
Relocation Issues

■ ROBERT H. SHOBER

Each year there are several thousands of displacements and subsequent relocations caused by the state's redevelopment process. Contrary to the public perception, the trend is for *more* relocation activity, rather than *less*. This activity is fueled by several factors: a massive state public school capital improvement program; stricter local rent-control requirements; increasing closures of mobilehome parks; as well as the ongoing redevelopment and economic development surges throughout the state.

Our experience has shown that while there are minimum requirements in both the state and federal guidelines, each city or agency implements its relocation program with its own philosophic approach. During the last 12 years, I have worked with over 40 cities or agencies providing relocation assistance. From that vantage point, certain trends have become clear regarding the future of relocation activity in California.

Replacement Housing

There are several major relocation issues. The most glaring problem is the lack of affordable replacement housing. This acute shortage will effectively limit and delay future redevelopment projects. Simply put, if there's no place to relocate a person to, a city cannot displace that person. There are two remedies available. One is the production of affordable housing by the public entity. Unfortunately, many cities have deferred this responsibility. There is a "20% set-aside" requirement which mandates the replenishment of affordable housing units

which were removed from the open market by public redevelopment action. On the state level, there has been no real enforcement of the law. Cities are slowly realizing that they will have to deal with this political fooball: until then, most cities have finessed the issue.

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This means that redevelopment agencies increasingly have relied on the other available remedy in terms of relocation implementation: Last Resort Housing. Most cities have opted for this approach, rather than producing affordable housing. Last Resort Housing means increasing the financial level of subsidy for rental displacees to the point where replacement housing is affordable. In other words, it is a throwing away of the guideline's maximum payments for relocation benefits. In this "make whole" approach, relocation becomes much more costly, but does meet the responsibility of the law. It also eliminates delays caused by the inability of finding affordable replacement sites, which simply do not exist in many cases. On a practical level, it works.

Cities must be careful, however, to correctly budget for this possibility. Unexpected relocation costs can sabotage a project's viability. Relocation cannot be an afterthought in this era of affordable housing shortages.

Mobilehome Parks

Another major relocation trend is the increase of closures of mobilehome parks. Parks are being closed as the result of various abatement programs. There are many redevelopment projects using parks as easy target areas. Mobilehome parks often don't pay for their share of city services, so agencies are often sympathetic to changing their land use. Developers look at them as fertile ground for quick conversions, since the parks usually have only one owner to negotiate with, and the size of the parcel is typically large. The mobilehome park lobby has fought back in Sacramento, and the result is a strong state law protecting mobilehome park tenants.

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Consequently, public officials should not be lulled into thinking mobilehome closures will be cheap and quick. In fact, mobilehome occupants are potentially eligible to receive both Rental Assistance Payments (for their pad rent) and Replacement Housing Payments (for their home-ownership status). The result is a sizable relocation payment for each mobilehome owner. Coupled with the decreasing number of mobilehome parks in metropolitan areas, plus the state-mandated time frames which extend up to one year for vacating the premises, the wise agency will plan its program carefully as to time and relocation costs.

Negotiated Settlement

An emerging trend deals with the All-inclusive "Negotiated Settlement" approach to displaced businesses. In complicated business moves, agencies might look at potential relocation costs and compare them to the appraised value of the business' fixtures and equipment list. Some agencies will add a potential "Loss of Goodwill" claim as well. This combined monetary amount serves as a settlement figure from which the agency and the displaced busi-

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ness can discuss an equitable negotiated amount.

Some times a business wouldn't go through the expenses connected with relocation if it had alternative financial options. By creatively working together, the agency can negotiate a smaller total outlay of funds, while still giving the business more net proceeds. This approach has the added advantage of expediting the process. The danger is making sure the agency has a firm grasp of what the potential relocation exposure is, and being upfront with the business owner regarding any relocation amounts he is waiving.

The People

It is vital that the relocation personnel be competent and highly trained. There are many technical laws and guidelines that must be understood and carefully explained to the displacees. Further, there are areas of ambiguity and interpretation when dealing with the Housing and Community

Development Guidelines. These areas of interpretation translate into significant financial variations, and the novice can innocently increase agency costs by agreeing to relocation payments which might not be justified.

Relocation personnel must be "people people," combining the resourcefulness of a realtor and the sensitivity of a social worker.

