up to 52 weeks while in training to acquire a new skill. These allowances are usually based on the average State payment for unemployment compensation benefits over a specified preceding period. Widows and widowers are usually not eligible since they are rarely heads of households. This recommendation would be of substantial assistance in enabling

displaced small business owners and operators to prepare themselves for a new occupation and thereby remain self-sustaining citizens.

Local organization, technical assistance, and  
planning for relocation

11. The Commission recommends that Federal, State, and local governments authorize and encourage all agencies causing displacements in urban areas to centralize in a single agency in each major urban jurisdiction, through formal or informal agreement, the responsibility for determining the availability of relocation housing and the types and amounts of housing needed; for administering payments to displaced persons and businesses; and for providing counseling, information, and other assistance to such displacees. Such agency should be a part of the regular executive hierarchy of the appropriate unit of general government (city, county, or town).

The National Housing Act requires coordination of urban renewal relocation with other project activities and governmental actions in the community which may affect the relocation program. The workable program of HHFA encourages localities to designate one agency to coordinate or centralize planning, relocation assistance, and action designed to make standard housing available for families displaced by all types of governmental action. The community renewal program of HHFA requires measurement of communitywide relocation needs and resources.

The ACIR-CM survey indicates that many cities already relocate at least families and individuals for two or more types of governmental activities, frequently through agreement or contract. The 1962 Federal Aid Highway Act authorizes, and the Bureau of Public Roads encourages, States to contract with local agencies administering other relocation programs to provide highway relocation services. A number of States have concluded such arrangements, the outstanding example being Ohio.

The foregoing provisions of existing relocation programs, and the preferences expressed by local agencies engaged in relocation activities, point strongly toward the desirability of having a single agency in each locality administer relocation planning, relocation payments, and provision of advisory assistance. Administration through a single agency would have the advantage of clear "visibility" for displacees--there would be less doubt about where to go for relocation assistance, particularly in cases where different programs take adjoining properties. Governmental agencies would benefit from expertise (of direct benefit as well to displacees) and from economy of



scale. Administration of social service programs, both public and private, would benefit from the resultant simplification of referrals.

Disadvantages cited for centralization of relocation services are the administrative difficulty of phasing relocation services into the property-taking agency's clearance and construction programs and the agency's general loss of control over its program. If the relocation agency's staff is momentarily overloaded with displacee applicants, the displacing agency may be forced to delay its acquisition and construction schedule. On the other hand, this could prove salutary as a measure of communitywide concern for relocation, serving as a warning signal to defer displacement pending proper provision for rehousing.

The ACIR-CM survey indicated that, to the extent cities combined relocation activities of two or more programs, they tended to combine them in the local public agency (LPA) responsible for urban renewal. In many cases, therefore, the local public agency may be the logical place in which to fix centralized responsibility for relocation. Where the LPA has not had much experience, or other organization arrangements appear likely to be more satisfactory, other agencies might be chosen.

Whichever organization unit is chosen, relocation is most likely to be given the attention it merits if the agency is part of the regular executive hierarchy of the appropriate unit of general government (city, county, or town), rather than an independent or semi-independent body, such as a special district or authority. A recent survey of 41 large cities' experience with urban renewal relocation, cited in Chapter III, concluded that "effective leadership is needed to give viable expression and direction to relocation and renewal, including both structural and nonstructural considerations relevant thereto. Without its formal embodiment at or near the apex of executive authority, any means of leadership for relocation is likely to be of uncertain impact, without useful channeling." The apex of executive authority in any local jurisdiction is likely to be in a unit of government responsible for general governmental services.

12. The Commission recommends that cities in metropolitan areas with relocation staff and experience offer to contract to provide relocation services and areawide studies of housing needs and resources for all local governments and agencies operating in the area. When smaller units are unable to obtain such services and studies from a central city, they should undertake to provide them jointly. If lacking, State legislation authorizing such arrangements should be enacted.

In a previous report, Performance of Urban Functions: Local and Areawide, the Commission analyzed 15 major urban functions from the point of view of whether they seemed best suited to administration on a local or areawide basis. The Commission's analysis indicated that certain aspects of the housing function are most effectively handled on an areawide basis. Most important of these is surveying housing needs and resources since the entire metropolitan area, rather than an individual municipality, constitutes the housing market. In looking at housing resources available for accommodating families displaced by governmental action within its boundaries, for example, the central city is not limited to resources within its own borders. The same holds true for adjoining municipalities. Thus, a municipality just starting out on a program involving relocation can profit from the studies already made by a neighbor with previous relocation experience.

