

Chapter 7

Relocation

Introduction

This chapter provides a detailed overview of the relocation of businesses under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act or URA) and the relocation of residents under both the URA and Section 104(d) of the Housing and Community Development Act of 1974 [Section 104(d)]. Also explained is the one-for-one housing replacement requirements under Section 104(d). This chapter outlines the procedures that the Unit of General Local Government (UGLG) must follow to ensure compliance with the above Acts. In addition, information is provided regarding recordkeeping, total tenant payment, and other relocation requirements that may be applicable to projects assisted by Community Development Block Grant (CDBG) funding.

Relocation is an activity that is required as a result of any permanent and involuntary displacement of individuals, families, or businesses, (including non-profit organizations and farms) that was a direct result of the acquisition, demolition, or rehabilitation of property for CDBG-assisted projects carried out by public agencies, nonprofit organizations, private developers, or others.

Note: For purposes of the URA, “displacement” not only includes activities that require the individual, family, etc. to move, but also activities that require the individual, family etc., to permanently and involuntarily move their personal property from the real property as a direct result of the acquisition, demolition, or rehabilitation of property for CDBG-assisted projects carried out by public agencies, nonprofit organizations, private developers, or others. On the other hand, displaced persons do not include:

- A person who is evicted for cause based upon serious or repeated violations of material terms of the lease or occupancy agreement.
- A person that has no legal right to occupy the property under state or local law (e.g., squatters).
- A person that moved from the property prior to the owner having any intention of receiving federal assistance.
- A person who:
 - moved into the property after the date that the existing (in-place) tenants were notified of their rights, AND
 - received a written notice of the expected displacement before occupancy.

Keeping in mind the stipulations noted above, the URA protects all persons that are considered to be displaced by a federally-assisted project -- regardless of their income. As noted above, for purposes of the URA, the term “displaced persons” pertains to residences and businesses, including non-profit organizations and farms. Section 104(d) relocation requirements, on the other hand, focus on displaced low- and moderate-income (LMI) residential occupants and the “loss” of LMI housing units (both rental and owner occupied) within a community through demolition or conversion of residential housing or mixed use properties. Benefits through Section 104(d) are not afforded to businesses, regardless of whether they are a tenant or an owner of the property.

Property owners who willingly enter into an agreement to have the UGLG provide assistance to their property are not eligible for relocation assistance (voluntarily displaced property owners). However, property owners and tenants involuntarily displaced are eligible for relocation assistance.

Section 104(d) has two distinct components:

- **People:** Section 104(d) specifies relocation assistance for displaced LMI families, defined as families earning at or below 80 percent of the Area Median Income (AMI) as adjusted for household size. Section 104(d) does not provide protection or assistance for families with incomes above 80 percent of AMI level.
- **Units:** Section 104(d) requires one-for-one replacement of Low- and Moderate-Income dwelling units that are demolished or converted to a unit with market rents above the Fair Market Rent (FMR) or to a use that is no longer for permanent housing.

One-for-one replacement of housing occurs when CDBG funding is used in a project that reduces the supply of LMI dwelling units. One-for-one replacement is triggered if:

- The unit meets the definition of a LMI dwelling unit; AND
- The unit is occupied or is a vacant occupiable dwelling unit; AND
- The unit is to be demolished or converted to a unit with market rents above the FMR or to a use that is no longer for permanent housing.

It is important to note that for the purposes of the one-for-one housing replacement requirement, the provisions may be triggered by the loss of qualified owner-occupied housing as well as rental housing.

Finally, while most of the CDBG-funded programs that result in the temporary or permanent displacement of residents, and/or the loss of housing units are CDBG housing initiatives, it is important to note that several other kinds of programs (economic development, public facilities) may involve the demolition or conversion of housing units and consequently are covered by the above relocation provisions.

Section 1 - Applicable Regulations

Relocation activity in the CDBG Program is governed by four sets of regulations. They are:

- The final rule implementing changes to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (49 CFR Part 24). The final rule was published on January 4, 2005 and became effective on February 3, 2005.
- Section 104(d) and 105(a) (11) of Title I of the Housing and Community Development Act of 1974, as amended, and the implementing regulations at 24 CFR 570.496(a) (the Barney Frank Amendment).
- 24 CFR Part 42 governing displacement in HUD-assisted housing.
- 24 CFR Part 570.488 of the CDBG State Small Cities regulations.

Consistent with the other goals and objectives of the CDBG program, the UGLG shall assure that it has taken all reasonable steps to minimize displacement as a result of activities completed under the

program. The UGLG must contact the Program Specialist prior to taking any action that may result in the involuntary and permanent displacement of any individual, family, or business.

Section 2 – Definitions

Displaced Person

The URA and Section 104(d) each define “displaced persons.” In addition, the CDBG regulations build upon these two definitions.

For relocation activities under the URA [49 CFR 24.2(a)(9)]:

The term "displaced person" means any person (residential and non-residential tenants and owner occupants) that moves from the real property or moves his or her personal property from the real property, permanently, as a direct result of:

- The acquisition or written notice of intent to acquire, or initiation of negotiations (ION) for such property, in whole or in part, for a project; OR
- The rehabilitation or demolition of such real property for a project; OR
- The acquisition, rehabilitation or demolition of (or written notice of intent to acquire, or initiation of negotiations for), in whole or in part, other real property on which the person conducts a business or farm operation, for a project. However, eligibility for a person applies only for purposes of obtaining relocation assistance advisory services and a payment for moving and related expenses.

If Section 104(d) is triggered:

The term "displaced person" means any lower income family or individual that moves from real property, or moves his or her personal property from real property, permanently and involuntarily, as a direct result of the conversion of an occupied or vacant, livable LMI dwelling unit or the demolition of any dwelling unit, in connection with an assisted activity.

The CDBG regulations of 24 CFR 570.606, state that the term "displaced person" includes (but may not be limited to):

A person that moves permanently from the real property after the property owner issues a vacate notice to the person or refuses to renew an expiring lease, if the move occurs on or after the date of the initial consideration of an application to the UGLG by the property owner (or person in control of the site) requesting assistance that is later approved for the project.

A person that moves permanently from the real property after notice by the UGLG requiring such move, if the move occurs on or after the date of the initial consideration of a CDBG application by the UGLG requesting assistance under 24 CFR 570.480 that is later granted for the project.

While an owner or the UGLG could argue that because the property had not yet received CDBG assistance at the time of the displacement, such displacement was not actually brought about by the CDBG assistance, it is clear that if the owner attempted to vacate his building in order to take advantage of a governmentally assisted program, then that program led to the displacement, regardless of when the application was approved and the funds actually flowed.

Persons Not Considered Displaced

Notwithstanding the provision of Subsection 570.606(b)(2)(i), a person does not qualify as a "displaced person" (and is not entitled to relocation assistance at URA levels), if:

- The person has no legal right to occupy the property under state or local law (e.g., squatters); OR
- The person has been evicted for 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 UGLG determines that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance; OR
- The person moves into the property after the date described in Subsection 570.606(b)(2)(i) and, before commencing occupancy, was provided written notice of the project, its possible impact on the person (e.g., the person may be displaced, temporarily relocated or suffer a rent increase) and the fact that he or she would not qualify as a "displaced person" as a result of the project.

Initiation of Negotiations

For purposes of providing the appropriate notice and determining whether a displaced person qualifies for relocation assistance, the term Initiation of Negotiations (ION) differs by type of activity. When the UGLG is providing funding to a private entity for rehabilitation, acquisition, or demolition, the ION is the later of the execution of the grant agreement between the MSF and the UGLG or the execution of the agreement covering the acquisition, rehabilitation, or demolition.

Low- and Moderate-Income Dwelling Unit

The term “ Low- and Moderate-Income dwelling unit” means a dwelling unit with a market rent (including average utility costs) that does not exceed the applicable 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.**

Optional Relocation Assistance

Under Section 105(a)(11) of the Housing and Community Development Act of 1974, as amended, the MEDC may permit the UGLG to provide relocation payments and other relocation assistance to persons displaced by activities that are not subject to URA or Section 104(d) requirements.

The MEDC may also permit the UGLG to provide relocation assistance to displaced persons at levels in excess of those required by the URA or Section 104(d). Unless such assistance is provided under state or local law, the UGLG shall only provide such assistance after consultation with the MEDC.

The “Project”

The term project is defined as an activity or series of activities undertaken by a federal agency or with federal financial assistance received or anticipated in any phase of an undertaking.

Section 104(d) benefits are triggered if the activity is a CDBG- or HOME-funded activity and the HUD assisted activity is part of a larger, single undertaking. This last phrase is to prevent the UGLG from unreasonably splitting what is rightfully one project into two or more projects so that the buildings that don't involve displacement can be funded with CDBG dollars and the buildings that do involve displacement can be funded with non-CDBG dollars.

In order to determine whether a series of activities are a project, consider:

- **Timeframe:** Do activities take place within a reasonable timeframe of each other?

- **Objective:** Is the single activity essential to the overall undertaking? If one piece is unfinished will the objective be incomplete?
- **Location:** Do the activities take place on the same site?
- **Ownership:** Are the activities carried out by, or on behalf of, a single entity?

Vacant Occupiable Dwelling Unit

The term "vacant occupiable dwelling unit" means:

- A vacant dwelling unit that is in a standard condition; OR
- A 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 (by a person with the legal right to occupy the property) at any time within the period beginning three months before the date of the execution of the agreement between the UGLG and the MEDC.

Section 3 - Relocation Policies and Procedures

Develop Written Policies and Procedures

Residential Anti-displacement and Relocation Assistance Plan (RARAP) Requirements

An UGLG receiving funds from the State must certify to the State that it has in effect, and is following, a RARAP and that the UGLG will minimize displacement of persons as a result of assisted activities (Form 7-A). The plan, which must be adopted and made public, must:

- 1) Indicate the steps the UGLG will take to minimize displacement; AND
- 2) Provide for relocation assistance in accordance with 24 CFR Part 42.350; AND
- 3) Provide for one-for-one replacement units to the extent required by 24 CFR Part 42.375.

The RARAP, along with the completed RARAP Checklist (Form 7-AL), must be submitted to the MEDC for review before moving forward.

