

**Uniform Relocation Assistance and  
Real Property Acquisition Policies Act (URA)  
Sandy Recovery Programs – URA Guide Form Procedures**

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## INTRODUCTION

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) is a government-wide statute. As the federal agency charged with community development, affordable housing and disaster recovery, the assistance provided by the U. S. Department of Housing and Urban Development (HUD) through the Community Development Block Grant – Disaster Recovery (CDBG-DR) program must adhere to the requirements of the URA. The activities most likely to trigger URA requirements are those that involve the purchase of land or buildings, the demolition of real property, and the rehabilitation of real property. While working to serve the needs of communities impacted by Superstorm Sandy, HUD and the State of New Jersey must be mindful of the potential negative impact that disaster recovery programs can have on property owners, private homeowners, tenants, and business owners.

These guide form procedures detail the minimum standards for compliance with URA and how HUD applies these standards to programs and the entities that are recipients of CDBG-DR funds administered by the Department of Community Affairs and funded through other State agencies, subrecipients, developers and property owners.

The URA's objectives are:

- To provide uniform, fair and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally-funded projects.
- To ensure relocation assistance is provided to displaced persons to lessen the emotional and financial impact of displacement.
- To ensure that no individual or family is displaced unless Decent, Safe and Sanitary (DSS) housing is available within the displaced person's financial means.
- To help improve the housing conditions of displaced persons living in substandard housing.
- To encourage and expedite real property acquisition by agreement and without coercion.

### URA

The URA is codified at Title 42 United States Code, Chapter 61. The U.S. Department of Transportation (DOT) is the lead a federal agency with oversight responsibility for the regulations governing the application of URA to all acquisition and relocation activities carried out in conjunction with HUD CDBG-DR assisted programs. The URA's implementing regulations are found at 49 CFR Part 24. Additionally, HUD has published a separate handbook (HUD Handbook 1378) that serves to provide clarification, guidance and guide forms specific to their programs, including CDBG-DR.

### Section 104(d)

In addition to the URA regulations, additional laws have been passed that directly affect HUD programs. Specifically Section 104(d) of the Housing and Community Development Act of 1974, as amended, and section 105(b)(16) of the Cranston-Gonzalez National Affordable Housing Act, as amended, provide that if displacement occurs in connection with the use of CDGB-DR funds in a development project, then comparable replacement dwellings must be provided in the community on a one-for-one basis, for the number of families in occupied units, or for vacant, occupiable units in the demolished affordable housing.

Section 104(d) requirements may be triggered whenever CDBG-DR funds are used for a project. These requirements focus on the "loss" of a community's low-income housing, both rental and homeowner, through demolition or conversion. For the CDBG-DR programs, it is concerned with replacing each

individual unit of low-income housing that is demolished or converted on a one-for-one basis in order to maintain the community's supply of affordable housing.

### **Department of Community Affairs (DCA) Responsibilities**

As the entity responsible for administering HUD's CDBG-DR program funds in the State of New Jersey, DCA is responsible for following relocation and real property acquisition requirements and ensuring compliance when using CDBG-DR program funds for activities that trigger URA or Section 104(d). When a CDBG-DR assisted project causes people to move from their homes, businesses, or farms, eligible displaced persons must be provided with relocation assistance and payments. "Displaced person" is a term used to refer to residential and nonresidential (businesses, farms, and nonprofit organizations) owners and tenants who must relocate due to a project.

As the administering agency, DCA responsibilities include, but are not limited to:

#### **For residential displacements, the displacing agency must:**

- Provide relocation advisory services
- Provide a minimum 90 days written notice to vacate prior to requiring possession
- Reimburse for moving expenses
- Provide payments for the added cost of renting or purchasing comparable replacement housing

#### **For nonresidential displacements, the displacing agency must:**

- Provide relocation advisory services
- Provide a minimum 90 days written notice to vacate prior to requiring possession
- Reimburse for moving and reestablishment expenses

The following guide form procedures have been established to assist all program, projects or activities that may be subject to these requirements. The procedures and forms included with these guide form procedures establish for all funded entities the overall framework for both execution of the URA responsibilities and the manner in which they are documented for compliance.

As the responsible entity, DCA must provide technical assistance and training to assist program staff to both understand and implement the URA requirements. However, each program must develop its own program-specific URA policies and procedures, based on the type and character of the project undertaking. The procedures detailed here present the baseline standards, along with the required documentation of evidence for compliance.

### **Applicability of URA to CDBG-DR Projects**

The purpose of these guide form procedures is to provide a framework for proper application of the requirements, and to assist with examples or sources of supporting documentation. While these guide form procedures provide useful information and resources, they may not cover all applicable URA and 104(d) requirements.