In addition, municipalities can enjoy the benefits of economy of scale, ample experience, and expertise if they are able to contract with neighboring agencies to administer relocation. Also, when a central city helps its neighbors resolve their relocation problems, it may be rewarded with the bonus of finding space to relocate some of its own displacees outside its own borders.

13. The Commission recommends that States and regional organizations assist local governments in planning for relocation through such means as technical assistance in preparation of workable programs and community renewal programs; where States make urban renewal capital grants, advances therefrom should be provided for relocation planning.

The Commission has previously urged States, as part of their leadership responsibility for urban areas, to provide technical and financial assistance to their urban governments. The Commission believes that relocation is a specific area where States can be of substantial assistance because many localities, particularly the smaller ones, have a long way to go in providing effective relocation assistance. Two recent experiences suggest the type of technical and financial assistance States might provide.

In Kentucky, the State Division of Planning and Zoning, under a URA demonstration grant, conducted a program of advising and informing local renewal agencies on how to operate best under the Federal urban renewal program. An important part of the advice concerned techniques involved in meeting requirements for planning and providing relocation payments and assistance. In New York State, the legislature was persuaded of the importance of advance planning for relocation, and in 1964 passed a law authorizing capital grant advances of up to \$25,000 to local renewal agencies for preliminary planning for relocation housing.

With continuing growth of metropolitan areas, regional bodies, such as planning commissions, development councils, and councils of governments, are being established as means of assisting local governments in coordinating activities of mutual interest. Such regional units are also frequently in a good position to provide assistance to local governments of the area in planning for relocation.

14. The Commission recommends that Federal and State governments require their departments and agencies and special districts causing displacement to give advance notice at the earliest practicable time to local units of general government (city, county, or town) of any construction programs which will displace persons and businesses.

A key to an effective program of relocation is for displacing agencies to give enough advance notice so that site residents can arrange for new housing or new business establishments and the relocation agency can survey housing needs and resources and work with displacees who need assistance. The success of the California highway program in relocation is attributed to the generous amount of lead time granted. Moreover, the Select Subcommittee on Real Property Acquisition found that where advance notice amounted to up to six months rather than five or six weeks or less, much better relocation adjustment could be expected.

Relocation studies point out repeatedly that people displaced by different governmental programs compete for available housing. Thus, in making plans for relocation, every relocation agency should know the plans of other governmental programs causing displacement within its jurisdiction. If a municipality has a community renewal program, the agency responsible for it is supposed to undertake communitywide surveys of housing needs and resources, and, therefore, it should certainly be kept informed of anticipated displacements.

Premature public disclosure of anticipated displacement, on the other hand, can increase the danger of a "wet blanket" effect, depressing an area. Tenants become anxious to move out, and needed maintenance and repairs are left undone, decreasing the area's attractiveness and lowering income of property owners. Arrangements for advance notice must, therefore, balance needs for early planning against depressing effects of premature publicity.

So far as displacement of business is concerned, one of the most serious effects is felt by the employees of the businesses involved. Unless there is adequate planning for these people, they will suffer unnecessary unemployment while looking for a new job or waiting for their former job to resume upon relocation of their employer. Governmental agencies, therefore, should advise State employment service

offices of pending business displacements so that preparations can be made to help ease the employment transition of these people.

Earlier it was recommended that Federal, State, and local governments encourage centralization of relocation planning and assistance in a single agency in each locality and that such agency be in the regular executive hierarchy of the unit of general local government. A central agency would provide machinery for routine coordination of information on displacement plans. In the absence of such an agency, it is likely that coordination can best be assured by funneling all reports on displacement planning through some agency in the unit of general local government. The unit of general local government is most likely to have made provision already for coordinating public works planning (through the city planning and capital budgeting processes) and is most apt to be the local unit of government with most overall concern for relocation.

### Concluding Observations

Repeatedly, it has been stated throughout this study that the worst problem in relocating people is finding adequate housing for low income groups. Two recommendations have dealt with this problem: assurance of availability of housing before proceeding with any property acquisition which displaces people, and areawide studies of housing needs and resources by major cities or by smaller units of government acting jointly.

