STATEMENT OF HON. JOHN A. VOLPE, GOVERNOR OF THE COMMONWEALTH OF MASSACHUSETTS

Mr. Chairman, I appreciate very much this opportunity to present to you the views of the Commonwealth of Massachusetts on S. 698, and more specifically on title VIII, the Uniform Relocation Assistance Act.

As you know, I have supported very strongly the provisions of S. 698. I do feel that we in the Commonwealth of Massachusetts have had a unique experience with business relocation in highway and urban renewal programs. I believe this may be a helpful discussion in your studies of title VIII.

The Commonwealth has taken an active interest in the problems of relocation and two years ago established the only State Bureau of Relocation with authority to supervise and coordinate all government takings, including highway displacement.[1] We now have a body of knowledge and experience concerning displacement and the relocation process in the Commonwealth. A statewide survey conducted by the Bureau of Relocation makes it possible for us to project that during the next five years government takings will displace almost 22,000 families and individuals and over 7,000 businesses. (See Table A attached.) Most of this displacement will result from highway and urban renewal programs which receive Federal financing and which provide relocation assistance differentially.

Under our state law we are making rapid strides toward improving the planning for relocation, promoting the advance development of housing resources, and centralizing the provision of relocation services. However, in the important area of providing uniform relocation assistance payments, Congressional action is needed. For that reason, we support the adoption of title VIII of S. 698 which establishes such uniformity in federally aided and Federal programs. The bill affects both residential and business relocation payments, and I shall discuss the importance of both provisions.

Under title VIII of S. 698, moving expenses of households would be paid up to $200 and the following benefits would be added to all Federal relocation assistance:

1. The payment of $300 to displaced families who purchase homes will be of great assistance to low-income families who are often unable to make a purchase under favorable FHA terms because of the lack of a down payment (802(C)(3)). We favor this provision. Several of our Massachusetts renewal agencies have had success in relocating large low-income families in home ownership, but their efforts have been hampered by the lack of a fund from which down payments could be made. Even for middle-income families displaced from homes they own, the present high interest rate and the operation of the point system makes the purchase of a new home a burden. This small payment will mitigate the hardship to some extent.

2. A dislocation allowance equal to moving expenses but not more than $100 (802(C)(2)), and

3. A payment to certain public housing eligible households who move into housing at a cost of more than 20% of income. (This is similar to the relocation adjustment payment established under sec. 114 of the Housing Act.)

We believe these two provisions of the bill could be improved. We suggest that it is time for a thorough overhaul of categorical benefits. Experience has shown, in urban renewal, as in other programs, that categorical benefits with differential eligibility involve administrative effort which could more usefully be directed at solution of relocation problems. Furthermore, unreasonable inequities and inconsistencies flow from the categorical assistance programs.

The hidden costs of relocation to the displaced family affect all families—they may be increased rent, or abandonment of furnishings unsuitable to the new home, or deposits for rent, utilities and the like. It is particularly critical for poor families. Relocation workers spend much time presently finding resources to meet these payments for low-income families, and some times desirable housing is lost when these sums cannot be found.

Among the inequities inherent in the suggested payments is the fact that dislocation allowance would tend to be smaller for poor families with few belongings, surely not an intent of the drafters of the legislation.

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[1] The State of New Jersey also has a State Bureau of Relocation, but its authority does not extend to highway displacement, which accounts for about 40% of displacement in most states.