Optional Temporary Relocation Policy Requirements for Voluntarily Displaced Residential Owner Occupants

If the UGLG chooses to provide optional temporary relocation assistance to owner-occupants, the UGLG must adopt an Optional Temporary Relocation Assistance Policy (Form 7-B). At a minimum, the policy must contain the following elements:

- Number of households expected to need temporary relocation services; AND
- Description of how much advance notice will be given for the move and return move and the estimated length of time the relocation will require per unit; AND
- Description of the types of anticipated temporary relocation costs to be incurred and reimbursed utilizing grant funds and the documentation that will be required for reimbursement; AND
- Description of how temporary relocation payments will be made; AND
- Description of how temporary units will be determined to be lead-free.

The determination of the amount of assistance to be provided must be reasonable. The adopted policy, along with the completed Adopted Optional Temporary Relocation Policy Checklist (Form 7-AM), must be submitted to your MEDC Program Specialist for review before moving forward.

Section 4 – URA and Section 104(d) Residential Relocation

The relocation assistance under the URA differs from the relocation assistance under Section 104(d). The term displaced person means any person that moves from the real property or moves his or her personal property from the real property, permanently, as a direct result of an assisted project.

To be eligible for Section 104(d) relocation assistance, a displaced person must be a lower income person who moves permanently, in connection with an assisted activity, as a direct result of the conversion of a Low- and Moderate-Income dwelling unit or the demolition of any dwelling unit.

The rules implementing the Section 104(d) relocation requirements for the State CDBG program are found at 24 CFR 570.496a(c)(2) and (3). Note LMI levels are set at 80 percent of the applicable AMI as adjusted by household size. HUD publishes the 80 percent of AMI figures for all Metropolitan Statistical Areas (MSA). If the UGLG is uncertain about which figures should apply to its project, the UGLG should contact the Program Specialist for clarification.

Persons eligible for assistance under Section 104(d) are by definition also eligible for URA assistance. As outlined below, the UGLG must assist the occupant in his or her decision making by informing the person of the amount of replacement housing assistance available under the URA and the amount of replacement housing assistance available under Section 104(d). In order to determine eligibility for relocation assistance under Section 104(d), the UGLG must obtain information on individual incomes (See Section 6, Step 7 on determining annual income and annual adjusted income).

Section 5 – Steps Required for both Residential and Non-Residential Persons the Agency Does Not Plan to Displace:

Step 1: Provide General Information Notice (GIN) to those that the Agency does not plan to displace and a Move-In Notice to those that may enter the unit after the decision has been made to use CDBG

GIN – Those Persons the Agency Does Not Plan to Displace

Some projects can involve both persons who are displaced and persons who are not displaced. If the occupant of a unit moves permanently from the property after the issuance of the MEDC Offer Letter, the occupant will be presumed to qualify as a displaced person (See Sections 6 for residential displacement requirements and Sections 7 and 8 for non-residential displacement requirements). To minimize such unintended displacements, HUD policy considers all occupants within a proposed CDBG-assisted project involving acquisition, rehabilitation, or demolition to be displaced for the purposes of issuing a GIN.

Immediately after the issuance of the MEDC Offer Letter, all occupants must be provided a GIN. For those persons the UGLG does not plan to displace, the GIN should be modified to explain that the project has been proposed, that the occupant will not be displaced, CAUTION the occupant not to move, and explain the consequences of moving on the occupant's own (Hand deliver & obtain written acknowledgement of receipt or mail by certified or registered, first class mail, return receipt requested Form 7-H to residential occupants and Form 7-AD to non-residential occupants).

Residential Rent Burdened Occupants

If by staying in the project there is a possibility the occupant may become “rent burdened,” there are three options available to the UGLG:

- The UGLG can provide additional subsidies to make the unit affordable (e.g., tenant-based rental assistance); OR
- The owner can elect to limit rent increases for some units where the increase would result in a rent burden; OR
- If neither of the above options is feasible, the UGLG must consider the occupant a displaced person and issue a Notice of Eligibility for Relocation Assistance. If the occupant moves, the occupant is considered to be displaced by virtue of the activity that caused the rent to rise.

Note: Some rent-burdened tenants may elect to remain in the project and pay the higher rent. The tenant must be fully informed (via Notice of Eligibility for Relocation Assistance) of their rights to relocation assistance and sign an acknowledgement that they voluntarily relinquish any payments due under the URA.

Move-In Notice

In general, when projects involve relocation, it is not advisable for the property owner to take on new tenants after deciding to participate in a CDBG-assisted program, but if the property owner does take on new tenants, the property owner must provide such new tenants with a notice explaining that the new tenants will NOT have relocation rights and that the new tenants are agreeing to move-in knowing that they may have to be removed at a later date. This Notice is often referred to as the Move-in-Notice (Form 7-I for new residential and non-residential tenants).

Step 2: Provide Notice of Non-displacement

Immediately after the ION (discussed in Section 2 of this Chapter), a Notice of Non-displacement must be issued to those occupants that will not be displaced. The purpose of the notice is to advise persons not displaced of the UGLG’s determination and the occupants’ rights to appeal.

If tenants will be temporarily displaced and continued occupancy is possible upon completion of the project, the notice must explain the reasonable terms and conditions under which the occupant may continue to lease and/or occupy the property upon completion of the project and explain that the occupant will be reimbursed for all of the occupants’ reasonable extra expenses (Hand deliver & obtain written acknowledgement of receipt or mail by certified or registered, first class mail, return receipt requested Form 7-N for both residential and non-residential occupants). The updated regulations at 49 CFR 24.2(a)(9)(ii)(D) explicitly state that temporary relocation cannot exceed 12 months or the occupant must be offered permanent displacement assistance.

Optional Temporary Relocation Policy Requirements for Voluntarily Displaced Residential Owner-Occupants

An owner-occupant’s agreement to participate in the UGLG’s CDBG-funded program is considered a voluntary action under the State’s program guidelines and the URA guidelines, provided that code enforcement is not utilized to induce program participation of an owner-occupant. Title I of the Housing and Community Development Act of 1974, as amended, allows, but does not require that the UGLG provide optional temporary relocation assistance when URA requirements are not triggered.

When an owner occupant agrees to voluntarily participate in the UGLG’s CDBG-funded project and the UGLG decides to provide optional temporary relocation assistance, the MEDC requires that the UGLG:

- Develop an Optional Temporary Relocation Assistance Policy (Form 7-B); AND
- Provide a Notice of Non-displacement and a summary or copy of the Optional Temporary Relocation Assistance Policy to each affected household. Documentation of receipt must be retained in the UGLG's files (Form 7-N); AND
- Require the owner-occupant to complete the Claim for Optional Temporary Relocation Assistance (Form 7-O).

Lead-Based Paint Hazards Requirements for temporarily displaced residential occupants

The lead-based paint regulations (Title X of the 1992 Housing and Community Development Act) that went into effect on September 15, 2000, contain rules concerning the temporary relocation of residential occupants (renters and owners) before and during hazard reduction activities.

These regulations apply to both tenants and homeowners, though they involve different standards and procedures. Under the lead regulations, circumstances when temporary relocation is not required include:

- Treatment will not disturb lead-based paint, lead-contaminated dust, or soil lead hazards.
- Treatment of interior will be completed within one period in eight daytime hours, the site will be contained, and the work will not create other safety, health or environmental hazards.
- Only the building's exterior is treated; the windows, doors, ventilation intakes, and other openings near the work site are sealed during hazard reduction activities and cleaned afterward;
- Treatment will be completed within five calendar days; the work area is sealed; at the end of each day, the area within 10 feet of the contaminant area is cleared of debris; at the end of each day, occupants have safe access to sleeping areas, bathroom, and kitchen facilities; and treatment does not create other safety, health or environmental hazards.

Under the state CDBG program, rehabilitation of owner-occupied units is considered voluntary. Therefore, the relocation requirements of the URA do not apply regardless of whether or not the unit is being treated for lead-based paint. Any payments made on an owner-occupants' behalf would be addressed in an Optional Relocation Policy. To implement this policy, the UGLG must adopt the Optional Temporary Relocation Assistance Policy (Form 7-B). The rehabilitation of tenant-occupied units is not considered voluntary so the displacement requirements in Section 6 apply.

The lead rule further requires that temporary dwelling units not have lead-based paint hazards. Therefore, the UGLG is required to ensure that dwelling units used for temporary relocation are lead safe. This means ensuring that temporary dwelling units were built after 1978 or are visually inspected to ensure no lead hazards are present. If an owner-occupant chooses to move to a temporary dwelling unit that does not pass a visual inspection or cannot otherwise be determined to be lead safe, the owner occupant should be required to sign a Release of Liability (Form 7-U). Elderly residents residing in units undergoing lead reduction activities may waive their rights to temporary relocation assistance but only if the UGLG obtains a written and signed Elderly Waiver for Temporary Relocation form (Form 7-V).

Temporary Relocation of Businesses

Sometimes CDBG projects may require a business to shut down temporarily. For example, some infrastructure projects may require that a street be torn up and the business may shut down for the

duration of the project. The UGLG may have to temporarily relocate the business for a period of time that it is unable to operate due to displacement.

UGLGs must exercise caution and plan accordingly if a proposed project requires a business to temporarily cease operations. The UGLG should notify MEDC prior to taking any action if the UGLG believes that the business will be temporarily relocated. In the event a business must be shut down for any length of time due to rehabilitation of a site or building, it may either be:

- Temporarily relocated and reimbursed for all reasonable out of pocket expenses; OR
- Determined to be permanently displaced at the UGLG's option.

Record Keeping

UGLGs are required to keep thorough records on occupants that were displaced as well as occupants that were not displaced (Form 7-AA or 7-AI). The UGLG must be able to reconcile the available information based on the persons that remained in occupancy, the persons that were displaced and received relocation assistance, and the persons that elected to relocate permanently even though not displaced.

All notices must either be hand delivered or mailed via certified or registered, first-class mail, return receipt requested. The return receipt must be affixed to each individual case file. If hand-delivered, a written acknowledgment of receipt must be obtained from the addressee.