The Commission wishes to point out that it has also considered the broad problem of housing for low income groups in the context of another recent report on Metropolitan Social and Economic Disparities: Implications for Intergovernmental Relations in Central Cities and Suburbs. In that report, the Commission recommended a number of actions by all levels of government which would tend to increase freedom of choice in housing for all income groups in metropolitan areas and would tend to make available more housing, particularly for persons who are economically and socially disadvantaged. Among these were recommendations to use zoning as a means to permit a wider range of housing prices; enactment by States of legislation authorizing adoption of uniform housing, building, subdivision, and zoning codes in metropolitan areas; amendments to Federal and State housing statutes to diversify and disperse low income housing, including more frequent use of existing units for public housing, subsidies of rents in existing housing, and financial aids to private nonprofit organizations for provision of low rent housing; encouragement of State-Federal cooperation in administering laws banning discrimination in housing; and State enactment of legislation authorizing counties in metropolitan areas to

provide urban renewal and public housing services to unincorporated areas and small municipalities. The Commission believes that adoption of these measures for a general increase in housing opportunities in metropolitan areas would contribute measurably to meeting the basic relocation problem--adequate housing.

The recommendation with respect to advance notice and planning for effective relocation underscores an important truth about the relocation process which was apparent throughout the study--as with any governmental process, it cannot be isolated from other phases of governmental operations. The need for relocation arises from and is an inseparable part of the governmental process of taking property for various public purposes and enforcing housing and building codes. The degree to which relocation is successful, particularly for the most vulnerable displaced groups, depends on such other governmental programs as housing, public welfare, and aids to small business.

At the same time, moreover, the relocation process affords a unique opportunity for more effective application of these related governmental programs. It can be used to enhance the achievement of such governmental objectives as improved housing, assisting in the upgrading of the socially and economically underprivileged, and helping small business.

Specific comment is warranted for the important effect on the relocation process of steps taken in property acquisition. Displacement is less traumatic if there is adequate notice to residents and businesses on the affected site of the impending property taking; if owners are given fair treatment in awards for their real property, including due allowance for the depreciation of property value from the "wet blanket" effect that follows announcement or approval of a major project; and if payments for both real property and relocation expenses are made quickly and with a minimum of administrative complication so that displacees can make and carry out their resettlement plans with ease and dispatch.

Relocation can be vastly improved with better administration of present laws and regulations. Some recommendations of this report are to this end: better notification of displacement plans and interlocal cooperation, for example. Others, excluded by the necessarily limited scope of the study, were apparent or implied from the description and analysis of present policies and practices. Local public agencies, for example, need to give more attention to advisory assistance aspects of relocating persons and businesses, and particularly for low income and "problem" groups that constitute the most difficult relocation challenge. More intensive efforts should be exerted by the Small Business Administration to make its services better known, and by relocation agencies to help displaced businesses take advantage of these services.

In our federal system, with all three levels of government causing displacement and several major displacing programs conducted jointly by two or three levels, it is perhaps understandable that there should be inconsistencies in relocation policies and practices. By the same token, it is uniquely incumbent on all three to seek proper inter-governmental arrangements for meeting the problems of relocation that arise from forced displacement. The Commission believes that through better administration of present programs and changes in laws and practices by local, State, and Federal governments, as suggested in the foregoing recommendations, equity can be more nearly approximated and the hardships of relocation mitigated.

## APPENDIX

Table 1

FAMILIES AND INDIVIDUALS Displaced by Federal and Federally Aided Programs: Average Yearly Number of Displacements in Past and Estimated for Future

<u>Agency</u>	<u>Average Displacement Per Year</u>	
	<u>Past</u>	<u>Future (Est.)</u>
<u>Direct Federal Programs</u>		
Agriculture Department	5	2
Defense Department <u>a/</u>	1,646	3,243
General Services Administration	278	538
Interior Department	140	583
International Boundary and Water Commission	19	237
Post Office Department	199	149
TVA	64	124
<u>Federally Assisted Programs</u>		
Bureau of Public Roads	32,395	36,770
Housing & Home Finance Agency		
PHA	4,155	3,166
URA	34,033	66,250
Interior Department	19	10
<u>Total (Rounded)</u>		
Direct Federal	2,350	4,880
Federally Assisted	70,570	106,200
	<u>72,920</u>	<u>111,080</u>

a/ Includes displacements by NASA since U. S. Army Engineers conducts property acquisition for NASA.

