

## RELOCATION AND DISPLACEMENT MANUAL

### ***Disclaimer***

The Georgia Department of Community Affairs (DCA) is the agency responsible for the administration and monitoring of Relocation for the Low Income Housing Tax Credit and HOME Loans for the State of Georgia. This guide has been developed to assist recipients of Federal and State Tax Credit and/or HOME funds in complying with the requirements of local, state, and federal relocation guidelines. It is not a substitute for the requirements of HUD under the HOME Loan Program.

Compliance with the DCA and HUD requirements are the sole responsibility of the owner of any project for which Tax Credit or HOME funds have been allocated. DCA's responsibility to monitor for compliance will not cause DCA to be liable for an owner's noncompliance. Therefore, an owner should not rely solely on DCA to determine if the project and its records are in compliance.

**The penalty for failure to adhere to DCA's policies may be forfeiture of the right to participate in all DCA programs in one or more future years depending upon the severity and nature of the particular circumstances and/or financial penalties.**

In addition to the information contained in these manuals, additional information concerning Relocation can be found at DCA's website: [dca.state.ga.us](http://dca.state.ga.us) and HUD's website at [hudclips.org](http://hudclips.org). DCA requires participants in its programs to attend training courses that are offered through the DCA Housing Finance and Development Federal Compliance section. Please visit the DCA website for more information or to register for training courses.

## **ORGANIZATION**

This manual is organized as follows:

Tab I: Relocation and Displacement General Policies

Tab II: Tax Credit Relocation and Displacement Policies

Tab III: HOME Relocation and Displacement Policies

Tab IV: HUD Relocation Form Websites

Properties that receive both HOME and Tax Credit funding must adhere to the most restrictive regulation/requirement of that particular program.

Although DCA acknowledges that properties with other funding sources, such as Tax Exempt Bonds, Section 8, Rural Housing, etc. must adhere to those regulations, DCA does not release the property from adhering to DCA's funding source regulations/policies in addition to any other requirements it may have. The most restrictive regulation/rule will always apply.

TAB I

## TAB I: RELOCATION AND DISPLACEMENT POLICIES

**STATEMENT OF GHFA POLICY.** The Georgia Department of Community Affairs (DCA), on behalf of the Georgia Housing and Finance Authority (GHFA), the state housing agency, requires that all projects funded with a HOME loan or which receive a Federal Tax Credit Allocation must ensure that all reasonable steps are taken to minimize the displacement of persons (families, individuals, businesses, non profit organizations) as a result of the construction or rehabilitation of the project. DCA's policy in regard to displacement is applicable to HOME applications, 9% Tax Credit Applications and 4% Tax Credit Applications. In order to minimize displacement, Applicants are required to:

- Consider whether displacement will occur during their feasibility determinations.
- Identify potential displacement and tenant relocation at the initial Application stage. This can be accomplished by identifying whether existing tenants would be rent burdened, income eligible, over income, displaced due to change of student status, or due to change of housing type and unit sizes.
- Explain tenant's rights in an easy to understand format. Keep tenants informed of the status of the rehabilitation activity by providing regular notices and conducting tenant meetings.
- Provide a detailed written relocation plan and budget for costs associated with relocation and temporary relocation of tenants before, during and after rehabilitation.
- Help mitigate the impact of construction and rehabilitation to tenants by planning rehabilitation in stages if feasible (this staging plan must be submitted along with the detailed written relocation plan at the time of application).
- If feasible, ensure residential occupants of buildings to be rehabilitated are offered an opportunity to return to the project when the rehabilitation is complete.
- Maintain rents at an affordable level for existing tenants. If necessary, phase in rent increases
- Provide all required relocation benefits to tenants.
- Follow required notification and advisory service procedures to minimize the risk that families leave the property because they lack information or are not informed of the project's relocation plans or their rights.
- Foster communication during the work process through regular notices and regular tenant meetings.
- All Management and Construction Staff must wear clear and visible identification at all times while on the project site during rehabilitation. Property management must provide tenants a 24/7 contact number. This number must be posted in a prominent location at the site and must be included in all correspondence leading up to and throughout the construction period.

DCA will review the impact of proposed displacement and relocation on the tenants of a proposed project and on the community in determining whether displacement can occur. Any displacement of existing residents is subject to DCA's prior approval. Failure to follow any of these policies and procedures will be considered a major instance of noncompliance and may prevent participants from receiving future funding from DCA.

TAB II

## TAB II: DCA TAX CREDIT RELOCATION AND DISPLACEMENT

Although a tax credit allocation is not considered federal financial assistance under the Uniform Relocation Act and Section 104(d) of the Community Redevelopment Act of 1974, DCA requires that Owners of projects that receive a Tax Credit Allocation make every effort to minimize displacement of existing tenants.

In the application process DCA requires:

- A detailed analysis of the existing tenant base to determine those tenants that might be subject to displacement or require relocation as a result of the proposed rehabilitation.
- A DCA relocation survey which specifically addresses the development history and occupancy of the proposed project.
- A tenant household data form for every unit in each building to be rehabilitated.
- A determination of which existing tenants: a) would be rent burdened under the proposed targeted project rents listed in the Application, b) would be displaced as a result of being over income, and/or c) would be displaced due to reconfiguration of unit type or change in housing type.
- A detailed, project specific displacement and relocation plan which sets forth the specifics of the disruption of normal usage of unit, including a projected budget and detailed explanation of efforts planned by the Applicant to mitigate the impact of any displacement and/or relocation on the tenants.
- Owners to provide temporary relocation assistance to tenants that move or which have a loss of use of their unit or a portion of their unit during the rehabilitation.
- Any changes to the Relocation Plan, Budget or Schedule to be submitted to DCA for written approval prior to implementation of any change.

### 1. Temporary Relocation and Displacement Assistance for Income Qualified (including rent burdened) Tenants

#### A. Temporary Relocation for 30 days or less.

Temporary relocation benefits must be made available for tenants that currently reside (in place at the time of application submission) in the building and whose lives will be disrupted by the rehabilitation work. DCA defines temporary relocation as a situation where tenants lose the use of a portion of their unit or their entire unit for any period of time. The tenants should be temporarily relocated if continued occupancy of the dwelling unit during the proposed work constitutes a substantial danger to the health or safety of a person or the public and/or if the nature of the construction creates an undue burden or unnecessary hardship on the family. If the tenants must vacate the unit, the Owner must pay all reasonable out-of-pocket expenses and increased housing costs as more fully set forth below.

