Summary of The Uniform Relocation Act (URA)

- The URA covers all displaced people regardless of their income.
- The URA applies to permanently displaced people and those for whom relocation is only temporary.
- Displaced persons are entitled to:
  1. Advisory services (including offer of a comparable unit)
  2. Replacement housing payments for 42 months
  3. Moving expenses

- Temporarily relocated people are entitled to:
  1. Offer of a suitable, affordable unit in the property upon project completion.
  2. Advisory services
  3. Out of pocket expenses for the round trip move and for increased rent/utilities at the temporary location.

- Housing replacement payments are made in installments unless displaced person buys a home.
- Displaced persons have one year from date of displacement to find decent, safe and sanitary housing and another six months to file a claim.

Who is a Displaced Person?
- Tenants, home and farm owners, business owners who have to relocate permanently as a direct result of a HOME project.

In addition to straightforward displacement, tenants are also considered displaced if:
- Sponsor/landlord tries to avoid relocation costs by not renewing lease or telling tenant to move.
- HUD says tenant moved because of project even if they moved before application for funding.
- The sponsor is slow or negligent in providing assistance and advising tenants of their rights.
Displaced tenants (continued)

- If temporarily relocated tenants are not offered suitable and affordable units to return to, they become displaced,
- If the terms of temporary relocation are unreasonable, the tenants become displaced.

- Who is NOT a Displaced Person?
  - Tenants who are evicted for cause and with due process.
  - Illegal tenants or those who are not on the lease.
  - Tenants who moved in just to get relocation assistance.
  - Tenants who were correctly given Move-In Notices (see Relocation Notices & Requirements).
  - Tenants who though fully informed of their rights, sign assistance waivers
  - Owner-occupants who sell or rehabilitate their property voluntarily.

* Moving expenses – Displaced tenants can decide if they want to be paid for actual (receipted) moving expenses or receive a fixed amount according to the Residential Moving Expenses and Dislocation Allowance Payment Schedule (available from RI Housing).

Remember, there is no statute of limitations on claims for displaced tenants who were not fully informed of their rights.
Deciding Who Stays and Who’s Displaced

To keep a tenant in the property, even if they are temporarily relocated during rehabilitation, you need to be able to:

- provide them with the same or other “suitable” unit in the property.
- ensure that their gross rent (rent plus utilities) is “affordable” and that they are not “rent burdened”.

Affordable Rent

1. If there is no rent increase after rehabilitation, the rent is considered affordable.

2. For tenants whose income is less than or equal to HUD’s 80% median income figure for household size and area, their new rent must be less than the greater of
   a) 30% of their monthly adjusted income or
   b) 10% of their monthly gross income

3. For tenants whose income is more than 80% of median income for household size and area, their new rent cannot exceed 30% of their gross monthly income.

Who is Rent Burdened?
Tenants whose new rents will be higher than the limits listed in 2) and 3) above are considered rent-burdened. If you cannot lower the expected rents or provide a rental subsidy to tenants, rent-burdened tenants will become displaced tenants and eligible for relocation assistance.

Tenants Who Remain But Are Temporarily Relocated
Temporary relocation requirements include:

- Temporary unit that is suitable, decent, safe and sanitary.
- Advance written notice of move-out date and length of temporary move.
- Terms and conditions of return to rehabilitated property.
- Reimbursement of all reasonable out-of-pocket expenses including cost of moving to and from temporary unit and any increase in monthly rent/utility costs at temporary unit.
Relocation Notices and Requirements

1. General Information Notice (GIN)
   - Don’t move now.
   - You should know at this point who is going to be displaced and who isn’t, so write two GINs:
     nondisplaced tenants: you won’t be displaced, (except possibly temporarily during construction). You will soon get nondisplacement letter with details.
     displaced tenants: You will be displaced, but don’t move now. You will soon get eligibility letter with details of relocation assistance and advice and referrals to other units.

2. Nondisplacement Letter          Eligibility Notice
   - Terms and conditions to occupy property when project is finished.
   - Offer to reimburse moving expenses and any increased cost of rent/utilities at temporary unit.
   - Failure to send nondisplacement notice on time and with reasonable occupancy terms can result in tenant moving and then claiming displaced tenant assistance.
   - Describe type and (possible) amount of assistance and how to claim it.
   - Include comparable unit(s) if possible, if not send comparable unit as soon as possible.

3. 90-Day Notice to Vacate for Displaced Persons
   - Before sending 90-Day Notice you must send eligibility notice and three comparable units.
   - Tenants cannot be required to move unless they’ve received at least 90 days written notice of earliest move-out date.
3. 90-Day Notice to Vacate for Displaced Persons (continued)

- Notice must state either exact move-out date or earliest possible date followed by a 30-day notice with exact move-out date.
- Tenants can be required to move in less than 90 days only for extreme health and safety reasons.
- 90-day notice is not required if tenant makes informed decision and relocates self.

