

Section 10

Acquisition and Relocation

Section 10 – Acquisition and Relocation

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Section 10 - Acquisition and Relocation

1.0 Introduction

In executing Disaster Recovery CDBG projects, grantees may need to acquire real property to complete specific activities. Prior to acquiring real property or attempting to undertake a relocation project, a determination must be made as to whether or not the requirements of the Uniform Relocation Assistance (URA) and Real Property Acquisition Act of 1970 (as amended in 1986) apply. Requirements for acquisition and relocation activities are described in the Department of Housing and Urban Development's Handbook 1378: Real Estate Acquisition and Relocation Policy and Guidance, located at:

<http://www.hud.gov/offices/cpd/library/relocation/policyandguidance/handbook1378.cfm>

The URA also intends to establish a uniform policy for fair and equitable treatment of persons displaced as a result of federal and federally assisted programs.

Whether or not particular requirements of the URA pertain, is dependent upon, among other factors, determining if the proposed acquisition and/or relocation activity(s) is voluntary or involuntary. Additionally, HUD has approved waivers that modify the URA and HCDA Section 104(d) requirements. See Subsection 3.2.

2.0 Definitions, Acronyms or Terminology

Please reference these terms for explanation of commonly used names, acronyms, and phrases used within this Section.

1. **Appraisal** - A written statement independently and impartially prepared by a qualified appraiser setting forth an opinion of defined value of an adequately described property as of a specific date, supported by the presentation and analysis of relevant market information.
2. **Expropriation** - The confiscation of private property with the express purpose of establishing social equity.
3. **HCDA** – Housing and Community Development Act of 1974
4. **HUD's Handbook 1378** – Department of Housing and Urban Development's Handbook 1378: Real Estate Acquisition and Relocation Policy and Guidance, located at <http://www.hud.gov/offices/cpd/library/relocation/policyandguidance/handbook1378.cfm>
5. **Profit** - The element of the potential total remuneration that contractors may receive for contract performance over and above allowable costs. It does not necessarily represent net income to contractors. This potential remuneration element and the Government's estimate of allowable costs to be incurred in contract performance together equal the Government's total pre-negotiation objective.
6. **Review Appraisal** – A secondary appraisal that is performed to ensure a reasonable property valuation.
7. **TBRA** – Tenant-based rental assistance

8. **URA** – Uniform Relocation Assistance and Real Property Acquisition Policies Act
9. **Waiver** – Granted by HUD to alter typical CDBG regulations and activities.

3.0 Overview

3.1 Applicable Regulations

There are three major regulations that cover relocation and acquisition activities in Disaster Recovery CDBG programs:

1. URA regulations, effective February 2005, implementing the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) of 1970, as amended (49 CFR Part 24)
2. Section 104(d) of the Housing and Community Development Act of 1974 (HCDA) and the implementing regulations at 24 CFR Part 42
Note: HUD has waived portions of Section 104(d) of the HCDA of 1974; see Section C “URA Waivers” below.
3. 24 CFR 570.606 of the CDBG Regulations which requires compliance with the regulations listed above.

An over-riding principle in implementing a Disaster Recovery CDBG program and the URA is that the grantee shall assure that it has taken all reasonable steps to minimize displacement.

3.2 Waived Requirements

To speed the recovery effort and simplify the administration of disaster recovery projects (Katrina/Rita and Gustav/Ike), HUD has waived requirements of Section 104(d) of the HCDA dealing with one-for-one replacement of lower-income dwelling units demolished or converted in connection with the Disaster Recovery CDBG-assisted development project for housing units damaged by one or more disasters.

HUD has also waived the relocation assistance requirements contained in Section 104(d) of the HCDA to the extent that they differ from the URA (42 USC 4601 et seq.) and HUD has approved waivers that modify the URA requirements. As a result of these waivers, URA does not apply:

1. To an arm’s length voluntary purchase carried out by a person who does not have the power of eminent domain, in connection with the purchase and occupancy of a principal residence by that person;
2. To the extent that a tenant has been paying rent in excess of 30 percent of household income without demonstrable hardship, rental assistance to reduce the tenant costs to 30 percent would not be required;
3. To the extent necessary to permit a grantee to meet all or a portion of a grantee’s replacement housing financial assistance obligation to a displaced renter by offering rental housing through a tenant-based rental assistance (TBRA) housing program subsidy (e.g., Section 8 rental voucher or certificate), provided that the tenant is also provided with referrals to suitable, available rental replacement dwelling where the owner is

4. willing to participate in the TBRA program and the period of authorized assistance is at least 42 months (also waives HUD 60 month calculation-42 month is FEMA calculation);
5. To the extent that they require a grantee to offer a person displaced from a dwelling the option to receive a “moving expense and dislocation allowance: based on the current schedule of allowances prepared by the Federal Highway Administration, provided that the grantee establishes and offers the person a moving expense and dislocation allowance under a schedule of allowances that is reasonable for the jurisdiction and takes into account the number of rooms in the displaced dwelling, whether the person owns and move the furniture, and, at a minimum, the kinds of expenses described in 49 CFR 24.301.” Persons displaced from a dwelling remain entitled to choose a payment for actual reasonable moving and related expenses if they find that approach preferable to the locally established moving expense and dislocation allowance.

3.3 Timing of URA Coverage

It is important for grantees to know that the timing of an acquisition can trigger URA requirements. Regardless of the source of funds, ANY acquisition of property made by a state agency, on or after the date of submission of the individual project application for financing of an activity using that property, is subject to the URA.

If an acquisition took place prior to project application submission, it can be subject to the URA if the OCD-DRU finds clear evidence that the purchase was done in anticipation of obtaining Disaster Recovery CDBG funds for an activity.

The URA also applies if an agency has reimbursed itself for the acquisition with non-federal funds (i.e., general funds) if the project’s end result is a federally-assisted project.

The chart below highlights the timing of required notices.

| URA TIMEFRAMES FOR NOTICES | | | | |
|-----------------------------------|---------------------|---|-----------|---|
| ACTIVITY: | Approval of Project | Site Selection | Appraisal | Property Closing |
| ACQUISITION NOTICES SENT: | | ↑ Notice to Owner or Notice of Intent to Acquire | | ↑ Notice of Just Compensation |
| RELOCATION NOTICES SENT: | | ↑ General Information Notice to Occupants | | ↑ Notice of Eligibility for Relocation Benefits |

4.0 Voluntary vs. Involuntary

Grantees must understand the critical difference between voluntary and involuntary sales to ensure compliance with all applicable rules. There are protections for sellers in both voluntary

and involuntary sales. The key difference between the two types of acquisition is that when a voluntary sale occurs, there can be no threat of eminent domain.

4.1 Voluntary Acquisition

Voluntary acquisition occurs when the grantee acquires real property at fair market value from an owner who has submitted a proposal to the community for purchase of their property in response to a public advertisement. The grantee may undertake a voluntary acquisition when a site needed for a Disaster Recovery CDBG project can be satisfied by more than one property. Property owners can then voluntarily, in response to the advertisement, let the grantee know of the availability of their property and enter into negotiations for the sale of the property. Voluntary acquisition is not subject to the URA.

4.1.1 Voluntary Acquisition Policy

The grantee must have or prepare a formal, written policy that authorizes voluntary acquisition. **The policy in Exhibit 10-1 should be used.** The public invitation or solicitation should include a description of what the grantee wants to buy and all of the rest of the conditions of which a seller should be aware, as stated in Exhibit 10-1. The solicitation must also indicate that if a mutually satisfactory agreement cannot be reached, the grantee will not condemn the property for the same purpose.

Relocation eligibility only becomes effective when a written agreement has been negotiated between the grantee and the owner of the property. If the grantee intends to require owner-occupants to waive relocation assistance as a condition of voluntary acquisition, this condition and other pertinent information should be included in the public solicitation and the waiver form should be attached to the purchase offer.

4.1.2 Voluntary Acquisition Property Valuation

Valuation of parcels of property will need to be established and may be done by the appraisal process or by a knowledgeable person. If the appraisal process is used a review appraisal is not mandatory because voluntary acquisition is not subject to the URA. If a knowledgeable person does a valuation of the property it must be in writing. The valuation does not need to be complicated or detailed. The written opinion is not required to be based on a selection of chosen “comparables” as is often the case with a formal appraisal. The knowledgeable person should state at least three things in the written opinion: (1) His or her qualifications in one short paragraph (2) Brief description (but not an official legal description) of the location of the property and (3) Estimate of the value of the property.

4.1.3 Caution

A word of caution—voluntary acquisition is a useful technique in certain situations. It is not a way to “get around” the URA. The OCD-DRU can provide advice early in the process which can assist in structuring the grantee’s policy and any public solicitations to avoid the very unpleasant “clean up” that is necessary if voluntary.

4.1.4 Non-Profit Organizations (NPOs)

The acquisition activities of NPOs are subject to the URA if such activities are for a Federal or federally-assisted program or project. Pertinent considerations in determining whether an acquisition is “for” a program or project include but are not limited to (1) when HUD assistance was requested and (2) whether the acquisition is integrally related to the program or project.

4.2 Involuntary Acquisition

Involuntary transactions are those that do not meet the requirements previously described for voluntary transactions. In accordance with the requirements of the URA, for involuntary transactions, the grantee must follow the steps outlined within Subsection 6.1, “ Steps For Meeting URA Requirements” (See Exhibit 10-33).