**Loss of Use of a portion of the Unit** If the rehabilitation activity prevents the tenants from occupying or utilizing a portion of their dwelling unit for a minimum of one hour during the proposed activity, the tenants may be eligible for temporary relocation assistance. Examples of this type of loss of use include: water shut offs, removal of appliances, replacement of kitchen cabinetry, refurbishing or removal of flooring or other work which causes the tenant to not have full use of their unit. Examples of temporary relocation assistance include meal reimbursement if the tenants are unable to use their kitchen facilities, rental of a local community room or hospitality suite for the family during the day while repairs are ongoing and reimbursement of other out of pocket expenses incurred by the tenants as a result of the rehabilitation. It is DCA's policy that all work must be completed within a unit within 30 days. Daily use of a hospitality suite is not permitted

when the property has an extensive work scope scheduled. In an effort to ensure the safety of the tenants at the end of each of 30 work days the unit must be left clean and free of debris. If the work cannot be completed within that time, the Applicant must consider relocating the tenants to a comparable unit.

**Loss of Use of the entire Unit.** If the rehabilitation requires the tenants to vacate their unit for a period of 30 days or less, temporary relocation assistance must include one of the following:

- (a) The cost of moving the tenants to a moderately priced hotel in the vicinity of the project for a period not to exceed 30 days. Assistance would include any costs associated with the move, storage of the tenants' furniture, if necessary, as well as payment of other out of pocket expenses including, but not limited to, meal reimbursements;
- (b) The cost of moving the tenants to another comparable unit in the project for a period not to exceed 30 days. Assistance would include any costs associated with moving or storing the tenants' furniture to the temporary unit and back, utility hook ups and disconnections, and other out of pocket costs; or
- (c) The cost of moving the tenants to a friend or family member's residence. The Owner and Tenant may reach a written agreement that the tenants will temporarily relocate to a friend or family member's residence for a short period of time. Assistance may include the costs of moving the tenants from the unit and back or storing all or a portion of the tenant's furniture, reasonable rental payments, meal payments to the family member or friend and other out of pocket costs.

**Advisory Services.** DCA requires that the Owner provide relocation advisory services to help tenants determine the most appropriate relocation strategy and to ensure the persons displaced understand the reason they are being asked to relocate and their protections under HUD regulations. . DCA requires Owners to provide regular notices advising tenants of the status of the rehabilitation work, proposed construction schedules and projected relocation dates. (See Advisory Service Log form located in hudclips.org).

### **B. Temporary for more than 30 days.**

If the proposed rehabilitation causes the relocation of the tenant and his family for a period in excess of 30 days, the Owner is required to assist the tenant in locating a comparable replacement dwelling either within the project site or in the immediate vicinity of the project for an affordable rent. The comparable replacement dwelling must be decent, safe, sanitary, meet all local codes, and functionally equivalent to the displacement dwelling. Owners are encouraged to "stage" rehabilitation work so that tenants can be relocated within the project. If an onsite dwelling unit cannot be made available, an attempt to find a comparable dwelling unit within the same community should be made in order to minimize the potential impact to tenants with school age children. Relocation assistance for tenants that must relocate for a period in excess of 30 days must include the following:

- Utility disconnection and reconnection charges incurred as a result of the move;
- Actual moving costs (For elderly and special need tenants, moving costs may include loading and unloading personal property);
- If a tenant cannot be relocated to a comparable unit within the project during the rehabilitation, the Owner must also reimburse the tenant for any rent differential between the off sites comparable unit rent and project rent at time of relocation. The relocation assistance must cover the displacement period during rehabilitation from start to finish. (Although the tenant may elect to temporarily relocate to a unit outside the immediate vicinity of the project, rent differential will be based on comparable rents within the primary market area of the project); and

- Following completion of the rehabilitation, income eligible tenants can return to the property without a rent increase for a period of one year. However, if a tenant has been relocated off site during the rehabilitation, the Tenant and Owner may agree that the tenant can remain at his or her current off site unit and continue to receive rent differential payments for a period of one year. This would satisfy the Owner's obligation for assistance.

**Advisory Services.** DCA requires that the Owner provide relocation advisory services to help tenants determine the most appropriate long term relocation strategy and to ensure that persons displaced understand the reason they are being asked to relocate and their rights and protections. DCA requires Owners to provide regular notices advising tenants of the status of the rehabilitation work, proposed construction schedules and projected relocation dates.

**All temporary replacement housing must meet all local codes or HUD's Housing Quality Standards (HQS) prior to the relocation of the tenant.**

### **C. Tenants who remain in the Property during the Rehabilitation**

Income-qualified tenants who remain in the project during rehabilitation must receive the offer of a suitable unit which can be rented at an affordable price. If there is no increase in rent, the unit is considered affordable. In-place tenants should be offered a new lease, generally for one year, at the time of rehabilitation completion at the same rent as before the rehabilitation. Owners and tenants can mutually agree to complete the remaining term of a current lease before the new lease is offered.

## **2. Relocation and Displacement Benefits for Tenants Whose Income Will Exceed the Income Eligibility Requirements for the Project or who do not Qualify Due to Housing Type Change or Student Status**

During the initial feasibility determinations, Applicant must identify those tenants who will not meet the proposed project's income restrictions because they have incomes that exceed the income restriction requirements in structuring the project. The Owner should consider the possible displacement of these tenants in determining the number of market units that will be incorporated into the project and relocation budget. The Owner should also consider the possible displacement of tenants due to housing type change, unit size configurations, student status, credit history and criminal background.

- If it is determined that the over income tenant can occupy a "market unit" during and after the proposed rehabilitation, the Owner must agree to not increase rent for the remainder of the tenant's current lease. After expiration of the lease, and upon renewal of the lease, the rent can be increased up to the targeted rent level proposed in the Application.
- If it is determined that there are no market units available for over income tenants and the tenants will be permanently displaced from the project before the end of their current lease, the Owner must agree to reimburse the tenants for moving expenses to a comparable site in the same area, utility disconnection and reconnection charges, plus the difference between the rent on their original unit (as of the last lease period) and the comparable unit rent. The rent differential would be due for the remaining period of their most current lease on the project unit.
- If it is determined that the tenant will be displaced due to change of housing type or due to student status, credit history or criminal background, these tenants are considered permanently displaced. The Owner must agree to reimburse the Tenant for moving expenses to a comparable site in the same area, utility disconnection and reconnection charges, plus the difference between the rent on their original unit (as of the last lease period)



and the comparable unit rent. The rent differential would be due for the remaining period of their most current lease on the project unit.

