

Acquisition & Relocation

CDBG/HOME Guidebook



Section H

ANTI-DISPLACEMENT & RELOCATION ASSISTANCE PLAN

Introduction

Applicants for federal funds must comply with the **Uniform Relocation Assistance and Real Property Acquisition Policies Act** of 1970, referred to as URA. URA regulations, at 49 CFR Part 24, apply to any federally-assisted project involving acquisition, demolition or rehabilitation. This is true whether or not CDBG or HOME actually funded the acquisition, demolition or rehabilitation itself. URA applies to the project as a whole.

The URA protects all persons who are displaced by a federally assisted project, regardless of their income. This is in contrast to Section 104(d) which only protects displaced persons whose income is at or below 80% of the area median income. The URA also protects businesses located in a building acquired, demolished or rehabilitated with federal funds.

The URA's main objectives are:

- 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 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.

This section of the guidebook briefly highlights key URA relocation requirements and concepts. However, it does not contain everything you need to know about relocation, or real estate acquisition requirements under the URA or other applicable federal rules such as Section 104(d). Subrecipients are encouraged to review the *HUD Handbook 1378 Tenant Assistance Relocation and Real Property Acquisition* which can be found on HUD's web site at: www.hud.gov/relocation. You are also encouraged to contact Block Grant staff and ask questions before you begin a project.

Real Property Acquisition

- A. When acquisition of real property is the result of a voluntary proposal which has been submitted by an owner in response to a public invitation or solicitation for offers, it is referred to as voluntary acquisition. In contrast, acquisition of property by the local government entity which is not voluntarily offered for sale is referred to as involuntary acquisition. Voluntary Acquisition must adhere to the following procedures:
 - a) Determine if the housing unit is a low/moderate income dwelling unit and if so contact the Block Grant Program office.
 - b) Clearly advise the owner that in the event negotiations fail to result in an agreement the property will not be acquired.
 - c) Arrange for a full independent narrative appraisal of the property by a qualified appraiser.

- d) Inform the owner of what the agency believes to be fair market value of the property and that the agency does not have the authority to acquire the property by eminent domain. (HUD Guideform *Notice of Voluntary Arms Length Transaction* is available from the Block Grant Office)
- B. All acquisitions must go through real estate escrow. The escrow agent must be a neutral third party to the acquisition.
- C. All acquisitions must have title insurance.
- D. All acquisitions will need a notice of some kind. All occupants are entitled to timely notice explaining whether or not they will be displaced.
 - Occupants to be displaced must be informed of their eligibility for relocation assistance and the nature of the assistance.
 - Occupants not to be displaced must be informed of the terms and conditions under which they may occupy the property upon completion of the project.

Notices

- **General Information Notice (GIN):** Informs occupants of a possible project and of their rights under URA. Stresses that the occupants should not move at this time.
- **Move-in Notice** informs tenants moving into potential projects after the application that may be displaced and that they will not be entitled to assistance.
- **Notice of Non-Displacement** informs occupants 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.
- **Temporary Relocation Notice** informs occupants who will be temporarily relocated of their rights and of the conditions of their temporary move.
- **Notice of Eligibility** informs occupants to be displaced of their rights and levels of assistance under federal law.
- **90 and 30 Day Notices** informs displaced occupants of the day by which they must vacate the property.

These and other Guideform Notices from HUD can be obtained by contacting the Block Grant Office.

Planning For Relocation Under URA

- A. Minimizing Displacement: It is the policy of the Kitsap County and City of Bremerton Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) Programs to minimize displacement of people or businesses as a result of activities assisted with CDBG or HOME funds. This means:
 - a) Considering whether displacement will occur and how this would affect the feasibility of the project.
 - b) Identifying potential relocation workload and resources early.
 - c) Assuring, whenever possible, that residential occupants of buildings to be rehabilitated are offered an opportunity to return.

- d) Planning rehabilitation projects to include “staging” where this would minimize displacement.

B. Relocation Assistance for Displaced Residents

Relocation is defined as the permanent movement of occupants/tenants, required as a result of a CDBG or HOME activity. Federal regulations require that if any individuals, families, businesses or farms are displaced the grant recipient must:

- a) Inform the person(s) that they may be displaced and generally describe the relocation payment(s) for which they may be eligible, the basic conditions of eligibility, and the procedures for obtaining payment(s).
- b) Inform the person that they will not be required to move without at least 90 days advance written notice and that the person to be displaced cannot be required to move permanently unless at least one comparable replacement dwelling unit has been made available.
- c) Inform the person that they will be given reasonable relocation advisory services, including referrals to replacement properties, help in filing payment claims, and other necessary assistance to help them relocate.
- d) Provide the person with a description of their right to appeal any determinations for assistance under the Uniform Relocation and Real Property Acquisition Act (49 CFR, Part 24).
- e) Assure that those persons who are required to relocate receive their full replacement housing payments, moving, and related expenses.

