



2013 DCA

Relocation Workshop



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Discussion Topics



- Uniform Act (URA)
- Section 104(d)
- DCA Relocation Requirements

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DISCUSSION TOPICS CONT....



- **DCA's Relocation Requirements**
 - Acquisition
 - Relocation Planning
 - Application Requirements

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Relocation – HOME



DCA HOME funded projects:

- DCA Relocation Polices in addition to all applicable
- Federal URA and 104(d) Regulations.

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Relocation – HOME



- This portion of the training is intended as a basic resource tool for the Owner / Developer, considering a HOME funded project. It is not a conclusive training to all the relocation regulations, that are required when HOME funds are utilized.
- Layered funding sources, always follow the most restrictive requirements.

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DCA HOME Displacement & Relocation



- DCA encourages the Owners / Developer to seek expert advice from their own relocation professionals to ensure that all of Federal requirements are followed.

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DCA HOME Displacement & Relocation Cont...



- It is the Owners responsibility to comply with all applicable Federal URA and 104(d) requirements covered in HUD Handbook 1378

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What is the “URA” or “Uniform Act”?



The URA or Uniform Act refers to The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended

- Public Law 91-646 (Statute)
- 49 CFR Part 24 (Implementing Regulations)

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URA Objectives



- 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.

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URA Objectives Continued



- To ensure that no individual or family is displaced unless, decent, safe, and sanitary housing is available within the households' financial means
- To help improve the housing conditions of displaced persons living in substandard housing
- To encourage and expedite acquisition by agreement without coercion.

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- URA establishes minimum requirements for the acquisition of real property
 - URA requires relocation assistance be provided to all eligible displaced persons
 - Advisory Services
 - Move Assistance
 - Replacement Housing Assistance Residential
 - Reestablishment Assistance for Non-residential

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What acquisitions are subject to the URA?



- ▶ The URA covers any acquisition for a project including the acquisition of:
 - Unimproved land (vacant lots)
 - Improved property (nonresidential/dwelling)
 - Easements (including temporary easements)
 - Rights-of-Way

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And what is a project under the URA?



- ▶ The phrase program or project means:

“any activity or series of activities undertaken by a Federal Agency or with Federal financial assistance received or anticipated in any phase of an undertaking in accordance with the Federal funding Agency guidelines”

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Exactly what are the triggers for displacement assistance?



Displacement assistance is required for persons who are made to move as a result of Acquisition, Rehabilitation or Demolition for a federally-funded project

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Are tenants entitled to assistance, when not being displaced?



- **Yes, the tenants must still receive:**
 - Advisory Service Notices,
 - Provided temporary moving assistance

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Temporary Move Assistance include:

- **“To and From” Moving Costs**
- **Increased Monthly Housing Cost (Rent & Utilities)**
- **Reasonable Out-of-Pocket Expenses**
 - Boarding of pets
 - Storage
 - Transportation Increases (School, Work, etc)
 - Parking
 - Other reasonable costs
- **Specific Costs Addressed Each Month**



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- ▶ Remember: Temporary relocation can be very complex and time consuming
- ▶ And: Assuming there will be no relocation or temporary relocation only, without:



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RELOCATION PLANNING



- **Who will carry out the relocation activities?**
- **Who occupies the property? ****
- **Who will be displaced?**
- **What will it cost?**
- **How will it affect the timeline?**

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Relocation Planning Cont....



****Requires tenant access written in the purchase agreement.****

Find out if anyone was already displaced. URA can be triggered with a thought

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No Relocation Planning Results:



- **Unforeseen expenses**
- **Non-feasible Project**
- **Funding Application – Threshold Failure**

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Planning Requirements



Consider whether displacement will occur

- Income eligible tenants
- Rent burdened
- Student status
- Change in housing type and/or unit sizes
- Government Housing Assistance
- Credit requirement

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Planning Requirements Cont...



Occupied structures on the property

- Business
- Tenants

Develop a Relocation Plan and Budget for costs associated with relocation of tenants throughout the rehabilitation project

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Displacement Required



- If tenant must move due to income being too high or low (economic displacement), mobility or family occupancy needs, or background history (criminal or credit)

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Displacement Required Cont...



- If tenant is temporarily moved, but is not offered the opportunity to return to a decent, safe and sanitary unit at the complex within 12 months
- Displacement assistance is in addition to any temporary relocation assistance provided

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Project Planning

Section 104(d)



Section 104(d) Cont..