**Advisory Services.** DCA requires that the Owner provide Advisory services to tenants to assist in determining the best method for long term relocation to ensure that the tenant understands the purpose of the relocation and the tenant's rights. DCA requires Owners to provide regular notices advising tenants of the status of the rehabilitation work, proposed construction schedules and projected relocation dates. DCA requires a minimum 90 day notice of relocation and follow up with 30 day notices (see Notice Requirements).

**NON COMPLIANCE: Failure to follow the DCA requirements for relocation and relocation assistance at a Tax Credit Property will be considered a major instance of non compliance.**

### **3. NOTICE REQUIREMENTS**

- a) **General Information Notice (GIN)** (HFDD L-6). Informs all occupants of a possible project and of their rights under the DCA relocation manual. This notice advises that the household should not move at this time. This notice is always needed. DCA requires that the GIN notice be delivered within thirty days of Award Announcement. For 4% bond projects, the GIN notice must be given within five days of issuance of the Letter of Determination.
- b) **Move In Notice.** Informs Households moving into potential projects after the application that they may be displaced and that they will not be entitled to assistance. This notice is to be given within 5 days after award notification. If this notice is not given, then move-in is eligible for assistance if displaced (sample notice is HFDD form Move-in Notice L-9)
- c) **Temporary Relocation Notice.** Informs households who will be temporarily relocated of their rights and of the conditions of their temporary move. Only required when a temporary move is placed. This notice may be combined with the notice of non displacement.
- d) **90 Day and 30 Day Notice.** Informs displaced households of the earliest day by which they must vacate the property. Displaced households shall not normally be given less than 90 days to vacate their residence. If a specific date is not given with the 90 day notice, a 30 day notice can provide the specific day. This notice should not be issued unless a comparable replacement dwelling is available and the displaced resident is given sufficient opportunity to lease the comparable unit. **All notices must be delivered in a timely manner. Notices must be personally served with a signature receipt or sent by certified or registered first class mail, return receipt requested.**
- e) **Poster** – Subsequent to award, the owner or property manager must post at least one (1) relocation notification poster in the project rental office and one (1) poster in each building. Posters can be obtained from the DCA Compliance Department.

#### **Mandatory DCA Relocation and Displacement Training**

**Guidance on all Notices and the Relocation Notification poster will be distributed at the DCA Relocation and Displacement Training. DCA requires this training for all Owners, Developers and Management Companies that are participants in a property that was occupied at the time of application funding and that received an Allocation of Tax Credits, under the 2017 Qualified Allocation Plan.**

#### 4. REQUIRED APPLICATION DOCUMENTS

The following documentation must be included in the 2017 Application:

- a) Tenant Household Data Form (HFDD Form L-1) for each Unit (including vacant units). All forms should be completely filled out with each question answered and signed by tenant. If there are vacant units there should be a tenant data sheet listing unit # and date of last occupancy.
- b) Detailed Project Specific Displacement and Relocation Plan and Budget. The plan should contain details of how tenants will be temporary relocated. If tenants must be temporary relocated off property, list at least three decent, safe, and sanitary (per local codes) comparable housing projects in the community that tenants could choose to relocate to. Also include number of current vacancies at proposed properties with bedroom sizes. The Plan must have as attachments the Multifamily Tenant Relocation Plan Certification (HFDD Form L-7) and the DCA Temporary Relocation Cost Estimate (HFDD Form L-3). The budget must be reflected in the Projects' proposed budget submitted in the 2017 Application.
- c) Occupancy history for project including the current rent roll (90 day period/most recent three months).
- d) Relocation/Displacement Project Spreadsheet (HFDD Form L-2). The spreadsheets' columns (letters A- R) should be filled in at the time of application with accurate information. **NOTE:** This spreadsheet must be utilized on an ongoing basis throughout the renovation process.
- e) Site map of Property (current/proposed). Provide drawings of current project buildings/units on the property and proposed mix of units/buildings when completed. Only information regarding proposed project should be submitted. Master plans for phased developments will not be accepted. The Site Relocation Survey (HFDD Form L-11) will help to identify possible displaced tenants. The survey should include the development history of the project. The survey should also include the anticipated occupancy of the proposed project.

**Failure to submit these documents at the time of application submission will result in a point deduction. DCA will review Tax Exempt Bonds deals within 30 days upon receipt of a complete package. For once has been received.**

#### 5. REQUIRED DOCUMENTS FOR CONTINUED COMPLIANCE

Other forms that will be used as part of ongoing relocation tracking are GIN Notice (HFDD L-6), Work Relocation Log (HFDD Form L-5), Resident Relocation Survey (HFDD L-8), Advisory log (HUD handbook 1378 Appendix 10), Residential Relocation Management monthly reports (HUD handbook 1378 Appendix 22), Notice to Prospective Tenant (HFDD Form L-9), and Site Occupant Records (HUD Handbook 1378 Appendix 8).

#### 6. 2017 HFDD POLICIES AND PROCEDURES FOR ALL OCCUPIED PROJECTS THAT ARE TO BE REHABILITATED WITH TAX CREDITS

- Immediately after Award Announcement or issuance of Letter of Determination the Owner must send out correspondence to all residents that explains in clear and easy to understand language: the funding received, projected starting dates, explanation of how work will flow, and projected completion dates. A 24/7 hour emergency management contact name and number must be included. A copy of this letter along with the date and method it was

delivered must be sent to the DCA Relocation Specialist within 30 days from award announcement.

- At the time of the receipt of this letter DCA Relocation Posters will be sent to the property. At least one of these posters must be posted at the property office and one at each building during the rehabilitation period.
- Detailed records must be kept for monies paid out to residents during the rehabilitation and relocation period. (Temporary Relocation Estimate Spreadsheet Form L-3.)
- Tracking of work being done in each unit, dates work began and dates work was completed along with copies of all notices sent to residents must be kept with Work Log Form (L-5). This unit specific log must be current at all times.
- Quarterly progress reports will be required by DCA throughout the rehabilitation process.