* You may also have to issue a Move-in Notice to new tenants who move in after you’ve submitted your HOME application. The Move-in Notice, which must be signed before new tenants move in or sign a lease, explains that they are not eligible for relocation assistance. If you don’t provide this notice, and the new tenants are displaced, they are eligible for relocation assistance.

All Notices Must Be:
- Hand-delivered or sent certified mail, return receipt requested.
- Written in plain, easy to read format.
- Understandable by tenant. This may require translation into another language, Braille or sign language. Notices must be read to illiterate tenants.
- Notices must include a phone number for tenants to call for assistance.
Documentation HUD Requires You (Sponsor) To Send Us (RIH)

**General**
1. List of all property occupants at time of HOME application submission.
2. List of all tenants who moved in after application, but before completion.
3. List of all tenants upon project completion.

**For Nondisplaced Tenants**
- Copy of nondisplacement letter and receipt.
- Evidence that temporarily relocated tenants received reimbursement of all out of pocket expenses.
- For each nondisplaced tenant who permanently relocated anyway, indicate why they left and provide evidence that they were told they weren’t eligible for relocation (displacement) assistance.
- Copy of any tenant complaint or appeal.

**For Displaced Tenants**
- Name, unit number and size, age, sex, racial/ethnic identity, handicap status, household income, monthly rent, average monthly tenant-paid utility costs, date of occupancy.
- Copy of GIN including basic explanation of relocation assistance and receipt.
- Copy of Eligibility Notice and receipt, including specific comparable unit(s) and the cost used to establish the upper limit of the replacement housing payments.
- Copy of 90-day Notice and receipt and, if applicable, 30-day Notice.
- Address of actual replacement unit, rent/utility costs, date of relocation and if unit is in area of high minority concentration.
- Copy of replacement unit inspection report (with date of inspection).
- Copy of approved claim form, evidence tenant received payment.
- Copy of any tenant complaint/appeal.

* Required Tenant Information
- For each tenant: name, unit number and size, age, sex, racial/ethnic identity, household income, gross rent (if tenant pays own utilities use Utility Allowance Sheet to determine monthly utility) and, upon project completion, copy of signed lease. (The tenant information form at the end of this section can be used to collect this information).
Calculating Housing Replacement Costs

All displaced tenants, regardless of income, are entitled to relocation assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (the URA). Only a low-income tenant whose low-income unit (within Section 8 Fair Market Rents) is permanently lost to the housing market because of a HOME project is also covered by Section 104(d) of the Housing and Community Development Act.

The URA provides for 42 months of replacement housing payments, paid in installments (unless tenants want to buy a home). The comparable unit you offer displaced tenants sets the upper limit for replacement housing. If you do not offer at least one comparable unit (before the 90-day notice to vacate), you can end up paying very large replacement costs (see example below).

This is the easiest way to figure replacement housing payments:
1. Which is less: comparable unit you offered tenant or actual unit tenant moved to?
2. Which is less: tenant’s old (displacement) rent/utilities OR 30% of tenant’s gross monthly income?
3. Figure out the difference between the answer to 1 and the answer to 2. Times that number by 42 to find the total housing replacement payment.

<table>
<thead>
<tr>
<th>Old rent &amp; utilities</th>
<th>comparable unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% of gross monthly income</td>
<td>actual unit</td>
</tr>
</tbody>
</table>

Example:

<table>
<thead>
<tr>
<th>Old Rent</th>
<th>Utilities</th>
<th>Comparable Unit</th>
<th>Actual Unit</th>
<th>Utilities Comp/actual</th>
<th>Annual Household Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>$470</td>
<td>$65</td>
<td>$600</td>
<td>$675</td>
<td>65</td>
<td>24,000</td>
</tr>
</tbody>
</table>

a) How much would replacement housing cost you for this tenant?
Old rent & utilities     comparable unit
30% of gross monthly income   actual unit

Example:

<table>
<thead>
<tr>
<th>Old Rent</th>
<th>Utilities</th>
<th>Comparable Unit</th>
<th>Actual Unit</th>
<th>Utilities</th>
<th>Annual Household Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>$470</td>
<td>$65</td>
<td>$675</td>
<td>$65</td>
<td></td>
<td>$24,000</td>
</tr>
</tbody>
</table>

b) How much would replacement housing cost you if you didn’t offer a comparable unit?

Note:

- If a displaced tenant has occupied property for fewer than 90 days their replacement housing costs are figured using the difference between the lesser of the actual or comparable unit and 30% of tenant’s monthly gross income. (Old rent is not considered at all).