5.0 Acquisition Types Not Applicable to URA

Five types of acquisition are not subject to the requirements of the URA; however, these types of acquisition are still subject to Louisiana law and specific Disaster Recovery CDBG requirements. These five types are within the following table:

| Not Subject to URA | |
|---|---|
| Type | Example |
| Acquisition from Another Public Agency | A municipality acquires a water well site from a parish for a Disaster Recovery CDBG funded project. This acquisition is not subject to the URA. |
| Temporary Construction Servitudes/Easements | 42 CFR 24.101(c)(2) provides that temporary construction Servitudes/Easements or permits needed solely to perform work intended exclusively for the benefit of the property owner, which work may not be done if agreement cannot be reached, is not subject to the URA |
| Short Term Leases (less than 15 years) | A sewer lift station must be installed on an emergency basis due to an unexpected chain of events. The lift station is needed for only five more years at which time a new force main system will be installed which will render the lift station obsolete. The grantee chooses to obtain a ten year lease, not automatically renewable, from an appropriate property owner. Acquisition of the ten year lease would not be subject to the URA. |
| Voluntary Acquisition | A parcel is needed for a Disaster Recovery CDBG funded fire station. The fire station could be placed on many different parcels located in the northern part of the municipality. The grantee adopts a Voluntary Acquisition Policy. The grantee chooses to advertise in the local newspaper for a parcel of property for the fire station. Acquisition of the parcel for the fire station is not subject to the URA. |
| Acquisition of Streets under LRS 48:491 | LRS 48:491 provides ownership status to grantees that provide evidence of grantee or State maintenance of respective streets for a period of three years. In order to document street ownership on a Disaster Recovery CDBG project, the three year period should have been completed by the date the Disaster Recovery CDBG application was submitted to the OCD-DRU. |

5.1 Procedures Required for Acquisition not Subject to the URA

The grantee is required to ensure compliance for all types of acquisition, whether or not subject to the URA. The minimum requirements for acquisition of property which are not subject to the URA include the following steps:

1. Determination of ownership;
2. Valuation of the property;
3. Offer and acceptance;
4. Act of sale, donation or transfer;
5. A statement of settlement costs;
6. Recordation; and,
7. In general, any documentation of acquisition activity from start to finish.

6.0 Acquisition Types Applicable to URA

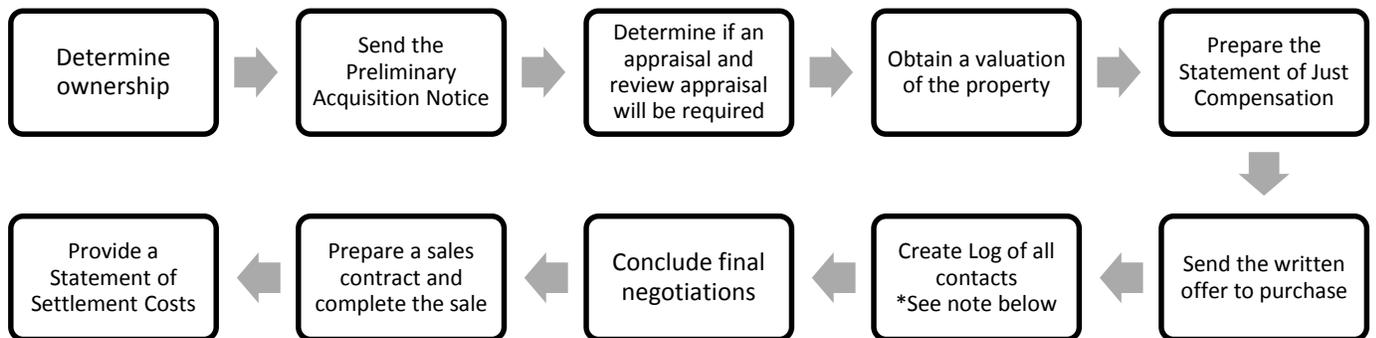
Specific types of acquisition require additional steps to ensure compliance with the URA. All involuntary acquisitions are subject to the URA. Examples of these types of acquisitions are outlined in the following table:

| Subject to URA | |
|---|---|
| Type | Example |
| Acquisition of Specific Parcels of Property by Purchase | <p>1) A certain parcel of property owned by John Doe, a citizen of the community, is needed by the grantee for a fire station. It has been determined by the grantee that this specific parcel is the best location for the fire station. Disaster Recovery CDBG funding has been awarded for the project. The acquisition of this parcel by the grantee would be subject to the URA.</p> <p>2) A parcel of property owned by Private Enterprise, Inc., is needed for the installation of a water well involving a DR CDBG funded project. The life expectancy of the water well is estimated to be as much as 40 years. Private Enterprise, Inc., is willing to enter into a lease with the grantee for the long-term use of the parcel for a water well. Acquisition of a leasehold agreement by the grantee would be subject to the URA.</p> <p>3) The grantee needs to obtain permanent roadside rights of way for sewer lines that are part of the installation of a new sewer system which is funded, in part, with DR CDBG funding. Some of the rights of way are expected to be donated while others are expected to be purchased. Acquisition of such rights of way, whether by donation or purchase, would be subject to the URA.</p> |
| Acquisition By Private Entities | The grantee, on behalf of Widget Incorporated, has been funded for an Economic Development project. A parcel, now privately owned and next to the widget plant, is to be acquired by Widget, Incorporated. The OCD-DRU will provide funds for infrastructure associated with the expansion but Widget Incorporated will be the entity that acquires the parcel of adjacent land. Such acquisition would be subject to the URA. |
| Purchases, Donations, Partial Donations | John Doe, a citizen of the community, donates his property to the grantee to build a fire station. The fire station is being constructed using Disaster Recovery CDBG funds. This donation is subject to URA. |

| Subject to URA | |
|---|---|
| Type | Example |
| Additional Rights of Way- Street Projects | The grantee must obtain land for Widget Corporation, an entity that does not have Eminent Domain, to widen a road. |
| Leases which are for a duration of 15 years or longer or less than 15 years but are automatically renewable | A sewer lift station must be installed on an emergency basis due to an unexpected chain of events. The lift station is the community’s permanent solution and will be needed for at least fifteen years. The grantee chooses to obtain a fifteen year lease that is automatically renewable, from an appropriate property owner. Acquisition of the lease is subject to the URA. |

6.1 Steps For Meeting URA Requirements

Certain steps regarding acquisition of property are necessary to meet Disaster Recovery CDBG and URA requirements. The steps for the purchase of property under the URA and the order in which they should occur are outlined in the following diagram:



Notices, letters, and other documents regarding acquisition sent by the grantee/ sub-grantee/ subrecipient must be sent by certified or registered mail, return receipt requested, or hand delivered with receipt documented.

If the owner or occupant does not read or understand English, the grantee must provide translations and assistance. Each notice must give the name and telephone number of a person who may be contacted for further information.

**Note:* The Grantee must keep a log of any conversations/contact with anyone involved in the acquisition process, from the time the offer letter is sent to the completion of the acquisition. (Refer to Exhibits 10-15ii and 10-15iii)

6.1.1 Determine Ownership

The grantee is responsible for determining ownership of property which may be needed for a Disaster Recovery CDBG project. A title search to determine ownership is often necessary.

6.1.2 Send the Preliminary Acquisition Notice

As soon as possible after the grantee decides to acquire property a Preliminary Acquisition Notice must be sent to the owner (Exhibit 10-2).

The Preliminary Acquisition Notice:

1. Explains that it is not a notice to vacate;
2. Does not establish eligibility for relocation payments or assistance;
3. Must be accompanied by the brochure, When a Public Agency Acquires Your Property
4. Must be accompanied by the grantee's Acquisition Policy if different but more stringent than the guidance in the brochure.

6.1.3 Determine if an Appraisal and Review Appraisal will be Required

Either of two conditions will trigger an appraisal:

1. The value of the property is estimated to be more than \$10,000; or
2. The owner of the property wants an appraisal. If an appraisal is required the owner of the property must be invited to accompany the appraiser.

When an appraisal is required, a review appraisal will automatically be required. (See Subsection 6.2 below)

6.1.4 Obtain a Valuation of the Property

Regardless of whether an appraisal is required it will be necessary to obtain valuation of the property in order to prepare the Statement of Just Compensation as discussed in the following subsection.

If an appraisal and review appraisal are required, then the valuation will be based on the appraisals. However, if the review appraisal is higher in monetary valuation than the first appraisal, it is considered to be the controlling document.

If an appraisal and review appraisal are not required, then a knowledgeable person may provide a written opinion as to the value of the property ("written valuation"). A knowledgeable person may be a real estate broker, salesperson, banker, or some other type of locally recognized authority on the value of local property. In all cases the scope of the service and cost of the service to provide a written valuation should be substantially lower than the cost of an appraisal and review appraisal.

The written valuation does not need to be complicated or detailed. The written valuation is not required to be based on a selection of chosen "comparables" as is often the case with a formal appraisal. The knowledgeable person should state at least three things in the written valuation:

1. His or her qualifications in one short paragraph;
2. Brief description (but not an official legal description) of the property; and,
3. Estimate of the value of the property.

The written valuation should be signed and dated, but does not have to be notarized, and should be made a part of acquisition records.

6.1.5 Prepare the Statement of Just Compensation

After valuation of the property, the Statement of the Basis for the Determination of Just Compensation (“Statement of Just Compensation”) must be prepared. The amount determined to be just compensation must be based on the fair market value as determined in the valuation. A sample Statement of Just Compensation is included as Exhibit 10-3. It must contain the following elements:

1. Legal description and location of the property;
2. Description of the interest to be acquired (e.g., full ownership, servitude, etc.);
3. Inventory identifying the building, structures, fixtures, etc., which are considered to be a part of the real property;
4. The amount of the offer;
5. A statement to the effect that the amount offered is the full amount believed by the grantee to be just compensation, is not less than the fair market of the property, disregards any increase or decrease in the fair market value attributable to project for which the property was acquired, and does not include any consideration or allowance for relocation costs;
6. Definition of fair market value;
7. Explanation of the method used to value the property;
8. In the case of tenant-owned improvements, the amount determined to be just compensation for the improvement and the basis as set forth in Handbook 1378;
9. In the case of the owner retention of improvements, the amount determined to be just compensation for these improvements and the basis as set forth in Handbook 1378;
10. Any purchase option agreement should be attached; and,
11. If only a part of the parcel is to be acquired, a statement apportioning the just compensation between the actual piece to be acquired and an amount representing damages and benefits to be remaining portion.

6.1.6 Send the Written Offer to Purchase

The grantee should send the owner a written Offer to Purchase (Exhibit 10-4), along with the written Statement of Just Compensation. The Offer to Purchase must specify the date on which negotiation for the sale of the property will begin (initiation of negotiations). As with all notices, it should be sent certified or registered mail, return receipt requested.