### **Monitoring by DCA from Acquisition through Placed in Service Date or receipt of Certificate of Occupancy**

DCA Compliance may visit each project that has existing tenants at the time of funding at least three times or more during the rehabilitation period. Tenant files, condition of living space and common areas, tenant certifications, and other required documents will be reviewed. Failing to comply with Federal or State rules or regulations will be considered non compliance. DCA's monitoring procedure will be reviewed in detail at the DCA Relocation and Displacement Training.

TAB III

### TAB III: DCA HOME DISPLACEMENT AND RELOCATION REQUIREMENTS

DCA HOME funded projects are required to adhere to the DCA Relocation Policies in addition to all applicable Federal URA and 104 (d) Regulations.

*This portion of the manual is intended as a basic resource tool for Applicants considering utilizing HOME funds for their projects. It is not a conclusive guide to all of the relocation regulations which are required when a project utilizes HOME funds. Applicants are encouraged to seek expert advice from their own relocation professional in ensuring that all of the federal requirements are followed. In addition, if you have questions concerning the impacts of the final rule on local program or project activities, please contact your local U. S. Dept. of Housing and Urban Development (HUD) Regional Relocation Specialist for assistance. A list of contacts may be found on HUD's Real Estate Acquisition and Relocation website at [www.hud.gov/relocation](http://www.hud.gov/relocation) on the "Contacts" link. HUD's Regional Relocation Specialists serve as the primary technical resource for local real estate acquisition and relocation matters. It is the applicants responsibility to comply with all applicable Federal URA and 104(d) requirements covered in HUD Handbook 1378 ([hudclips.org/library/handbooks/browse1378handbook](http://hudclips.org/library/handbooks/browse1378handbook)). Please note there may be additional state and local requirements at each property.*

Projects funded with federal assistance may be covered by relocation requirements contained in:

**A. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)** - Relocation requirements are triggered, regardless of the displaced person's income, whenever displacement occurs as a direct result of rehabilitation, demolition or acquisition for a HOME assisted unit. The URA protects all persons who are displaced by a federally assisted project regardless of their income. URA objectives include:

- To provide uniform, fair and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally-funded projects.
- To ensure relocation assistance is provided to displaced persons to lessen the emotional and financial impact of displacement.
- To ensure that no individual or family is displaced unless Decent, Safe and Sanitary (DSS) housing is available within the displaced person's financial means.
- To help improve the housing conditions of displaced persons living in substandard housing.
- To encourage and expedite acquisition by agreement and without coercion.

**B. Section 104(d) of the Housing and Community Development Act** - A lower income person (income below 80% of the area median income) is eligible for Section 104(d) assistance if the unit he or she occupies is demolished with HOME funds or if the person is displaced as a result of a HOME funded conversion. Section 104(d) is triggered when a one for one replacement of current housing is not replaced. It is a requirement to replace all occupied and vacant acceptable low/moderate income dwelling units that are demolished or converted to a use other than low/moderate housing in connection with an activity assisted with HOME funds. (See 24 CFR 570.496a(c)(1) and 24 CFR 570.606(c)(1)). If a lower income person does not qualify for Section 104(d) assistance, relocation expenses may be available under URA.

**C. HOME Program Regulations.** The HOME regulations at 24 CFR Part 92.353 clarify relocation under the HOME program. HUD Handbook 1378 covers the Federal Relocation requirements, including but not limited to the following:

- Written notices of the right to remain or the need to relocate;
- Advisory services which include notices, information booklets, explanation of assistance, referrals to social services, counseling and advice under the Fair Housing Act;
- Payments for the cost of temporary relocation;
- Reimbursement of moving and related expenses; and
- Replacement Housing Assistance

**Detailed records must be kept for all activities.**

**Notice of Issuance of New Final Rule for URA.** On January 4, 2005, the Federal Highway Administration as lead Federal Agency for the Uniform Relocation Assistance and Real Property Acquisition Policies Act (Uniform Act or URA), published a final rule revising the government-wide regulations implementing the Uniform Act under 49 CFR Part 24. The Uniform Act applies to the acquisition of real property and the displacement of persons resulting from Federal or federally assisted programs or projects. The Uniform Act affects 18 Federal Agencies including HUD. Project Owners who receive funding under the HOME Partnership Investment Program or other HUD funding must carefully review the significant changes regarding relocation and displacement benefits, which are incorporated into this new final rule. The following is a brief summary provided by the Department of Housing and Urban Development highlighting some of these changes:

#### **Subpart A - General**

- Definitions: New definitions added for dwelling site, household income, mobile home, and waiver valuation. The definition of the term mobile home includes both manufactured homes and recreational vehicles used as residences.
- Comparable Replacement Dwelling: Eliminates phrase "style of living"; "Financial means" language made consistent with changes in Subpart E regarding base monthly rent for low income persons; added language clarifying that for persons receiving government housing assistance those program requirements relating to the size of the replacement dwelling shall apply.
- Decent, Safe & Sanitary (DSS): Emphasizes application of local housing and occupancy codes as primary source for defining "standard" housing where appropriate. Clarifies need to address physical attributes of replacement housing beyond those dependent on a wheelchair.
- Displaced Person / Temporary Relocation: Requires any residential tenant who has been temporarily relocated for a period beyond one year be contacted by the agency and offered all permanent relocation assistance.
- Initiations of Negotiations (ION): Establishes for voluntary acquisitions without recourse to the use of eminent domain, ION does not become effective for purposes of relocation eligibility until there is a written agreement between the Agency and owner to purchase the property. Requires agencies to inform tenant occupants of their potential eligibility for relocation assistance when negotiations are initiated, when and if they become fully eligible, and in the event the purchase will not occur, notifying them that they are no longer eligible for relocation assistance.

## **Subpart B - Real Property Acquisition**

- Appraisal Waiver: Increases threshold for appraisal waivers from \$2,500 to \$10,000 with an option for the federal agency funding the project to approve an increase in the amount to a maximum of \$25,000. Appraisal waivers above \$10,000 require offering the property owner the option of requesting an appraisal of the property in lieu of an appraisal waiver.
- Appraisal Standards: Terminology changed to "appraisal requirements" to avoid confusion with Uniform Standards of Professional Appraisal Practice (USPAP) standards rules. Clarifies performance standards such as USPAP do not directly govern programs covered by the Uniform Act.
- Scope of Work: New requirement for scope of work statement in each appraisal. Scope of work replaces former appraisal problem statement and renders obsolete former minimum standards and detailed appraisal requirements.
- Appraiser Qualifications: Strengthens qualification requirements for appraisers and review appraisers.