SOURCE: U. S., Congress, House, Study of Compensation and Assistance for Persons Affected by Real Property Acquisition in Federal and Federally Assisted Programs, printed for use of Committee on Public Works, 88th Cong., 2nd Sess., 1964, p. 272.

## APPENDIX

Table 2

BUSINESS AND NONPROFIT ORGANIZATIONS Displaced by Federal  
and Federally Aided Programs: Average Yearly Number of  
Displacements in Past and Estimated for Future

<u>Agency</u>	<u>Average Displacement Per Year</u>	
	<u>Past</u>	<u>Future (Est.)</u>
<u>Direct Federal Programs</u>		
Agriculture Department	3	1
Defense Department <u>a/</u>	103	257
General Services Administration	133	313
Interior Department	12	52
International Boundary and Water Commission	1	30
Post Office Department	27	21
TVA	5	17
<u>Federally Assisted Programs</u>		
Bureau of Public Roads	3,199	3,876
Housing & Home Finance Agency		
PHA	236	170
URA	7,180	13,125
<u>Total (Rounded)</u>		
Direct Federal	280	690
Federally Assisted	10,620	17,170
	<u>10,900</u>	<u>17,860</u>

a/ Includes displacements by NASA since U. S. Army Engineers conducts property acquisition for NASA.

SOURCE: Study of Compensation and Assistance, op, cit., p. 272.



## APPENDIX

Table 3

Sample of Variations in Items of Loss and Expense  
Compensable Under Administrative Regulations Applicable  
to Federal and Federally Aided Programs

<u>Item</u>	<u>Urban Renewal</u>	<u>Bureau of Public Roads</u>	<u>Corps of Engineers</u>	<u>Navy</u>	<u>Dept. of Interior</u>
Costs during search for replacement property: transportation	-	-	X	X	X
Costs during search for replacement property: lodging	-	-	X	X	X
Expenses in obtaining replacement property: appraisal	-	-	X	X	X
Expenses in obtaining replacement property: title examination	-	-	X	X	X
Expenses in obtaining replacement property: credit reports	-	-	X	X	-
Expenses in obtaining replacement property: clos- ing costs--recording fees	-	-	X	X	-
Moving costs: disconnecting and dismantling fixtures, machinery, equipment, etc. (not compen- sated as part of realty)	X	X <u>1/</u>	X	X	X

APPENDIX Table 3 (Cont.)

<u>Item</u>	<u>Urban Renewal</u>	<u>Bureau of Public Roads</u>	<u>Corps of Engineers</u>	<u>Navy</u>	<u>Dept. of Interior</u>
Moving costs: loading and unloading personal property	X	X <u>1/</u>	X	X	X
Moving costs: cost of transporting displaced party and family to new dwelling	-	-	X	X	X
Moving costs: reassembling and reinstalling fixtures, machinery, equipment, etc. (not compensated as part of realty)	X	X <u>1/</u>	X	X	X
Moving costs: inspection fees for reinstalled property	-	X <u>1/</u>	X	X	-
Moving costs: taxes incident to moving personal property	-	-	X	X	X
Time lost from employment because of moving (not including labor performed in accomplishing move)	-	-	X <u>2/</u>	X	X
Loss in value of personal property disposed of because of displacement: fixtures, machinery, equipment, etc. (not paid for as part of realty)	X	-	-	-	-

APPENDIX Table 3 (Cont.)

<u>Item</u>	<u>Urban Renewal</u>	<u>Bureau of Public Roads</u>	<u>Corps of Engineers</u>	<u>Navy</u>	<u>Dept. of Interior</u>
Closing and related costs to convey property to government	-	X <u>1/</u>	-	-	-

1/ The Bureau of Public Roads will participate but it is entirely up to the State whether to pay at all or whether to pay for a specific item.

2/ Supervision only.

SOURCE: Select Subcommittee on Real Property Acquisition, Study, op. cit., p. 102.