Section 104(d) of the Housing and Community Development Act of 1974 (section 104(d)), as amended

24 CFR Part 42 (Implementing Regulations)

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Section 104(d)



Requires:

- Demolition of housing units or conversion of low-income housing units are subject to 104(d) in addition to the URA.
- The displacement of persons or loss of dwelling units in connection with HOME or CDBG funded activity triggers Section 104(d)

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104(d) Objectives:



- Alternative relocation assistance for low-income tenants that is typically beyond URA levels (60 months)
- One-for-one replacement, of occupied and vacant low-income dwelling units

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104(d) “Conversion”



CONVERSION – altering a low-income dwelling unit so that it:

- Is used for non-housing purposes
- Rents above the FMR, or
- Is used as an emergency shelter

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Low-Income Dwelling Unit



- **Low-income dwelling unit: a dwelling unit that rents OR WOULD RENT (if currently owner occupied) at or below fair market rent (FMR)**

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Section 104(d)



Differences between URA and 04(d)

- Displaced Person
- Income Eligibility
- Rental Assistance calculation and use
- Gov. Housing Assistance
- Security Deposit
- Down payment Assistance
- Moving and Related Expenses

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Section 104(d)



Examples:

- A replacement housing payment can be applied as a lump sum payment to acquire a home under the URA.
- Under section 104(d), the replacement housing payment can be used as down-payment assistance only if the displacee purchases a dwelling in a housing coop or mutual housing.

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Project Planning and Importance of "*Initiation of Negotiation*" (ION) Date

Project Planning and ION



- ▶ Not considering relocation costs will give a false impression of a project's true cost.
- ▶ When planning, it is imperative that you identify:
 - (1) all the funding sources,
 - (2) all Federal program rules that will be applicable, and,
 - (3) the actual activities that will be carried out

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Project Planning and ION



- This information is necessary in order to accurately determine the earliest possible Initiation of Negotiation (ION) date
- The ION date is important because a person to be displaced is eligible for assistance on that date (or earlier if made to move by the project or a displacement notice)

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Project Planning and ION



- ▶ At 49 CFR 24.205(c) (2)(ii)(B), the Owner shall {excerpt only}:

As soon as feasible, the Owner shall inform the tenants in writing of the specific comparable replacement dwelling and the price or rent used for establishing the upper limit of the replacement housing payment and the basis for the determination, so that the person is aware of the maximum replacement housing payment for which he or she may qualify

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Displacement Assistance



- The Replacement Housing Payment (RHP) is intended to provide affordable housing for a 42 month period for URA and 60 month period for 104d
- For very low income families (50% AMI) payments is calculated using the lower of the cost of the family's actual new rent (including utilities) or a comparable replacement dwelling.
- For persons at the low income limit 60% AMI, you compare the old rent to the new rent in determining the base monthly rent for RHP

See Hud Handbook 1378 for details.

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Project Planning and ION



- So, if you fail to comply with the requirement to offer a unit and establish a maximum payment amount, the dwelling the resident leases or purchases can determine how much the resident can claim
- This can cause the amount you budgeted for relocation to be insufficient

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Notice Requirements



- Issuing the required notices, (receipt on file), at the appropriate times can help control costs
 - General Information Notices (GIN) – Early–on during planning, prior to application submission
 - Notice of Eligibility for Relocation Assistance, or Notice of Non–displacement – Issue at ION/HOME Loan Closing

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Notice Requirements Cont....



- 90/60/30 day Notices – Informs displaced households the earliest day by which they must vacate the property. Comparable units must be available and the tenant has been given sufficient time to lease the comparable unit.
- Move- In Notice – Informs households moving into the project after the application has been submitted and if displaced they are not entitled to assistance.

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Notice Requirements Cont...



- Posters– Subsequent to award, the owner or property manager must post at least 1 relocation poster at the office and at each building. Posters can be obtained from DCA Compliance office.

All notices must be served personally or sent by certified or registered first class mail, return receipt.

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HUD Available Resources

Planning & Technical Assistance Documents



- To help ensure compliance with the URA, Chapter 6 of HUD's Handbook 1378 outlines HUD's recordkeeping requirements
- Again, you can order the Handbook from HUD's print office at 1-800-767-7468, or go online at www.hud.gov/relocation

Available Resources



- ▶ At www.hud.gov/relocation, Link to:
 - Laws, Program Rules, & Regulations
 - HUD's Policies, Notices, & Newsletters
 - Publications, Forms, & Trainings
 - URA Income Data Base, NSP Website
 - List of Regional Relocation Specialists

- ▶ Print Office 1-800-767-7468

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New HUD Relocation Specialist



- Jade Santoro
HUD Relocation Specialist
1670 Broadway
Denver, CO 80202
PH: 303-672-5069
Fax: 303-672-5028

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DCA RELOCATION & DISPLACEMENT POLICIES



- Uniform, Fair and Equitable treatment of persons whose real property is acquired, or who are displaced in connection with a DCA funded project
- Ensure that rehabilitation projects do not contribute to homelessness



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DCA Relocation Policy Cont...