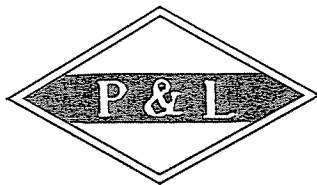
Besides technical knowledge, the relocation staff member must possess a personality that can relate well to the displacees, showing diplomatic skills, as well as ana-

lytic abilities. In general, relocation personnel have to be "people people," combining the resourcefulness of a realtor and the sensitivity of a social worker.

Relocation can be a major part of the solution, not part of the problem. After all, few if any of the affected people asked to be relocated. All of the anxiety of the unknown, all of the bitterness of being uprooted, all of the genuine financial stress that can occur in this situation must be addressed. Moral as well as legal obligations come into play in the relocation process.

When correctly implemented with creativity and sensitivity, relocation should not be a gift of public funds. It does allow, however, a certain non-formulaic safety net. Relocation is an art not a science. To miss this aspect is to miss the very heart of the matter. (IRWA)

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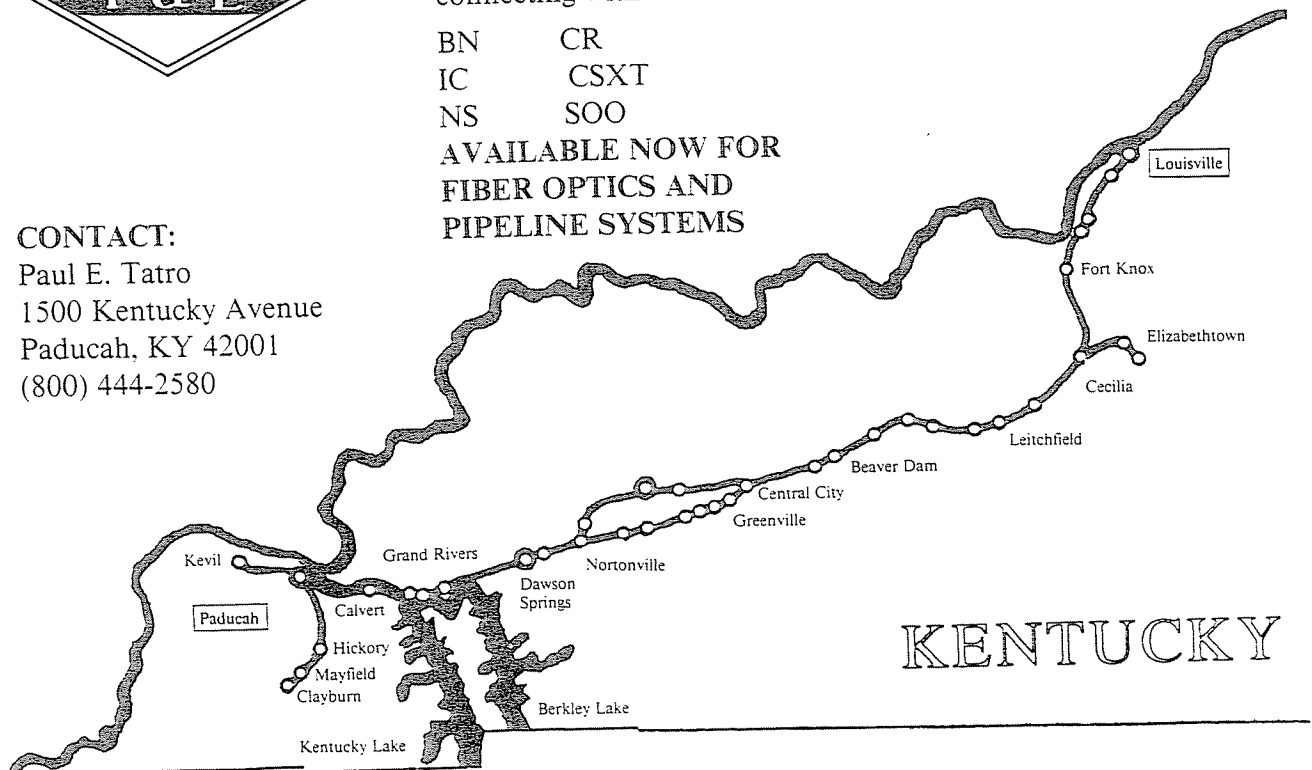
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