APPENDIX

Table 4

Number of Cities Making Relocation Payments to Families and Businesses, Cities Over 100,000 Population Responding to Advisory Commission-Conference of Mayors Survey

A. FAMILY DISPLACEMENT

<u>Population Group</u>	<u>Displacing Programs</u>									
	<u>Urban renewal</u>		<u>Streets and highways</u>		<u>Code enforcement</u>		<u>Public buildings</u>		<u>Other</u>	
	<u>a. 1/</u>	<u>b. 2/</u>	<u>a. 1/</u>	<u>b. 2/</u>	<u>a. 1/</u>	<u>b. 2/</u>	<u>a. 1/</u>	<u>b. 2/</u>	<u>a. 1/</u>	<u>b. 2/</u>
Over 1,000,000	5	5	4	3	5	2	2	1	5	2
500,000 - 1,000,000	7	7	10	4	19	0	5	0	7	1
250,000 - 500,000	18	18	15	8	14	1	5	2	7	4
100,000 - 250,000	42	42	27	8	31	2	5	2	12	3
Total	72	72	56	23	69	5	17	5	31	10

B. BUSINESS DISPLACEMENT

Over 1,000,000	5	5	2	2	3	2	2	2	2	1
500,000 - 1,000,000	7	7	5	3	0	0	4	1	0	0
250,000 - 500,000	17	17	9	6	4	1	2	2	2	2
100,000 - 250,000	41	41	15	7	8	0	1	1	3	1
Total	70	70	31	18	15	3	9	6	7	4

1/ Number reporting displacement.

2/ Number reporting making relocation payments.

SOURCE: Advisory Commission-Conference of Mayors survey.

Degree to Which Single Agencies in Cities Over 100,000 Population  
Provide Relocation Services for Two or More Activities

A. FAMILY RELOCATION

<u>Name of City</u> (1)	<u>Name of Agency</u> (2)	<u>D i s p l a c i n g    A c t i v i t i e s</u>					<u>Miscellaneous activities reported and not under agency named in Col. (2)</u> (4)
		<u>Under agency named in Col. (2)</u>					
		<u>Urban renewal</u>	<u>Streets and hwys.</u>	<u>Code enforce- ment</u>	<u>Public build- ings</u>	<u>Other</u>	
<u>Cities over 1,000,000 pop.</u>							
Chicago	Department of Urban Renewal	X	X	X	-	X	Neighborhood development corp.; schools; parks
Detroit	Housing Commission	X	X	X	X	X	--
Los Angeles	Redevelopment Agency	X	-	X	X	X	--
New York	Dept. of Relocation	X	X	X	X	X	Public housing
Philadelphia	Redevelopment Auth.	X	(a)	X	X	X	--
 <u>500,000 - 1,000,000</u>							
Baltimore	UR & Housing Agency	X	X	X	X	X	--
Cincinnati	Dept. of Urban Dvlpt.	X	X	X	X	-	--
Cleveland	Department of Urban Renewal	X	X	X	X	X	--
Milwaukee	Dept. of City Dvlpt.	X	-	X	X	X	--
New Orleans	Department of Housing Improvement	X	X	X	X	-	Public housing
San Francisco	Redevelopment Agency	X	X	X	X	X	--

APPENDIX Table 5 (Cont.)

		<u>D i s p l a c i n g   A c t i v i t i e s</u>					
		<u>Under agency named in Col. (2)</u>					
<u>Name of City</u>	<u>Name of Agency</u>	<u>Urban</u>	<u>Streets</u>	<u>Code</u>	<u>Public</u>	<u>Miscellaneous activities</u>	
(1)	(2)	<u>renewal</u>	<u>and</u>	<u>enforce-</u>	<u>build-</u>	<u>Other</u>	<u>reported and not under</u>
			<u>hwys.</u>	<u>ment</u>	<u>ings</u>		<u>agency named in Col. (2)</u>
				(3)			(4)
Seattle	Housing Authority	-	X	X	X	-	--
Akron	Urban Renewal Agency	X	X	X	-	-	--
Atlanta	Housing Authority	X	X	X	X	-	--
Columbus, O.	Department of Urban Renewal	X	X	X	X	X	--
Dayton	Department of Urban Renewal	X	X	X	-	-	--
Honolulu	Redevelopment Agency	X	X	X	X	X	--
Kansas City	Welfare Department	-	-	X	X	X	--
Louisville	Urban Renewal Agency	X	X	X	-	-	--
Memphis	Housing Authority	X	-	X	X	-	--
Minneapolis	Housing and Redevel- opment Authority	X	-	X	X	X	--
Newark	Housing and Redevel- opment Authority	X	X	X	X	X	--
Oakland	Building and Housing Department	-	X	X	X	X	--
Oklahoma City	Urban Redvlt. Agency	X	X	X	X	-	--
Omaha	Urban Renewal Office	X	X	X	-	-	Public housing
Rochester	Department of Urban Renewal	X	-	X	-	X	--
Tulsa	Urban Renewal Agency	X	X	X	X	-	--
Wichita	Urban Renewal Agency	X	X	X	X	X	--

APPENDIX Table 5 (Cont.)