The initiation of negotiations is the trigger date for issuance Notice of Eligibility for Relocation Assistance (Exhibit 10-5). For more details on Relocation Procedures and Anti displacement under Section 104(d) of the Act, refer to HUD Handbook 1378.

6.1.7 Conclude Final Negotiations

The sale is negotiated on the date specified within the Offer to Purchase. The owner may accept the fair market value and the grantee can enter into an agreement with no further action necessary by the OCD-DRU. The owner must be provided an opportunity to discuss the offer, propose a higher value and document that higher value. There may be occasions when an owner proposes or insists on more than the fair market value. If this occasion arises, the grantee may:

1. Obtain a new valuation;
2. Initiate expropriation proceedings (See Subsection 6.5);
3. Decide not to acquire; or
4. Request approval from the OCD-DRU to proceed with the purchase at the price higher than the fair market value.
5. The use of Disaster Recovery CDBG funds which are in excess of fair market value and are not approved prior to disbursement by the OCD-DRU will be disallowed.
6. Documentation of negotiation proceedings should be placed in the project acquisition file.

6.1.8 Prepare a Sales Contract and Complete the Sale

Following successful negotiations, an act of sale must be prepared and executed and transfer of documents secured. The grantee must also reimburse the owner to the extent deemed fair and reasonable for incidental costs associated with transfer of title (i.e., recording fees, transfer taxes, penalty cost or other charges for prepayment of any pre-existing recorded mortgages, etc.).

6.1.9 Provide a Statement of Settlement Costs

The grantee must give the owner a Statement of Settlement costs (See Exhibit 10-6) which identifies all settlement costs regardless of whether they are paid at, before, or after closing, and must clearly separate charges paid by the owner. If a title or escrow company is used, their standard form is acceptable. The Statement of Settlement Costs must be dated and certified as true and correct by the closing attorney or other person handling the transaction.

The grantee must also be able to prove the payment of the purchase price by retaining a copy of the canceled check and the Act of Sale.

6.2 Appraisals Under the Uniform Act

6.2.1 Selecting Appraisers

The local government must select an independent appraiser. The appraiser should have no interest in the property or be related to, or in business with, anyone having any interest in the property to be acquired. The appraiser should be qualified, reputable and professional. Generally, only people who obtain at least 50 percent of their income from doing appraisals and who belong to a professional association that has a code of ethics should be considered. Look for appraisers who have had experience doing the types of appraisals you need. An appraiser who usually establishes values for vacant, unimproved land may not be appropriate to establish accurate values of houses. State-certified or licensed real estate appraisers eligible to perform appraisals for federally related transactions are now listed on the Internet.

The National Registry of State-Certified or Licensed Appraisers' Website is: <http://www.asc.gov>.

The local government should request statements of qualifications from a number of local appraisers, review those qualifications, and employ only qualified appraisers. A minimum of one appraisal is required; however, if the project is potentially controversial (as with an unwilling seller or a conflict of interest involving a public official) or where property values exceed \$100,000, it is recommended that two independent appraisals be conducted. A review appraisal must be prepared for each appraisal conducted.

6.2.2 Procuring Appraisal Services

The local government must execute a professional services contract with the independent appraiser. See Section 6 – Procurement Methods and Contractual Requirements, for the steps required to be followed when procuring these professional services. Exhibit 6-15 contains an appraisal contract that has the required elements for use in the Disaster Recovery CDBG program. This contract may be used or another that is prepared which contains the elements found in Exhibit 6-15. The local government should go over the contents of this contract with your appraiser. The contract must require the appraiser to invite the property owner to accompany the appraiser during the property inspection and not to consider race, color, religion or the ethnic characteristics of a neighborhood in estimating the value of residential real property. Compensation for an appraisal shall not be based on the amount of the valuation.

Exhibit 10-8, which states the “Uniform Appraisal Standards for Federal Land Acquisition” sets forth standard requirements for appraisals involving federally funded acquisitions. Standard FHA appraisal forms may be used if they cover all the requirements of the appraisal contract covered in Exhibit 10-7.

1. Property Valued at \$250,000 or More

A contract (fee) appraiser making a "detailed appraisal" on property valued at \$250,000 or more must be certified and licensed in accordance with State law implementing Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), P.L. 101-73 and must be currently active on the Louisiana State Certified Appraisers General Appraisal list. The review appraiser must also be on the State’s General Appraisal list.

2. Property Valued at Less Than \$250,000

As of September 6, 2001, for property valued below \$250,000, the sub-grantee may use a General Appraiser or a Residential Appraiser. This is also applicable to the review appraisal.

6.2.3 Owner Invitation

Before the first appraisal is undertaken, the local government or the appraiser on behalf of the local government must formally invite the property owner to accompany the appraiser during inspection of the property (Exhibit 10-9). This notice should be in writing and a copy placed in your property acquisition file along with evidence of receipt of the owner. The requirement to invite the property owner to accompany the appraiser is optional for the review appraisal.

6.2.4 Servitude Appraisal Forms

Exhibit 10-10 is an example of a short form that can be accepted for an appraisal establishing the value of servitude. This form summarizes complete documentation which the appraiser must have on file.

6.2.5 The Review Appraisal

Once the appraiser has prepared and submitted the appraisal a review appraisal must be obtained. The review must be done by a qualified staff appraiser or an independent fee appraiser. The review appraiser should be required to visit the property. The review must be written, signed and dated. It should assess the adequacy of the appraiser's supporting data, the appraisal procedures used, and the soundness of the appraiser's opinion of fair market value.

The review appraisal must also include the reviewer's recommendation of the fair market value of the property. Exhibit 10-11, the "Sample Review Appraisal Report", contains the required elements needed in a review appraisal. If the review appraiser disagrees with the fair market value of the original appraisal, the locality can request that the original appraiser modify and document any changes in the original report. When judging between differences in the first appraisal and the review appraisal and if differences are not resolved by the modification of the first appraisal then the review appraisal is to be considered authoritative. The local government will also have the option of obtaining another "first appraisal" and review appraisal.

6.2.6 Acquiring Property Without an Appraisal

(42 USC 4651 (2); 49 CFR 24.102 (c) (2)): If the local government can determine that the valuation of a parcel of land or servitude is uncomplicated and that fair market value of the property does not exceed \$10,000, and if the owner does not desire an appraisal, then an offer can be made to the owner(s) of the property without a formal appraisal but a written valuation of the property by a knowledgeable person will be required. If an appraisal is not required then a review appraisal will not be required.

An option to increase the \$10,000 valuation amount to \$25,000 may be requested in writing from the OCD-DRU.

6.3 Deciding Not to Acquire

If the grantee decides not to buy or expropriate a property at any time after the Preliminary Acquisition Notice has been sent to the property owner, written notification must be sent to the owner and any tenants occupying the property that the grantee does not intend to acquire the property and that any person moving from the property thereafter will not be eligible for relocation payment and assistance. This Notice of Intent Not to Acquire (Exhibit 10-12) must be sent within 10 days of the decision not to acquire.

6.4 Donations

The procedure to be followed for donations is somewhat different. If a property is to be fully donated, the grantee should inform the owner of his rights under the URA and obtain a signed waiver. A sample Property and/or Servitude Acquisition Waiver is included as Exhibit 10-13. The owner must be given a copy of the HUD brochure, "When a Public Agency Acquires Your Property". If property is to be partially donated, the grantee must follow the procedures of the URA as detailed in the steps herein and the property owner must sign a waiver of his/her rights for the donated portion of the property. If donations are being made by elderly, very poor, functionally illiterate or non-English speaking persons, the grantee should carefully document

the efforts made to insure the owner-occupant understands their rights in order to demonstrate the owner is not persuaded or coerced into donating their property.

6.5 Expropriation

If the grantee cannot negotiate the sale, expropriation proceedings may be instituted. Inexperienced localities sometimes think expropriation is cheaper than negotiated sales. When the owner is an individual, especially elderly or infirm, courts may be very generous and expropriation can be substantially more expensive than negotiation. The grantee is required to pay the amount established by the court.

6.5.1 Initiation of Expropriation Proceedings

Expropriation is a legal action and must be carried out by the grantee's attorney. The local governing body should authorize the proceedings by resolution. Copies of surveys and maps relating to the subject property in the Parish are recorded. Expropriation proceedings can then be initiated in the district court of the Parish in which the property is located. The grantee will have to deposit the amount determined to be "just compensation" in escrow with the court.

The court will establish the compensation to be paid for the property. The judgment of the court will vest full ownership title to the property expropriated in the grantee. When title is vested, the grantee may enter upon the property taken and takeover and dispose of existing improvements.

6.5.2 Quick Take

The 2003 Louisiana Legislature authorized the expropriation of property by "quick-take".

Authorizes a municipality with a population in excess of 450,000 to **expropriate** abandoned or blighted property by a **declaration of taking** ("quick take") and provides for notification to the landowner by certified mail of the intention to expropriate. Requires the filing of a petition and resolution regarding the public purpose, depositing an amount equal to the estimated value of the property with the court, and vesting of the title in the municipality. Grants the defendant an opportunity to contest the validity of the taking, applicability only to blighted property within a **federally-designated census tract** in which 10% or more of the property is blighted, and an equal opportunity for all natural and juridical persons and business entities to **purchase** expropriated blighted property from the governing authority.

7.0 General URA Policy Requirements

The URA covers all types of displaced persons, including both residents and businesses. It also covers the temporary relocation of existing occupants. As defined in 570.606, the grantee shall develop, adopt, and make public a statement of local policy indicating the steps that will be taken, consistent with other goals and objectives of the CDBG program, to minimize displacement of persons from their homes and neighborhoods and to mitigate the adverse effects of any such displacement on low and moderate income persons.

The grantee's Relocation Policy must contain, at a minimum, the provisions within the recommended local Relocation policy/Grievance procedure policy (Exhibit 10-14).

8.0 Displaced Person

As property is acquired that is subject to URA (See Subsection 6.0), the grantee is responsible for ensuring that all displaced person receive proper URA benefits.

