The Complex Maze of HUD Relocation Assistance Requirements

Elizabeth Gundlach Neufeld, Deputy Executive Director
The Housing Authority of the City of Aurora

Lee Hamre, SR/WA President
Presentation Overview

Part 1 - The Rules

- What are HUD relocation requirements?
- What triggers them?
- What is the URA? Section 104(d)? Section 18?
- How do you know which applies when?
- Who is eligible for benefits?
- What are the benefits?
- What is the timing?
- What is the process?
- How much is all of this going to cost?
Presentation Overview

Part 2 - The Project

- What is AHA doing?
- Which Federal Fundings were used?
- What HUD Relocation Rules were triggered?
- What challenges did we have?
- How did we solve those problems?
- What have we learned that we can apply to Phase 2?
Part 1 – The Rules
When is your project subject to the HUD Relocation Requirements?
Four Main HUD Mandated Relocation Programs:

1. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended (URA)
2. HUD Section 104(d)
3. HUD Section 18
4. HUD Temporary Relocation (kind of counts, but not really)
The URA...Just the Facts:

- Is required for any Federal or federally-assisted project which results in real property acquisition, rehabilitation or displacement;
- 19 Federal Agencies – Including DOT, GSA, HUD;
- Has been used nation-wide for over 40 years;
- Sets minimum assistance standards and maximum payments;
- Provides guidance that can be applied uniformly and equitably.
Who does the Uniform Act Protect?

- Project and the Project Owner
- Property Owner/Displaced Persons
- Taxpayers
When is a project subject to the URA?

URA Requirements are most often triggered by the use of:

- HUD HOME funds
- HUD CDBG funds
- HUD HAP Contracts...

...in ANY part of the Project!
What about other HUD Relo Programs?

**HUD Section 104(d)** triggers *more stringent* relocation requirements.

**HUD Section 18** (demo/dispo) triggers *less stringent, but still mandatory*, relocation requirements.

**LIHTC** programs do not automatically trigger the URA, but the use of any applicable federal funds in the project (**HOME, CDBG, HAP, etc.**) will.
Why is that important?

Failure to comply with all applicable federal regulations (URA, Section 104(d), Section 18, etc.) can result in:

High Risk to Schedule and/or Budget

Or, worst case:

LOSS OF ALL FEDERAL FUNDING
Voluntary vs. Involuntary Acquisitions under URA

**Involuntary:** (under threat of eminent domain)
- Must follow *all* requirements of URA

**Voluntary:** (not under threat of eminent domain)
- Property Owners NOT eligible for relocation assistance;
- Tenants ARE eligible for relocation assistance;
- Agency NOT required to follow acquisition requirements:
  - Appraisal
  - Review appraisal
  - Acquisition & Negotiation
If Voluntary Acquisition, project owner **MUST** provide HUD VOLUNTARY ACQUISITION LETTER to property owner **during negotiations** to avoid paying relo benefits to the owner and/or triggering the URA acquisition requirements.
Timing...
What Needs to Happen When?

• PHA/Developer proposes project
  ◦ demonstrates capacity and capability
  ◦ estimates costs including relocation
  ◦ sends General Information Notice (GIN) to tenants

• Before HUD Funding Agreement Signed
  ◦ Tenant needs and preferences determined in Relo Plan
  ◦ Determination of relocation costs
  ◦ PHA/Developer agreement and tenant notices prepared

• HUD Funding Agreement
  ◦ Notices of Non-Displacement or Notice of Eligibility sent to all tenants – Relocation Begins.
Be Aware of Tenant’s Rights!

No resident can be required to move for at least 90 days AFTER the resident receives the formal notice of relocation eligibility and a specific benefit package.

That 90 day period usually begins when HUD Funding Agreement is signed or on the date of closing on the property.

**CAUTION**

DON’T BASE YOUR CONSTRUCTION SCHEDULE ON GETTING A VACATED PROPERTY AT CLOSING – EVEN IF THAT IS WHAT THE CONTRACT SAYS!
Relocation Benefits under the URA and HUD Section 104(d)
Relocation Benefits: Who is eligible?