Records for Persons/Businesses Not Displaced

The UGLG must also maintain a separate case file on each person not displaced. The case file must contain the following:

- Evidence that each person received a timely GIN indicating that he/she would not be displaced by the project (Signed Form 7-H or Form 7-AD with return receipt or written acknowledgement).
- Evidence that each person received a timely Notice of Non-displacement, including an offer of: (1) a reasonable opportunity to lease and occupy a suitable, affordable, decent, safe and sanitary unit on the real property; and (2) reimbursement of any out-of-pocket expenses incurred in connection with any temporary relocation or move to another unit on the real property (Signed Form 7-N with return receipt or written acknowledgement).
 - To ensure that the person does not have a basis for filing a claim for relocation payments, this is especially important for persons not displaced who elected to move permanently from the real property.

All related documentation/communication, along with the completed Non-displacement Checklist (Form 7-AN) must be submitted to your Program Specialist for review.

Records for Optional Temporary Relocation Assistance Policy

Refer to Section 3 of this chapter and Checklist 7-AM.

Records for Optional Temporary Relocation Assistance to voluntarily displaced residential owner occupants

The UGLG must establish individual case files for assistance provided under the UGLG's Optional Temporary Relocation Assistance Policy. At a minimum, each case file must contain the following:

- Name of homeowner being temporarily displaced.

- Address of unit being rehabilitated.
- Address of replacement dwelling unit.
- Copies of all financial records attributable to the relocatee during the temporary displacement.
- Date relocatee(s) occupied the temporary unit and returned to the rehabilitated dwelling.
- Inspections of the condition of the relocation dwelling upon evacuation and prior to occupying the temporary unit, and
- All invoices for temporary relocation costs including all utility charges during the relocation and any other charges directly attributable to the temporary displacement.

Section 6 – Steps required for Residential Persons the Agency Plans to Displace

Step 1: Provide GIN to those that the Agency plans to displace and a Move-In Notice to those that may enter the unit after the decision has been made to use CDBG

GIN – Those Persons That May Be Displaced

Some projects can involve both persons who are displaced and persons who are not displaced. According to the URA regulations, persons who are scheduled to be displaced must be provided with a GIN as soon as feasible. If an occupant of a dwelling moves permanently from the property after the issuance of the MEDC Offer Letter, the occupant will be presumed to qualify as a displaced person. To minimize such unintended displacements, HUD policy considers all occupants within a proposed CDBG-assisted project involving acquisition, rehabilitation, or demolition to be displaced for the purpose of issuing a GIN.

Immediately after the issuance of the MEDC Offer Letter, all occupants must be provided with a GIN (See Section 5 for those not being displaced). For those persons the UGLG plans to displace, the GIN should notify each household that the potential for displacement exists and provide the occupant with general information. The occupant must be informed not to move prematurely (unless in their own judgment such a move would be the most beneficial for them, e.g. they are moving to another city for employment, etc.) because doing so will jeopardize any relocation assistance they might otherwise receive (Hand deliver & obtain written acknowledgement of receipt or mail by certified or registered, first class mail, return receipt requested Form 7-C or 7-D, along with the appropriate HUD Information Booklet [Form 7-E, 7-F, or 7-G]).

Move-In Notice

In general, when projects involve relocation, it is not advisable for the property owner to take on new tenants after deciding to participate in a CDBG-assisted program, but if the property owner does take on new tenants, the property owner must provide such new tenants with a notice explaining that the new tenants will NOT have relocation rights and that the new tenants are agreeing to move-in knowing that they may have to be removed at a later date. This Notice is often referred to as the Move-in-Notice (Form 7-I).

Step 2: Provide Advisory Services

The next step in the process is to provide relocation advisory services. This process requires the UGLG to personally interview the occupants to be displaced (Forms 7-W and 7-X). The purpose of the interview is to explain the:

- Various payments and types of assistance available; AND
- Conditions of eligibility; AND
- Filing procedures; AND
- Basis for determining the maximum housing assistance payment available.

After the initial interview, the UGLG must work with the occupants that will be displaced throughout the relocation process to ensure the occupants are provided appropriate and required advisory services.

The UGLG must make referrals to replacement dwelling units (comparables); inspect the comparables prior to making referrals to determine if the units are in standard condition (including ensuring they are lead-based paint safe, if required by local law); provide counseling; provide technical assistance; and provide appropriate referrals to social service agencies. The final rule clarifies that the UGLG must also offer transportation to all displaced occupants to enable them to inspect replacement dwelling units.

When an occupant is either minority and/or LMI, every effort must be made to ensure that referrals are made to comparables located outside of areas of minority concentration and/or LMI concentration, if feasible.

The UGLG must provide current and continuing information on the availability, purchase price or rental cost, and location of comparable replacement dwelling units (see the section below for more information on comparable replacement dwelling units).

Step 3: Identify Comparable Replacement Dwelling Units

As noted above, the UGLG must work with occupants that are slated for permanent displacement to identify comparable replacement dwelling units for the occupants. The regulations at 49 CFR Part 24.204 stipulate that no person is to be displaced unless at least one, and preferably three, comparable replacement dwelling units are made available to the potential displacee (Forms 7-Y and 7-Z). A comparable replacement dwelling unit is:

- Decent, safe, and sanitary according to local housing and occupancy codes (including being lead-based paint safe, if required by local law). The dwelling shall be structurally sound, contain a safe wiring system, contain a heating system that can maintain a healthful temperature, be adequate in size, include a separate well-lighted bathroom, include unobstructed egress, and for persons with disability, be free of barriers; AND
- Functionally equivalent to the displacement dwelling unit; AND
- Adequate in size to accommodate the occupants; AND
- In a location generally not subject to unreasonable adverse environmental conditions.
- In a location not less desirable than the location of the person's displacement dwelling unit with respect to public utilities, and commercial and public facilities, and reasonably accessible to the person's place of employment; AND

- On a site that is typical in size for residential development with normal site improvements; AND
- Currently available to the displaced person on the private market; AND
- Within the financial means of the displaced person.

If a person received government housing assistance before displacement, the comparable replacement dwelling unit may reflect similar government housing assistance. In these cases, the requirements of the government program related to the household's unit size shall apply.

Step 4: Provide Notice of Eligibility for Relocation or Notice of Non-Eligibility

Notice of Eligibility for Relocation

As the UGLG counsels those occupants to be displaced of their options and identifies replacement dwelling units when appropriate, the UGLG must formally determine which occupants will be permanently displaced and have relocation rights.

Immediately after the ION (discussed in Section 2 of this Chapter), a Notice of Eligibility for Relocation Assistance must be issued to those occupants that will be permanently displaced. The notice must identify the cost and location of the comparable replacement dwelling units (Hand deliver & obtain written acknowledgement of receipt or mail by certified or registered, first class mail, return receipt requested Forms 7-J, 7-K, 7-L, or 7-M).

Notice of Non-Eligibility

Immediately after the ION (discussed in Section 2 of this Chapter), the UGLG must provide a notice to occupants that do not meet the requirements to receive relocation assistance, i.e., where the individual or family has no legal right to occupy the property (a squatter); or where the individual or family is subject to eviction for 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. The notice must explain that they do NOT qualify for relocation benefits and explain the occupants' rights to appeal (Form 7-P). In these cases, the UGLG may pursue the necessary legal proceedings to remove the occupants from the property.

In those instances where assistance is flowing to a private property and it is the property owner that has reason to believe a tenant has no legal standing or is subject to a legal eviction, the property owner must inform the UGLG and receive direct approval before providing the occupant with official notice of ineligibility and proceeding with any eviction actions.

Note on ION: The ION differs by type of activity. When the UGLG is providing funding to a private entity for acquisition, rehabilitation, or demolition, the ION is the later of the date of the execution of the grant agreement between the MSF and the UGLG or the execution of the agreement covering the rehabilitation, demolition or acquisition.

Step 5: Assist Displacees in Selecting Replacement Dwelling Units

Before any displacement can take place, the displacee must be given the opportunity to select their replacement dwelling unit. As will be outlined in Step 7, an important part of this selection process is an evaluation by the displacee of the payment they are slated to receive and the impact that payment – and the new monthly housing payment they will be required to make - will have on their day-to-day finances.

Note: As outlined below, for individuals or families covered by both the URA and Section 104(d), this payment may differ depending on which process the displacee selects. Displacees will not be required to select one of the comparable dwelling units that have been identified for them, but their relocation assistance payment may be based on the costs of those comparable dwelling units. If the displacee selects a replacement dwelling unit that is not part of a list of comparable dwelling units, the displacee must work with the UGLG to have an inspection performed to ensure that the replacement dwelling unit meets the standards as decent, safe, and sanitary.

Step 6: Issue Notice to Vacate

Once the displacee has been shown the comparable dwelling units and has selected a replacement dwelling unit, the UGLG may initiate the eviction process. At the proper time, the first step is to issue what is known as a 90-Day Notice to Vacate. At a minimum, the 90-Day Notice must either state a specific date as the earliest date by which an occupant will be required to move, or state that the occupant will receive further notice, at least 30 days in advance, indicating the specific date by which to move. The URA regulations prohibit the UGLG from issuing the 90-Day Notice prior to identifying the necessary comparable dwelling units.

Step 7: Pay Necessary Replacement Housing and Moving Expenses

Displaced persons are entitled to assistance to help them move into and reside in replacement dwelling units. This assistance may include both Replacement Housing Payments (RHPs) and moving expenses. In order to receive a reimbursement or advance for any such expenses, the displaced persons must submit the applicable claim form to the UGLG (Forms 7-Q, 7-R, 7-S and 7-T).

There are substantive differences between the calculation of payments under the URA and Section 104(d). A summary of the payments for both the URA and Section 104(d) is provided below:

Replacement Housing Payments (RHP) under URA

In some instances, a comparable replacement dwelling unit may not be available within the established monetary limits for owners or tenants, as specified in 49 CFR Part 24.401 and 24.402. As appropriate, the UGLG must provide additional or alternative financial assistance as required by 49 CFR Part 24.404(a). The RHP is intended to provide affordable housing for a 42-month period.

NOTE: The following two changes to the URA become effective on October 1, 2014:

1. Length of occupancy requirement to receive a Replacement Housing Payment for homeowner-occupants is reduced from 180 days to 90 days.
2. The maximum Replacement Housing Payment for 90 day (formerly 180 day) homeowner-occupants is increased from \$22,500 to \$31,000.
3. The maximum Replacement Housing Payment for 90 day residential tenants is increased from \$5,250 to \$7,200.