8.1 URA Definition

Under the URA, the term "displaced person" means:

1. A person who moves permanently from the real property after the property owner (or person in control of the site) issues a vacate notice to the person, or refuses to renew an expiring lease in order to evade the responsibility to provide relocation assistance, if the move occurs on or after:
 - a. The date the grantee submits a project application for Disaster Recovery CDBG funds for the project that is later approved, if the grantee has site control; or,
 - b. The date the grantee obtains site control, if that occurs after the project application is submitted and approved.
2. A person who moves permanently from the real property after the initiation of negotiations, unless the person is a tenant who was issued a written notice of the expected displacement prior to occupying the property (otherwise known as a "Notice of Eligibility for Relocation Assistance")
3. A person who moves permanently and was not issued a Notice of Nondisplacement (Exhibit 10-32) after the application for Disaster Recovery CDBG funds is approved.

Even if there was no intent to displace the person, if a Notice of Nondisplacement was not provided, HUD has taken the position that the person's move was a permanent, involuntary move for the project since the person was not given timely information essential to making an informed judgment about moving from the project.

The URA also protects the following "displaced persons":

1. A tenant-occupant of a dwelling who receives a Notice of Non-displacement but is required to move to another unit in the building/complex may be considered displaced, if the tenant moves from the building/complex permanently and either:
 2. The tenant was not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move within the project; or
 3. Other conditions of the move within the project were not reasonable.
4. A tenant who moves permanently after the building has a change from residential use to a public use as a direct result of a Disaster Recovery CDBG-assisted project (for example, the building now leases units to serve persons who were homeless or require supportive housing). Under the Disaster Recovery CDBG program, leases of 15 years or more are considered acquisitions for the purposes of the URA.

5. A nonresidential tenant who receives a Notice of Non-displacement, but moves permanently from the building/complex, if the terms and conditions under which the tenant may remain are not reasonable.

8.2 CDBG Definition

The CDBG regulations define a “displaced person” as someone who moves after a specific event occurs:

1. This event establishes a presumption that a project may begin (e.g., date of submission of an application). It is presumed that displacement before this date did not occur "for the project" and is not covered by the URA, unless rebutted by convincing evidence to the contrary.
2. It is also presumed that a permanent, involuntary move on or after that date is a displacement "for the project," unless the grantee or state determines otherwise.

CDBG regulations also define a “displaced person” as:

1. A tenant who moves permanently after the Disaster Recovery CDBG-funded acquisition or rehabilitation, and the increased rent is not affordable (they are “economically displaced”).
2. The CDBG program regulations cover "economic displacement," while the URA is silent on this issue. If rents are increased after the Disaster Recovery CDBG project is complete, and the new rent exceeds 30% of the tenant’s monthly income, they would be “economically displaced.”

8.3 Persons Not Considered a “Displaced Person”

If a comparable dwelling unit is available to the displaced person at a monthly cost (rent plus estimated average monthly utility cost) that does not exceed the total tenant payment per month or a Section 8 certificate or voucher is made available to that person.

9.0 Denial of Relocation Benefits

HUD must concur in a determination to deny a person relocation benefits on this basis:

1. When an owner either evicts a tenant or fails to renew a lease in order to sell a property as “vacant” to a grantee for a HUD-funded project, HUD will generally presume that the tenant was displaced “for the project.” (Evictions for serious or repeated violations of the lease are permissible, but the owner must follow State tenant-landlord laws governing eviction.)
2. In cases where the tenant was wronged, the grantee is responsible for finding the displaced tenant and providing appropriate relocation assistance, unless the grantee can demonstrate that the move was not attributable to the project.

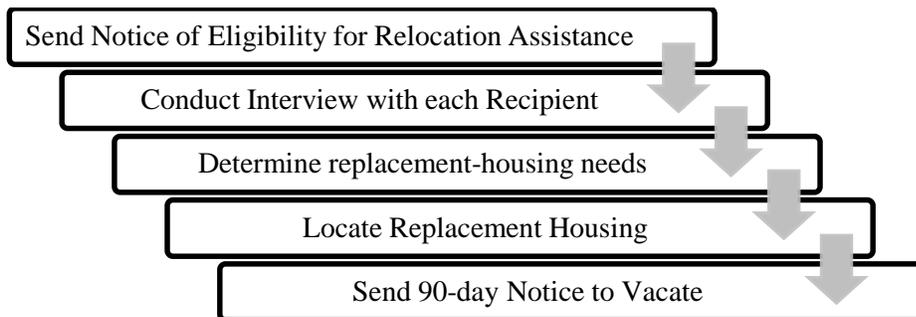
10.0 Demolition

For each unit demolished to complete a project funded by Disaster Recovery CDBG funds, the grantee must comply with the requirements under La. R.S. 33:476/et.seq. Prior to demolishing a unit, the grantee must ensure that the unit was not able to be rehabilitated in a cost efficient manner and that the unit was vacant.

See Section 4 – Records Management for documents that are required to be maintained for projects that involve demolition.

11.0 URA Process – Permanent Relocation

Displaced persons who are eligible for relocation benefits should be identified as soon as possible. The following diagram shows the process that must occur for each recipient:



11.1 Notice of Eligibility for Relocation Assistance

As part of advisory services, the URA requires that all occupants receive notices informing them of their various rights.

The notices must:

1. Be written in plain, understandable language;
2. Be hand delivered with receipt documented, or sent certified mail, return receipt requested;
3. Contain the name and phone number of a person who may be contacted for answers to questions or other needed help; and,
4. Be made available in appropriate translations if relocatees do not speak or read English.

A Notice of Eligibility for Relocation Assistance (Exhibit 10-5) must be sent to all owner occupants or tenants in occupancy within 30 days of the written offer to purchase the property if the occupant is going to be relocated. This Notice must be accompanied by a copy of the relocation procedures or the appropriate brochure. A copy of the Grievance Procedure taken from the grantee’s local Relocation Policy should be sent with these materials.

11.2 Recipient Interview and Survey

As soon as these initial notices are sent out, each recipient must be interviewed, in person, to determine his/her need for assistance. A sample interview format, the first section of a Sample Household Case Record (Exhibit 10-15), is provided to show the type of information that is required.

A primary purpose of the household survey is to provide the information needed to determine replacement-housing needs. All replacement housing must be "decent, safe and sanitary" and be "functionally similar" to the acquired unit with respect to the number of rooms and living space. See Subsection 11.4.

At the same time the interviewers are conducting the family survey, the relocation process should be reviewed with the relocatee. Special attention must be given to:

1. The assistance to be provided;
2. The benefits available;
3. The fact that replacement housing payments cannot be made unless the household relocates into a standard unit;
4. The importance of keeping in touch; and,
5. The need to notify the grantee before they move.

It is very important that all significant contacts with displacees be logged into Section 5 of Exhibit 10-15, Household Case Record.

11.3 Locate Replacement Housing

The grantee must inventory available housing resources to meet the replacement housing needs of the displaced person. In doing this, the grantee must be aware of affirmative action criteria that must be met when relocating low-income and minority persons. The regulations require:

1. The community make comparable replacement housing available to low-income or minority relocatees in areas that do not have concentrations of either low-income or minority households if such opportunities are available.
2. If there are vacant, standard, affordable units available in middle/upper income areas or predominantly white areas of the community, low-income or minority relocatees must be given at least one replacement housing choice in those areas before the grantee can give such relocatees a 90-day notice to vacate.
3. The grantee is required to make available provide special counseling and related services (e.g., transportation and escort services) to low-income and minority families. These services may be secured through fair housing or civil rights groups.

The following provides guidance in inventorying available resources:

1. Contact landlords, realtors, and movers; read the classified ads; and tour neighborhoods looking for "For Rent" and "For Sale" signs.

2. When a landlord puts a vacancy sign on his/her building, those most likely to learn about the vacancy sign are neighborhood residents interested in moving out of their current quarters.
3. Depending on the timing of displacement, these listings can be inspected; and, if found to be decent, safe and sanitary, placed on a list to be used for referrals.
4. Public housing resources may prove less helpful than anticipated.
5. Displacees may refuse to apply for public housing, either because they simply do not want to live in it or because they resent the investigation necessary to qualify them (the investigation of their incomes, in particular).
6. Also, there have been cases in which the public housing authority has failed to cooperate by refusing to disclose the number and size of vacancies it has, or by refusing to grant preference to displacees.

The process of finding comparable housing will involve continuous contact with displacees to solicit information, establish rapport, provide referrals to rehousing resources, and accompany displacees to inspect possible dwellings. Up-to-date information on the availability and prices of comparable sales and rental housing must be provided. All units must be inspected and certified as meeting local housing and occupancy codes before being placed on a referral list.

11.4 Comparable Replacement Dwelling Units

The grantee must make referrals to the replacement housing units (comparables) for displaced residential households. It is also recommended that the grantee inspect the comparables to determine if they are in decent, safe and sanitary condition (including ensuring they are lead safe) prior to making referrals.

1. The regulations stipulate that no person is to be displaced unless at least one, and preferably three, comparable dwellings are made available to the potential displacee. However, the OCD-DRU requires the grantee to document the case file if three comparable dwellings are not identified.
2. A comparable replacement dwelling means a dwelling which is: Decent, safe and sanitary;
3. Functionally equivalent to the displacement dwelling: The term functionally equivalent means that it performs the same function, and provides the same utility.
4. While a comparable replacement dwelling need not possess every feature of the displacement dwelling, the principal features must be present.
5. Generally, functional equivalency is an objective standard, reflecting the range of purposes for which the various physical features of a dwelling may be used.
6. In determining whether a replacement dwelling is functionally equivalent to the displacement dwelling, the grantee may consider reasonable trade-offs for specific features when the replacement unit is equal to or better than the displacement dwelling;
7. Adequate in size to accommodate the occupants;
8. If the displaced household were over-crowded, the comparable must be large enough to accommodate them;
9. In an area not subject to unreasonable adverse environmental conditions;

10. In a location generally not less desirable than the location of the displaced person's dwelling with respect to public utilities and commercial and public facilities, and reasonably accessible to the person's place of employment;
11. On a site that is typical in size for residential development with normal site improvements, including customary landscaping;
12. Currently available to the displaced person on the private market (unless they are displaced from subsidized housing as described below);
13. Within the financial means of the displaced person;
14. A replacement dwelling is considered to be within the person's financial means if a grantee pays the appropriate replacement housing payment.