Name of City (1)	Name of Agency (2)	Displacing Activities					Miscellaneous activities reported and not under agency named in Col. (2) (4)
		Urban renewal	Streets and hwy.	Code enforcement	Public build-ings	Other	
100,000 - 250,000							
Allentown	Redevelopment Auth.	X	X	X	X	-	--
Berkeley	Urban Renewal Agency	X	X	X	X	-	--
Canton, O.	Planning Department	-	-	X	X	-	--
Chattanooga	Housing Authority	X	X	X	X	-	--
Columbus, Ga.	Housing Authority	X	-	-	-	X	--
Des Moines	Redvlpt. & Hsg. Dept.	X	X	X	X	-	--
Evansville	Department of Redevelopment	X	X	X	X	(b)	--
Greensboro	Redevelopment Comm.	X	X	X	X	-	--
Hammond, Ind.	Department of Redevelopment	X	X	X	X	-	--
Hartford	Housing and Relocation Service Department	X	X	X	X	-	--
Knoxville	Housing Authority	X	-	-	-	X	--
New Haven	Redevelopment Agency	X	X	X	X	-	--
Pasadena	Community Redevelop- ment Agency	X	-	X	X	-	--
Paterson	Housing Authority	X	-	X	X	X	--
Providence	Family and Business Relocation Service	X	X	X	X	X	--
Sacramento	Redevelopment Agency	X	-	X	-	-	--
Savannah	Housing Authority	X	-	X	-	-	--
Tacoma, Wash.	Office of UR	X	-	X	X	(c)	--
Winston-Salem	Redevelopment Comm.	X	X	-	-	-	--

APPENDIX Table 5 (Cont.)

<u>Name of City</u> (1)	<u>Name of Agency</u> (2)	<u>Displacing Activities</u>					<u>Miscellaneous activities reported and not under agency named in Col. (2)</u> (4)
		<u>Urban renewal</u>	<u>Streets and hwy.</u>	<u>Code enforce-ment</u>	<u>Public build-ings</u>	<u>Other</u>	

B. BUSINESS RELOCATION

Cities over 1,000,000 pop.

Chicago	Department of Urban Renewal	X	X	X	-	-	Neighborhood development corp.; schools; parks
Detroit	Housing Commission	X	X	X	X	X	--
Los Angeles	Redevelopment Agency	X	X	X	X	X	--
New York	Dept. of Relocation	X	X	X	X	-	Public housing
Philadelphia	Redevelopment Auth.	X	(a)	X	X	X	--

500,000 - 1,000,000

Baltimore	UR and Housing Agency	X	X	X	X	-	--
Cincinnati	Dept. of Urban Dvlpt.	X	X	X	X	-	--
Cleveland	Department of Urban Renewal	X	X	X	X	X	--

250,000 - 500,000

Akron	Urban Renewal Agency	X	X	X	-	-	--
Columbus, O.	Department of Urban Renewal	X	X	-	-	-	--



APPENDIX Table 5 (Cont.)

		D i s p l a c i n g   A c t i v i t i e s					
		Under agency named in Col. (2)					
Name of City (1)	Name of Agency (2)	Streets		Code	Public	Other	Miscellaneous activities reported and not under agency named in Col. (2) (4)
		Urban renewal	and hwys.	enforce- ment	build- ings		
Dayton	Department of Urban Renewal	X	X	X	-	-	--
Honolulu	Redevelopment Agency	X	X	X	X	X	--
Kansas City	Welfare Department	-	-	X	X	X	--
Memphis	Housing Authority	X	-	X	X	-	--
Minneapolis	Housing and Redevel- opment Authority	X	-	-	-	X	--
Newark	Housing and Redevel- opment Authority	X	X	X	X	X	--
Oklahoma City	Urban Redvlt. Agency	X	X	X	X	-	--
Rochester	Department of Urban Renewal	X	-	X	-	X	--
Tulsa	Urban Renewal Agency	X	X	X	X	-	--
Wichita	Urban Renewal Agency	X	X	X	X	X	--
100,000 - <u>250,000</u>							
Allentown	Redevelopment Auth.	X	X	X	X	-	--
Berkeley	Urban Renewal Agency	X	X	X	X	-	--
Canton, O.	Planning Department	-	-	X	X	-	--
Columbus, Ga.	Housing Authority	X	-	-	-	X	--
Evansville	Dept. of Redevelopment	X	X	X	X	(b)	--
Greensboro	Redevelopment Comm.	X	X	X	-	-	--
Hammond, Ind.	Dept. of Redevelopment	X	X	X	X	-	--
Hartford	Housing and Relocation Service Department	X	X	X	X	-	--

APPENDIX Table 5 (Cont.)