- DCA requires that all occupied projects 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.
- LIHTC (9% and 4%)

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Planning Requirements



- **Consider whether displacement will occur**
 - Income eligible tenants
 - Rent burdened
 - Student status
 - Change in housing type and/or unit sizes
- **Occupied structures on the property**
 - Business
 - Tenants
- **Develop a Relocation Plan and Budget for costs associated with relocation of tenants throughout the rehabilitation project**

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DCA Requirements Continue



- Offered eligible tenants the opportunity to return to property upon completion
- Plan rehabilitation in stages
- Maintain affordable rents for existing tenants – 1 year
- Phase in rent increases
- Provide relocation benefits
- Provide notification and advisory services
- Foster communication during the work process through regular tenant meetings
- Identification worn by staff at all times while at the site
- Property Management must provide a 24/7 contact number. This number must be posted in a prominent location at the site .

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Relocation for LIHTC Properties



- Temporary Relocation (Relocation for 30 days or less)
 - Available for all tenants that currently reside (at application time) in the building and whose lives will be disrupted by the rehab work.
 - DCA defines temporary relocation as the loss of the use of all or a portion of the unit for a period of 30 days or less. Could be as little as 1 hour.

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Relocation for LIHTC Properties



- The tenant should be relocated if temporarily continued occupancy of the dwelling unit during the proposed work constitutes a substantial danger to the health or safety of a person.
- If the tenant must vacate the unit, the Owner must pay all reasonable out of pocket expenses and increased housing costs.

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Examples of loss of unit – LIHTC



- Water shut - offs
- Removal of appliances
- Replacement of kitchen cabinetry
- Refurbishing or removal of flooring
- Replacement of bathroom fixtures
- Power shut - offs

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Temporary Relocation Assistance – loss of portion of LIHTC unit



- Meal reimbursements – kitchen is not available
- Rental of a community room or hospitality suite– for a family to stay during the day while work is being completed on their unit.
- Hotel room – if tenants are not able to be back in the unit at the end of the days work.
- Max for 30 days with work scope approval

The unit must be left clean and free of debris at the end of each day.

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Temporary Relocation Assistance - loss of entire LIHTC Unit



- Cost of moving the household to a moderate priced hotel
- Cost of moving the household to a comparable unit in the project.
- Cost of moving the tenant and his family to a family or friend's residence.
 - Owner must reach a written agreement with tenant on terms and expenses prior to move

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Temporary Relocation Assistance - LIHTC Unit for 30 Days or more



- Assist tenant in locating a comparable replacement dwelling (onsite or immediate vicinity)
- Replacement Unit must be up to local code and equivalent
- Utility disconnection and reconnection charges
- Actual moving costs (**See Manual exceptions for Elderly**)
- Reimbursement for any rent differential
- Assistance applicable from relocation until project completion

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Examples of Temporary Relocation Assistance – loss of entire unit Cont...



- Advisory Services – DCA requires that the Owner provide Advisory services to the tenants to assist in determining the best method for temporarily relocating a tenant and to ensure that the tenant understands their rights.
- Notices – DCA requires Owners to provide regular notices advising tenants of the status of rehabilitation, proposed schedules, and projected completion dates.

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Tenants Who Remain during Rehabilitation



- Income qualified tenants who remain in the project during the rehabilitation must receive the offer of a suitable unit which can be rented at an affordable price. If there is no rent increase, the unit is considered affordable.
- In place tenants should be offered a new one year lease in their new finished unit.

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Relocation for Over- income tenants



- When the owner is structuring the project, the over-income tenants should have already been identified. Having market units at the project could keep displacement from occurring.
- Also the Owner must plan if displacement will happen and include the costs in the relocation budget.
- If the over - income tenant chooses to occupy a market rate unit, then the owner must agree not to increase rent for the remainder of the tenant's current lease.

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Over-income Tenants Assist..