## **Subpart C - General Relocation Requirements**

- Relocation Planning, Advisory Services and Coordination: Emphasizes relocation assistance planning and adds personal interview requirements for nonresidential displacements including: 1) Replacement site requirements, 2) Need for outside specialists required for move 3) Early identification and resolution of realty/personal property issues, 4) Estimated time needed to vacate, 5) Anticipated difficulty in locating replacement site, 6) Identification of advanced relocation payments required for the move.
- Transportation: Clarifies agencies must offer all residential displaced persons transportation to inspect replacement housing.
- Eviction for Cause: Clarifies an eviction related to non-compliance with a requirement to carry out a project (e.g., failure to move or relocate when instructed, or to cooperate in the relocation process) does not negate a person's entitlement to relocation assistance and payments
- No Waiver of Relocation Assistance: Prohibits agencies from proposing or requesting a displaced person to waive their rights or entitlements to relocation assistance and benefits provided by the Uniform Act and this regulation.

## **Subpart D - Payments for Moving and Related Expenses**

- Reorganized for clarity and ease of use.
- Types of Moves: Clarifies types of moves available to residential and nonresidential displaced persons.
- Residential Self Moves: Prohibits payment based on the lower of two bids or estimates.
- Personal Property Only Move: New category of move for persons required to move personal property only from real property.
- Low Value/High Bulk: Reintroduces provision for determining moving payment when personal property is of low value/high bulk.
- Actual Direct Loss of Tangible Personal Property: Clarifies method for calculating payments.

- **Searching Expense:** Increases payment from \$1,000 to \$2,500 for nonresidential displacements.
- **Related Nonresidential Eligible Expenses:** Establishes new category of eligible moving expense payments. Provides for reimbursement of actual, reasonable and necessary expenses for some former reestablishment expenses previously limited to the \$10,000 maximum. Eligible expenses include: 1) Connection to nearby utilities from right-of-way to replacement site, 2) Professional services for site suitability determination, 3) Impact fees or one-time assessments for heavy utility usage.
- **Security and Utility Deposits:** Clarifies refundable security and utility deposits are ineligible moving expenses.

### **Subpart E - Replacement Housing Payments**

- **Professional Home Inspection:** Added to list of eligible incidental expenses
- **Rental Assistance Payment for 180 Day Homeowner Occupant:** Provides for a replacement housing payment to exceed \$5,250 for displaced 180 day homeowner occupants (who elect to rent instead of purchase a replacement dwelling) if the difference in the estimated market rent of the acquired dwelling and rent for a comparable replacement dwelling support a higher figure. However, the payment may not exceed the amount the person would have received as a housing (purchase) supplement.
- **Base Monthly Rental for Replacement Dwelling (30% rule):** Language revised to reflect more closely the statutory requirement that only a low-income displaced person's income be taken into consideration when calculating rental assistance payments for a comparable replacement dwelling. Revision establishes 30% of gross household income standard be applied only to displaced persons who qualify as "low income" under the HUD's Annual Survey of Income Limits.
- **Down payment Assistance:** Removes language that limited payment to amount ordinarily required for conventional loan financing.
- **Adjustment of Asking Price:** Removes requirement to adjust the asking price of comparable replacement dwellings when computing a homeowner's replacement housing payment.

### **D. Definition of a Displaced Person under URA**

Any person (family, individual, business, farm or nonprofit organization) that moves personal property permanently from the real property as a direct result of rehabilitation, demolition or acquisition for a project assisted with HOME funds is a displaced person. The term "displaced person" includes, but may not be limited to:

1. A person who moves permanently from the real property after receiving a notice from the property owner that requires such a move, if the move occurs on or after:
  - (a) The date of the submission of an application to DCA if the applicant has site control and the project is later approved; or
  - (b) The date that DCA approved the applicable site, if the applicant does not have site control at the time of the application.



2. Any person, including a person who moves before the date described in 1(a) or (b), if HUD or DCA determines that the displacement directly resulted from acquisition, rehabilitation or demolition for the HOME-assisted project.
3. An occupant of a dwelling or tenant who moves permanently from the building or complex after execution of the agreement covering the rehabilitation or acquisition, if the move occurs before the tenant is provided written notice offering him or her the opportunity to lease and occupy a suitable, decent, safe, and sanitary dwelling in the same building or complex under reasonable terms and conditions upon completion of the rehabilitation. These conditions shall include a term of at least one year at a monthly utility costs that do not exceed the greater of:
  - (a) The tenant's monthly rent before the agreement and estimated average monthly utility costs; or
  - (b) The total tenant payment (TTP) if the tenant is low income or 30 percent of gross income if the tenant is not low-income.

**Please note: in order to determine if the household is qualified all tenant household members' incomes must first be verified according to HUD requirements.**

4. An occupant of a dwelling or tenant who is required to relocate temporarily for the project but does not return to the building or complex, if either:
  - (a) The tenant is not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation (including the cost of moving to and from the temporarily occupied unit and any increased housing costs): or
  - (b) Other conditions of the temporary relocation are not reasonable.
5. A occupant of a dwelling or tenant who moves from the building or complex permanently after he or she has been required to move to another unit in the building or complex, if either:
  - (a) The tenant is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move; or
  - (b) Other conditions of the move are not reasonable.

**All temporary and permanent replacement housing must be inspected and must meet all local codes or HUD's Housing Quality Standards (HQS) prior to the relocation of the tenant. Documentation of the required inspection must be kept.**

### **E. Definition of Project**

The HOME program would require URA coverage for all persons displaced as a direct result of rental rehabilitation, regardless of their incomes, even though not every unit in the property was treated with federal funds. If the same property owner rehabilitated another rental property adjacent to the first property, using no federal funds, in place tenants would not be protected by the URA.