All programs and projects receiving CDBG-DR funds which may include acquisition, rehabilitation or demolition of real property, must complete an applicability review form (See Appendix 01 – URA Screening Form) for each project. **If the project will undertake any action that is deemed not subject to the requirements of the URA, the program must document why this determination was made.** The screening form shall be used as the basis to establish whether the project will or will not be required to comply with the URA.

**Benefits of URA and the Risks of Noncompliance**

The primary purpose of a sound disaster recovery program, that may include the development of housing, redevelopment of community facilities, or development of public facilities, is to recover from the natural disaster, enhance quality of life and provide economic opportunity. Since relocation is an integral part of potential affordable housing or neighborhood redevelopment projects, this goal should be incorporated in the initial planning to incorporate all required actions of the relocation process and to allow adequate budget and staffing to carry out these actions.

Understanding and applying the requirements of the URA is critical to the success of any sound affordable housing project. Failure to meet any relocation requirement, such as failure to provide written notices detailing rights and benefits, or failure to offer a comparable replacement unit to a displaced person may result in HUD stopping the project until the URA requirements are met.

In countless projects across the country, public agencies and grantees have been required to find and compensate displaced residents who were not accorded their rights and benefits, as provided under URA requirements. Additionally, significant financial liability has been incurred by projects that either failed to follow correct process steps, follow procedures, or failed to maintain adequate records. When a public agency or a development entity adheres to and follows the requirements of the URA, not only are owners, occupants, and tenants treated fairly, but also the CDBG-DR project is protected financially and legally.

**Documentation:**

Appendix 001

URA Applicability Screening Form

## **PART I – REAL PROPERTY ACQUISITION**

Section 1 – Introduction

Section 2 – Real Property Acquisition Planning

Section 3 – Valuation

Section 4 – Voluntary Acquisition

Section 5 – Involuntary Acquisition

Section 6 – Negotiations

### **Section 1 – Introduction**

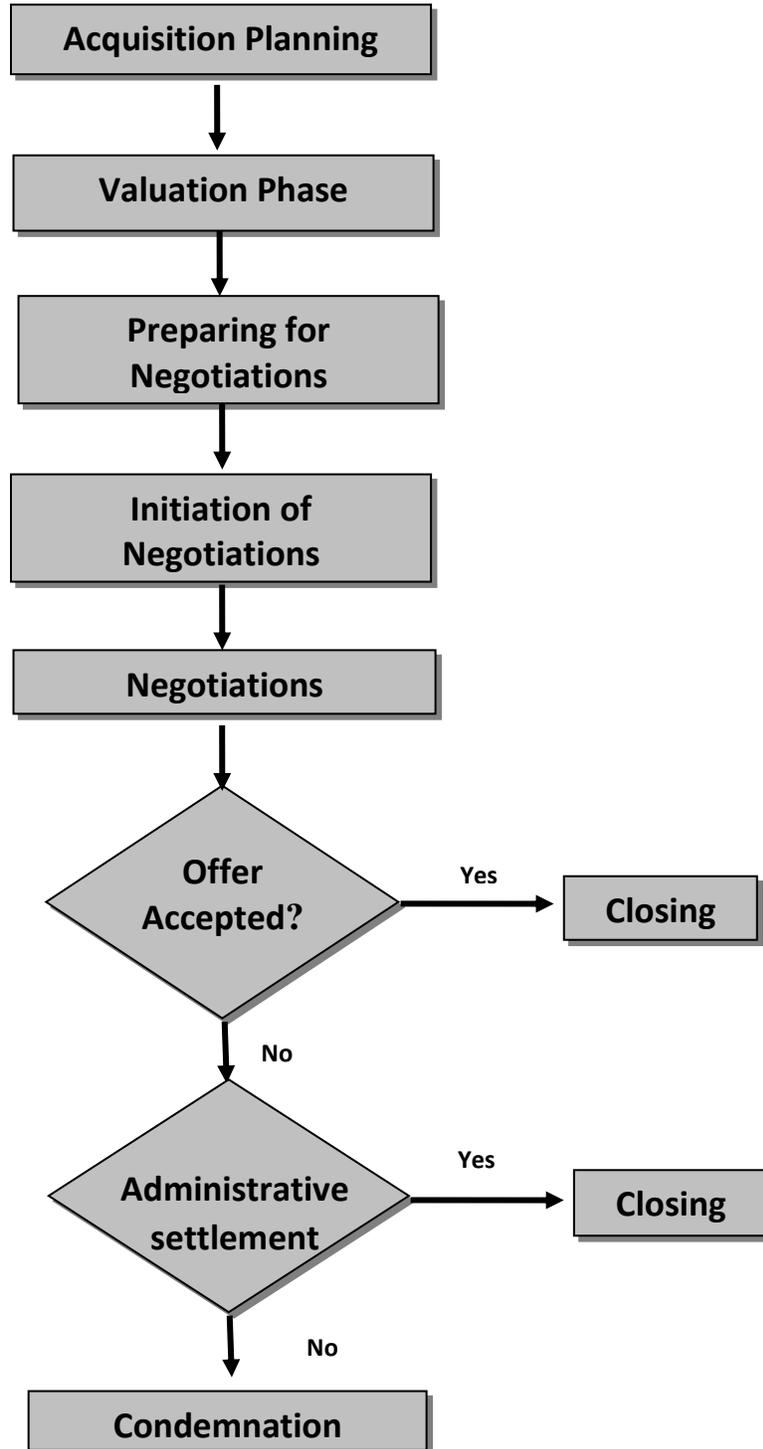
This section provides an overview of real property acquisition and details the following:

- Acquisition Process: The steps involved in acquiring real property.
- Planning: Discussion elements include identifying the affected property, establishment of a timeline, financial requirements, determining value, who will negotiate the purchase, and final project use.
- Valuation: Understanding when an appraisal is and is not required.
- Acquisition: The necessary circumstances and conditions that determine “voluntary” versus “involuntary” acquisition.
- Administrative Settlements: Discussion will provide the qualifying elements when settlements are appropriate and who approves of such settlements.
- Eminent Domain/Condemnation: What happens when an agreement for the acquisition cannot be reached?
- Donations: What are the requirements to establish and how they are handled?

### **Understanding the Acquisition Process**

Projects undertaken by public agencies or other entities using CDBG-DR assistance, may require the purchase of land, buildings or existing housing units. When the purchase of real property is necessary for a project, specific actions must occur in order for the acquisition to be eligible for reimbursement under federal regulations. Specifically, the actual property, or a portion thereof, to be acquired must be identified. It is important to understand, that the need to plan the acquisition process is critical in ensuring compliance, and to afford fair and equitable treatment of owners and occupants of the property. This could include properties that have multiple owners, or someone who holds a life estate or long-term lease to the property.

Acquisition Process Overview



## Section 2 – Real Property Acquisition Planning

### Acquisition Planning

The key to any successful project is good planning. When acquiring real property for a disaster recovery project, it is necessary to understand all elements that make up a project and to develop a realistic work plan to accomplish the stated objectives.

The planning process includes several steps:

- determining the affected property or project;
- developing a timeline or schedule;
- establishing an acquisition budget;
- estimating costs of relocation;
- establishing the value of the property(s); and
- determine if one-for-one replacement requirements apply for demolition and conversion activities.

The URA requirements make no distinction regarding who needs to fulfill the requirements, only that all necessary steps related to the purchase of the real property are followed. The decision as to who accepts and fulfills these responsibilities needs to be discussed and assigned prior to moving forward with the project.

Detailed here are the process steps to be completed to develop a Relocation Plan for the project when acquisition will be undertaken.

Step 1	Define the Project
Step 2	Identify Who Will Acquire Property
Step 3	Identifying Needed Properties and Preliminary Relocation Needs
Step 4	Acquisition Method
Step 5	Acquisition Schedule
Step 6	Acquisition/Relocation Budget
Step 7	Complete Plan

**Step 1 - Defining the Project**

The URA defines a project as “any activity or series of activities undertaken with federal financial assistance received or anticipated in any phase.” Additionally, if affected households are low-income or a project involves the demolition or conversion of a low- or moderate-income dwelling unit, under Section 104(d), the definition of a project expands to include “an activity or series of activities that are integrally related, each essential to the others, whether or not all of the component activities receive federal financial assistance.”

Other factors that need to be considered when defining a project are:

- *Location.* The property(s) to be acquired is on the same or contiguous sites;
- *Developer/owner.* The properties will have a common or related owners and the project will be carried out by a single owner, developer, sponsor, or closely related entities;
- *Timeframe/Schedule.* The project will take place within a reasonable time period; and
- *Objective.* The purchase of the property is essential to the project’s objectives.

**Step 2 - Identifying Entity Responsible for Acquisition**

The first step in carrying out any acquisition activity is to define the roles and responsibilities of the involved entities. There are two roles that must be considered—who will acquire the properties and who will be responsible for URA compliance. Typically, these roles are carried out by the same entity.

Identifying which entity will actually acquire the property and undertake the following:

- Define the scope of the project;
- Engage the appraisal services;
- Negotiates with the property owner(s);
- Surveys the current occupants;
- Attend the property closing;
- Provide the appropriate notices to affected parties; and
- Provide the appropriate advisory services.

In some cases, a public agency, such as a redevelopment authority or community development agency assembles land for a project and uses involuntary acquisition to ensure proper site assembly. In other projects, the property owner/developer/sponsor purchases a property and uses a voluntary acquisition approach. (Voluntary and involuntary acquisition are discussed in the next section.)