		D i s p l a c i n g   A c t i v i t i e s					
		Under agency named in Col. (2)					
Name of City (1)	Name of Agency (2)	Urban	Streets	Code	Public	Other	Miscellaneous activities reported and not under agency named in Col. (2) (4)
		renewal	and hwys.	enforce- ment	build- ings		
Knoxville	Housing Authority	X	-	-	-	X	--
New Haven	Redevelopment Agency	X	X	-	-	-	--
Providence	Family and Business Relocation Service	-	X	X	X	X	--
Tacoma, Wash.	Office of UR	X	-	X	X	(c)	--
Winston-Salem	Redevelopment Comm.	X	X	-	-	-	--

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Footnotes: (a) State highway department responsible. Redevelopment Authority helps on request.

(b) Public housing relocation performed jointly by Department of Redevelopment and Housing Authority.

(c) Public housing relocation performed jointly by Office of Urban Renewal and Housing Authority.

SOURCE: Questionnaire survey by Advisory Commission-Conference of Mayors, Summer 1964.

Number of Families Displaced and Estimated to be Displaced by  
Governmental Programs, as Reported on "Workable Program" Submissions  
to the Housing and Home Finance Agency, for 112 Cities  
Over 50,000 Population

A. Actually Displaced During Year Ending Between  
July 1, 1962 and June 30, 1963

<u>Population Group</u>	<u>Number of cities</u>	<u>Total displaced</u>	<u>Displacement by Program</u>			
			<u>Urban renewal</u>	<u>Streets and highways</u>	<u>Code enforcement</u>	<u>Other</u>
Over 500,000	13	17,427	5,343	4,480	3,885	3,719
250,000 - 500,000	13	7,965	1,339	3,725	1,494	1,407
100,000 - 250,000	38	8,519	3,070	2,529	1,840	1,081
50,000 - 100,000	48	6,087	1,860	2,336	1,401	490
Total	112	39,998	11,612	13,069	8,620	6,697
Percent		100.0	29.0	32.7	21.6	16.7

B. Estimated Displacements, Two-Year Period Ending  
Between July 1, 1963 and June 30, 1965

Over 500,000	46,794	15,993	13,299	9,551	7,951
250,000 - 500,000	24,201	9,861	12,092	1,620	628
100,000 - 250,000	27,849	11,008	6,736	3,410	6,695
50,000 - 100,000	13,385	7,659	1,932	3,173	521
Total	112,229	44,621	34,059	17,754	15,795
Percent	100.0	39.8	30.3	16.0	14.1

SOURCE: Tabulated from submissions for "Workable Program for Community Improvement," Housing and Home Finance Agency, Spring 1964.