## **DECENT, SAFE AND SANITARY DWELLING UNDER URA AND SECTION 104 (d)**

Basic definition (49 CFR 24.2 (f)). The term “decent, safe and sanitary dwelling” means a dwelling that meets the following standards and any other housing occupancy codes that are applicable. It must:

- (a) Be structurally sound, weather-tight and in good repair.
- (b) Contain a safe electrical wiring system adequate for lighting and other devices.
- (c) Contain a safe heating system capable of sustaining a healthful temperature for the displaced person except in those areas where local climatic conditions do not require such a system.
- (d) Be adequate in size with respect to the number of rooms and area of living space needed to accommodate the displaced person. There shall be a separate, well-lighted and ventilated bathroom that provides privacy to the user and contains a sink, bathtub or shower stall and a toilet, all in good working order and properly connected to appropriate sources of water and to a sewage drainage system. In the case of a housekeeping dwelling, there shall be a kitchen area that contains a fully usable sink, properly connected to potable hot and cold water and to a sewage drainage system and adequate space and utility service connections for a stove and refrigerator.
- (e) Contain unobstructed egress to safe, open space at ground level. If the replacement dwelling unit is on a second story or above with access directly from or through a common corridor, the common corridor must have at least two means of egress.
- (f) For persons who are mobility-impaired, be free of any barriers that would preclude reasonable ingress, egress or use of the dwelling by such person. This requirement will be met if the dwelling unit meets pertinent standards as prescribed by the American National Standards Institute, Inc. (ANSI A117.1) or the Uniform Federal Accessibility Standards (UFAS). This requirement will also be satisfied if the displaced person elects to relocate to a dwelling that he or she selects (a dwelling not offered by the HOME recipient) and the displaced person determines that he or she has reasonable ingress, egress and use of the dwelling.
- (g) Comply with lead-based paint requirements of 24 CFR Part.35.

HOME recipients must also ensure hotels and mobile/modular homes are “decent, safe and sanitary” when utilizing the rooms for temporary relocation dwellings even though the hotel industry has an inspection mechanism for providing decent shelter.

The new Final Rules emphasizes application of local housing and occupancy codes as primary source for defining "standard" housing where appropriate. All units must be inspected prior to the relocation of any tenant. Documentation of the inspection must be kept. It also clarifies that physical disabilities other than the mobility impaired must be considered in determining whether the decent, safe and sanitary standard is met.

## **F. Advisory services requirements for displaced tenants:**

HOME recipients are responsible for informing occupants of their rights, sending the required information and notices and assisting in finding replacement housing. The HOME recipient should provide the following information to displaced persons:

1. A complete description of the nature and types of activities which will be undertaken;
2. An indication of the availability of relocation payments including the types of payments the general eligibility criteria for residential occupants and a precaution about premature moves;
3. A statement indicating that no person lawfully occupying property will be required to move without at least 90 days written notice from the HOME recipient;
4. A clear explanation (in easy to understand language) of the project;
5. A statement of the purpose of the relocation program and brief indication of the services and aids available;
6. Assurance that displaced persons will not be required to move before they have been given an opportunity to obtain decent, safe, sanitary and affordable housing;
7. A brief description of what constitutes comparable, decent, safe and sanitary housing.
8. A clear, easy to understand description of the Federal Fair Housing Law (Title VIII of the Civil Rights Act of 1968) Executive Order 11063, Title VI of the Civil Rights Act of 1964 and applicable state and local fair housing and anti-discrimination laws. Minority persons must also be referred to comparable housing in non-minority concentrated areas when applicable.
9. A statement that the HOME recipient will provide assistance to persons in obtaining housing of their choice, including assistance in the referral of complaints of discrimination to the appropriate federal, state or local housing enforcement agency.
10. The address, telephone number and office hours of the HOME recipient.

**TEMPORARY MOVES:** Appropriate advisory services include reasonable advance written notice of the following information:

1. The date and approximate duration of the temporary relocation;
2. The suitable, decent, safe and sanitary housing to be made available for the temporary period;
3. The terms and conditions under which the tenant may lease and occupy a suitable, decent, safe and sanitary dwelling in the building/complex following completion of the repairs (for tenants); and
4. Reimbursement for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporary housing and any increase in monthly rent and utilities.

## **MOVING COSTS FOR TEMPORARY AND PERMANENT MOVES**

All displaced persons are eligible for moving costs if the move occurs after initiation of negotiations. All homeowners and tenants required to make a temporary move shall receive reimbursement of actual moving expenses. The displaced person may choose to receive actual moving and related expenses supported by bills and other documentation for:

1. Transportation up to 50 miles;
2. Packing, crating, uncrating and unpacking personal property;
3. Storage of the personal property for a period not to exceed 12 months,
4. Disconnecting, dismantling, reassembling and reinstalling relocated household appliances and other personal property;
5. Insurance for the replacement value of the property in connection with the move and necessary storage;

6. The replacement value of property lost, stolen or damaged in the process of moving (not through the fault or negligence of the displaced person, his or her agent or employee) where insurance covering such loss, theft or damage is not reasonably available; and
7. Other moving-related expense as DCA determines to be reasonable and necessary, except the following ineligible expenses:
  - (a) Interest on a loan to cover moving expenses;
  - (b) Personal injury;
  - (c) Any legal fee or other cost for preparing a claim for a relocation payment or for representing the claimant in appeals procedures;
  - (d) The cost of moving any structure or other real property improvement in which the displaced person reserved ownership; or
  - (e) Cost for storage of personal property on real property owned or leased by the displaced person before the initiation of negotiations.

The new final rules have reorganized this section and made several significant changes. These changes include that residential self-moves cannot be based on the lower of two bids. They must be based on actual receipts. It also establishes a new category of eligible moving expense payments. It provides for reimbursement of actual, reasonable and necessary expenses for some former reestablishment expenses previously limited to the \$10,000 maximum. Eligible expenses include: 1) Connection to nearby utilities from right-of-way to replacement site, 2) Professional services for site suitability determination and 3) Impact fees or one-time assessments for heavy utility usage. It also clarifies that refundable security and utility deposits are ineligible moving expenses.

## **DISPLACEMENT**

Everyone who meets the URA definition of a “displaced” person is eligible to receive relocation assistance. The income of the displaced person is not a factor in determining basic eligibility, but it is a factor in calculating the amount of assistance they will receive. The amount of the Replacement Housing Payment a displaced tenant receives varies depending upon whether the family was in occupancy more or less than 90 days prior to the execution of the agreement. The Replacement Housing Payment is intended to provide affordable housing for a 42 month period. The payment is calculated using the lower of the cost of the family’s actual new unit (including estimated utilities) or a comparable replacement dwelling. There have also been significant changes in calculating the base monthly rent for replacement housing payments. Income is only taken into account in the RHP formula for low income person as defined by HUD income limits. For persons not at the low income level, you would compare the old rent to the new rent in determining the base monthly rent for replacement housing payments.