RHP for 180-Day (90 Day as of 10/1/14) Homeowners

Only homeowner-occupants whose property is being involuntarily acquired and who have been in residency for 180 days (90 days as of 10/1/14) prior to an offer to purchase their home are eligible for a 180-day (90 day as of 10/1/14) homeowner replacement housing payment. If homeowners were in occupancy for less than 180 days (90 days as of 10/1/14) prior to an offer to purchase their home, the homeowners are protected by the URA but the RHP is calculated using the same method used for tenants (49 CFR 24.401).

Note: If a homeowner occupies a property being acquired using voluntary acquisition requirements, the property owner is NOT eligible for relocation benefits.

The 180-day (90 day as of 10/1/14) homeowner RHP is the sum of:

- The lesser of: the cost of the comparable or the cost of the actual replacement unit; AND
- Additional mortgage financing cost; AND
- Reasonable expenses incidental to the purchase of the replacement dwelling.

To calculate the replacement housing payment for a 180-day (90 day as of 10/1/14) homeowner, the UGLG must use the HUD claim form (Form 7-R). In order to qualify for a RHP as a displaced owner-occupant of 180 days (90 days as of 10/1/14), the displaced homeowner must purchase and occupy the replacement unit.

If an owner elects to become a renter, the RHP is based on rental assistance and the RHP cannot exceed the amount the occupant would otherwise have received as an owner.

Although the URA regulations mention a \$22,500 (\$31,000 as of 10/1/14) limitation on payments, the regulations also require that persons receive the full amount needed to enable them to afford their replacement dwelling unit. Therefore, occupants are entitled to the full 42 months of assistance even though the amount may exceed \$22,500 (\$31,000 as of 10/1/14).

RHP for Displaced Tenants

The RHP that displaced occupants receive varies depending upon whether the occupant was in occupancy more or fewer than 90 days prior to the date of execution of the purchase agreement (Forms 7-S or 7-T).

The payment to which the occupants are entitled is the difference between the household's current housing expense (known as the base monthly rent) and the cost of a replacement dwelling unit (rent-to-rent calculation). The price of the replacement dwelling unit is calculated using the lower of the cost of the occupants' actual replacement unit (including estimated utilities) or a comparable replacement dwelling unit (see the previous discussion on comparable dwelling units).

If the UGLG fails to make a timely offer of a comparable replacement dwelling unit and a displaced household moves to a standard replacement dwelling unit, the RHP is based on the cost of that actual replacement dwelling unit and cannot be capped by the rent of the comparable dwelling unit.

Although the URA regulations mention a \$5,250 (\$7,200 as of 10/1/14) limitation on payments, the regulations also require that persons receive the full amount needed to enable them to afford their replacement dwelling unit. Therefore, occupants are entitled to the full 42 months of assistance even though the amount may exceed \$5,250 (\$7,200 as of 10/1/14).

Purchase assistance: Cash rental assistance must be provided in installments, unless the occupant wishes to purchase a home. If the displaced occupant wishes to purchase a home, the payment must be provided in a lump sum so that the funds can be used for a down payment. The amount of cash rental assistance to be provided is based on a one-time calculation. The payment is not adjusted to reflect subsequent changes in an occupant's income, rent/utility costs, or family size.

Tenant-Based Rental Assistance (TBRA): If available, the UGLG may offer tenant-based rental assistance (TBRA) instead of the cash RHP. It is up to the occupant to determine whether he or she wishes to take the TBRA instead of the cash. If the occupant is provided a housing voucher and the rent/utility cost for a replacement dwelling unit (actual or comparable replacement dwelling unit, whichever is less costly) exceeds the payment standard, the tenant will qualify for cash rental assistance in addition to the Section 8 assistance to cover the gap.

Note: A displaced household will not be able to receive a RHP until the UGLG has inspected the replacement dwelling unit and found it to be decent, safe, and sanitary.

RHP under Section 104(d)

Under Section 104(d), the RHP is intended to provide affordable housing for a 60-month period. As noted above, occupants eligible for assistance under Section 104(d) are also by definition, eligible for URA assistance. In order for such occupants to make an informed decision, the UGLG must determine and inform the occupant of the amount of replacement housing assistance available under Section 104(d) and the amount of replacement housing assistance available under the URA.

RHP for Section 104(d) 180-Day (90 day as of 10/1/14) Homeowners

The RHP for a Section 104(d) 180 day (90 day as of 10/1/14) homeowner is the same as the URA RHP explained earlier in Step 7 (Form 7-R)

RHP for Section 104(d) Displaced Tenants

The Section 104(d) RHP differs from the URA RHP as follows:

- The 104(d) RHP is intended to provide affordable housing for a 60-month period. There is no cap on the 104(d) RHP.
- The 104(d) RHP makes up (for a 60-month period) the difference between:
 - The rent and utility costs for the replacement dwelling unit (or comparable); AND
 - The tenant’s total tenant payment as explained below.

Under Section 104(d), the Total Tenant Payment (TTP) is used to establish the amount of replacement housing assistance necessary to reduce the monthly rent and estimated average monthly utility costs for a replacement dwelling unit to the TTP. The TTP is the highest of:

- 30 percent of the person's monthly adjusted income; OR
- 10 percent of the person's monthly gross income; AND
- The designated allowance for rent/utility costs, if the person is receiving welfare assistance from a public agency and a part of such assistance is specifically designated for the person's rent and utility costs.

Section 104(d) uses the methodology at 24 CFR 42.350(e) to calculate monthly tenant payments for replacement housing assistance. That Section references the definition of “total tenant payment” at 24 CFR part 813, which is now at 24 CFR 5.628, and is based on:

- Annual income (24 CFR 5.609). Annual Income is generally the total income of the person from all sources including net income derived from assets, anticipated to be received in the 12-month period following the effective date of the income certification.

- Adjusted income (24 CFR 5.611). Adjusted Income means annual income after making deductions such as:
 - \$480 for each dependent;
 - \$400 for any elderly family or disabled family;
 - Unreimbursed medical expenses that exceed 3% of annual income;
 - Unreimbursed attendant care and auxiliary apparatus expenses for disabled family members to the extent necessary for the family member to be employed;
 - Child care

Refer to HUD Handbook 1378, Tenant Assistance, Relocation and Real Property Acquisition for the definition of income or the references cited above. When verifying income, the UGLG is responsible for determining if the documentation of income is adequate and credible.

Purchase assistance: If the displaced person under 104(d) purchases an interest in a housing cooperative or mutual housing association, and occupies a decent, safe, and sanitary dwelling in the cooperative or association, the person may elect to receive a lump sum payment. This lump sum payment shall be equal to the capitalized value of 60 monthly installments of the amount that is obtained by subtracting the total tenant payment from the monthly rent and estimated average monthly cost of utilities for a comparable replacement dwelling unit.

To compute the capitalized value, the installments shall be discounted at the rate of interest paid on passbook savings deposits by a federally insured bank or savings and loan institution conducting business in the jurisdiction.

To the extent necessary to minimize hardship to the person the UGLG shall, subject to appropriate safeguards, issue a payment in advance of the purchase of the interest in the housing cooperative or mutual housing association.

TBRA: Under 104(d), the UGLG has the option to offer all or a portion of the TBRA through a Section 8 certificate or housing voucher, if it is available under Section 8 preference requirements and the UGLG provides referrals to comparable replacement dwelling units where the owner is willing to participate in the Section 8 existing housing program.

If a person then refuses Section 8 assistance, the UGLG has satisfied the Section 104(d) replacement housing assistance requirements. In such case, the displaced person may seek URA replacement housing assistance.

Moving Expenses Under the URA

Displaced households may use three different ways to determine a payment for moving and related expenses (Form 7-Q) by:

- Using a professional commercial mover; OR
- Receiving reimbursement of actual expenses; OR
- Receiving a fixed moving expense and dislocation allowance based upon a schedule established by the Federal Highway Administration (FHA). The fixed rates can be found under the Publications tab on the FHA's website: [Fixed Residential Move Cost Schedule](#).

Each Moving Expense Option is briefly explained below:

Commercial move: A displaced person may, at his or her discretion, choose to hire a professional commercial mover based on the lower of two bids or estimates prepared by two different commercial movers. At the UGLG's discretion, payment for a low cost or uncomplicated move may be based on a single bid or estimate.

Actual Expenses: As an alternative to hiring a professional commercial mover, the displaced person may choose to be reimbursed for actual moving expenses. Based upon the UGLG's determination that the expenses are reasonable and necessary, moving and related expense payments may include:

- Transportation of the displaced person and personal property; AND
 - Transportation costs for a distance beyond 50 miles are not eligible, unless the UGLG determines that relocation beyond 50 miles is justified
- Packing, crating, uncrating, and unpacking of the personal property; AND
- Storage of the personal property for a period not to exceed 12 months, unless the UGLG determines that a longer period is necessary; AND
- Disconnecting, dismantling, removing, reassembling, and reinstalling relocated household appliances, and other personal property; AND
- Insurance for the replacement value of the property in connection with the move and necessary storage; AND
- 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
- Credit checks; AND
- Utility hook-ups, including reinstallation of telephone and cable service; AND
- Other costs as determined by the agency to be reasonable and necessary.

Ineligible expenses include:

- Interest on a loan to cover moving expenses; AND
- Personal injury; AND
- Any legal fee or other cost for preparing a claim for a relocation payment or for representing the claimant before the agency; AND
- The cost of moving any structure or other real property improvement in which the displaced person reserved ownership; AND
- Refundable security or utility deposits; AND
- Costs for storage of personal property on real property owned or leased by the displaced person before the initiation of negotiations.

Fixed Moving Expense and Dislocation Allowance: An occupant displaced from a dwelling or a seasonal residence may, at his or her discretion, choose to receive a moving expense and dislocation allowance as an alternative to a payment for actual reasonable moving and related expenses. This allowance is determined according to the applicable schedule of allowances published

by the FHA. The fixed rates are can be found under the Publications tab on the FHA's website: [Fixed Residential Move Cost Schedule](#).