For a person receiving government housing assistance before displacement, relocation is to be to a dwelling that may reflect similar government housing assistance. (For example, a comparable unit for a tenant who had a Housing Choice Voucher prior to displacement must be offered another unit where the Voucher could be used or is accepted.) When the government housing assistance program has requirements relating to the size of the replacement dwelling the rules for that program apply.

Grantees may use Exhibit 10-16: HUD Form 52580 Section 8 Existing Housing Program Inspection Checklist to determine whether a comparable unit is decent, safe and sanitary. Since replacement housing units must meet all local codes and housing standards, an inspector must be familiar with these requirements to ensure that displaced persons move to standard housing.

Exhibit 10-17: HUD Form 40061 may be used to identify the most representative comparable replacement dwelling units for purposes of computing a replacement housing payment.

The grantee should then provide the potentially displaced household with a Notice of Eligibility for Relocation Assistance (Exhibit 10-5). The notice must identify the cost and location of the comparable replacement dwelling(s).

11.4.1 Last Resort Housing Measures

When undertaking relocation activities, grantees must be sure to provide a comparable replacement dwelling in a timely manner. If the grantee cannot identify comparable replacement housing, they must seek other means of assisting displacees under the “Last Resort Replacement Housing” provisions of the regulations. This situation can occur in communities where there is a limited supply of available comparable units.

The Last Resort sections of the URA require grantees to take alternate measures to assist displaced persons to be able to afford to move to a decent, safe and sanitary comparable unit. Such alternatives include rehabilitation of, and/or additions to, an existing replacement dwelling; a replacement housing payment in excess of regulatory limits; construction of new units; relocation of a replacement dwelling; and removal of barriers to the disabled in a replacement dwelling.

11.4.2 Early Movers: Relocation Prior to Notice of Eligibility

Some relocatees will not wait for the grantee to locate comparable units. They will search for their own units and relocate themselves. Self-relocations can prove to be a problem. Occupants who relocate themselves risk not receiving the compensation to which they are entitled.

This can happen because:

1. The occupants do not know they are entitled to money and fail to apply;
2. The locality is unable to trace them to their new quarters; or,
3. The new quarters are substandard (in which the relocatees still receive moving expenses).

Self-relocatees who do not inform the grantee of their plans forego a pre-move inspection of their new quarters.

An inspection after a move is often ineffective in securing needed repairs. The grantee has little leverage with the landlord at this point. Neither does the occupant unless they initiate code enforcement proceedings. However, actions of this kind can result in a tenant's eviction, either as a result of retaliation by the landlord or because the required repairs are so extensive that they cannot be made until the building is vacated.

11.4.3 Self Relocation into a Substandard Unit

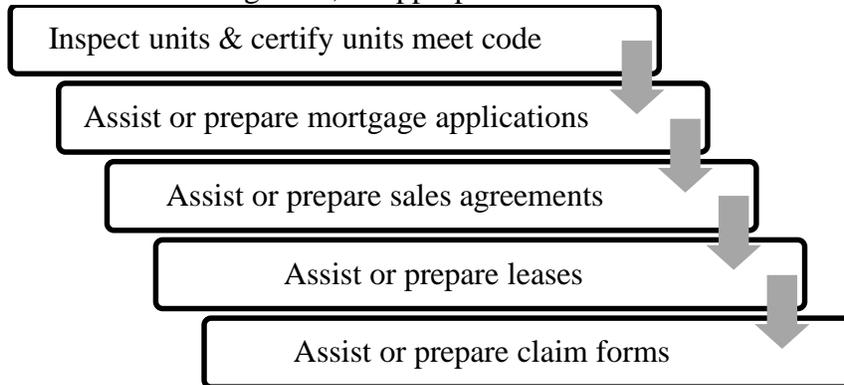
If an individual locates or moves into a replacement unit that is not decent, safe and sanitary, the grantee must really try to upgrade the unit to minimum code in order to entitle the relocatee to benefits. This can include providing any assistance for which the unit is eligible with Disaster Recovery CDBG funds or securing comparable assistance from other sources. In the event that the grantee cannot get the unit brought up to code, the grantee must inform such relocatees that if they remain in or move to another substandard unit, they will not be eligible for replacement housing payments although they will be eligible for moving expenses. The grantee must also inform them that if they move into a standard dwelling within one year from the date they received payment for their acquired dwelling or from the date they moved from the acquired dwelling, whichever is later, and file a claim within 18 months, they will be eligible for a replacement housing payment. A sample of letter to relocate in a substandard unit is included as Exhibit 10-18.

11.5 90-day Notice to Vacate

When the grantee has made a reasonable choice of comparable replacement housing opportunities available to the relocatee, the grantee may issue the 90-day Notice to Vacate (Exhibit 10-19). This notice cannot be issued before the Notice of Displacement has been issued or before a reasonable choice of comparable replacement housing has been made available that meet HUD's decent, safe, and sanitary standards(24.2(a)(8)). The notice must state the date by which the property must be vacated, and indicate that a second notice will be issued at least 30 days in advance of the date the property must be vacated. The date on which the property must be vacated cannot be less than 30 days after the grantee has obtained title to the property or legal right of possession, whichever comes earlier. This means that if negotiations for acquisition drag

on for six months, the occupant cannot be required to move until at least 30 days after the grantee has obtained the title. Thus, timing of the notices is very important.

Prior to, and following, sending the notices, the grantee should continue to work with the relocatees to perform the following tasks, as appropriate:



12.0 Permanent Relocation Benefits under the URA

Residential occupants who will be displaced are entitled to receive a range of benefits under the URA. These include:

1. Advisory services;
2. Offer of a comparable replacement unit;
3. Replacement housing payments; and,
4. Moving expenses.

12.1 Advisory Services for Displaced Households

The grantee should work with the household that will be displaced throughout the process to ensure the household is provided appropriate and required advisory services.

1. Grantees must provide counseling and appropriate referrals to social service agencies, when appropriate.
2. Grantees must offer or pay for transportation (e.g., taxi, rental car) to inspect housing for all displaced persons
3. When a displacee is a minority, every effort should be made to ensure that referrals are made to comparables located outside of areas of minority concentration, if feasible.
4. The grantee must provide current and continuing information on the availability, purchase price or rental cost and location of "comparable replacement dwellings" (see the section below for more information on comparable replacement dwellings).

12.2 Replacement Housing Payments

In some instances, a comparable replacement dwelling may not be available within the monetary limits for owners or tenants. This is the purpose of the Replacement Housing Payment (RHP).

Relocation payments are not considered “income” for purposes of the IRS or the Social Security Administration.

The revised regulations do not allow a grantee to encourage or ask a displaced person to waive their relocation assistance; however, a fully informed person may choose not to apply for financial benefits and must acknowledge that decision in writing by clearly describing the assistance for which he/she will not apply.

12.2.1 180-day Homeowner Eligible for a Replacement Housing Payment

This person must have owned and occupied the displacement dwelling that they are living in at least 180 days prior to the initiation of acquisition negotiations and purchased and occupied a decent, safe, and sanitary comparable replacement house. This payment may exceed \$22,500.

The 180-day Replacement Housing Payment is calculated by summing the:

| | |
|--|------------|
| Full price differential between the displacement home and the replacement home: | |
| Replacement dwelling purchase price: | \$31,500 |
| Less Displacement dwelling purchase price: | - \$12,500 |
| Differential | =\$19,000 |
| Plus all increased mortgage interest cost, necessary to retain the same monthly mortgage payment and based on buy-down method (example: mortgage buy-down and other debt service cost), if applicable; | +\$2,000 |
| Plus all incidental expenses (e.g., recording fees, prorated taxes, appraisal fees, notary fees, boundary surveys, termite inspection, title insurance, deed preparation, etc.); | +\$1,300 |
| Total Housing Replacement Payment | =\$22,300 |

A 180-day claim form must be filed with the grantee by the displaced family before the grantee may process the relocation payment.

An alternative method to the above example is for the displaced family to donate their displacement dwelling and receive the full price of the replacement dwelling. This step avoids the appraisal process costs, but accomplishes the purchase of the same replacement unit. Applied to the above example, the displaced family would donate their displacement unit and receive a \$31,500 relocation assistance payment, instead of \$22,300, to purchase the same replacement dwelling. The differential is the value of the dwelling purchased by the grantee and the most comparable replacement dwelling.

Note: Refer to Subsection 3.2 Waived Requirements and Exhibit 1-1 Katrina/Rita Disaster Recovery Waivers or Exhibit 1-2 Ike/Gustav Disaster Recovery Waivers to determine if a waiver applies.

12.2.2 90-day Tenants or Homeowners Eligible for a Replacement Housing Payment

This person must have:

1. Occupied the dwelling from which they will be displaced for no less than 90 days immediately prior to the initiation of the acquisition negotiations,
2. Rented or purchased and occupied a decent, safe, and sanitary replacement unit; and
3. Filed their relocation assistance claim form with the grantee within one year of moving to their replacement dwelling.

The 90-day tenant or homeowner is eligible to choose between one of the following two forms of payment: Rental Assistance or Down Payment Assistance.

Rental Assistance Payment (not to exceed \$5,250*)

1. Payment must be disbursed in installments over several months for at least 42 months, per waiver
 - a. Payments are calculated by adding the monthly rent and estimated utilities cost of the lesser of either the comparable replacement unit or the actual replacement unit and then subtracting the same monthly costs of the displaced dwelling.
 - b. A claim form for a rental assistance payment must be approved by the grantee and maintained in their relocation file

Example:

| | |
|--|--------------------|
| Replacement unit monthly rent | \$275.00 |
| Replacement unit average monthly utilities | <u>+\$100.00</u> |
| Replacement unit base monthly cost | \$375.00 |
| Less displaced dwelling base monthly cost | <u>- \$250.00</u> |
| Average monthly differential | \$125.00 |
| X 42 months | <u>x 42</u> |
| Rental Assistance Payment | \$5250.00 |

*The displaced dwelling monthly cost may also be calculated using 30% of the displaced person's average monthly gross household income or the amount designated for rent and utilities if the displaced person is receiving a public assistance payment. For determining the amount of the relocation payment, the lesser of these two calculations should be used.

