



# HUD

Office of Community Planning and Development  
Los Angeles Field Office

## Information Bulletin

Issue No. CPD-2013-04  
November 8, 2012

**MEMORANDUM FOR:** Supportive Housing Program (SHP) and Shelter Plus Care (SPC) Applicants

**FROM:** Robert G. Ilumin, Deputy Director, Office of Community Planning and Development

**SUBJECT: Reminder of SNAPS Program Responsibility to Comply with the Uniform Relocation and Real Property Acquisition Policies Act of 1970(URA)**

Now that the SuperNOFA is upon us it is important to remember that the SHP and SPC grantees must comply with the URA at 49 CFR Part 24. Please review SHP regulations at 24 CFR 583.310, SPC regulations at 24 CFR 582.335 and your application certification. Specifically, the URA applies when an SHP or SPC project involves acquisition, rehabilitation, demolition, project based leasing and/or displacement occurs. If CDBG or HOME funds are used in the project to demolish or convert low income dwellings, compliance with Section 104(d) of the Housing and Community Development Act of 1974 is required. Please review the following URA requirements as they apply during and after the SuperNofa application.

The URA has two requirements, one for property acquisition and one for relocation. All property acquisitions must comply with the URA. Relocation is triggered when occupants are displaced. Most McKinney Act projects cause permanent displacement because existing occupants do not meet the McKinney Act homeless definition and are not at risk of being homeless because of their URA protections. A few projects that have other funds to house non homeless persons may cause temporary displacement during rehabilitation.

## I. Super NOFA Application

### A. Acquisition

Review these two URA acquisition requirements before submitting your application:

1. Voluntary Letter- As a non-profit organization applying for HUD funds 49 CFR 24.101 (b)(2) requires that, before making an offer for the property, you: 1) clearly advise the owner that you do not have the power of eminent domain and will not acquire the property if negotiations fail to result in an agreement and 2) inform the owner in writing what you believe is the market value of the property. See HUD Handbook Appendix 31 for a sample letter.

2. Evidence of Property Value- Document the property value in your files with either an appraisal or other supportable estimate of value. Asking prices on multiple listings do not substitute for actual sales comparables. We recommend that, whenever possible, an appraisal be obtained within 3 to 6 months of the actual purchase. See 49 CFR 24.101(b) (2) for more details.

## **B. Relocation**

For new projects the application requires that, if any of the buildings are occupied, you describe the planned relocation effort including the role of the applicant, sponsor and other project partners in the relocation and the estimated timeframe for completing development.

### **1. Extent of Displacement**

Show the number of tenants to be displaced, review the availability of comparable housing and state whether the relocation is temporary or permanent, business or residential. For residential displacement show whether the persons being displaced are homeowners or renters. For renters, state whether they rent a single family home, apartment, residential hotel, single room occupancy unit or are reside at transitional housing or other congregate living quarters. Obtain an occupant list as soon as possible as it will be required to send and document notices if your application is approved. If no displacement will occur because the property is vacant or for some other reason, be sure that your application reflects that this is the case. Describe any special circumstances.

### **2. Relocation Costs**

Include in the relocation estimate the cost of: preparing relocation plans, providing relocation assistance to displaced persons (i.e., advisory assistance moving assistance, replacement payments) and paying consultants or in house staff to implement the relocation and document files. Show relocation costs in the SHP operations budget. If SHP funds are not being requested for the relocation be sure another source will be available to pay for these costs. Evaluate whether your project is still feasible given the estimated cost of the relocation.

### **3. Relocation Timeline**

Include the time it will take to complete the relocation in estimating the project's start and completion date.

### **4. Relocation Staffing**

Relocation rules are complex. Mistakes can be costly. Use experienced relocation personnel to carry out the relocation planning, noticing and implementation. If you do not have experienced in house staff, hire a relocation consultant. Relocation consultant fees are eligible as relocation.

### **5. General Information Notice**

A General Information Notice (GIN) notifies existing tenants about the application for HUD funding. It tells them not to move, to continue paying rent and informs them whether they will have to move if the project is funded. The notices must be sent to all tenants as soon as possible and their receipt documented via United States Post Office registered mail return receipt requested or signed by the addressee. Copies of letters and proofs of receipt must be kept in the project file. GIN's are not required to be submitted during the application but copies may be requested after the project is approved.