A “displaced” person is a…

- Residential Owner;
- Residential Tenant;
  or
- Business
  (Owner/Occupied or Tenant/Occupied)

who must permanently move themselves and/or their personal property as a direct result of the project.
What are Residential Relocation Benefits?

Advisory Services
Relocation Agent Provides:
- Notices
- Counseling
- Explanation of Rights and Benefits
- Help with Claims

Comparable Housing:
Replacement Housing Payments
(or Vouchers if available)

plus
Moving Assistance/Costs
Residential Housing Payments

Tenant:

- Rental Supplement for 42 months (3 ½ years) - Payment based on cost of most comparable available dwelling
- Can be used as down payment assistance.
- Statutory Cap $7,200 (Payment CAN exceed this amount!)

OR

- Housing Choice Voucher – Possible Gap Pmt (if there is a difference between resident’s current payment and new Voucher payment amount)
Housing Of Last Resort (Tenants)

If comparable housing is not available within the maximum $7,200 payment, Agency may provide the replacement housing by any of a number of methods including:

- A replacement housing payment in excess of the maximum $7,200 payment limits.

→ A resident cannot be required to vacate without receiving an offer of comparable replacement housing, whatever that costs.

Don’t use $7,200/resident for your relocation budget. It probably won’t be enough.
Residential Moving Payments

- Actual, reasonable and necessary costs to move personal property and reconnect utilities; or

- Self-Move Payment from the Federal “Fixed Schedule” based on room count.
A displaced person can appeal:

- Amount of payment;
- Eligibility for a payment;
- Comparable dwelling selected by the Displacing Agency.
**Miscellaneous…**

**Time period to move -**
- Not less than 90 days from HUD funding agreement or closing

**Aliens not lawfully present in US -**
- Not eligible for payments or advisory assistance under URA

**Relocation payments -**
- Not considered income
What Triggers HUD Section 104(d)?

MUST HAVE ALL THREE:

#1 – HOME or CDBG funds used,

AND

#2 – Displaced Lower Income Person (≤ 80% AMI)

AND

#3 - Lower income housing is being:

- Demolished, or
- Converted to:
  - Non-housing (community center, hotel), or
  - Housing with rents above HUD Fair Market Rent (FMR)
Payment is rent supplement for 60 months (vs. 42 months URA)

Calculated with resident’s income, not rent to rent

Down payment assistance limited to purchase of Cooperative or Mutual Housing (N/A in Colorado)

Lower-income tenants can choose relocation assistance under either URA or Section 104(d)
Section 104(d) - Relocation

Who’s not covered?

- Owner-occupants are not covered (subject to URA)
- Businesses are not covered (subject to URA)
- Aliens not lawfully present in the U.S. are not excluded...yet.
HUD Section 18 Relocation

- NOT URA
- For PHA Demo/Dispo Projects
- No Replacement Housing Payments allowed
- Must replace housing with same or better
- Can use other PHA units or Vouchers
- Still requires moving payments and counseling
HUD Temporary Relocation

- NOT URA
- Usually caused by rehabilitation
- Must pay all out-of-pocket expenses for housing and moving (out and back)
- Most provide DS&S temp housing
- Must pay per diem if temp unit has no kitchen
- If temp relo lasts over 1 year, must offer permanent relo benefits under URA.
Part 2 - The Project
From Buckingham Gardens...
...to the Village at Westerly Creek.
The Housing Authority of the City of Aurora (AHA) is redeveloping its existing public housing development, known as Buckingham Gardens.
Buckingham Gardens Public Housing

- 130 units:
  - 10 townhomes for families,
  - 120 units for seniors/disabled in 2 story walkups
- 40 years old: Functionally, physically, economically obsolete
- No sprinklers, security, amenities
Village at Westerly Creek

- Replacement housing for Buckingham Gardens
- 120 LIHTC units - 1 BR and 2 BR
- Specifically designed for seniors/disabled households.
- Secure, safe, amenity rich,
- 3- and 4-story ADA/handicap accessible for senior/disabled residents to remain independent
Village at Westerly Creek 1
Village at Westerly Creek – Timeline