The replacement rental unit selected by the displaced person must be inspected by the grantee and found to meet HUD's decent, safe, and sanitary standards(24.2(a)(8)).

Note: Refer to Subsection 3.2 Waived Requirements and Exhibit 1-1 Katrina/Rita Disaster Recovery Waivers or Exhibit 1-2 Ike/Gustav Disaster Recovery Waivers to determine if a waiver applies.

Down Payment Assistance Payment (also limited to \$5,250)

1. The relocation assistance payment is available to a 90-day tenant who purchases a replacement home.
2. This dwelling must also meet HUD's decent, safe, and sanitary standards.
3. This payment is calculated in the same way as the above rental assistance payment.
4. The displaced family must file a down payment assistance claim form with the grantee.
5. A claim form must be processed before the grantee can make payment.

Note: Refer to Subsection 3.2 Waived Requirements and Exhibit 1-1 Katrina/Rita Disaster Recovery Waivers or Exhibit 1-2 Ike/Gustav Disaster Recovery Waivers to determine if a waiver applies.

12.3 Moving Expenses

Displaced homeowners and tenants may choose to receive payment for moving and related expenses either by:

1. Commercial mover selected through competitive bids obtained by the grantee paid directly to the mover or reimbursed to the household; OR
2. Reimbursement of actual expenses for a self-move, OR
3. Receipt of a fixed payment based upon a schedule established by the Department of Transportation, Federal Highway Administration (FHWA).
4. The updated regulations at 49 CFR 24.301(b) clarified that grantees cannot allow residential self moves based on the lower of two bids. If reimbursement of actual expenses for a self-move is chosen, the grantee must determine that the expenses are reasonable and necessary and include only eligible expenses. See Exhibit 10-20 for a list of eligible moving expenses.

If the displaced homeowner/tenant chooses a fixed payment based upon a schedule established by the Department of Transportation, Federal Highway Administration (FHWA), the following apply:

1. A person displaced from a dwelling or a seasonal residence may, at his or her discretion, choose to receive a fixed moving expense payment as an alternative to a payment for actual reasonable moving and related expenses.
2. This payment is determined according to the applicable schedule published by FHWA. The most current schedule was published August, 2008.
3. The payment reflects the number of rooms in the displacement dwelling and whether the displaced person owns and must move the furniture. If a room or an outbuilding contains an unusually large amount of personal property (e.g., a crowded basement), the Agency may increase the payment accordingly (i.e., count it as two rooms). HUD's website will contain the latest version.
4. Occupant of Dwelling with Congregate Sleeping Space (Dormitory). The moving expense for a person displaced from a permanent residence with congregate sleeping space ordinarily occupied by three or more unrelated persons is \$100.
5. Homeless Persons. A displaced "homeless" person (e.g., the occupant of an emergency shelter) is not considered to have been displaced from a permanent residence and,

therefore, is not entitled to a fixed moving expense payment. (Such a person may, however, be eligible for a payment for actual moving expenses.)

In addition to the moving expenses, the updated regulations at 49 CFR 24.401(e)(4) added professional home inspection to the list of eligible incidental expenses for displaced owner-occupants only.

The URA also allows grantees to pay for non-refundable security deposits but clarifies that refundable security and utility deposits are ineligible.

13.0 URA Process – Temporary Relocation

Agencies administering housing rehabilitation programs should establish written policies for temporary relocation of both owner-occupants and tenants. These policies should be a part of the Grantee’s URA Policy. Any temporary relocation must be for a 12 month period or less (no longer than one year) or the household is considered displaced. Agencies must administer their temporary relocation activities consistently and treat all people in similar circumstances the same. All terms must be “reasonable” or the temporarily-relocated household may become eligible as a “displaced person”.

13.1 Determining if Temporary Relocation is Required

The Lead Safe Housing Rule, 24 CFR Part 35, contain rules concerning the temporary relocation of occupants (renters and owners) before and during hazard reduction activities.

Under the lead regulations, circumstances when temporary occupant relocation is *not required* include:

1. Treatment will not disturb lead-based paint or create lead-contaminated dust; or
2. 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: or
3. 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; and a lead-free entry is provided; or
4. 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, bathrooms, and kitchen facilities; and treatment does not create other safety, health or environmental hazards.

If these above conditions are not met, then the temporary relocation of the household *is required*.

Tip: Elderly residents living in units undergoing lead hazard reduction activities may waive the requirement to relocate but only if the grantee obtains a written and signed waiver (See Exhibit 10-21 for a sample Elderly Waiver).

The lead rule further requires that temporary dwellings not have lead-based paint hazards. Therefore, grantees are required to ensure that units used for temporary relocation are lead safe.

This means that temporary housing units were built after 1978 or have undergone a visual assessment and dust wipe sampling to ensure no lead hazards are present.

13.2 Temporary Relocation of Owner-Occupants in Rehabilitation Projects

An owner-occupant who participates in a Disaster Recovery CDBG grantee’s housing rehabilitation program is considered a voluntary action under the URA, provided that code enforcement was not used to induce an owner-occupant to participate. If a grantee chooses to provide temporary relocation assistance to owner-occupants, the grantee must adopt an Optional Temporary Relocation Assistance Policy.

13.2.1 Guidance for Owner-Occupant Temporary Relocation in Rehabilitation Projects

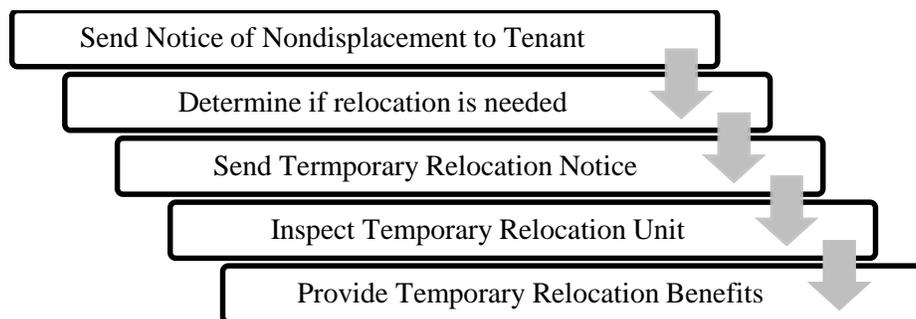
Because the URA does not cover owner-occupants who voluntarily participate in housing rehabilitation programs, the grantee has broad discretion regarding payments to owners during the period of temporary relocation. The grantee must include the conditions for providing temporary relocation payments within their URA Policy (See Subsection 7.0). The grantee should notify owner-occupants of their temporary relocation policies as early as possible in the application stage so occupants can make suitable arrangements to move from of their homes with the least amount of disruption.

The owner-occupant may be encouraged to stay with family or friends (noting the requirement to inspect these units to ensure the units are decent, safe and sanitary and lead-safe), but if there are circumstances in which there is no suitable alternative, and the owner would be faced with a hardship, the agency may describe what constitutes a “hardship” within their URA Policy (Subsection 7.0) and provide a certain level of financial assistance.

A grantee may negotiate with various hotels to establish an attractive rate and pay the negotiated rate on the owner’s behalf. The hotel units must be decent, safe and sanitary, and cannot present a lead-paint hazard to occupants. Grantees should inspect the hotel units prior to signing an agreement to use them as a resource. In addition, agencies may provide a stipend for meals if the temporary unit does not have cooking facilities.

13.3 Temporary Relocation of Tenants in Rehabilitation Projects

Tenants are protected by the URA during temporary relocation. HUD’s Handbook 1378 suggests that at least 30 days advance notice be given to tenants prior to the temporary move. The following illustrates the process for providing URA benefits for temporary relocation:



13.3.1 Notices

The tenant must receive a Notice of Non-displacement (Exhibit 10-32) which advises a person that they may be or will be temporarily relocated. Once it becomes evident that the tenant will need to be temporarily relocated, the grantee should send a Temporary Relocation Notice to inform households who will be temporarily relocated of their rights and of the conditions of their temporary move. (See Exhibit 10-22 for a sample Temporary Relocation Notice.)

The Notice of Non-displacement is very important when dealing with temporary relocation because it helps prevent temporary moves from becoming permanent.

13.3.2 Inspection of Temporary Relocation Property

The grantee should be aware that the temporary unit need not be comparable, but it must be suitable for the tenant's needs. It must be inspected, found to be decent, safe, sanitary, and lead safe. Exhibit 10-16, HUD Form 52580, Section 8 Existing Housing Program Inspection Checklist may be used to document the inspection. If the tenant claims to be paying rent to a friend or family member, the grantee should document that rent was paid and the housing was suitable. Temporary Relocation Benefits

The tenant that is temporary relocated must be provided:

1. Reimbursement for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporarily occupied housing and any increase in monthly rent/utility costs at such housing. (They are still responsible for paying their share of the rent for the unit undergoing renovation.)
2. Appropriate advisory services, including reasonable advance written notice of:
 - a. The date and approximate duration of the temporary relocation;
 - b. The address of the suitable, decent, safe, and sanitary dwelling to be made available for the temporary period;
3. The terms and conditions under which the tenant may lease and occupy a suitable, decent, safe and sanitary dwelling in the building/complex upon completion of the project; and the provisions of reimbursement for all reasonable out-of-pocket expenses.

13.4 Guidance on Tenant Temporary Relocation

To assist with the temporary relocation of tenants, the grantee could encourage tenants to identify their own temporary housing (within the established guidelines), but ultimately the agency is responsible for finding suitable shelter until rehabilitation is complete. In addition, the agency could use hotel rooms and provide a meal stipend if there are no cooking facilities. The stipend could vary depending on the age of the children in the household (if any).