Moving Expenses under Section 104(d)

Under Section 104(d), each displaced person is entitled to the URA moving expenses listed above and the following additional moving expenses:

- **Security Deposits:** The reasonable and necessary cost of any security deposit required to rent the replacement dwelling unit; AND
- **Interim living costs:** The occupant shall be reimbursed for actual reasonable out-of-pocket costs incurred in connection with temporary relocation, including moving expenses and increased housing costs, if the occupant must relocate temporarily because continued occupancy of the dwelling unit constitutes a substantial danger to the health or safety of the occupant or the public.

Record Keeping

UGLGs are required to keep thorough records on occupants that were displaced as well as occupants that were not displaced (Form 7-AH and 7-AI). The UGLG must be able to reconcile the available information based on the persons that remained in occupancy, the persons that were displaced and received relocation assistance, and the persons that elected to relocate permanently even though not displaced.

All notices must either be hand delivered or mailed via certified or registered, first-class mail, return receipt requested. The return receipt must be affixed to each individual case file. If hand-delivered, a written acknowledgment of receipt must be obtained from the addressee.

Records for Displaced Persons

The UGLG must maintain a separate case file on each displaced person. The case file must contain the following:

- Identification of person, address, racial/ethnic group classification, age and sex of all members of the household, household income, monthly rent and utility costs (if the unit is a dwelling), type of enterprise (if non- residential), and person's relocation needs and preferences (Form 7-W).
- Evidence that the person received a timely GIN and a general description of the relocation payments and advisory services for which he/she may be eligible, basic eligibility conditions, and procedures for obtaining payments (Signed Form 7-C or 7-D and 7-E, 7-F, or 7-G with return receipt or written acknowledgement).
- Evidence that the person received a timely, written Notice of Eligibility for Relocation Assistance and, for those displaced from a dwelling, the specific comparable replacement and the related cost to be used to establish the upper limit of the RHP (Signed Form 7-J, 7-K, 7-L, or 7-M with return receipt or written acknowledgement).
- Evidence of dates of personal contacts and a description of the services offered and provided (Form 7-X).
- Identification of referrals to replacement properties, date of referrals, rents/utility costs (if rental dwelling), date of availability and reason(s) person declined referral (Form 7-Y).

- Identification of actual replacement property, rent/utility cost (if rental dwelling) and date of relocation.
- Replacement dwelling inspection report and date of inspection.
- A copy of each approved claim form and related documentation, evidence that the person received payment and if applicable, the Section 8 Certificate or Housing Voucher (Form 7-Q, 7-R, 7-S, 7-T).
- A copy of any appeal or complaint filed and the UGLG response.

All related documentation/communication, along with the completed Displacement Checklist (Form 7-AO) must be submitted to your Program Specialist for review.

Section 7 – Non-Residential Relocation

Displaced businesses are entitled to receive notices, advisory services and financial benefits under the URA similar to those received by displaced residential persons.

Note: Section 104 of the Housing and Community Development Act does not apply to business relocation.

For the purposes of the URA, a business is defined as one of the following:

- A for-profit business, engaged in any lawful activity involving purchase, sale of goods or services, manufacturing, processing, marketing, rental of property, or outdoor advertising when the display must be moved.
- A non-profit organization, such as a church or social service agency.
- A farm operation.

To qualify for benefits, the business must meet the definition of a “displaced person” discussed earlier in this chapter. It must **move permanently** as a **direct result** of a CDBG-assisted project involving acquisition, rehabilitation, or demolition. The URA provides coverage for business owners (whether they are on-site or not), for owner/occupants of a business, and for tenants operating a business in rented space.

NOTE: The following changes to the URA became effective on October 1, 2014:

1. The maximum Reestablishment Expense Payment was increased from \$10,000 to \$25,000.
2. The maximum Fixed Moving Expense Payment was increased from \$20,000 to \$40,000.

Section 8 – Steps required for Non-Residential Persons the Agency plans to displace:

Step 1: Provide General Information Notice (GIN) to those that may be displaced and those that may enter the unit after the decision has been made to use CDBG

GIN – Those Persons the Agency plans to displace

According to the URA regulations, persons who are scheduled to be displaced must be provided with a GIN as soon as feasible. Some projects can involve both persons who are displaced and persons who

are not displaced. If the tenant of a unit moves permanently from the property after the issuance of the MEDC Offer Letter, the tenant will be presumed to qualify as a displaced person. To minimize such unintended displacements, HUD policy considers all occupants within a proposed CDBG-assisted project involving acquisition, rehabilitation, or demolition to be displaced for the purposes of issuing a GIN.

Immediately after the issuance of the MEDC Offer Letter, all occupants must be provided with a GIN (See Section 5 for non-displacement GIN requirements). For those persons the UGLG plans to displace, the GIN should be tailored to the situation. Each occupant must be notified of the potential for displacement and provide the occupant with general information. The occupant must be informed not to move prematurely (unless in their own judgment such a move would be the most beneficial for them) because doing so will jeopardize any relocation assistance they might otherwise receive (Hand deliver & obtain written acknowledgement of receipt or mail by certified or registered, first class mail, return receipt requested Form 7-AB, along with the appropriate HUD Information Booklet [Form 7-AC]).

The business must be told as soon as possible that they are required to:

- Allow inspections of both the current and replacement sites by the UGLG's representatives, under reasonable terms and conditions.
- Keep the UGLG informed of their plans and schedules.
- Notify the UGLG of the date and time they plan to move (unless this requirement is waived).
- Provide the UGLG with a list of the property to be moved or sold.

The UGLG needs to be aware of when a property will be vacated. In many situations, the UGLG must be on-site during a business move to provide technical assistance and represent the UGLG's interests. Any property not sold, traded, or moved by the business becomes the property of the agency in accordance with state law.

To be certain that the move takes place at a reasonable cost, an inventory containing a detailed itemization of personal property to be moved should be prepared. The UGLG should verify this inventory and use it as a basis of comparison with bids or estimates and eventual requests for payment.

Move-In Notice

In general, when projects involve relocation, it is not advisable for the property owner to take on new tenants after deciding to participate in a CDBG-assisted program, but if the property owner does take on new tenants, the property owner must provide such new tenants with a notice explaining that the new tenants will NOT have relocation rights and that the new tenants are agreeing to move-in knowing that they may have to be removed at a later date. This Notice is often referred to as the Move-in-Notice (Form 7-I).

Step 2: Advisory Services, including the identification of replacement locations

Non-residential moves are often complex. The UGLG is encouraged to begin early to work closely with business owners to determine their relocation needs and preferences (Forms 7-AH and 7-X). Displaced businesses are entitled to all of the following:

- Information about the upcoming project and the earliest date they will have to vacate the property; AND

- A complete explanation of their eligibility for relocation benefits and assistance to understand their best alternatives. This shall include a personal interview with each business, which at a minimum, should include the following items:
 - The business’s replacement site requirements, current lease terms and other contractual obligations, and the financial capacity of the business to accomplish the move.
 - Determination of the need for outside specialists in accordance with 24.301(g)(12) that will be required to assist in planning the move, assistance in the actual move, and in the reinstallation of machinery and/or other personal property.
 - An identification and resolution of personality/realty issues prior to or at the time of the appraisal of the property.
 - An estimate of the time required for the business to vacate the site.
 - An estimate of the anticipated difficulty in locating a replacement property.
 - An identification of any advance relocation payments required for the move, and the UGLG’s legal capacity to provide the payments.
 - Assistance in complying with the required procedures to receive payments.
 - Current information on the availability and cost to purchase or to rent suitable replacement locations.
 - Technical assistance, including referrals, to help the business obtain an alternative location and become reestablished.
 - Referrals for assistance from state or federal programs, such as those provided by the Small Business Administration, that may help the business re-establish, and help in applying for funds.
 - Assistance in completing relocation claim forms.

Step 3: Provide Notice of Eligibility for Relocation or Notice of Non-Eligibility

Notice of Eligibility for Relocation

As previously described in the Residential Section, the UGLG must counsel those occupants to be displaced of their options and formally determine which occupants will be permanently displaced and have relocation rights.

Immediately after the ION (discussed in Section 2 of this Chapter), a Notice of Eligibility for Relocation Assistance must be issued to these occupants. The notice must identify the cost and location of the comparable replacement locations (Form 7-AE).

Notice of Non-Eligibility

Immediately after the ION (discussed in Section 2 of this Chapter), the UGLG must provide a notice (Form 7-P) to occupants that do not meet the requirements to receive relocation assistance, i.e., where the business has no legal right to occupy the property (a squatter); or where the business is subject to eviction for 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. The notice must explain that they do NOT qualify for relocation benefits. In these cases, the UGLG may pursue the necessary legal proceedings to remove the occupants from the property.

In those instances where assistance is flowing to a private property and it is the property owner that has reason to believe a tenant has no legal standing or is subject to a legal eviction, the property owner must inform the UGLG and receive direct approval before providing the occupant with official notice of ineligibility and proceeding with any eviction actions.

Note on ION: When the UGLG is providing funding to a private entity for rehabilitation, acquisition, or demolition, the ION is the later of the execution of the grant agreement between the MSF and the UGLG or the execution of the agreement covering the rehabilitation, demolition or acquisition.

Step 4: Pay Necessary Reestablishment and Moving Expenses

Displaced persons are entitled to assistance to help them move into and occupy a replacement location. This assistance may include both moving expenses and reestablishment expenses. In order to receive a reimbursement or advance for any such expenses, the displaced business must submit the applicable claim form to the UGLG. (Form 7-AF or 7-AG).

Business versus Residential Benefits

URA coverage for moving expenses is similar for residential and non-residential displacees:

- Qualified businesses may choose between a fixed payment or an actual moving expense. Only certain businesses qualify for a fixed payment. The fixed payment is based on a formula, rather than a schedule.
- Actual moving expenses for businesses provide for a limited re-establishment payment, similar to a RHP.

There are differences between coverage for residential and non-residential displacees:

- Businesses may issue a 90-day Notice to move without a referral to a comparable site. Businesses are not entitled to temporary moving expenses, although an UGLG using CDBG or HOME funds for the project may provide these benefits through an Optional Relocation Policy, if it is appropriate. In the event a business must be shut down for any length of time due to rehabilitation of a site or building, it may either be temporarily relocated and be reimbursed for all reasonable out of pocket expenses or be determined to be permanently displaced at the UGLG's option (See Section 3/Form 7-B).
- Displaced businesses do **not** trigger 104(d) requirements.
- Owners or tenants who have paid for improvements will be compensated for their real property under acquisition rules. A complete, thorough appraisal is essential to making these decisions.

