

Date: October 16, 1995

FROM THE DESK OF: *Michael A. Pierle - A3NA (4-8882)*

RE: Relocation

TO:

Garth Fort - G5NL
Diane Herndon - A2SP
Bob Kaley - A2NE

The attached document provides some additional information on
"relocation."

Mike

Attachment

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"Knowing what you know today about chemical spills and releases, would you buy and move your family into a home on the fenceline of a chemical plant or Superfund Site - especially, if you had a choice?"

The obvious answer to this question has created the following conditions in fenceline neighborhoods all across the country:

- very slow or no home sale markets in these neighborhoods based on the fears of prospective home buyers (real or imagined)
- competitive banking institutions reticent or unwilling to write mortgages or make home improvement or other loans secured by liens on property in these neighborhoods (environmental redlining)
- where funds are available, homeowners cautious about "over-investing" in a property that will never sell at Fair Market Value)
- a resulting deterioration of the housing stock
- loss of property value based on minimal upkeep and external depreciation factors
- disappearance of nearby conveniences and services

Because of these dynamics, most of the affected homeowners have no choice and are trapped in these neighborhoods. They can't sell their homes for realistic amounts and are generally unable to rescue or leverage the equity in their properties. Additionally, because the lack of home sales volume (below-market or otherwise) fails to trigger an automatic reduction in assessed values, the tax burden in these neighborhoods remains, for the most part, constant. In fact, some of the tax rates for homes in the neighborhoods studied in this report ARE ACTUALLY GOING UP NEXT YEAR.

Almost the only way for a homeowner not to be trapped in the neighborhood is to have money enough to build or buy a new home elsewhere - without first selling their current home or borrowing against it. (This option is usually unaffordable by homeowners on fixed incomes or those that are the single-head or single wage earner of a household.) When those who have "escaped" turn their vacated homes into one and two family, (very low rent) rental properties, a vicious circle often begins:

- owner-occupancy declines
- population density rises
- neighborhood unemployment and "unemployable" rate rises
- economic and political clout of the neighborhood slides
- the number of derelict properties increase

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- more of the same pressures that caused the initial downturn of the neighborhood are created -- further eroding the equity positions of the remaining owners

Citizens in this country traditionally leverage the equity in their homes to educate their children or to realize whatever vision of The American Dream they may have. Homeownership on the fence-lines of Superfund Sites and chemical plants are by and large denied this opportunity as they watch their equity erode in real terms year after year. The majority of American families are now more mobile than ever before in the history of the country. Mobility for the families that live in these fence-line communities is nearly impossible-- and all of this through no fault of their own. In my mind, this is an Environmental Justice issue as salient as any other.

The negative impact that Superfund and other Chemical Sites have on property equity and family mobility has the potential of creating "Toxic Ghettos" all across the country. The findings of this Study indicate that the residents of Rosewood Terrace, Oak Park, Goulding and Escambia Arms face that very real possibility. While, I am sure that these conditions do not exist in all similarly situated communities, I have seen it with enough frequency to warrant this call to attention.

Relocation can be a cost effective, low-tech remedy for these problems. Corporations that have offered voluntary relocations to their fence-line neighbors have often been able to write off the whole expense. Many of them have also negotiated a subsequent reduction in property and casualty rates with their insurance carriers. It is no accident (pun intended) that The Traveler's Insurance Company and The Prudential both have large Environmental Relocation Companies that actively encourage petro-chemical companies to consider the relocation of near neighbors. Environmental relocations, if conducted and structured properly, are good business for corporations and the right thing to offer to near neighbors.

For CERCLA Sites, where there is no solvent PRP, the Federal Government might do well to explore various relocation scenarios. It would be interesting to do a "bang for the buck" study comparing the costs to temporarily relocate families during the various stages of the Clean-Up process to the costs of offering permanent relocation. There could be some real long term cost savings. At a minimum, the government should consider selecting several communities for pilot relocation programs. Most corporate and environmental relocations are already based (in principal) on the government's Universal Relocation Assistance Act. This could be a chance to reinvent government without reinventing the wheel.

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Based on the input from the NEJAC Subcommittee, EPA's Office of Solid Waste is now in the process of developing a relocation policy.

charges. In addition, GIS may be properly used to investigate possible relationships between populations and the location of potential sources, and investigating areas where repeated violations of hazardous waste regulations have been recorded.

CMA believes that GIS is inappropriate for addressing site specific issues in the absence of data collected at the required spatial scales or of the required quality. GIS is particularly unsuited for establishing a measurement of risk associated with a chemical facility as it does not convey information related to toxicity or potential exposure scenarios nor is it capable of representing the mitigating effects of safety measures. Finally, GIS is not appropriate for proving a cause-and-effect relationship between the incidence of disease or sickness and the location of a plant or facility that handles chemicals.

For more information, contact Lee Salamone at (703) 741-5212.

Community Relocation Issues

For more than a year, the National Environmental Justice Advisory Council's (NEJAC) Waste and Facility Siting Subcommittee has been examining the issue of relocation for communities. Based on the input from the NEJAC Subcommittee, EPA's Office of Solid Waste is now in the process of developing a relocation policy. In developing this policy, EPA has placed great priority on receiving input from impacted communities and is sponsoring a Community Roundtable on Relocation to surface concerns, assemble expertise on the issue and explore new approaches towards meeting the needs of affected communities. It is anticipated that the Roundtable will provide information and recommendations for development of the EPA policy.

The Community Relocation Roundtable is tentatively scheduled for early May.

For more information, contact Lee Salamone at (703) 741-5212.

The *CAER Newsletter* is a monthly publication of CMA. Send your story ideas, requests for back issues or requests to be put on the mailing list to: Felicia Grammas, CAER Newsletter Editor, CMA, 1300 Wilson Blvd, Arlington, Virginia, 22209; (703) 741-5819 or fax your request to (703) 741-6095.

It is anticipated that the Roundtable will provide information and recommendations for development of the EPA policy.

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