The terms and conditions of the temporary move must be reasonable or the tenant may become "displaced". The tenant must be provided adequate advance notice to move out of their unit and back when rehabilitation work is complete. Anything in excess of one year is considered permanent displacement and the steps outlined within Subsection 12.0 must be followed. If the

owner of the property is planning to raise the rent or offer a different unit in the property (that exceeds the greater of: their former rent or 30% of gross monthly income), the tenant must be notified of these changes before moving back. If the cost of rehabilitation including lead hazard control work causes the rent to be increased and creates a rent burden (“economic displacement”), the tenant is protected by the URA and could be eligible for relocation assistance.

The term “economic displacement” is used to cover households who lived in the project prior to the federally-funded activity (acquisition or rehabilitation) and whose rent is raised resulting in a move because they can no longer afford to remain. If the rent will be increased and the household can no longer afford to stay, the grantee should treat the household as a displaced person and provide them with all of the assistance outlined under Subsection 12.0 including: notices; a Replacement Housing Payment; offer of a comparable unit; and moving expenses.

14.0 Business Relocation under the URA

Displaced businesses (including non-profit organizations and farm owners) are entitled to advisory services and relocation assistance under the URA. A business is defined for this purpose as 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.

To qualify for assistance, the business must meet the definition of a “displaced person” discussed earlier in this Section. It must move permanently as a direct result of an 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.

14.1 Business vs. Residential

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

1. Qualified businesses may choose between a fixed payment or actual moving expense. The fixed payment is based on a formula, rather than a schedule.
2. A displaced business is eligible to choose a fixed payment if the grantee determine that:
 - a. The business either (a) discontinues operations, or (b) it relocates but is likely to incur a substantial loss of its existing patronage; and
 - b. The business is not part of a commercial enterprise having more than three other entities which are not being displaced by the grantee, and which are under the same ownership and engaged in the same or similar business activities; and
 - c. The business contributed materially to the income of the displaced person; and
 - d. The business operation at the displacement property is not solely for the rental of that real property to another property management company.

Actual moving expenses provide for reimbursement of limited reestablishment expenses. There are differences between coverage for residential and non-residential displacees:

1. A 90-day Notice to Move may be issued without a referral to a comparable site.
2. Businesses are entitled to temporary moving expenses; however, displaced businesses are not eligible for 104(d) assistance.
3. 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.

14.2 Business Relocation Notices and Inspections

The grantee must provide a business to be displaced with written information about their rights, and provide them with a General Information Notice (GIN) tailored to the situation when a Notice of Interest (Notice to Owner) is issued to the property owner. See Exhibit 10-23 for a sample GIN to use for businesses (non-residential tenants). The GIN should include:

1. An explanation that a project has been proposed and caution the business not to move until they receive a Notice of Eligibility for Relocation Assistance. (See Exhibit 10-24 for a sample of this notice.)
2. A general description of relocation assistance payments they could receive, the eligibility requirements for these payments, and the procedures involved. The HUD Information Booklet, Relocation Assistance to Displaced Businesses, Nonprofit Organizations, and Farms (HUD 1043-CPD) includes this general information and should be given to the business. See Exhibit 10-25 for a copy of this HUD information booklet for businesses.
3. Information that they will receive reasonable relocation advisory services to help locate a replacement site, including help to complete claim forms; Information that they will not be required to move without at least 90 days' advance written notice.
4. A description of the appeal process available to businesses.

If a business must be displaced, a tailored Notice of Relocation Eligibility (NOE) must be provided as soon as possible after the initiation of negotiations (see Exhibit 10-24 for a sample notice).

This Notice should:

1. Inform the business of the effective date of their eligibility.
2. Describe the assistance available and procedures.
3. If necessary, a 90-day Notice to Move may be sent after the initiation of negotiations.
4. The business must be told as soon as possible that they are required to:
 - a. Allow inspections of both the current and replacement sites by the grantee's representatives, under reasonable terms and conditions;
 - b. Keep the grantee informed of their plans and schedules;
 - c. Notify the grantee of the date and time they plan to move (unless this requirement is waived); and,
 - d. Provide the grantee with a list of the property to be moved or sold.

Grantees need to be aware of when a property will be vacated. In many situations, the grantee must be on-site during a business move to provide technical assistance and represent the

grantee’s interests. In accordance with state law, any property not sold, traded or moved by the business becomes the property of the grantee.

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 and provided to the grantee. The grantee should verify this inventory and use it as a basis of comparison with bids or estimates and eventual requests for payment.

14.3 Business Relocation Benefits

14.3.1 Advisory Services

Non-residential moves are often complex. Grantees must interview business owners to determine their relocation needs and preferences. Displaced businesses are entitled to the following:

1. Information about the upcoming project and the earliest date they will have to vacate the property;
2. A complete explanation of their eligibility for relocation benefits and assistance in understanding their best alternatives;
3. Assistance in following the required procedures to receive payments;
4. Current information on the availability and cost to purchase or rent suitable replacement locations;
5. Technical assistance, including referrals, to help the business obtain an alternative location and become reestablished;
6. Referrals for assistance from state or federal programs, such as those provided by the Small Business Administration, that may help the business reestablish, and help in applying for funds; and,
7. Assistance in completing relocation claim forms.

14.3.2 Personal Property Left or Replaced

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.

| Payment Type: | Can be made: | Payment based on the lesser of: |
|----------------------|---|--|
| Direct Loss | For personal property that will not be moved or as a result of discontinuing the business of the nonprofit or farm. | <ol style="list-style-type: none"> 1. The fair market value of the item for continued use at the displacement site, minus the proceeds from the sale, or 2. The estimated cost to move the item, with no allowance for the following: storage, or reconnecting a piece of equipment if the equipment is in storage or not being used at the acquired site. If the business is discontinuing, the cost to move is based on a moving distance of 50 miles. |

| Payment Type: | Can be made: | Payment based on the lesser of: |
|----------------------|--|---|
| Substitute Equipment | 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. | <ol style="list-style-type: none"> 1. 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 2. The estimated cost to move and reinstall the item, but with no allowance for storage. |

14.3.3 Replacement Location Search Expenses

Certain costs incurred while searching for a replacement location are also eligible:

1. Businesses are entitled to reimbursement up to \$2,500. Grantees can pay more than this if they believe it is justified.
2. Costs may include reasonable levels of such items as:
 - a. Transportation;
 - b. Meals and lodging away from home;
 - c. Time spent while searching, based on a reasonable pay salary or earnings; and,
 - d. 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).

14.3.4 Reimbursement of Actual Moving Expenses

Any displaced business is eligible for reimbursement of reasonable, necessary actual moving expenses.

1. Only businesses that choose actual moving expenses - versus a fixed payment – are eligible for a reestablishment expense payment.
2. Grantees 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.
3. Businesses may choose to use the services of a professional mover or perform a self-move.

14.3.5 Other Moving and Related Expenses

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

There may be instances where a person is required to move personal property from real property but is not required to move from a dwelling (including a mobile home), business, farm or non-profit organization. Eligible expenses for moving the personal property are listed above.

Businesses may have personal property that is considered low value, high bulk such as stock piled sand, gravel, minerals, metals or other similar items in stock. 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 grantee, 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 businesses location.

See Exhibit 10-26 for a sample claim form for moving and related expenses for businesses.

14.3.6 Reestablishment Expenses

Only certain small businesses are eligible for reestablishment expenses, up to \$10,000. “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 reestablishment expense payment.

Eligible items included in the \$10,000 maximum figure are:

1. Repairs or improvements to the replacement site, as required by codes, or ordinances;
2. Modifications to the replacement property to accommodate the business;
3. Modifications to structures on the replacement property to make it suitable for conducting the business;
4. Construction and installation of exterior advertising signs;
5. Redecoration or replacement at the replacement site of soiled or worn surfaces, such as paint, paneling, or carpeting;
6. Other licenses, fees, and permits not otherwise allowed as actual moving expenses;
7. Feasibility surveys, soil testing, market studies;
8. Advertisement of the replacement location;
9. Estimated increased costs of operation for the first two years at the replacement site for such items as:
 - a. Lease or rental charges;
 - b. Utility charges;
 - c. Personal or property taxes; and,
 - d. Insurance premiums.
10. Other reestablishment expenses as determined by the grantee to be essential to reestablishment.

Note: Refer to Subsection 3.2 Waived Requirements and Exhibit 1-1 Katrina/Rita Disaster Recovery Waivers or Exhibit 1-2 Ike/Gustav Disaster Recovery Waivers to determine if a waiver applies.

14.4 Fixed Payments

A displaced business may select a fixed payment instead of actual moving expenses (which includes reestablishment expenses) if the grantee determines that the displacee meets the following eligibility criteria:

1. The nature of the business cannot solely be the rental of property to others.
2. The business discontinues operations or it will lose a substantial portion of its business due to the move. (The latest regulations state that a business is presumed to meet this test unless the grantee can demonstrate it is not “location sensitive”.)
3. The business is not part of an operation with more than three other entities where:
 - a. No displacement will occur, and
 - b. The ownership is the same as the displaced business, and
 - c. The other locations are engaged in similar business activities.
4. The business contributed materially to the income of the displaced business.
5. The term “contributed materially” means that during the two taxable years prior to the taxable year in which the displacement occurred (or the grantee may select a more equitable period) the business or farm operation:
 6. Had average gross earnings of at least \$5,000; or
 7. Had average net earnings of at least \$1,000;
 8. Contributed at least 33 1/3 percent (one-third) of the owner’s or operator’s average annual gross income from all sources;
9. If the grantee determines that the application of these criteria would cause an inequity or hardship, it may waive these criteria.

14.4.1 Fixed Payment Amount

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. To calculate the amount of the fixed payment the following steps should be taken:

1. Calculate any compensation obtained from the business that is paid to the owner, the owner’s spouse, and dependents before federal, state, and local income taxes for a two-year period.
 - a. 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.
 - b. 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.
 - c. 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.
2. Divide this figure in half.

The minimum payment is \$1,000; the maximum payment is \$20,000.