Reimbursement of Actual Moving Expenses

Any displaced business is eligible for reimbursement of reasonable, necessary actual moving expenses (Form 7-AF). Only businesses that choose actual moving expenses versus a fixed payment are eligible for a reestablishment expense payment. The UGLG should not place additional hardships on businesses, but they can limit the amount of payment for actual moving expenses based on a least-cost approach.

The revised regulations at 49 CFR 24.301(e) state that a business's personal property may be moved by one or a combination of the following methods:

Commercial move: Based on the lower of two bids or estimates prepared by a commercial mover. At the UGLG's discretion, payment for a low cost or uncomplicated move may be based on a single bid or estimate.

Self-move: A self-move payment may be based on one or a combination of the following:

- The lower of two bids or estimates prepared by two different commercial movers. At the UGLG's discretion, payment for a low cost or uncomplicated move may be based on a single bid or estimate.
- Supported by receipted bills for labor and equipment - Hourly labor rates should not exceed the rates paid by a commercial mover to employees performing the same activity, and equipment rental fees should be based on the actual rental cost of the equipment, not to exceed the cost paid by a commercial mover.

Eligible expenses include:

- Transportation of personal property; AND
- Packing, crating, uncrating, and unpacking of personal property; AND
- Disconnecting, dismantling, removing, reassembling, and reinstalling machinery, equipment, and personal property; AND
- Storage of personal property; AND
- Insurance for replacement value of personal property in connection with the move and/or storage; AND
- The replacement value of property lost, stolen or damaged in the process of moving where insurance is not reasonably available; AND
- Any license, permit, fees or certification required at the new location; AND
- Professional services to plan the move; move the personal property or install the personal property at the new location; AND
- Re-lettering signs and replacing existing stationery that is obsolete due to the displacement; AND
- Reasonable costs incurred while attempting to sell items that will not be relocated; AND
- A business is eligible for either a Direct Loss or Substitute Equipment payment if the displacee will leave or replace personal property. A business can accept either of these (but not both) for an item.
 - A Direct Loss payment can be made for the loss of personal property due to moving or discontinuing the business or nonprofit or farm. The business must make a good faith effort to sell the personal property (unless the UGLG determines it is unnecessary) in order to be eligible for a Direct Loss payment. A Direct Loss payment is based on the lesser of:
 - The market value of the item for continued use at the displacement site, minus its sales price; OR
 - The estimated cost to move the item without allowance for storage. If the business is discontinuing, the cost to move is based on a moving distance of 50 miles.
 - A Substitute Equipment payment can be made when an item used by the business, nonprofit, or farm is left in place, but is promptly replaced with a substitute item that performs a comparable function at the new site. A Substitute Equipment payment is based on the lesser of:

- The cost of the substitute item, including installation costs at the replacement site, minus any proceeds from the sale or trade-in of the replaced item; OR
 - The estimated cost to move and reinstall the item, but with no allowance for storage. Please note: When the personal property to be moved is of low value and high bulk, and the cost of moving the property would be disproportionate to its value in the judgment of the displacing UGLG, the allowable moving cost payment shall not exceed the lesser of: (1) the amount which would be received if the property were sold at the site or (2) the replacement cost of a comparable quantity delivered to the new business location. Examples include, but are not limited to, stockpiled sand, gravel, minerals, metals and other similar items of personal property as determined by UGLG.
- Certain costs incurred while searching for a replacement location are also eligible. Businesses are entitled to reimbursement up to \$2,500. The UGLG can pay more than this if the UGLG believes the amount is justified. Costs may include reasonable levels of items such as:
 - Transportation.
 - Meals and lodging away from home.
 - Time spent while searching for a site, based on a reasonable pay salary or earnings.
 - Fees paid to a real estate agent or broker while searching for the site (note that commissions related to the purchase are not eligible costs), and
 - Advertising signs.

The UGLG may pay other moving and related expenses that the UGLG determines are reasonable and necessary and are not listed as ineligible. Payment of other reasonable and necessary expenses may be limited by the UGLG to the amount determined to be least costly without causing the business undue hardship.

In addition to the eligible expenses for moving personal property listed above, the following items are also eligible moving expenses if the UGLG determines they are actual, reasonable, and necessary:

- Connection to available, nearby utilities from the right-of-way to improvements at the replacement site.
- Professional services (based on a reasonable agency pre-approved hourly rate) performed prior to the purchase or lease of a replacement site to determine its suitability for the displaced person's business operation including but not limited to, soil testing, feasibility, and marketing studies (excluding any fees or commissions directly related to the purchase or lease of such site).
- Impact fees or one time assessments for anticipated heavy utility usage.

Reestablishment Expenses

Only certain small businesses are eligible for re-establishment expenses (Form 7-AF). Small businesses for this purpose are defined as those with at least one, and no more than 500 people, working at the project site. Businesses displaced from a site occupied only by outdoor advertising signs, displays, or devices are not eligible for a re-establishment expense payment. The maximum re-establishment expense payment allowed by the URA regulations is \$10,000 (\$25,000 as of 10/1/14). Eligible items included in this maximum figure are:

- Repairs or improvements to the replacement site, as required by codes, or ordinances; AND
- Modifications to the replacement property to accommodate the business; AND
- Modifications to structures on the replacement property to make it suitable for conducting the business; AND
- Construction and installation of exterior advertising signs; AND
- Redecoration or replacement at the replacement site of soiled or worn surfaces, such as paint, paneling, or carpeting; AND
- Advertisement of the replacement location; AND
- Estimated increased costs of operation for the first two years at the replacement site for such items as lease or rental charges, utility charges, personal or property taxes, and insurance premiums; AND
- Other re-establishment expenses as determined by the UGLG (or its Agent) to be essential to re-establishment.

Ineligible Expenses

The following are ineligible for payment as an actual moving expense, as a re-establishment expense, or as an “other reasonable and necessary expense:”

- Loss of goodwill; AND
- Loss of profits; AND
- Loss of trained employees; AND
- Personal injury; AND
- Interest on a loan to cover any costs of moving or reestablishment expense; AND
- Any legal fees or other costs for preparing a claim for a relocation payment or for representing the claimant before the UGLG; AND
- The cost of moving any structure or other real property improvement in which the business reserved ownership; AND
- Costs for storage of personal property on real property already owned or leased by the business before the initiation of negotiations; AND
- Costs of physical changes to the replacement site above and beyond that required to move and reestablish the business; AND
- Expenses for searching for a replacement location; AND
- The purchase of capital assets, manufactured materials, production supplies, or product inventory, except as permitted under “moving and related costs”; AND
- Interior and exterior finishes solely for aesthetic purposes, except for the redecoration or replacement of soiled or worn surfaces described in “reestablishment expenses”; AND
- Refundable security and utility deposits.

Fixed Payments

A displaced business may select a fixed payment (Form 7-AG) **instead of** actual moving expenses (which include re-establishment expenses) if the UGLG determines that the displacee meets the following eligibility criteria:

- The business discontinues operations or it will lose a substantial portion of its business due to the move.
- The business is not part of an operation with more than three other entities where:
 - No displacement will occur; AND
 - The ownership is the same as the displaced business; AND
 - The other locations are engaged in similar business activities.
- The business contributed materially to the income of the displaced business. The term “contributed materially” means that during the two taxable years prior to the taxable year in which the displacement occurred (or the UGLG may select a more equitable period) the business or farm operation:
 - Had average gross earnings of at least \$5,000; OR
 - Had average net earnings of at least \$1,000; OR
 - Contributed at least 33 1/3 percent (one-third) of the owner’s or operator’s average annual gross income from all sources;

If the UGLG determines that the application of these criteria would cause an inequity or hardship, it may waive these criteria.

The nature of the business cannot be solely the rental of property to others.

The amount of the fixed payment is based upon the average annual net earnings for a two-year period of a business or farm operation. Calculate net earnings before federal, state, and local income taxes for a two-year period. Divide this figure in half. The minimum payment is \$1,000; the maximum payment is \$20,000 (\$40,000 as of 10/1/14). The two-year period should be the two tax years prior to the tax year in which the displacement is occurring, unless there is a more equitable period of time that should be used. If the business was not in operation for a full two-year period prior to the tax year in which it would be displaced, the net earnings should be based on the actual earnings to date and then projected to an annual rate. If a business has been in operation for a longer period of time, and a different two-year period of time is more equitable within reason, the fixed payment should be based on that time period. When income or profit has been adjusted on tax returns to reflect expenses or income not actually incurred in the base period, the amount should be adjusted accordingly.

Net earnings include any compensation obtained from the businesses that are paid to the owner, the owner’s spouse, and dependents. When two or more entities at the same location are actually one business, they are only entitled to one fixed payment. This determination should be based on:

- Shared equipment and premises,
- Substantially identical or inter-related business functions and financial affairs which are co-mingled,
- Identification of the entities as one entity to the public and customers, and

- Ownership, control or management of the entities by the same person or related persons.

Businesses must furnish the UGLG with sufficient documentation of income to justify their claim for a Fixed Payment. This might include:

- Income tax returns.
- Certified or audited financial statements.
- W-2 forms.
- Other financial information accepted by the UGLG.

Optional form HUD-40056 - Claim for Fixed Payment in Lieu of Payment for Actual Reasonable Moving and Related Expenses (Form 7-AG) may be used to claim the fixed payment. If another form is used, it should provide the same information in at least the same level of detail.

Record Keeping

UGLGs are required to keep thorough records on occupants that were displaced as well as occupants that were not displaced (Form 7-AH and 7-AI). The UGLG must be able to reconcile the available information based on the businesses that remained in occupancy, the businesses that were displaced and received relocation assistance, and the businesses that elected to relocate permanently even though not displaced.

All notices must either be hand delivered or mailed via certified or registered, first-class mail, return receipt requested. The return receipt must be affixed to each individual case file. If hand-delivered, a written acknowledgment of receipt must be obtained from the addressee.