Tenants who are intended to remain in the project must receive the offer of a suitable unit which can be rented at an affordable price. If there is no increase in rent, the unit is considered affordable, even if the percentage of income that the family is paying is quite high. If rent increases as a result of the project, the grantee must determine whether each household can afford the new rent. In place tenants should be offered a new lease, generally for one year, at the time of rehabilitation completion. Owners and tenants can mutually agree to complete the remaining term of a current lease before the new lease is offered. An owner may not keep rents artificially low at the time of rehabilitation completion and then subsequently raise the rents dramatically to reflect the cost of rehabilitation. This would provide a tenant who moved in with a basis for a claim that he has been displaced by the rehabilitation.

## TEMPORARY RELOCATION FOR PROJECTS FUNDED WITH HOME

**Note: The new Final rules provide that temporary relocation cannot exceed 12 months or the person must be offered permanent displacement assistance. The rules also provide that temporary relocation for less than 12 months will be very strictly construed to ensure that the relocation is not actually a displacement. A person will not be considered displaced, if and only if, stringent protections are applied. These include: covering moving expenses to and from the temporary location, payment of increased housing costs during the period of relocation, the guarantee of a return to the same unit, or to another suitable unit in the same building or complex, and a limitation on a rental increase at the rehabilitated replacement unit.**

Temporary relocation benefits must be made available:

- For tenants that currently reside in the building and whose lives will be disrupted by the rehabilitation work or who must relocate from their unit for a period of time.
- If continued occupancy of the dwelling unit during the proposed work constitutes a substantial danger to the health or safety of a person or the public and/or if the nature of the construction creates an undue burden or unnecessary hardship on the family.
- If the tenant is unable to occupy or utilize a portion of his unit for as little as one hour during the work. Examples of this type of loss of use include: water shut offs, removal of appliances, replacement of kitchen cabinetry, refurbishing or removal of flooring or other work which causes the tenant to not have full use of his unit.

Examples of required temporary relocation assistance include:

- Meal reimbursement if the tenant is unable to use kitchen facilities, rental of a local community room or hospitality suite for the family during the day while repairs are ongoing, and reimbursement of other out of pocket expenses incurred by the tenants as a result of the rehabilitation.
- The cost of moving the tenants to a moderately priced hotel in the vicinity of the project for a period not to exceed 30 days, if the rehabilitation requires the tenant to vacate the unit for a period of 30 days or less.
- Any costs associated with the move, storage of the tenant's furniture if necessary, as well as payment of other out of pocket expenses including, but not limited to, meal reimbursements as more fully set forth in the URA.
- Locating a comparable replacement dwelling either on site or in the immediate vicinity of the project, if the proposed rehabilitation causes the relocation of the tenants for a period of less than one year. The comparable replacement dwelling must be decent, safe, sanitary and functionally equivalent to the displacement dwelling. The new Final rules should be reviewed for the current definition of a comparable unit under the URA.
- Relocation assistance for tenants that must relocate for a period in excess of 30 days but less than one year is specifically delineated in the ACT and includes but is not limited to moving expenses, increased temporary housing costs and the return to a suitable unit.

Owners are encouraged to “stage” rehabilitation work, so that tenants can be relocated within the project. If the tenant cannot be relocated to another unit in the proposed project, the off site unit should, if possible, be located in the same community as the project so as to minimize such impacts as school transfers on the tenants and their children. Again, it should be noted that the new final rule has changed the base method of calculating temporary housing costs. Applicants considering HOME funding and HOME Recipients should review these changes carefully.

## **G. Notice Requirements**

- 1) **General Information Notice (GIN)**. Notice informs all occupants of a possible project of their rights under URA and 104(d). This notice advises that the household should not move at this time. This notice is always needed. DCA requires that the GIN notice be given *prior to the submission of the Application for HOME projects*. HUD and DCA require that the right to collect tenant data is always part of the sales contract. (Sample GIN can be found as HFDD Form L-4).
- 2) **Move In Notice**. Informs households moving into potential projects after the Application that they may be displaced and that they will not be entitled to assistance. If this notice is not given, then move-ins are eligible for assistance if displaced. (Sample MIN can be found as HFDD Form L-9).
- 3) **Notice of Non Displacement**. Informs households who will remain in the project after completion of the assisted activity of their rights and of the terms and conditions of their remaining at the property. This notice is delivered in conjunction with the initiation of negotiations which is the issuance of the Commitment Letter. This is given to tenants who will stay in the same unit or another suitable unit in the building or complex (Notice of non displacement can be found at hudclips.org).
- 4) **Temporary Relocation Notice**. Informs households who will be temporarily relocated of their rights and of the conditions of their temporary move. This is only required when a temporary move is placed. This notice may be combined with the notice of non displacement. (Temporary relocation notice can be found at hudclips.org).
- 5) **Notice of Eligibility**. This notice informs households that are being displaced of their rights and levels of assistance provided by the URA and or 104(d). This notice is delivered in conjunction with the initiation of negotiations, and is always required for displaced households. Notice of Eligibility can be found at hudclips.org).
- 6) **90 Day and 30 Day Notice**. Informs displaced households of the earliest day by which they must vacate the property. Displaced households shall not normally be given less than 90 days to vacate their residence. If a specific date is not given with the 90 day notice, a 30 day notice can provide the specific day. This notice should not be issued unless a comparable replacement dwelling is available and the displaced resident is given sufficient opportunity to lease the comparable unit. (90 day and 30 day notices can be found at hudclips.org).
- 7) **Posters** – Subsequent to award, the owner or property manager must post at least one (1) relocation notification poster in the project rental office and one (1) poster in each building. Posters can be obtained from the DCA Compliance Department. Notices must be delivered in a timely manner. Notices must be personally served or sent by certified or registered first class mail, return receipt requested.

Notices and other information published in HUD's Handbook 1378 are prepared in a manner to help comply with the statute and URA regulations, and that preparing documents that do not reflect the same information found in a HUD prepared guide form or claim can result in noncompliance with the URA and/or HUD policy. Form changes must be approved by DCA prior to implementation.