**Step 3 - Identifying Needed Properties and Preliminary Relocation Needs**

For any project, the acquisition process must begin with the identification of all the properties that will be needed to undertake and complete the project, including any and all land, buildings, and improvements that may be needed. Next, the project owner/developer/sponsor must identify any occupants of the properties, along with a preliminary determination of whether or not the occupants will have to move from the property either permanently or temporarily as the result of the purchase of the property. If a determination is made that occupants will need to be relocated, a preliminary assessment of the location and availability of replacement housing (or lack thereof) must be included in the plan.

**Step 4 - Acquisition Method**

The URA identifies two types of acquisitions that can take place using federal financial resources, “voluntary” and “involuntary.” The acquisition method reflects the nature and the extent to which the

acquiring party is willing to pursue ownership of the real property to achieve the project's objectives. Briefly, the determining factors include:

*Voluntary Acquisition* - This is typically used when federal resources are made available to development entities for housing or community development activities and occurs when the buyer does not have, or will not use the power of eminent domain or condemnation to acquire the property. This is clearly a voluntary, arm's length transaction. The sale price and terms can be freely negotiated. This methodology is more streamlined but documentation as a voluntary transaction must be executed or the project will fall under the involuntary requirements listed below.

*Involuntary Acquisition* - This is used by government agencies and involves the need to acquire property to meet a pressing or urgent public need, such as development of roads, public infrastructure, or schools. This type of acquisition may utilize the government's power of eminent domain or condemnation if they are unable to negotiate the sale and must meet specific requirements regarding the acquisition process. The Involuntary Acquisition process is more complex as it seeks to protect the property owner's rights and to establish a fair level of compensation for the acquisition.

The basic steps in the acquisition process that need to be accomplished to meet the requirements of the URA are detailed below.

#### **Step 5 - Acquisition Schedule**

The process of acquiring real property has multiple steps and stages, each being equally important and necessary. Therefore, when making a decision to purchase land, existing buildings or housing units, the planning phase should include an identification of all the necessary steps to complete the acquisition with a realistic timeframe assigned to each step. Depending on the type of acquisition, these steps might include: property identification, feasibility review for suitability for the proposed site, review of local building and zoning codes, survey of current occupants, property appraisal, review of title reports, and site surveys. Certain required time elements should be incorporated into the schedule, the most significant of which is the need to provide each occupant no less than 90 days written notice before they are required to move. Occupants cannot be compelled to move until a comparable unit is identified and is readily available. Based on the complexity and nature of the property to be acquired, and the underlying housing development project proposed for the site, significant time can pass until acquisition is complete.

#### **Step 6 – Acquisition/Relocation Budget**

When acquiring property with federal financial assistance, it is necessary to not only understand all the requirements of the URA, but also have sufficient funding to meet all of the obligations. Acquisition and relocation is expensive. In planning for the acquisition of real property, a project budget should include costs related to:

- The purchase of land, buildings, or housing units, estimated at fair market value (see Valuation below);
- Transfer of ownership, including customary settlement fees and closing costs (legal assistance, title search, recordation fee);
- Property survey(s);
- Appraisal(s); and
- Relocation payments, including replacement housing payment, moving expenses, and advisory services, if displacement will occur.

In addition to these direct costs, if displacement will occur, there are staffing requirements associated with meeting the needs of those currently occupying the property. During the planning process, there will be many unknowns that make budgeting difficult. Significant thought and effort needs to be undertaken to assign costs for property acquisition, relocation assistance, advisory services, and physically moving occupants. Every effort should be made to estimate the cost since decisions surrounding a project's feasibility are subject to public review and comment along with approval by units of local government. A staffing plan for completing administrative duties such as providing notices, advisory services, etc. should be considered as a part of the funding decision. Projects could be required to include professional services for a URA professional to create a relocation plan and administer all or a portion of the URA/Section 104(d) compliance on behalf of the displacing agency. While the URA requirements detail the level of relocation benefit, the need to pay market value for property, and related project soft costs, it does not specify whether these funds must be public or private, only that all necessary and appropriate costs are met. The price of the land or building is only one element of total project cost. Sufficient financial resources must be identified prior to expressing interest in purchasing real property to ensure the likelihood and best chances for project success.

#### **Step 7 – Complete Plan**

Upon completion of the preceding steps, the program must incorporate all relevant information, including properties to be acquired and potential displacements that may occur, into a Relocation Plan for the project. This plan shall encompass the elements that are detailed in "Guide Form Relocation Plan – Acquisition" and should be tailored or adjusted to accurately reflect the project and how the URA requirements will be addressed.