Records for displaced businesses

The UGLG must maintain a separate case file on each displaced business. The case file must contain the following:

- Identification of business, address, racial/ethnic group classification, monthly rent, type of enterprise, and business' relocation needs and preferences (Form 7-AH).
- Evidence that the business received a timely GIN and a general description of the relocation payments and advisory services for which it may be eligible, basic eligibility conditions, and procedures for obtaining payments (Signed Form 7-AB with return receipt or written acknowledgement).
- Evidence that the person received a timely, written Notice of Eligibility for Relocation Assistance and, for those displaced from a dwelling, the specific comparable replacement and the related cost to be used to establish the upper limit of the RHP (Signed Form 7-AE with return receipt or written acknowledgement).
- Evidence of dates of personal contacts and a description of the services offered and provided (Form 7-X).
- Identification of referrals to replacement properties, date of referrals, rents, date of availability and reason(s) business declined referral.
- Identification of actual replacement property, rent and date of relocation (Form 7-AH).

- Replacement dwelling inspection report and date of inspection.
- A copy of each approved claim form and related documentation, evidence that the business received payment (Form 7-AF or 7-AG).
- A copy of any appeal or complaint filed and the UGLG response.

All related documentation/communication, along with the completed Displacement Checklist (Form 7-AO) must be submitted to your Program Specialist for review.

Section 8 – Other Relocation Requirements

Appeals

If a person disagrees with the determination of the UGLG concerning the relocation payment(s) or other relocation assistance for which the person is eligible, the person may file a written appeal with the UGLG. See the grievance procedure outlined in Chapter 6: Acquisition. A person who is dissatisfied with the determination on the appeal may ask the MEDC to review that determination.

Responsibility of UGLG for Compliance

The UGLG is responsible for ensuring compliance with these requirements, regardless of any third party's contractual obligation to the UGLG to comply with applicable requirements.

Section 9 – One-for-One Replacement of Housing Requirements

Overview

The basic concept behind the Section 104(d) requirements is that CDBG funds may not be used to reduce a jurisdiction's stock of affordable housing. The CDBG regulations [24 CFR 570.606(c)(1)(i)] state that: "All occupied and vacant, occupiable low- and moderate-income dwelling units that are demolished or converted to a use other than as low- and moderate-income dwelling units in connection with an activity assisted under this part must be replaced with low- and moderate-income dwellings units." The rules implementing the Section 104(d) requirement for the replacement of housing in the state CDBG program are found at 24 CFR 570.496a(c).

There are four key issues in understanding the one-for-one replacement requirement:

- Which dwelling units must be replaced (and which need not be replaced)?
- What counts as a replacement dwelling unit?
- What must be made public and submitted to the State before execution of contracts?
- What is the exception to one-for-one replacement rules?

Dwelling Units That Must Be Replaced

The UGLG **must replace** a residential dwelling unit if the unit **meets all three** conditions listed below (Form 7-AK):

Condition 1: It meets the definition of a LMI dwelling unit. A LMI dwelling unit is defined as a dwelling unit with a market rent less than the Fair Market Rent (FMR). HUD publishes the FMR schedules for each metropolitan area which can be viewed at [FMR](#). These schedules include utility allowances to adjust for units where utilities are paid by the owner versus those that must be paid by the tenant.

Please note: A reduced rent charged to a family relative or on-site manager is not considered an open-market rent. For owner-occupied units, the market rent is the rent the unit could command if it were rented on the open market. If the UGLG's project involves the potential loss of owner-occupied units or the potential loss of units rented at below-market level but the UGLG believes the units could command higher rent, the UGLG must obtain documentation (either an appraisal or other appropriate rental market analysis) to show an open market rental value greater than the FMR. The UGLG must submit this documentation in order for that unit NOT to be considered a LMI unit;

AND

Condition 2: It is occupied or is a vacant occupiable dwelling unit. A vacant occupiable dwelling unit is defined as:

- A dwelling unit in standard condition (regardless of how long it has been vacant), or
- A vacant unit in substandard condition that is suitable for rehabilitation (regardless of how long it has been vacant), or
- A dilapidated unit, not suitable for rehabilitation, which has nonetheless been occupied (except by squatters) within three months from before the date of agreement.

AND

Condition 3: It is to be demolished or converted to a unit with a market rent (including utilities) that is above the FMR or to a use that is no longer for permanent housing (including conversion to a homeless shelter).

Here are some examples of units that would NOT have to be replaced under Section 104(d):

- An occupied standard unit renting for less than the FMR that would continue to rent for less than the FMR after the project is complete.
- An owner-occupied unit that was scheduled to be converted to commercial use under the CDBG project but was determined by an independent appraiser to have a rental market value of more than the FMR.
- A vacant dilapidated (non-standard) unit in a low income area that had been vacant for the entire year before the UGLG received its grant was scheduled for demolition under the CDBG project.

Here are some examples of units that WOULD have to be replaced under Section 104(d):

- An occupied standard unit renting for less than the FMR that was scheduled for conversion to commercial use under the CDBG assisted program.
- A vacant standard unit that was determined by an appraiser to rent for less than the FMR that was scheduled for demolition under the CDBG assisted program.
- A unit that did not meet the definition of standard, but nonetheless, had been steadily occupied and rented for less than the FMR for the three months prior to the UGLG receiving its CDBG award and was now slated for demolition under the CDBG assisted program.

- A vacant substandard unit that could have been rehabilitated to standard condition for less than half of the cost of its post rehabilitation value and would have rented (in the opinion of an independent appraiser) for less than the FMR is scheduled for demolition.

Unsuitable for Rehabilitation Determination

Prior to making a determination to demolish any housing unit, the UGLG must make a determination as to whether the unit is “unsuitable for rehabilitation.” To make this determination the UGLG must:

Step 1: Take photographs of the exterior and interior of each unit to be demolished.

Step 2: Prepare an itemized work write-up listing each item necessary for the particular unit to meet code standards.

Step 3: Establish a public body estimate for the proposed work.

Step 4: Determine the estimated after-rehabilitation value of the structure. This information may be obtained from a qualified appraiser or tax assessor or licensed realtor.

Step 5: Determine if the estimated cost to rehabilitate the property will exceed 50 percent of after-rehabilitation value. If so, the unit may be demolished and it will not trigger the replacement requirements. If the after-rehabilitation value is more than the public body estimate for the rehabilitation plus rehabilitation personnel costs, then the unit is considered suitable for rehabilitation and cannot be demolished without replacement. Any demolition is subject to environmental review requirements, particularly historical clearance by the Michigan SHPO.

Step 6: Document the above information. See Form 7-AJ.

Individual case files on each unit targeted for demolition must be maintained in the UGLG record keeping system and submitted to the MEDC for review. Failure to comply with the procedures as outlined above may result in the UGLG being required to replace the demolished unit, regardless of whether or not the dwelling unit could have been considered a low-and moderate-income dwelling unit, at the UGLG's expense. Demolition activity is authorized only for those units that were identified in an approved CDBG application.

It is important to note that the income of the particular owner-occupant or renter is irrelevant in one-for-one replacement. It is also important to note that local funds used to match a CDBG grant (including those in excess of the required match amount) are defined as any monies expended to support CDBG activities, which means that the use of the matching funds for the demolition or conversion of a unit that meets the criteria listed above would also trigger the Section 104(d) replacement requirements.

Criteria for Replacement Units

Replacement low- and moderate-income dwelling units may be provided by any public agency or private department. Replacement units must meet all of the following criteria:

Within the UGLG's jurisdiction and within the same neighborhood. Replacement units must be located within the UGLG's jurisdiction and, to the extent feasible and consistent with other statutory priorities, the replacement units shall be located within the same neighborhood as the converted and/or demolished units. Applicable statutory priorities include those promoting housing choice, avoiding undue concentrations of assisted housing, and prohibiting development in areas affected by hazardous waste, flooding, and airport noise.

Number of replacement bedrooms must at least equal the number removed. Replacement units must be sufficient in number and size to house no fewer than the number of occupants who could have been housed in the units that are demolished or converted. The number of occupants who could have been housed in units shall be determined in accordance with applicable local housing occupancy codes. The UGLG may not replace those units with smaller units (e.g., a two-bedroom unit with two, one-bedroom units), unless the UGLG, before committing funds, has provided information to citizens and the MEDC demonstrating that the proposed replacement is consistent with the housing needs of lower-income households in the jurisdiction.

Provided in standard condition, rehabilitation of occupied units toward replacement does not count. Replacement low- and moderate-income dwelling units may include units that have been raised to standard from substandard condition if no person was displaced from the unit as a direct result of an assisted activity and the unit was vacant for at least three months before execution of the agreement between the UGLG and the property owner.

To count as a replacement unit under the rule, two criteria must be met:

- The unit must have been vacant for at least three months before execution of the agreement covering the rehabilitation (e.g., the agreement between the UGLG and the property owner).
- No person may have been displaced from the unit as a direct result of the assisted activity.

Provided within a four-year timeframe. Replacement units must be initially made available for occupancy at any time during the period beginning one year before the UGLG's submission of the information required under 24 CFR 570.606(c)(1)(iii) and ending three years after the commencement of the demolition or rehabilitation related to the conversion. This period will slightly exceed four years. An UGLG that fails to make the required submission, such as where it estimates an post-rehabilitation rent at, or below, the FMR and, after rehabilitation, discovers that the post-rehabilitation rent is above the FMR, will lose the year before submission for counting replacement units.

Affordable for ten years. Replacement units must be designed to remain low- and moderate-income dwelling units for at least 10 years from the date of initial occupancy. A key factor in projecting affordability is the character of the neighborhood in which the replacement units are located (i.e., neighborhoods where current market rents are moderate and projected future rents are expected to remain with future FMRs). Replacement low- and moderate-income dwelling units may include, but not be limited to, public housing; existing housing receiving Section 8 project-based assistance under the United States Housing Act of 1937; or HOME or CDBG-funded units that have a 10-year affordability period.

UGLG Submission Requirements

Before an UGLG executes a contract committing to provide CDBG funds for any activity that will directly result in either the demolition of low- and moderate-income dwellings units or the conversion of low- and moderate-income dwelling units to another use, the UGLG must notify the public (e.g., by publication in a newspaper of general circulation) and submit the following information in writing to the MEDC for monitoring purposes:

- Description - A description of the proposed assisted activity.
- Location and number of units to be removed - The location on a map, and the number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than as a low- and moderate-income dwelling units, as a direct result of the assisted activity.