Note: Refer to Subsection 3.2 Waived Requirements and Exhibit 1-1 Katrina/Rita Disaster Recovery Waivers or Exhibit 1-2 Ike/Gustav Disaster Recovery Waivers determine if a waiver applies.

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.

14.4.2 Entities Entitled to Fixed Payments

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:

1. Shared equipment and premises, and
2. Substantially identical or inter-related business functions and financial affairs that are co-mingled, and
3. Entities that are identified to the public and their customers as one entity, and
4. The same person or related persons own, control, or manage the entities.
5. Businesses must furnish grantees with sufficient documentation of income to justify their claim for a Fixed Payment. This might include:
 - a. Income tax returns;
 - b. Certified or audited financial statements;
 - c. W-2 forms, and,
 - d. Other financial information accepted by the grantee.

14.4.3 Required Form

Optional form HUD-40056 "Claim for Fixed Payment in Lieu of Payment for Actual Reasonable Moving and Related Expenses" (Exhibit 10-27) 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 as described within HUD Form 40056 (Exhibit 10-27).

15.0 Owners of Manufactured Homes

Mobile home owners who lease a homepad and who must relocate to a new homepad as the result of acquisition of their pre-disaster homepad are entitled to URA relocation benefits and replacement housing payments, regardless of the homepad owner's voluntary participation. A person who rents both the mobile home and homepad is considered a tenant and would be compensated using assistance outlined for tenants.

Displaced mobile home owners who rent their homepads are entitled to assistance detailed below in 15.1 and either 15.2 or 15.3. However, in only rare cases may the combination of the two types of URA assistance exceed \$22,500.

Note: Refer to Subsection 3.2 Waived Requirements and Exhibit 1-1 Katrina/Rita Disaster Recovery Waivers or Exhibit 1-2 Ike/Gustav Disaster Recovery Waivers to determine if a waiver applies.

15.1 Homepad Rental Assistance

The displaced mobile home owner and homepad renter is entitled to compensation for rental and utility increases resulting from renting a comparable homepad and moving expenses as detailed in the section for tenants. Compensation for homepad rent increase is also 42 times the amount which is obtained by subtracting the “base monthly rent” for the displacement homepad from the monthly rent and average monthly cost of utilities for a comparable replacement homepad. The rental increase payment may not exceed a total of \$5,250.

Note: Refer to Subsection 3.2 Waived Requirements and Exhibit 1-1 Katrina/Rita Disaster Recovery Waivers or Exhibit 1-2 Ike/Gustav Disaster Recovery Waivers to determine if a waiver applies.

15.2 Replacement Housing Assistance

For URA purposes the displaced mobile home owner is considered to be involuntarily displaced from his or her residence due to the homepad owner (landlord) selling that property. Therefore, if the mobile home is purchased, the displaced mobile home owner is also entitled to replacement housing assistance to compensate for his or her need to find replacement housing.

Compensation for mobile home replacement is equivalent to the amount which is obtained by subtracting the value of the displacement mobile home from the cost of a new replacement mobile home. In acquisition projects where the mobile homes are intact and are being relocated to new homepads, there is no difference. The replacement housing payment may not exceed a total of \$22,500.

If the owner is also being compensated for homepad rental increase, then the combination of rental and relocation assistance may not exceed a total of \$22,500.

Note: Refer to Subsection 3.2 Waived Requirements and Exhibit 1-1 Katrina/Rita Disaster Recovery Waivers or Exhibit 1-2 Ike/Gustav Disaster Recovery Waivers to determine if a waiver applies.

15.3 Costs To Move a Manufactured Home

If the manufactured homeowner wishes to move their existing home to a new site, rather than sell it, those moving costs are eligible. The reasonable cost of disassembling, moving, and reassembling any attached appurtenances, such as porches, decks, skirting and awnings, anchoring the unit, and utility hook-up charges are included.

16.0 Completion of Relocation

The grantee should make every effort to expedite relocation since claims may be filed up to 18 months following the completion of the move. This means that claims can be filed months, perhaps years, after the conclusion of the program.

Therefore, if the grantee has unsettled relocation cases at the time of project close-out, the grantee should show maximum payments for each potential claimant as unpaid costs on the Close-out Form.

Otherwise, the OCD-DRU may cancel the funds remaining in the grantee's Letter of Credit and the grantee would be financially liable for relocation costs. For more detail on close-out procedures, refer to the Section 13 – Close-out. Claim forms for relocation payments -included in the Exhibits. They include: Claim for Moving Costs, Exhibit 10-28; Claim for Replacement Housing Payment for Homeowners, Exhibit 10-29; and Claim for Rental Assistance or Down payment Assistance, Exhibit 10-30. Instructions for completing each claim form are provided.

16.1 Timely Payment

The grantee is responsible for ensuring that all payments are made in a timely fashion. Payments should be issued within 30 days following the submission of sufficient documentation to support the claim. The regulations further state that advance payments must be made where they would avoid or reduce a hardship. When advance payments are made, the grantee must document that the payment was used for the purpose intended. The grantee should have the recipient sign a letter acknowledging receipt of relocation payments (Exhibit 10-31).

16.2 Use of Relocation Payments

Payments for down payment assistance must be applied to the purchase price of a replacement dwelling and related incidental expenses. Payments for rental assistance to owners or renters need not be applied to housing costs. The rental assistance payment must be made in a lump sum unless the recipient specifically requests otherwise. The grantee has no right to question the uses to which that payment is put; it need not be accounted for beyond receipt by the claimant.

17.0 Record Keeping

17.1 Acquisition

For each project, the grantee's files shall include a list identifying all parcels to be acquired for the project. An Acquisition Composite List (Exhibit 10-7) must be completed on Disaster Recovery CDBG projects having any acquisition.

Acquisition notices, letters and other documents which are mailed are required to be sent by registered or certified mail, return receipt requested. If hand delivered the delivery should be evidenced by signature and date.

For additional acquisition record keeping requirements, refer to Section 4 – Records Management and HUD Handbook 1378, Tenant Assistance Relocation and Real Property Acquisition Handbook.

Note: Please reference Exhibit 10-34 – Sample Real Estate Acquisition Checklist.

17.2 Relocation

The grantee must maintain a separate case file on each displaced household for five years after final project closeout or after the relocation payments, whichever is later.

In addition, the following information at a minimum shall be maintained for at least three years after each owner of the property and each person displaced from the property have received the final payment to which they are entitled.

For each project, the grantee's files shall include a list or lists identifying the name and address of:

1. All persons occupying the real property at the beginning of the project. Generally, this is the date of the initial submission of the application for assistance by the property owner to the grantee or by the grantee to HUD; however, if site control is not obtained until after submission of the application, the date of site control is usually considered the beginning of the project;
2. All persons moving into the property on or after the date on which the project begins but before completion of the project; and,
3. All persons occupying the property upon completion of the project.

Note: Please reference Exhibit 10-35 Sample Relocation File Checklist.

For additional relocation record keeping requirements, refer to Section 4 – Records Management.

18.0 Resources

| Exhibit | Description |
|---------------|--|
| Exhibit 10-1 | Sample Voluntary Acquisition Policy |
| Exhibit 10-2 | Preliminary Notice, Acquisition Notice, Form, and Brochure |
| Exhibit 10-3 | Sample Statement of the Basis for the Determination of Just Compensation |
| Exhibit 10-4 | Sample Written Offer to Purchase |
| Exhibit 10-5 | Guide form Notice of Eligibility for Relocation Assistance - Residential Tenant |
| Exhibit 10-6 | Sample Statement of Settlement Costs |
| Exhibit 10-7 | Acquisition Composite List |
| Exhibit 10-8 | Uniform Appraisal Standards for Federal Land Acquisition |
| Exhibit 10-9 | Sample Invitation to Accompany an Appraiser |
| Exhibit 10-10 | Sample Short Appraisal Form for Servitude Takings |
| Exhibit 10-11 | Sample Review Appraisal Report |
| Exhibit 10-12 | Sample Notice of Intent Not to Acquire |
| Exhibit 10-13 | Sample Property and/or Servitude Acquisition Waiver |
| Exhibit 10-14 | Recommended Local Relocation Policy |
| Exhibit 10-15 | Sample Household Case Record |
| Exhibit 10-16 | HUD Form 5280 Inspection Checklist - Housing Choice Voucher Program |
| Exhibit 10-17 | HUD Form 40061: Selection of Most Representative Comparable Replacement Dwelling for Computing a Replacement Housing Payment |
| Exhibit 10-18 | Sample Letter to Relocate in a Substandard Unit |
| Exhibit 10-19 | Sample 90/30 Day Notice to Vacate |
| Exhibit 10-20 | List of Eligible Moving Activities |
| Exhibit 10-21 | Sample Elderly Waiver for Relocation |
| Exhibit 10-22 | Sample Temporary Relocation Notice (Tenant) |
| Exhibit 10-23 | Sample Displaced Tenant General Information Notice |
| Exhibit 10-24 | Sample Notice of URA Eligibility Nonresidential |
| Exhibit 10-25 | HUD Notice: Relocation Assistance to Displaced Businesses |

| Exhibit | Description |
|----------------|---|
| Exhibit 10-26 | HUD Form 40055: Claim for Actual Reasonable Moving and Related Expenses – Nonresidential |
| Exhibit 10-27 | HUD-40056: Claim for Fixed Payment in Lieu of Payment for Actual Nonresidential Moving and Related Expenses |
| Exhibit 10-28 | HUD Form 40054: Residential Claim for Moving and Related Expenses |
| Exhibit 10-29 | HUD Form 40057: Claim for Replacement Housing Payment for 180-Day Homeowner-Occupant |
| Exhibit 10-30 | HUD Form 40058: Claim for Rental Assistance or Down Payment Assistance |
| Exhibit 10-31 | Sample Letter of Acknowledgement: Services and Payments Rendered |
| Exhibit 10-32 | Guideform Notice of Nondisplacement to Residential Tenant |
| Exhibit 10-33 | General URA Acquisition Process Checklist |
| Exhibit 10-34 | Sample Real Property Acquisition Checklist |
| Exhibit 10-35 | Sample Relocation File Checklist |

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