#### **Documentation:**

Appendix 002

Guide form Relocation Plan  
(HUD 1378 – Appendix 34)

### **Section 3 – Valuation**

In order to determine the price for the real property to be acquired, the owner (seller) must receive no less than just compensation for the property, or an amount that “shall not be less than the approved appraisal of the *fair market value of the property* (or the review appraiser’s recommended fair market value), taking into account the value of allowable damages or benefits to any remaining property.” While a project owner/developer/sponsor may want to seek the best deal for the purchase of property, the use of federal financial assistance to pay for some, or all of the acquisition expense requires that property owner receive fair market value.

#### **Securing an Appraisal**

Fair market value is typically established by an appraisal that sets forth an opinion of value supported by the analysis of relevant information. Appraisers must be certified under New Jersey State law in accordance with Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) and must be procured following State, federal or local procurement requirements, as applicable. Appraisals and appraisal reviews may be conducted by certified professionals for a fee or by employees of a public agency who are certified.

Typically, the public agency, an owner, a developer or sponsor who will purchase the property will engage and pay for the cost for appraisal services. Once a qualified appraiser has been hired, the appraiser needs to select an appropriate *approach to value*, or the manner in which the fair market value will be identified and established.

There are three (3) approaches to value that can be utilized in the determination of fair market value:

- **Market or Sales Approach** - When market data is available, recent comparable sales of similar property types are used to establish property value with appropriate adjustments for location, physical characteristics and reason for sale (i.e. single family housing, vacant land).
- **Cost Approach** - This approach is used when special purpose improvements are required and the buyer would reasonably consider purchasing a comparable site and reproducing the improvements (i.e. manufacturing and industrial facilities).
- **Income Approach** – This approach may be used when the property generates rent or income and there may be a lack of adequate market value available for comparison (i.e. apartment buildings, shopping centers, and office and commercial buildings).

The approach to determine fair market value should be agreed upon prior to beginning any appraisal work and should be appropriate for the real property under consideration for purchase. Once the appraisal is complete, an appraiser reviews the report to ensure that it meets the requirements of the assignment and current appraisal standards prior to making a purchase offer to the property owner.

If the appraisal report does not meet the assignment requirements or acceptable appraisal standards, then the review appraiser can return the report for corrections, develop an independent value, or require a different appraiser to provide a new appraisal. The type of acquisition to be used, voluntary or involuntary will dictate the requirements for the how the fair market value of the real property is determined.

**Establishing Fair Market Value in an Involuntary Acquisition**

When undertaking an *involuntary* acquisition using eminent domain or condemnation, at least one appraisal and a review is required. The appraiser(s) selected must be certified and qualified based the appraisal approach identified in the planning process for the project. Additionally, for high value or complicated properties, the development entity or public agency is encouraged to secure two (2) appraisals and a review.

When an appraisal is undertaken, the owner (or a designated representative) of the property to be acquired shall be given the opportunity to be present and accompany the appraiser during inspection of the property. Also, if a tenant of the property owns any real property improvements, such as typically found in commercial or industrial facilities, then they also should be extended the invitation to accompany the appraiser. This could include fixtures and equipment typically found in a restaurant, such as ovens, refrigerators, counters or shelving.

Appendix 004 provides a sample guide form for an appraisal contract. While use of this guide form is optional, it provides good guidance on the basic requirements for engaging this professional service necessary in the acquisition process.

In cases where the valuation of the real property is uncomplicated and the fair market value is under \$10,000, the fair market value can be established by a person familiar with real property values, such as realtor or tax assessor. If this approach to determining fair market value is utilized, appropriate documentation must be maintained detailing how the determination was made. Note, even for low-value property, if the owner requests an appraisal, then one must be obtained.

**Establishing Fair Market Value in a Voluntary Acquisition**

In cases where the purchase of the real property is *voluntary*, and eminent domain or condemnation will not be used, an appraisal is not required. However, fair market value must still be established. Utilizing a person knowledgeable of the local real estate market, such as a realtor or tax assessor, can accomplish this.

The URA still requires that the basis of how the fair market value determination be documented and the entity acquiring the real property must be able to justify the purchase. This essentially establishes that the consideration to be paid for the real property is based on current market value and, that in the event either party cannot agree, the acquisition does not move forward. The agency or entity is also required to inform the seller of the property in writing the manner in which the fair market value was determined.

For projects that use a voluntary acquisition approach, other financial partners and lenders may still require that an appraisal be undertaken. This is not unusual and can provide a good mechanism for justification of prudent measures taken.

Whenever an appraisal has been secured for determining the fair market value of real property, the appraisal report is typically valid for up to 12 months. If more than a year has passed from the date of the original opinion of value, then either the original appraiser should update the appraisal report, or a new appraisal should be obtained. This will ensure that any recent real estate transactions or sales, costs for replacement, or market rents have been reviewed to update the fair market value of the property to be acquired closer to the date that title to the property will transfer.