- Jan 2010 – LIHTC & Demo/Dispo applications in process. ➢ Give GIN to BG residents
- August 2010 – LIHTC Award
- Feb 2011-HUD Approved Demo/Dispo of BG
- Mar 2011 – Start Relo meetings for 10 townhome households
- Apr-Jun 2011 – Get vouchers, relocate family households
- July 2011 – Demolish townhomes
- Aug 2011 – Commence construction of VWC1 (55 units)
- Oct 2011 – HC Peck starts required Relocation Plan
- Feb 2012 – Give another GIN to residents, Relo Plan done
- May-June 2012 – series of tenant meetings w/ and w/o translators
- July 2012 – Section 8/HCV Eligibility meetings with residents
- Aug 24, 2012 – VWC gets Certificate of Occupancy
- Aug 27-Sept 28, 2012 – Residents move to VWC!
Permanent Relocation Programs Triggered?

All of ‘em!!!

URA
HUD Section 104(d)
HUD Section 18
Lessons Learned

◦ LOTS of staff time, even with Relo Specialist
◦ Keep Organized!
◦ Know 104(d) vs. URA
◦ Herding Cats
◦ Translators
◦ Understanding HCV process
◦ Emotional for residents
◦ Recruit from within
<table>
<thead>
<tr>
<th>Last Name</th>
<th>Unit #</th>
<th>Apt #</th>
<th>Prelim AMI</th>
<th>Re-Design AMI</th>
<th>Prelim Ann'l Income</th>
<th>SPECIAL NEEDS</th>
<th>RECOMP</th>
<th>HCV Orient.</th>
<th>INSPECT DATE</th>
<th>MOVE DATE</th>
<th>MOVE TYPE</th>
<th>MOVING COSTS</th>
<th>Current Pub Hsg Rent</th>
<th>NEW VOUCHER RENT</th>
<th>URA GAP PYMT [42 mo]</th>
<th>Resident chsr URA or URA RES. PAY SEC DEP</th>
<th>URA = GAP PYMT CREDIT TO TENANT</th>
<th># MO RENT CREDIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABEL</td>
<td>103</td>
<td>120</td>
<td>30%</td>
<td>60%</td>
<td>$15,000</td>
<td>2-Jul</td>
<td>16-Jul</td>
<td>26-Jul</td>
<td>1-Sep</td>
<td>4-Sep</td>
<td>Comm'l</td>
<td>$2,350</td>
<td>$335</td>
<td>$395</td>
<td>$2,520</td>
<td>URA</td>
<td>$500</td>
<td>$2,020</td>
</tr>
<tr>
<td>BORIS</td>
<td>8</td>
<td>109</td>
<td>30%</td>
<td>60%</td>
<td>$8,400</td>
<td>Translator</td>
<td>9-Jul</td>
<td>11-Jul</td>
<td>31-Aug</td>
<td>8-Sep</td>
<td>combo</td>
<td>$2,020</td>
<td>$200</td>
<td>$211</td>
<td>$462</td>
<td>104 (d)</td>
<td>$500</td>
<td>$-</td>
</tr>
<tr>
<td>BROWN</td>
<td>23</td>
<td>217</td>
<td>30%</td>
<td>60%</td>
<td>$14,400</td>
<td>9-Jul</td>
<td>16-Jul</td>
<td>28-Aug</td>
<td>11-Sep</td>
<td>14-Sep</td>
<td>Combo</td>
<td>$2,350</td>
<td>$333</td>
<td>$345</td>
<td>$504</td>
<td>104 (d)</td>
<td>$500</td>
<td>$-</td>
</tr>
<tr>
<td>CALDER</td>
<td>1</td>
<td>114</td>
<td>30%</td>
<td>50%</td>
<td>$8,465</td>
<td>Translator</td>
<td>2-Jul</td>
<td>11-Jul</td>
<td>15-Aug</td>