PUBLISHED REPORTS OF THE ADVISORY COMMISSION  
ON INTERGOVERNMENTAL RELATIONS 1/

- Coordination of State and Federal Inheritance, Estate and Gift Taxes. Report A-1. January 1961. 134 pp., printed.
- Modification of Federal Grants-in-Aid for Public Health Services. Report A-2. January 1961. 46 pp., offset. (Out of print; summary available)
- Investment of Idle Cash Balances by State and Local Governments. Report A-3. January 1961. 61 pp., printed.
- Interest Bearing U. S. Government Securities Available for Investment of Short-Term Cash Balances of Local and State Governments. September 1963. 5 pp., printed. (Prepared by U. S. Treasury Dept.)
- Intergovernmental Responsibilities for Mass Transportation Facilities and Services. Report A-4. April 1961. 54 pp., offset. (Out of print; summary available)
- Governmental Structure, Organization, and Planning in Metropolitan Areas. Report A-5. July 1961. 83 pp., U. S. House of Representatives, Committee on Government Operations, Committee Print, 87th Congress, 1st Session.
- State and Local Taxation of Privately Owned Property Located on Federal Areas: Proposed Amendment to the Buck Act. Report A-6. June 1961. 34 pp., offset.
- Intergovernmental Cooperation in Tax Administration. Report A-7. June 1961. 20 pp., offset.
- Periodic Congressional Reassessment of Federal Grants-in-Aid to State and Local Governments. Report A-8. June 1961. 67 pp., offset. (Reproduced in Hearings on S.2114 before U. S. Senate, Subcommittee on Intergovernmental Relations of the Committee on Government Operations, January 14, 15, and 16, 1964, 88th Congress, 2d Session.)
- Local Nonproperty Taxes and the Coordinating Role of the State. Report A-9. September 1961. 68 pp., offset.
- State Constitutional and Statutory Restrictions on Local Government Debt. Report A-10. September 1961. 97 pp., printed.
- Alternative Approaches to Governmental Reorganization in Metropolitan Areas. Report A-11. June 1962. 88 pp., offset.
- State Constitutional and Statutory Restrictions Upon the Structural, Functional, and Personnel Powers of Local Governments. Report A-12. October 1962. 79 pp., printed.
- Intergovernmental Responsibilities for Water Supply and Sewage Disposal in Metropolitan Areas. Report A-13. October 1962. 135 pp., offset.
- State Constitutional and Statutory Restrictions on Local Taxing Powers. Report A-14. October 1962. 122 pp., offset.
- Apportionment of State Legislatures. Report A-15. December 1962. 78 pp., offset.
- Transferability of Public Employee Retirement Credits Among Units of Government. Report A-16. March 1963. 92 pp., offset.
- \*The Role of the States in Strengthening the Property Tax. Report A-17. June 1963. (2 volumes), printed. (\$1.25 each)
- Industrial Development Bond Financing. Report A-18. June 1963. 96 pp., offset.
- The Role of Equalization in Federal Grants. Report A-19. January 1964. 258 pp., offset.
- Impact of Federal Urban Development Programs on Local Government Organization and Planning. Report A-20. January 1964. 198 pp., U. S. Senate, Committee on Government Operations, Committee Print. 88th Congress, 2d Session.
- Statutory and Administrative Controls Associated with Federal Grants for Public Assistance. Report A-21. May 1964. 108 pp., printed.
- The Problem of Special Districts in American Government. Report A-22. May 1964. 112 pp., printed.
- The Intergovernmental Aspects of Documentary Taxes. Report A-23. September 1964. 29 pp., offset.
- State-Federal Overlapping in Cigarette Taxes. Report A-24. September 1964. 62 pp., offset.
- Metropolitan Social and Economic Disparities: Implications for Intergovernmental Relations in Central Cities and Suburbs. Report A-25. January 1965. 253 pp., offset.
- Relocation: Unequal Treatment of People and Businesses Displaced by Governments. Report A-26. January 1965. 141 pp., offset.
- Factors Affecting Voter Reactions to Governmental Reorganization in Metropolitan Areas. Report M-15. May 1962. 80 pp., offset.
- \*Measures of State and Local Fiscal Capacity and Tax Effort. Report M-16. October 1962. 150 pp., printed. (\$1.00)
- \*Directory of Federal Statistics for Metropolitan Areas. Report M-18. June 1962. 118 pp., printed. (\$1.00)
- \*Performance of Urban Functions: Local and Areawide. Report M-21. September 1963. 283 pp., offset. (\$1.50)
- \*Tax Overlapping in the United States, 1964. Report M-23. July 1964. 235 pp., printed. (\$1.50)
- 1965 State Legislative Program of the Advisory Commission on Intergovernmental Relations. Report M-24. October 1964. 298 pp., offset.
- State Technical Assistance to Local Debt Management. Report M-26. January 1965. 80 pp., offset.
- Investment of Idle Cash Balances by State and Local Governments--A Supplement to Report A-3. January 1965. 16 pp., offset.
- Grant-in-Aid Programs Enacted by the 2nd Session of the 88th Congress--A Supplement to Report A-19. March 1965. 22 pp., offset.

1/ Single copies of reports may be obtained from the Advisory Commission in Intergovernmental Relations, Washington, D.C., 20575. Multiple copies of items marked with asterisk (\*) may be purchased from the Superintendent of Documents, Government Printing Office, Wash., D.C., 20402.