**Documentation:**

Appendix 003

Appraisal Scope of Work  
(HUD 1378 – Appendix 19)

Appendix 004

Appraisal Contract  
(HUD 1378 - Appendix 20)

Appendix 005

Appraiser Certification  
(HUD 1378 – Appendix 19)

#### **Section 4 - Voluntary Acquisition**

Commonly referred to as an “arm’s length transaction,” a voluntary acquisition is one where the seller willingly makes the property available on the open market and the buyer is free to negotiate for its purchase. An “arm’s length transaction” simply means that the sale of property is a “transaction between unrelated entities or individuals acting in their own interests.” This is the most common form of acquisition for affordable housing developers. The URA identifies some specific conditions, when federal financial assistance is used for the purchase of property, when a sale is considered voluntary:

- Acquisition by a Public Agency
  - Public agency will not use its power of eminent domain or condemnation if an agreement of sale cannot be reached.
  - Public agency has no specific site or property identified and the property is not part of an intended, planned or designated project area.
  - Public agency informs the owner of estimate of fair market value.
- Acquisition by a Development Entity
  - Development entity does not have the power of eminent domain and will not acquire property if agreement cannot be reached.
  - An estimate of the fair market value of the property.
  - Acquisition from a federal agency, State or State agency.
  - Development entity does not have the power of eminent domain and will not acquire property if agreement cannot be reached.

An important requirement that must be met in voluntary acquisition for URA standards is the provision in writing to the seller of the estimate of fair market value and that eminent domain or condemnation will not be utilized in the event that an agreement cannot be reached. The purchase offer made to the seller of real property may be less than fair market value and the sale terms can be negotiated but the seller must be fully informed.

#### **Documentation:**

Appendix 006  
Acquisition No E/D

Notice to Owner – Voluntary  
  
(HUD 1378 – Appendix 31)

Appendix 007  
Acquisition with E/D

Notice to Owner – Voluntary  
  
(HUD 1378 – Appendix 32)

Appendix 008

Voluntary Acquisition  
(Alternative Valuation)

### **Section 5 - Involuntary Acquisition**

**Involuntary Acquisition** – Using this approach to acquisition has many specific steps and requirements that must be adhered to and properly documented. A preliminary requirement is that the “public agency shall make every reasonable effort to acquire the real property expeditiously by negotiation”, in accordance with the requirements found at 49 CFR 24.102(a) .

These steps include the requirement to provide to the property owner, in writing and as soon as feasible, the following:

- Notice to the property owner of the public agency’s interest in acquiring the property
- The owner’s basic rights and protections
- That an appraisal and review appraisal will be secured
- Owner or a representative will be offered the opportunity to accompany the appraiser during the inspection of the property

Once the appraisal and the review are complete, the agency will establish an amount believed to be “just compensation” for the real property that shall not be less than the fair market value. Once the purchase offer has been established, the agency contacts the owner, and if feasible, meets in person to *initiate negotiations* and explain the offer, any benefits which may be available, and the acquisition process. In addition to the purchase offer, the owner needs to be provided with a summary statement detailing the real property, or a portion thereof, and any improvements that will be acquired, including tenant owned improvements, buildings, and fixtures. This summary clearly details what will be purchased and its value.

The owner is also provided the opportunity to consider the offer and to present information which may be relevant to determining the value of the property. If the material presented or conditions to the property have changed, a new or updated appraisal may be requested to determine if a change in the purchase offer is appropriate. An agency must be careful not to engage in any actions that could be viewed as coercive to seek a faster agreement on behalf of the property owner. Examples of such behavior could include actions such as enhanced property code enforcement, health, fire or building safety inspections, or off-street parking enforcement.

In addition to these steps, a public agency is required to provide a specific written notice informing the owner of the agency’s interest – or intention to acquire the property. These notices are:

- **Notice of Interest** – This notice tells a property owner that an agency has a preliminary interest in purchasing their property, that the owner will be offered fair market value, and if the property is purchased, will be eligible for benefits and protected under the URA.
- **Notice of Intent to Acquire** – This notice explains to the property owner that an agency will purchase their property, will be offered fair market value and will be eligible for benefits and protected under the URA.

Once either the Notice of Interest or the Notice of Intent has been sent, an appraisal will be ordered to begin the valuation process and determine just compensation for the property to be acquired. The result of this step produces a second required notice:

- **Notice of Just Compensation** – This notice, along with a summary statement, constitutes the “initiation of negotiations” and establishes relocation eligibility related to the acquisition.

Regardless of the method of delivery, either in person or by registered/certified mail, it is important to document the date of receipt of these notices. The method of delivery of these written notices should be determined in the acquisition planning phase to ensure timely and fair treatment of all affected property owners.