- The actual replacement housing unit to which a displaced tenant moves must pass an Housing Quality Standard (HQS) inspection in order for the tenant to receive replacement housing payments. Displaced tenants have one year from the date of displacement to find a unit that passes HQS. Tenants will receive their replacement housing payments only when they move to a unit that passes HQS.

a) $5,460. $665 (comp. Rent/Utilities) minus $535 (old rent/utilities) = $130 x 42.

b) $8,610. $740 (actual rent/util) minus $535 (old rent/utilities) = $205 x 42.
Section 104(d) Relocation Assistance

Certain low income displaced tenants whose relocation assistance is provided for under the URA are also covered by Section 104(d). If the HOME-assisted project results in the permanent loss (through demolition or conversion) of a low/moderate rent unit (within HUD’s Fair Market Rent limits), that low income tenant is also covered under 104(d).

104(d) and the URA Are Similar:

- Both require Notices (i.e., GIN, eligibility, etc.) and documentation (see page 4).
- Both require that displaced tenants are offered comparable units.
- Both provide for advisory services and appeal process.
- Both provide for the same moving expenses (actual expenses or fixed payment according to the DOT schedule).

104(d) and the URA Are Different:

- 104(d) allows security deposit payments at the new unit. The URA does not cover security deposits.
- 104(d) housing replacement costs must be paid for 60 months. The URA pays for only 42 months.
- 104(d) housing replacement costs are calculated using HUD’s Total Tenant Payment.

Here’s how:

1. Which is less: rent for the comparable unit or the actual new unit?
2. Which is greater: 30% of monthly adjusted income or 10% of gross monthly income?
3. Subtract the answer for 2 from the answer for 1 and multiply it by 60.

There’s an example on the next page.
Section 104(d) Housing Replacement Costs

Which is greater of these two? 
30% of adjusted monthly income

Which is the lesser of these two? 
New (actual) rent/utilities

<table>
<thead>
<tr>
<th>10% of gross monthly income</th>
<th>Rent/utilities of comparable unit</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Comp. Unit</th>
<th>Actual Unit</th>
<th>Utilities Comp/actual</th>
<th>Annual income</th>
<th>Adjustment per child</th>
<th># of Children</th>
</tr>
</thead>
<tbody>
<tr>
<td>$600</td>
<td>$675</td>
<td>$65</td>
<td>$24,000</td>
<td>$480</td>
<td>3</td>
</tr>
</tbody>
</table>

How much would housing replacement cost for this household under 104(d)?

$24,000 minus $1,440 (3 x $480) = $22,560 ÷ 12 x 30% = $564.
$24,000 ÷ 12 x 10% = $200.
$665 (comparable rent/utilities) minus $564 = $101 x 60 = $6,060
HOME and Relocation-Related Definitions

Acquisition: Purchase of a property (using HOME funds) by a public or private agency.

Adjusted income: Tenant’s gross annual household income after allowable deductions. Monthly adjusted income is 1/12 of the adjusted annual income. Potential deductions include: $480 each dependent, $400 per elderly family, certain childcare costs and allowable medical expenses for elderly and disabled households.

Affordable rent: For tenants at or below HUD’s 80% median income the rent charged upon project completion must be equal to pre-rehab rent or less than the greater of: a) 30% of monthly adjusted income or b) 10% of monthly gross income.

Annual Recertification: Annual process by which tenant’s household income and eligibility for HOME-assisted housing is verified.

Comparable unit: An available unit(s) offered to a displaced person that is similar in size, function and location to the unit tenant is leaving. Comparable units must be accessible to employment, and located in an area that is at least as safe and as convenient (for schools, transportation, shopping) as the old neighborhood.

Dependent: Household member who is younger than 18, handicapped/disabled or a full-time student.

Displaced person: Person who must (permanently and involuntarily) leave a property that is being acquired, demolished or rehabilitated with HOME funds.
### HOME and Relocation-Related Definitions

| **Housing Quality Standard (HQS):** | Minimum housing standard established by HUD. Ensures displaced tenants are re-housed in decent, safe and sanitary units. Replacement units must pass HQS before replacement housing payments can be paid. |
| **Income Verification:** | Following initial verification which must use third-party source documents, three methods are acceptable for verifying the household income of tenants living in HOME-assisted units: 1) third party (i.e., employer, DHS) verification. 2) review of source documents. 3) self-certification (notarization optional). |
| **Nondisplacement:** | Refers to tenants who can remain in the property when the HOME project is completed. Nondisplaced tenants may have to relocate temporarily during rehab. |
| **Rent Burdened:** | Returning tenants whose new rents will exceed “Affordable Rent” (above) are rent burdened and may become displaced as a result. |
| **Replacement unit:** | The unit to which the displaced person actually moves. |
| **Temporary Relocation:** | Temporary (up to one year) relocation is for tenants who need to move out during rehab but who will return to the property upon project completion. |