## **II. Technical Submission**

The following information will be required at the technical submission phase, either for the original location or an alternate location if there has been a change. A new location will necessitate a whole new review of acquisition and relocation requirements.

### **A. Acquisition**

Be prepared to submit a copy of voluntary letter to the seller, proof of the property's value, the purchase agreement and proof of the purchase. The purchase price, as evidenced by a purchase agreement, must be consistent with the amount on the voluntary letter and the evidence of value.

### **B. Relocation**

1. Relocation Plan-Be prepared to submit a final relocation plan that describes: a) the number of persons to be displaced (residential or business/non-profit), b) the availability of comparable housing, c) any special needs, d) estimated relocation costs, e) the funding source to be used for the relocation, e) who will carry out the relocation, f) relocation benefits, g) the claims process, and h) appeals. See 49 CFR 24.205 for more detailed plan requirements.
2. Occupants- If you have not already done so, obtain the names and characteristics of occupants (sex, age, ethnicity, income of all household members). All occupants should be interviewed as soon as possible after funding notification is received.
3. Notices- Send one or more of these notices at this time.
  - a. General Information Notice- If a General Information Notice (GIN) was not already sent out, send it out now. Use the HUD samples at Handbook 1378, Appendices 2 and 3.
  - b. Notice of Eligibility (NOE) - Issue the NOE promptly to all displaced persons after the HUD contract is executed. Ensure that the NOE describes all URA benefits, estimates replacement housing payments, provides the addresses of three comparable units and identifies one as the most comparable. Use the sample notices in Handbook 1378 Appendices 5 and 6.
  - c. Notice of Non Displacement- If the project has multiple funding and some tenants qualify to remain in the project, send them a Notice of Non-Displacement (NOD). If temporary displacement will occur send a separate notice describing the relocation or combine it with the Notice of Non Displacement. Use Appendix 4 in Handbook 1378.
  - d. Move In Notice- Issue a Move-In Notice to any new tenant who moves in after the application and before the HUD contract is signed; otherwise the person may become eligible for URA relocation benefits. See HUD Handbook 1378 Chapter 1 Section 1-4Y.

### **III. Implementation**

#### **A. Track Occupants**

Track the status of all persons on the site at the time of application, at contract execution and upon project completion. Document notices they received and the reason they left; otherwise re-contact may be necessary and relocation liability may increase.

#### **B. Notices**

By implementation all notices should have already been sent. If the HUD contract has already been signed do not send out a General Information Notice. Send either a Notice of Eligibility or a Non Displacement, whichever fits the situation. See Section II (B) (3) on the previous page.

#### **C. Comparable Housing**

Displaced persons must move into comparable housing that is documented to be decent, safe and sanitary that is housing that meets local housing and occupancy codes. Comparable housing must have features similar to the displacement housing. Comparable replacement housing for transitional housing is similar housing (apartment, group home, dormitory). It may or may not require cash payments. See 24 CFR 24.2 (a) (6) and (8).

#### **C. Required Relocation Assistance**

Provide all required relocation assistance (i.e., advisory assistance, moving assistance, residential and business relocation payments). Certification of legal residency in the U.S. is required for URA assistance. There are exceptions for health, safety and family unity. See 49 CFR 24.208.

#### **D. Documentation**

Document the acquisition with offer letters, purchase agreements, the escrow settlement, title transfer, proof of payment and proof of property value. Document relocation with: copies of all notices and proof of receipt, a record of advisory services, claims for moving and relocation assistance, proof of payments, support for claims (rent, utilities, income), proof of comparable housing, decent, safe and sanitary inspections, special determinations, etc.

#### **E. Management Oversight**

You are responsible for overseeing the relocation at all stages of the project i.e., planning, noticing, implementation, claims, payments, close-out etc. A relocation consultant may carry out the relocation but you should supervise it. If HOME or CDBG funds are involved coordinate the relocation with the HUD grantee, Participating City (PJ) or Public Housing Authority.

**If you have questions about this information bulletin please contact Ms. Jana Bickel, HUD Relocation Specialist at 213-534-2581. Please note that requirements have been summarized. Always review the regulations in detail to ensure compliance.**