It is important to understand that an involuntary acquisition has specific prescribed steps and procedures that must be followed, along with written notices that must be provided to all affected property owners. A voluntary sale requires a “willing buyer and a willing seller” to agree to the transaction. In the case of an involuntary acquisition, the seller may not have placed the property on the market, nor has any interest in selling.

When a public agency determines that it requires a property for a public purpose and is willing to use its authority to take possession, then the acquisition is involuntary. Although an owner may be happy, and in some cases relieved, to have a public agency acquire its property, this sale must still conform to the required steps discussed herein.

#### **Involuntary Acquisition Process Steps**

Step 1	Issue Notice of Intent or Interest to property owner
Step 2	Secure appraisal to establish property valuation
Step 3	Submit appraisal(s) for review
Step 4	Issue Notice of Just Compensation/Initiate Negotiations
Step 5	Move to purchase/property closing

#### **Documentation:**

Appendix 009

Notice of Intent  
(HUD 1378 – Appendix 30)

### **Section 6 - Negotiations**

The requirements to carry out a lawful negotiation depend, in large part, on whether the acquisition is voluntary or involuntary. As discussed above, regardless of the type of acquisition, a seller must be made aware of the fair market value of his or her property.

#### **Negotiation in Voluntary Negotiations**

When an offer is accepted, the transaction can move to settlement. This would follow local and State requirements for the transfer of title to real property.

#### **Negotiation in Involuntary Negotiations**

The negotiation process in an involuntary acquisition is highly regulated in order to protect the seller's rights. This approach to acquisition has many specific steps and requirements that must be adhered to and properly documented. A preliminary requirement is that the "public agency shall make every reasonable effort to acquire the real property expeditiously by negotiation."

This includes the obligation to provide, as soon as feasible, notice to the property owner of the public agency's interest in acquiring the property, a description of the owner's basic rights and protections, and notice that an appraisal will be secured. Again, the owner, or a representative, must be offered the opportunity to accompany the appraiser during the inspection of the property.

#### **Administrative Settlements**

Fair market value is an opinion of value about which people sometimes disagree. In some cases, a public agency may choose to pay more than the offer of just compensation (fair market value) for real property. These types of cases are settled administratively, when based upon a public agency's prudent judgment, the agency finds that it is in the public interest to allow for the purchase price of a property to exceed the fair market value. Depending on who is authorized to approve this action, the value of the property, or other state or local requirements, these types of settlements may require approval by a commission, board or legislative body.

Administrative settlements should not be used to correct problems with an appraisal or review, and appraisers should not be influenced to change their value conclusion to justify settlement. Administrative settlement may eliminate the need to turn to a court for a resolution when reasonable negotiation fails. The acquisition file should provide adequate documentation to support the administrative settlement as cost reasonable. This notation might include evaluating the costs to be incurred if the property were taken through eminent domain but might also include things such as the impact on further delays to the project.

#### **Eminent Domain/Condemnation**

Eminent Domain, also called "condemnation," is the power of a government agency to acquire property for a "public use" as long as the government pays "just compensation" to the property owner. Historically, eminent domain has been utilized by federal, state, and local governments to acquire land for the development of roads, highways, schools, and other public facilities. States and local governments have also used eminent domain for neighborhood revitalization and redevelopment initiatives. Eminent domain is usually the acquisition method of last resort when negotiations for the purchase of property have failed to reach an agreement between the parties.

Public agencies will refer these acquisition cases to their legal representative to initiate court action, in accordance with state and local law. Consistent with the most recent HUD guidelines, when an

acquisition of real property uses eminent domain, there must be supporting documentation establishing the “public good” of the project. This may include needed public facilities, purchase of repetitively flooded properties or public infrastructure.

Usually, the public agency will deposit with the court an amount of money determined to be just compensation, and await the court’s decision. A judge or jury may decide a condemnation case. Both parties, the public agency and the property owner, may offer evidence supporting their claim to the value of the property to be acquired. While public agencies have historically prevailed in these instances, challenges to taking the property have in the past proven successful.

Generally, most cases focus on the compensation for the property to be acquired. This process may take significant time to be resolved, depending on the court’s availability and schedule. A public agency, upon deposit of funds with the court, seek a “right-of-entry” from the property owner, to permit the project to move forward, while awaiting final determination from the court. As the result of a condemnation proceeding, a public agency may be required to pay more than the original offer of just compensation.

### **Donations**

A property owner who has been informed of his rights and benefits under the URA, may choose to donate all or a portion of a property to either a public agency or development entity that is required for an affordable housing project. The public agency or development entity is required to obtain an appraisal, unless the owner releases the public agency or development entity of this obligation, or the value of the property is easily determined and under \$2,500.