If the tenant is permanently displaced before the end of his current lease, the owner must:

- Reimburse moving expenses to a comparable site in the same area
- Pay utility disconnection and reconnection charges
- Pay any rent differential from tenants original unit (as stated on the lease) and the comparable unit.
- Rent differentials payments would be due for the remaining period of the current lease.

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Over-income Tenants Assist....



Example: Move date 1/2/13: Tenant Lease expires 6/31/13– rent \$550, Comparable unit offsite is \$650 – pay the tenant rent \$600, (\$100 a month for 6 months)

- Advisory services are required.

The above also applies if the tenant is displaced due to Housing type change or student status.

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Preservation Projects



- Tenants with income levels above 60% AMI, properly qualified at initial move-in are eligible to remain under the new allocation of Tax Credits.
- This includes tenant incomes currently above 140% AMI limit.

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Preservation - Tenant Qualifications



- In order to be considered qualified for tax credit purposes, the resident must have been qualified under a prior LIHTC Extended Use Agreement (EUA)

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Preservation Project Cont...



- New applicants for the Tax Credit property, income level cannot exceed 60% AMI at move-in.
- Or 50% AMI, if very low-income designation

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Preservation Tenant Documents



Copy of :

- Tenant Income Certification (TIC)
- All income verifications (assets if applicable)
- Initial Student Affidavit and current form
- First and last page of lease (signature, dates and rent)
- Copy of income limit – effective at time of move-in
- Record of verified and agreed upon deposit signed by tenant at time unit is qualified for new tenant

Make sure to have a current ethic data form

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DCA Displacement Approval



- DCA will review the **impact** of any proposed displacement and relocation on the tenants of a proposed project and on the community in determining whether to approve submitted Relocation Plan.
- Any displacement of existing tenants is subject to DCA's approval on a case by case basis.
- Failure to follow any of all these policies will be considered a major instance of noncompliance and may prevent participants from receiving future funding from DCA.

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LIHTC Notice Requirements



- General Information Notices (GIN) – Informs all occupants of a project of their rights under the DCA Relocation Manual.
- DCA requires the GIN notice be delivered within 5 days of award notification
- For 4% bonds within 5 days of issuance of letter of determination.

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Notice Requirement Cont...



- 90/60/30 day Notices – Informs displaced households of the earliest day by which they must vacate the property. A comparable unit must be available and the tenant has been given sufficient time to lease the comparable unit.

All notices must be personally served with Signature receipt or sent by certified or registered first class mail, return receipt.

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Notice Requirements Cont...



- Posters - Subsequent to award, the owner or property manager must post at least 1 relocation notification poster in the project rental office and 1 in each building. Posters can be obtained from the DCA Compliance Department.

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Required Application Documents



- Tenant Household Data Form (OAH Form L-1)
- Relocation/Displacement Plan and budget
- Multifamily Tenant Relocation Plan Certification (OAH Form L-7)
- Complete Relocation Displacement Spreadsheet (OAH Form L-2)
- Temporary Relocation Cost Estimate (OAH Form L-3)
- Occupancy History (current 90 day rent roll)
- Site Map of Property (current/proposed)
- Site Relocation Survey (OAH Form L-11)

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Application Relocation Plan



- **Plan must be detailed and project specific**
 - Temporary tenant relocation timeline
 - Identify relocation stages
 - Temporary Housing Options (at least 3)
 - Unit availability with bedroom sizes
 - Include any special circumstances
 - Detail displacement assistance

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Required Documents for Compliance



- Work Relocation Log (OAH Form L-5)
- Advisory Log (HUD Handbook 1378 Appendix 10)
- Residential Relocation Management Monthly report (HUD Handbook 1378 Appendix 22)
- Site Occupant Records (HUD Handbook 1378 Appendix 8)

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2013 OAH Polices & Procedures



- Immediately after funding award or Letter of Determination the Owner must send out correspondence to all residents in clear and easy to understand language the funding was received, project starting dates and how it will effect them. A copy of this letter with the date and the method of delivery must be sent to DCA Relocation Specialist within 30 days of announcement.

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2013 OAH Polices & Procedures



- At the time of the receipt of letter, DCA Relocation posters will be sent to the property.
- Detailed records must be kept for monies paid out to residents during the rehabilitation. (form L-5)
- Tracking of work done in each unit, dates work began, date work was completed, and notices sent out must be kept (for, L-8)

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DCA Monitoring



- DCA Compliance may visit each property that has existing tenants at the time of funding during the rehabilitation period.
- Tenant files, conditions of living space and common areas, tenant certification and other required documents may be reviewed.
- All tenants must be certified income eligible within 120 days of the acquisition date.

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