### **Monitoring will be done by DCA from Acquisition through Placed in Service Date or receipt of Certificate of Occupancy**

DCA Compliance may visit each project that has existing tenants at the time of funding and at least three or more times during the rehabilitation period. Tenant files, condition of living space and common areas, tenant certifications and other required documents will be reviewed. Failing

to comply with Federal and State rules or regulations will be considered non compliance. DCA's monitoring procedure will be reviewed in detail at the DCA Relocation and Displacement Training.

## **H. Required Application Documents**

The following documentation must be included in the 2017 Application:

1. Tenant Household Data Form for each Unit (including vacant units) (HFDD Form L-1). All forms should be completely filled out with each question answered and signed by tenant. If there are vacant units there should be a tenant data sheet listing unit # and vacant)
2. Proof that all residents legally occupying the units prior to submission of the Application were given a General Information Notice. These notices shall be sent by certified mail, return receipt requested or by personal service. Documentation of the method of service, as well as the tenants served, shall be submitted as part of the application. Failure to follow these requirements will result in removal of the application from further consideration. A sample copy of this notice is set forth in this tab and can also be found in the Application Form section of this Manual. (See HFDD Form L-4 for sample GIN Notice and L-6 LIHTC Notice of Funding.)
3. Detailed Project Specific Displacement and Relocation Plan and Budget. The plan should contain details of how tenants will be temporary relocated. If tenants must be temporary relocated off property, list at least three decent, safe, and sanitary (per local codes) housing projects in the community that tenants could choose to relocate to. Also include number of current vacancies at proposed properties with bedroom sizes. The Plan must have as attachments the Multifamily Tenant Relocation Plan Certification (HFDD Form L-7) and the DCA Temporary Relocation Cost Estimate (HFDD Form L-3). The budget must be reflected in the Projects' proposed budget submitted in the 2016 Application.
4. Occupancy history for project including the current rent roll (90 day period/most recent three months).
5. Relocation/Displacement Project Spreadsheet (HFDD Form L-2). The spreadsheets' columns (letters A - R) should be filled in at the time of application with accurate information. **NOTE: This spreadsheet must be used on an ongoing basis throughout the renovation process.**
6. Site map of property (current/proposed) Provide drawings of current project buildings/units on the property and proposed mix of units/buildings when completed. Only information regarding proposed should be submitted. Master plans for phased developments will not be accepted. The Site Relocation Survey (HFDD Form L-11) will help to identify possible displaced tenants. The survey should include the development history of the project and include the anticipated occupancy of the proposed project.
7. Copies of physical inspection of all replacement housing.

**Failure to submit these documents at time of application submission will result in point deduction or threshold failure.**

## **I. Required Documents for Continued Compliance**

Other forms that will be used as part of ongoing relocation tracking are Work Relocation Log (HFDD Form L-5), Resident Relocation Survey (HFDD L-8), Notice to Prospective Tenant (HFDD Form L-9), Advisory log (HUD handbook 1378 Appendix 10), Residential Relocation Management monthly reports (HUD handbook 1378 Appendix 22), and Site Occupant Records (HUD Handbook 1378 Appendix 8).

**J. 2017 HFDD Policies and Procedures for All Occupied Projects that are to be Rehabilitated with DCA HOME**

- Immediately after award of 2017 funding or issuance of Letter of Determination the Owner must send out correspondence to all residents that explains in clear and easy to understand language the funding received, projected starting dates, explanation of how work will flow and projected completion dates. A 24 hour emergency management contact name and number must be included. A copy of this letter along with the date and method it was delivered must be sent to the DCA Relocation Specialist within 30 days of award announcement.
- At the time of the receipt of this letter DCA Relocation Posters will be sent to the property. At least one of these posters must be posted at the property office and one at each building during the rehabilitation period.
- Detailed records must be kept for monies paid out to residents during the rehabilitation and relocation period. (Temporary Relocation Estimate Spreadsheet Form ( L-3)
- Tracking of work being done in each unit, dates work began and dates work was completed along with copies of all notices sent to residents must kept with Work Log Form (L-5). This unit specific log must be current at all times.
- Quarterly progress reports will be required by DCA throughout the rehabilitation process.
- Information regarding all of these requirements will be covered in great detail in the mandatory DCA Relocation and Displacement Training. The Owner and Management Company representatives must attend this training within thirty (30) of receiving funding or receiving a DCA Letter of Determination.



TAB IV

#### TAB IV: HUD RELOCATION FORM WEBSITES

- Form HUD-40061, Selection of Most Representative Comparable Replacement Dwelling  
<https://www.hudexchange.info/resources/documents/HUD-Form-40061.pdf>
- Site Occupant Record—Residential  
<http://portal.hud.gov/hudportal/documents/huddoc?id=1378x8CPDH.pdf>
- Site Occupant Record—Nonresidential  
<http://portal.hud.gov/hudportal/documents/huddoc?id=1378x9CPDH.pdf>
- Record of Advisory Assistance and Other Contacts  
<http://portal.hud.gov/hudportal/documents/huddoc?id=1378x10CPDH.pdf>
- Form HUD-40054, Claim for Moving and Related Expenses  
<http://portal.hud.gov/hudportal/documents/huddoc?id=40054.pdf>
- Form HUD-40057, Claim for Replacement Housing Payment for 180- Day Homeowner  
<http://portal.hud.gov/hudportal/documents/huddoc?id=40057.pdf>
- Form HUD-40058, Claim for Rental Assistance or Down payment Assistance  
<http://portal.hud.gov/hudportal/documents/huddoc?id=40058.pdf>  
<http://portal.hud.gov/hudportal/documents/huddoc?id=1378x14aCPDH.pdf>
- Form HUD-40055, Claim for Actual Reasonable Moving and Related Expenses  
<http://portal.hud.gov/hudportal/documents/huddoc?id=40055.pdf>
- Form HUD-40056, Claim for Fixed Payment in Lieu of Payment for Actual Moving and Related Expenses  
<http://portal.hud.gov/hudportal/documents/huddoc?id=40056.pdf>
- Tenant Assistance, Relocation and Real Property Acquisition Handbook  
[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/hudclips/handbooks/cpd/13780](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/cpd/13780)