

**SUMMARY OF THE
FEDERAL DISPLACEMENT, RELOCATION,
AND ACQUISITION REQUIREMENTS**

Any applicant utilizing federal assistance, not including the Tax Credit Program, must verify the satisfaction of all applicable federal requirements. The Agency's use of HOME funds in Nonparticipating Jurisdictions requires those applicants to meet these requirements.

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA or Uniform Act), Section 104(d) of the Housing and Community Development Act of 1974 and individual HUD program regulations require that many HUD assistance programs follow certain guidelines in regards to residents that may be displaced or relocated and for the acquisition of properties. Below is a summary of the requirements found at 49 CFR Part 24.

- (a) *Minimizing displacement.* The Property Owner must ensure that it has taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of a development assisted with HOME funds. To the extent feasible, residential tenants must be provided a reasonable opportunity to lease and occupy a suitable, decent, safe, sanitary, and affordable dwelling unit in the building/complex upon completion of the development.
- (b) *Temporary relocation.* (49 CFR 24.2 (a)(9)(ii)(D) The following policies cover residential tenants who will not be required to move permanently but who must relocate temporarily for the development. Such tenants must be provided:
 - (1) Reimbursement 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 housing and any increase in monthly rent/utility costs.
 - (2) Appropriate advisory services, including reasonable advance written notice of:
 - (i) The date and approximate duration of the temporary relocation;
 - (ii) The location of the suitable, decent, safe, and sanitary dwelling to be made available for the temporary period;
 - (iii) The terms and conditions under which the tenant may lease and occupy a suitable, decent, safe, and sanitary dwelling in the building/complex upon completion of the development; and
 - (iv) The provisions of paragraph (b)(1) of this section.
- (c) *Relocation assistance for displaced persons.*
 - (1) *General.* A displaced person (defined in paragraph (c)(2) of this section) must be provided relocation assistance at the levels described in, and in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended (URA) (42 U.S.C. 4601-4655) and 49 CFR part 24. A "displaced person" must be advised of his or her rights under the Fair Housing Act (42 U.S.C. 3601-19) and, if the comparable replacement dwelling used to establish the amount of the replacement housing payment to be provided to a minority person is located in an area of minority concentration, the minority person also must be given, if possible, referrals to comparable and suitable, decent, safe, and sanitary replacement dwellings not located in such areas.

(2) *Displaced Person (Section 49 CFR 24.2(a)(9))*

- (i) For purposes of paragraph (c) of this section, the term *displaced person* means a person (family, individual, business, nonprofit organization, or farm, including any corporation, partnership or association) that moves from real property or moves personal property from real property, permanently, as a direct result of acquisition, rehabilitation, or demolition for a new development assisted with HOME funds. This includes any permanent, involuntary move for an assisted development, including any permanent move from the real property that is made:
 - (A) After notice by the owner to move permanently from the property, if the move occurs on or after the date of the submission of an application to the Agency; or
 - (B) Before the date described in paragraph (c)(2)(i)(A) of this section, if the Agency determines that the displacement resulted directly from acquisition, rehabilitation, or demolition for the development; or
 - (C) By a tenant-occupant of a dwelling unit, if any one of the following three situations occurs:
 - (1) The tenant moves after execution of the agreement covering the acquisition, rehabilitation, or demolition and the move occurs before the tenant is provided written notice offering the tenant the opportunity to lease and occupy a suitable, decent, safe, and sanitary dwelling in the same building/complex upon completion of the development under reasonable terms and conditions. Such reasonable terms and conditions must include a term of at least one year at a monthly rent and estimated average monthly utility costs that do not exceed the greater of:
 - (i) The tenant's monthly rent before such agreement and estimated average monthly utility costs; or
 - (ii) The total tenant payment, if the tenant is low-income, or 30 percent of gross household income, if the tenant is not low-income; or
 - (2) The tenant is required to relocate temporarily, does not return to the building/complex, and either:
 - (i) The tenant is not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation; or
 - (ii) Other conditions of the temporary relocation are not reasonable: or
 - (3) The tenant is required to move to another dwelling unit in the same building/complex but is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move, or other conditions of the move are not reasonable.
- (ii) Notwithstanding paragraph (c)(2)(i) of this section, a person does not qualify as a *displaced person* (Section 49 CFR 24.2(a)(9)(ii)) if:
 - (A) The person has been evicted for cause based upon a serious or repeated violation of the terms and conditions of the lease or occupancy agreement, violation of applicable federal, state, or local law, or other good cause, and the Property Owner determines that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance. The effective date of any termination or refusal to renew must be preceded by at least 30 days advance written notice to the tenant specifying the grounds for the action;

- (B) The person moved into the property after the submission of the application, but before signing a lease and commencing occupancy, was provided written notice was provided of the proposed funding for the development, its possible impact on the person (e.g., the person may be displaced, temporarily relocated, incur a rent increase), and the fact that the person would not qualify as a "displaced person" (or for any assistance under this section) as a result of the development;
 - (C) The person is ineligible under Section 49 CFR 24.2(a)(9)(ii)(D); or
 - (D) HUD determines that the person was not displaced as a direct result of acquisition, rehabilitation, or demolition for the development.
- (iii) Agency may, at any time, ask HUD to determine whether a displacement is or would be covered by this rule.
- (3) *Initiation of negotiations* (Section 49 CFR 24(a)(15)). For purposes of determining the formula for computing replacement housing assistance to be provided under paragraph (c) of this section to a tenant displaced from a dwelling as a direct result of private-owner rehabilitation, demolition or acquisition of the real property, the term *initiation of negotiations* means the execution of the agreement covering the acquisition, rehabilitation, or demolition.
- (d) *Optional relocation assistance*. The Property Owner may provide relocation payments and other relocation assistance to families, individuals, businesses, nonprofit organizations, and farms displaced by a development assisted with HOME funds where the displacement is not subject to paragraph (c) of this section. The Property Owner may also provide relocation assistance to persons covered under paragraph (c) of this section beyond that required. For any such assistance that is not required by state or local law, the Property Owner must adopt a written policy available to the public that describes the optional relocation assistance that she/he has elected to furnish and provides for equal relocation assistance within each class of displaced persons. This policy must be submitted to the Agency with a funding source commitment for this additional assistance.
- (e) *Residential anti-displacement and relocation assistance plan*. Each Property Owner shall comply with the Residential Anti-displacement and Relocation Assistance Plan requirements. This requires one-for-one replacement of low/moderate income housing demolished or converted to another use and the provision of relocation assistance to lower income persons displaced by such conversion or by demolition.
- (f) *Real property acquisition requirements*. The acquisition of real property for a development is subject to the URA and the requirements of 49 CFR part 24, subpart B. (Sample Acquisition Advisory Notices, located in the Instructions)
- (g) *Appeals*. A person who disagrees with the Property Owner's determination concerning whether the person qualifies as a displaced person, or the amount of relocation assistance for which the person may be eligible, may file a written appeal of that determination with the Agency. A low-income person who is dissatisfied with the Agency's determination on his or her appeal may submit a written request for review of that determination to DCED.

(h) *Responsibility of Property Owners.*

- (1) The Property Owner must certify that she/he will comply with the URA and the regulations at 49 CFR Part 24 and must ensure such compliance notwithstanding any other third party's contractual obligation to the Property Owner to comply.
- (2) The cost of required relocation assistance is an eligible HOME development cost. This cost also may be paid from state and local funds, or funds available from other sources.