<td>24-Aug</td>
<td>Self</td>
<td>$900</td>
<td>$206</td>
<td>$216</td>
<td>$420</td>
<td>104 (d)</td>
<td>$500</td>
<td>$-</td>
</tr>
<tr>
<td>CASH</td>
<td>114</td>
<td>115</td>
<td>30%</td>
<td>60%</td>
<td>$11,600</td>
<td>2-Jul</td>
<td>11-Jul</td>
<td>15-Aug</td>
<td>24-Aug</td>
<td>27-Aug</td>
<td>Self</td>
<td>$2,350</td>
<td>$255</td>
<td>$259</td>
<td>$168</td>
<td>104 (d)</td>
<td>$500</td>
<td>$-</td>
</tr>
<tr>
<td>DOA</td>
<td>26</td>
<td>211</td>
<td>30%</td>
<td>50%</td>
<td>$8,316</td>
<td>Translator</td>
<td>9-Jul</td>
<td>11-Jul</td>
<td>15-Aug</td>
<td>10-Sep</td>
<td>13-Sep</td>
<td>$2,350</td>
<td>$167</td>
<td>$171</td>
<td>$168</td>
<td>104 (d)</td>
<td>$500</td>
<td>$-</td>
</tr>
<tr>
<td>EGGERS</td>
<td>66</td>
<td>206</td>
<td>30%</td>
<td>30%</td>
<td>$14,229</td>
<td>9-Jul</td>
<td>11-Jul</td>
<td>26-Jul</td>
<td>17-Sep</td>
<td>20-Sep</td>
<td>Combo</td>
<td>$2,020</td>
<td>$417</td>
<td>$429</td>
<td>$504</td>
<td>104 (d)</td>
<td>$500</td>
<td>$-</td>
</tr>
<tr>
<td>FRANK</td>
<td>107</td>
<td>319</td>
<td>30%</td>
<td>60%</td>
<td>$10,485</td>
<td>2-Jul</td>
<td>11-Jul</td>
<td>26-Jul</td>
<td>1-Sep</td>
<td>4-Sep</td>
<td>Comm'l</td>
<td>$2,350</td>
<td>$250</td>
<td>$294</td>
<td>$1,848</td>
<td>URA</td>
<td>$500</td>
<td>$-</td>
</tr>
<tr>
<td>GRAND</td>
<td>3</td>
<td>214</td>
<td>65%</td>
<td>60%</td>
<td>$29,044</td>
<td>9-Jul</td>
<td>16-Jul</td>
<td>26-Jul</td>
<td>9-Sep</td>
<td>12-Sep</td>
<td>Comm'l</td>
<td>$2,350</td>
<td>$718</td>
<td>$521</td>
<td>$-</td>
<td>104 (d)</td>
<td>$500</td>
<td>$-</td>
</tr>
<tr>
<td>HATFIELD</td>
<td>25</td>
<td>314</td>
<td>30%</td>
<td>50%</td>
<td>$6,875</td>
<td>9-Jul</td>
<td>16-Jul</td>
<td>26-Jul</td>
<td>7-Sep</td>
<td>10-Sep</td>
<td>Comm'l</td>
<td>$2,350</td>
<td>$162</td>
<td>$177</td>
<td>$630</td>
<td>URA</td>
<td>$500</td>
<td>$-</td>
</tr>
<tr>
<td>KO</td>
<td>87</td>
<td>102</td>
<td>30%</td>
<td>30%</td>
<td>$8,616</td>
<td>H/C</td>
<td>9-Jul</td>
<td>11-Jul</td>
<td>26-Jul</td>
<td>15-Sep</td>
<td>18-Sep</td>
<td>$2,350</td>
<td>$182</td>
<td>$207</td>
<td>$1,050</td>
<td>URA</td>
<td>$500</td>
<td>$-</td>
</tr>
<tr>
<td>LAMBERT</td>
<td>105</td>
<td>105</td>
<td>30%</td>
<td>50%</td>
<td>$8,088</td>
<td>2-Jul</td>
<td>20-Jul</td>
<td>31-Jul</td>
<td>2-Sep</td>
<td>5-Sep</td>
<td>Comm'l</td>
<td>$2,350</td>
<td>$192</td>
<td>$201</td>
<td>$378</td>
<td>104 (d)</td>
<td>$500</td>
<td>$-</td>
</tr>
<tr>
<td>NGUYEN</td>
<td>29</td>
<td>307</td>
<td>30%</td>
<td>50%</td>
<td>$8,376</td>
<td>Translator</td>
<td>9-Jul</td>