- Schedule - A schedule for the commencement and completion of the demolition or conversion.
- Location and number of replacement units - The location on a map and the number of dwelling units by size (number of bedrooms) that will be provided as replacement dwelling units.
- If such data is not available at the time of the general submission, the submission shall identify the general location on an area map and the approximate number of dwelling units by size. 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.
- The source of funding and a schedule for the provision of replacement dwelling units.
- Ten-year affordability - The basis for concluding that each replacement dwelling unit will remain a low- and moderate-income dwelling unit for at least 10 years from the date of initial occupancy.
- Reducing unit size (if proposed) is consistent with the State's Consolidated Plan - Information demonstrating that any proposed replacement of dwelling units with smaller dwelling units (e.g., a two-bedroom unit with two, one-bedroom units) is consistent with the needs analysis contained in the Consolidated Plan or that the proposed replacement is consistent with the housing needs of LMI income households in the jurisdiction.

Exception to One-for-One Replacement

Replacement is not required if the MEDC determines that enough standard, vacant, affordable housing stock serving the jurisdiction is available. The UGLG may not execute a contract for demolition or rehabilitation of dwelling units for which an exception is sought until the exception is authorized in writing by the MEDC.

The one-for-one replacement requirement does not apply to the extent the MEDC determines, based upon objective data, that there is an adequate supply of vacant lower income dwelling units in standard condition available on a non-discriminatory basis within the UGLG's jurisdiction.

In determining the adequacy of supply, the MEDC will consider whether the demolition or conversion of the low- and moderate-income dwelling units will have a material impact on the ability of lower income households to find suitable housing. The MEDC will consider relevant evidence of housing supply and demand including, but not limited to, the following factors:

- **Vacancy rate** - The housing vacancy rate in the jurisdiction.
- **Number of vacancies** - The number of vacant low- and moderate-income income dwelling units in the jurisdiction (excluding units that will be demolished or converted).
- **Waiting list for assisted housing** - The number of eligible families on waiting lists for housing assisted under the United States Housing Act of 1937 in the jurisdiction. However, the MSF recognizes that a community that has a substantial number of vacant, standard dwelling units with market rents at or below the FMR may also have a waiting list for assisted housing. The existence of a waiting list does not disqualify a community from consideration for an exception.
- **Consolidated Plan** - The needs analysis contained in the State's Consolidated Plan and relevant past predicted demographic changes.

- **Housing outside the jurisdiction** - The MSF may consider the supply of vacant low- and moderate-income dwelling units in a standard condition available on a non-discriminatory basis in an area that is larger than the UGLG's jurisdiction.

Such additional dwelling units shall be considered if the MEDC determines that the units would be suitable to serve the needs of lower-income households that could be served by the low- and moderate-income dwelling units that are to be demolished or converted to another use. The MEDC will base this determination on geographic and demographic factors, such as location and access to places of employment and to other facilities.

Procedure for Seeking an Exception

The UGLG must submit a request for determination for an exception directly to the MEDC. Simultaneously with the submission of the request, the UGLG must make the submission public, and inform interested persons that they have 30 days from the date of submission to provide to the MEDC with additional information supporting or opposing the request. If the MEDC, after considering the submission and the additional data, agrees with the request, the MEDC must provide its recommendation with supporting information to HUD.

Summary of the Major Differences between Section 104(d) and URA Relocation Assistance Eligibility Requirements		
Topic/Issue	Section 104(d)	URA
Income requirements	Only lower income persons are assisted	Displaced persons of all incomes are eligible
Economic Displacement Criteria	Displaced persons are eligible if not offered a suitable unit at or below the greater of: Total Tenant Payment; or old rent/utility costs	Displaced persons are eligible if not offered an appropriate unit at or 30% of gross income, or old rent/utility costs Note: 30% of gross income is the general policy; rules vary by program
Persons displaced by rehabilitation activities (including economic displacement)	Displaced persons are eligible only if market rent (including utilities) of the unit before rehab did not exceed Section 8 Existing Housing FMR and the market rent after rehab was above FMR	Displaced persons are eligible for assistance regardless of pre and post rehabilitation rents. (URA does not cover economic displacement, but HUD program regulations require assistance equivalent to URA)
Persons displaced by conversion of unit to a nonresidential use	Displaced persons are eligible only if market rent (including utilities) of the displacement unit did not exceed FMR before conversion	Displaced persons are eligible for assistance by any conversion to a nonresidential use
Persons displaced by demolition	Displaced persons are eligible regardless of the pre-demolition market rent	Displaced persons are eligible regardless of the pre-demolition market rent
Persons displaced by acquisition only (no conversion)	Displaced persons are not eligible	Displaced persons are eligible

Summary of the Major Differences between Section 104(d) and URA Relocation Assistance regarding the Amount of Assistance Provided		
Topic/Issue	Section 104(d)	URA
Rental Assistance Term	60 months	42 months
Monthly Rental Assistance Payment	For lower-income tenants, amount needed to reduce new rent/utility costs to Total Tenant Payment, which is usually the greater of: 30% of adjusted monthly income and 10% of gross monthly income Non-lower-income tenants: Not applicable	For lower-income tenants, amount needed to reduce new rent/utility costs to lower of: old rent and utility costs or 30% of the person's monthly income For non-lower-income tenants, amount needed to reduce new rent/utility costs or the costs of a comparable unit with utilities to old rent/utility costs.
use of Section 8 Rental Assistance	If Section 8 assistance and suitable referrals are offered, displaced person cannot insist on cash RHP (But tenant may request cash RHP under URA)	Displaced person has right to cash RHP but may accept Section 8 assistance if it is offered
Other Housing Assistance	Assistance includes security deposit at replacement	Assistance does not include dwelling security deposit
Home-ownership assistance as an alternative to rental assistance payments	Limited to purchase of a cooperative or mutual housing and based on present (discounted) value of 60 monthly payments	Not limited to cooperative or mutual housing. Payment rental equals 42 times monthly rental payment (i.e., not discounted)
Moving and Related Expenses	Same as URA	Person may choose either: Commercial mover with bid or Payment for actual moving. Alternative Allowance based on Dept. of Trans. schedule
Advisory Services	Same as URA	Comprehensive services provided
Business Relocation Assistance	Not applicable	Required

Chapter 7 Form(s)

Plans

- 7-A Residential Anti-Displacement and Relocation Plan
- 7-AL RARAP Checklist
- 7-B Optional Temporary Relocation Assistance Policy SAMPLE
- 7-AM Optional Temp Relocation Assistance Policy Checklist

Residential Tenants not Displaced

- 7-H GIN Residential Tenants Not Displaced SAMPLE
- 7-I Move In Notice to Prospective Tenant SAMPLE
- 7-N Notice of Non-Displacement Nonresidential and Residential Tenants Not Displaced SAMPLE
- 7-O Optional Temporary Relocation Assistance Application
- 7-V Elderly Waiver for Temporary Relocation SAMPLE

7-AN Nondisplacement Checklist

Residential Tenants to be Displaced

- 7-C GIN URA Residential Tenant to be Displaced SAMPLE
- 7-D GIN Section 104d Residential Tenant to be Displaced SAMPLE
- 7-E Relocation Assistance to Displaced Homeowner Occupants, HUD-1044-CPD
- 7-F Relocation Assistance to Tenants Displaced from Their Homes, HUD-1042-CPD
- 7-G Relocation Assistance to Tenants Displaced from Their Homes, Section 104d, HUD-1365-CDP
- 7-I Move In Notice to Prospective Tenant SAMPLE
- 7-J Notice of Eligibility for Relocation Assistance 180-Day Homeowner Occupant SAMPLE
- 7-K Notice of Eligibility for URA Relocation Assistance, Residential Tenant SAMPLE
- 7-L Notice of Eligibility for 104d Relocation Assistance, Residential Tenant, Voucher Available SAMPLE
- 7-M Notice of Eligibility for 104d Relocation Assistance, Residential Tenant, Voucher NOT Available SAMPLE
- 7-Q Residential Claim for Moving and Related Expenses, HUD-40054
- 7-R Claim for Replacement Housing, Pmt for 90-Day Homeowner, HUD-40057
- 7-S Claim for Rental or Purchase Assistance, HUD-40072
- 7-T Claim for Rental Assistance or Down Payment Assistance, HUD-40058
- 7-T1 Claim for Rental Assistance or Down Payment Assistance, SPANISH, HUD-40058-S
- 7-AO Displacement Checklist

Other Residential Relocation Forms

- 7-P Notice of Non-Eligibility SAMPLE
- 7-U Release of Liability ***COMING SOON***
- 7-W Site Occupant Record Residential
- 7-X Record of Advisory Assistance and Other Contacts
- 7-Y Comparable Replacement Dwelling, HUD-40061
- 7-Z Resident Survey SAMPLE
- 7-AA Residential Relocation Management Report

Business Tenants not Displaced

- 7-AD GIN Nonresidential Tenant Not Displaced SAMPLE
- 7-I Move In Notice to Prospective Tenant SAMPLE
- 7-N Notice of Non-Displacement Nonresidential and Residential Tenants Not Displaced SAMPLE

7-AN Nondisplacement Checklist

Business Tenants to be Displaced

7-AB GIN Nonresidential Tenant to Be Displaced SAMPLE

7-AC Relocation Assistance to Displaced Businesses, Nonprofit Organizations and Farms, HUD-1043-CPD

7-I Move In Notice to Prospective Tenant SAMPLE

7-AE Notice of Eligibility for URA Relocation Assistance, Nonresidential SAMPLE

7-AF Claim for Actual Reasonable Moving and Related Expenses, Nonresidential, HUD-40055

7-AG Claim for Fixed Payment in Lieu of Payment for Actual Expenses, Nonresidential, HUD-40056

7-AO Displacement Checklist

Other Non-Residential Relocation Forms

7-P Notice of Non-Eligibility SAMPLE

7-AH Site Occupant Record, Nonresidential

7-AI Nonresidential Relocation Management Report

One-for One Replacement

7-AP Determining Lower Income Dwelling Units Checklist

7-AQ Lower Income Residential Dwelling Units Rehab Suitability Checklist

7-AJ Determination to Demolish SAMPLE

7-AK Actions That Trigger Section 104d One-for-One Unit Replacement Requirements Flowchart

7-AR Replacing Lower Income Residential Dwelling Units Checklist