C. Rights of Residents who Remain in the Project

- a) Remaining Households must be offered affordable Housing.
 - 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. Determining which tenants will be able to remain in the project is a key component of determining the feasibility of an occupied project.
- b) Temporary Relocation
 - Residents who will remain in the project after rehabilitation may be required to move temporarily during rehabilitation.
 - The temporary dwelling must be suitable and decent, safe and sanitary but not necessarily comparable.
 - In addition to the Notice of Non-displacement, the resident must, as a minimum, receive reasonable advance written notice of the date and approximate duration of the planned temporary move; information about the terms and conditions under which the tenant will be returning to when the project is completed; and reimbursement for all reasonable out-of-pocket expenses incurred in connection with the temporary move.
- c) Permanent Moves Within the Project

- Tenants may be allowed to remain in a project after rehabilitation, but not necessarily in the same unit.
- Permanent moves within the same project must be to suitable, decent, safe and sanitary - but not necessarily comparable – units.
- In addition to the Notice of Non-displacement, the resident must, as a minimum receive reasonable advance written notice of the date of the planned move to an alternate unit and; reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move.

Section 104(d) - Replacement of Housing

Section 104(d) of the Housing and Community Development Act of 1974 as amended requires the one-for-one replacement of low/moderate income occupied or occupiable dwelling units which are demolished or converted to a use other than low/moderate income housing as a direct result of CDBG or HOME assistance. Under this section relocation assistance shall be provided in accordance with 24 CFR Part 42.350. One for one replacement of units shall be provided in accordance with 24 CFR Part 42.375.

All comparable replacement housing will be provided within one year prior to or three years after commencement of the demolition or conversion. Before entering into a contract committing the County to provide funds for an activity that will directly result in demolition or conversion, Kitsap County will require the applicant to publish a notice in the newspaper, and Kitsap County will submit to HUD, the following information in writing:

- 1) Description of proposed assisted activity;
- 2) The address, number of bedrooms and map of location of the lower income housing that will be lost as a result of the project;
- 3) Time schedule for start and completion of the demolition or conversion;
- 4) To the extent known, the address, number of bedrooms and map of the location of replacement housing that has or will be provided. If such data are not available at the time of the general submission, Kitsap County will identify the general location on an area map and information identifying the specific location and number of dwelling units by size shall be submitted and disclosed to the public as soon as it is available;
- 5) Basis for concluding replacement housing will remain a low-income unit for at least 10 years from the date of initial occupancy;
- 6) Information demonstrating that any proposed replacement of housing units, that are different in size from those units lost, is appropriate and consistent with housing needs and priorities identified in the Consolidated Plan.

Documents and Record Keeping

Documenting compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act is the responsibility of the grant recipient undertaking the project. Proper notification must be undertaken early in the project and copies of all notices provided must be kept. Block Grant staff will assist by providing guidance and applicable guideform notices for use on the project. All correspondence must be kept by the grant recipient and provided to Block Grant staff for review upon request.

DEFINITIONS

Comparable replacement dwelling unit: A unit that meets the criteria of 49 CFR 24.2(d)(1) through (6); and is available at a monthly cost for rent that does not exceed the “Total Tenant Payment” determined under 24 CFR Part 42 813.107.

Conversion: This term means altering a housing unit so that it is used for non-housing purposes; used for housing but no longer meets the definition of lower income dwelling unit; or used as an emergency shelter.

Lower-Income Dwelling Unit: A dwelling unit with a market rent (including utility costs) that does not exceed the applicable Fair Market Rent (FMR) for Section 8 existing housing established under 24 CFR part 888. However, the term does not include any unit that is owned and occupied by the same person before and after the assisted rehabilitation.

Vacant occupiable dwelling unit: a vacant dwelling unit that is in a standard condition; vacant dwelling unit that is in a substandard condition but is suitable for rehabilitation; or a dwelling unit in any condition that has been occupied (except by a squatter) at any time within the period beginning 3 months before the date of execution of the agreement by the recipient covering the rehabilitation or demolition.