<td>11-Jul</td>
<td>26-Jul</td>
<td>9-Sep</td>
<td>12-Sep</td>
<td>$2,350</td>
<td>$200</td>
<td>$199</td>
<td>$-</td>
<td>104 (d)</td>
<td>$500</td>
<td>$-</td>
</tr>
<tr>
<td>MARS</td>
<td>28</td>
<td>N/A</td>
<td>PORTING</td>
<td></td>
<td>$9,535</td>
<td>9-Jul</td>
<td>11-Jul</td>
<td>26-Jul</td>
<td>21-Sep</td>
<td>24-Sep</td>
<td>Self</td>
<td>$900</td>
<td>$200</td>
<td>$274</td>
<td>$3,108</td>
<td>URA</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>PETERS</td>
<td>19</td>
<td>103</td>
<td>30%</td>
<td>30%</td>
<td>$8,840</td>
<td>H/C</td>
<td>9-Jul</td>
<td>11-Jul</td>
<td>26-Jul</td>
<td>14-Sep</td>
<td>17-Sep</td>
<td>$2,350</td>
<td>$221</td>
<td>$221</td>
<td>$-</td>
<td>104 (d)</td>
<td>$500</td>
<td>$-</td>
</tr>
<tr>
<td>SAMSON</td>
<td>106</td>
<td>117</td>
<td>30%</td>
<td>50%</td>
<td>$8,628</td>
<td>H/C</td>
<td>2-Jul</td>
<td>16-Jul</td>
<td>26-Jul</td>
<td>28-Aug</td>
<td>31-Aug</td>
<td>$2,350</td>
<td>$202</td>
<td>$200</td>
<td>$-</td>
<td>104 (d)</td>
<td>$500</td>
<td>$-</td>
</tr>
<tr>
<td>THOMAS</td>
<td>108</td>
<td>116</td>
<td>30%</td>
<td>60%</td>
<td>$11,736</td>
<td>H/C</td>
<td>2-Jul</td>
<td>16-Jul</td>
<td>26-Jul</td>
<td>2-Sep</td>
<td>5-Sep</td>
<td>$2,350</td>
<td>$294</td>
<td>$273</td>
<td>$-</td>
<td>104 (d)</td>
<td>$500</td>
<td>$-</td>
</tr>
<tr>
<td>WOZ</td>
<td>91</td>
<td>306</td>
<td>30%</td>
<td>50%</td>
<td>$17,196</td>
<td>Translator</td>
<td>9-Jul</td>
<td>11-Jul</td>
<td>31-Jul</td>
<td>8-Sep</td>
<td>11-Sep</td>
<td>$2,350</td>
<td>$360</td>
<td>$377</td>
<td>$714</td>
<td>URA</td>
<td>$500</td>
<td>$214</td>
</tr>
<tr>
<td>ZUMPA</td>
<td>27</td>
<td>110</td>
<td>30%</td>
<td>50%</td>
<td>$8,484</td>
<td>Translator</td>
<td>9-Jul</td>
<td>11-Jul</td>
<td>31-Jul</td>
<td>21-Sep</td>
<td>24-Sep</td>
<td>$900</td>
<td>$202</td>
<td>$214</td>
<td>$504</td>
<td>104 (d)</td>
<td>$500</td>
<td>$-</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>39,640</strong></td>
<td><strong>$12,978</strong></td>
<td><strong>$2,500</strong></td>
<td><strong>$6,500</strong></td>
<td><strong>$7,370</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Tenant Relocation Costs**: $66,488
**Other Relo Costs**: $79,578
**Total AHA relocation fees**: $146,066
**Cost Per Resident**: $7,688

Keep Organized!!
It's QUESTION TIME!!
For Additional Information

- **Contact:**
  Elizabeth Gundlach Neufeld  
  Deputy Executive Director  
  (720)251-2075  
  egneufeld@aurorahousing.org

Lee Satterfield Hamre, SR/WA, R/W-RAC
4001 Fox Street
Denver, CO 80216
(303)623-6112
www.hcpeck.com