If the development entity is a nonprofit organization, a donation of all or a portion of a property may be in the interest of the owner. In such a case, an appraisal will help establish the value of the donation. Whenever a donation of property, or a portion thereof, is accepted by a public agency or development entity, the owner needs to be informed in writing of his or her URA rights and benefits, including the right to receive fair market value. It is important to be able to establish that a property owner makes a donation of his or her own free will, and that neither coercion nor punitive action were ever implied or threatened.

### **Documentation:**

Appendix 010 (Offer to Purchase)	Written Offer of Just Compensation
Appendix 011	HUD 1 Settlement Statement (HUD – 1)
Appendix 012	Title Report
Appendix 013	Administrative Settlement
Appendix 014 File	Condemnation Court Record/Case

**PART II –RESIDENTIAL RELOCATION**

- Section 1. Relocation Assistance Plan - (49 CFR Part 24.205)
- Section 2. Occupant Interview/Survey – (49 CFR Part 24.205)
- Section 3. Relocation Notices - (49 CFR 24.203)
- Section 4. Relocation Resource/Advisory Services - (49 CFR 24.205)
- Section 5. Stafford Act – Section 414 (“Date of Storm Occupants”) - (49 CFR 403(d)(1))
- Section 6. Housing of Last Resort - (49 CFR 24.404)
- Section 7. Comparable Housing - (49 CFR 24.204)
- Section 8. Replacement Housing Payment - (49 CFR 24.401 - 403)
- Section 9. Reimbursement of Moving Expenses
- Section 10. Section 504 - Accessibility
- Section 11. Mobile Homes – (49 CFR 24 – Subpart F)
- Section 12. Section 104(d) One-for-One Unit Replacement
- Section 13. Certifications (49 CFR Part 24 – Subpart G)

**Section 1 - Relocation Assistance Plan**

In accordance with the requirements established under the URA (49 CFR 24.205), each project/program must develop a Relocation Assistance Plan. The development of the relocation plan must occur prior to undertaking a project and should include potential costs and expenses related to the relocation requirements. The relocation plan shall include, but is not limited to, the following:

1. Existing Project/Program Summary
2. Occupancy Inventory for Site at the Initiation of Negotiations
  - a. General location of project (map)
3. Occupants to be displaced
  - a. Temporary Relocation
    1. Residential occupants - # of households to move temporarily
    2. Temporary Relocation policy
    3. Method of Payments – temporary moves
    4. Method of Payment - Utilities
  - b. Permanent Relocation
    1. Residential occupants - # of households to be displaced
    2. Method of payment - permanent moves
    3. Method of payment – Relocation assistance
4. Relocation Destinations
  - a. Temporary housing
    1. On-site or off-site project/property
    2. Moving/storage
    3. Reimbursement for “out of pocket expenses”
  - b. Comparable replacement housing
    1. Area market rental rates
    2. Average utility costs
    3. Availability
    4. Last Resort Housing
5. Off-site Acquisition and/or Relocations
6. Overcoming Potential Impediments to Relocation
7. Relocation Costs/Budget
8. Occupant Notifications
  - a. Residential occupants
  - b. Evidence of constructive delivery
9. Appendix

**Section 2 – Occupant Interview/Site Survey**

**In order to accurately determine the requirements and needs of current occupants who will be affected by the project, individual interviews must be conducted. The information collected during the interview and/or survey shall be incorporated into the relocation plan for the project.**

1. Identify property address and occupant
  - a. Update contact information
  - b. Current “rent roll” (applicable for multi-unit properties)
  - c. Determine if the household has “Limited English Proficiency” (LEP)
  - d. Survey form to allow occupants to specify any accommodation needed (accessible unit, inability to climb stairs, para-transit).
  - e. Schedule household interview using Occupant Interview Form
2. Collect information from “Displaced Dwelling Unit”
  - a. Complete “Site Occupant Record – Residential”
  - b. Photographs of displacement unit inside/outside
  - c. Record any notable features/characteristics of housing unit
3. Conduct resident/occupant interview (49 CFR 24.205(c)(2)(ii))
  - a. Advise household/occupant of purpose of contact
  - b. Schedule interview
  - c. Identify LEP households and arrange for language assistance (as appropriate)
  - d. Verify General Information Notice (GIN) receipt date
4. Interview
  - a. Define program/project
  - b. Advise household of relocation assistance and advisory services and provide HUD brochure
  - c. Advise household of anticipated timeline/project schedule
  - d. Collect copy of current lease
  - e. Collect utility bills for tenant paid utilities (2 to 3 months)
  - f. Current residential address (if DOS tenant)
  - g. Household income documentation (adult members +18 yrs. of age)
  - h. Public housing subsidy (Section 8 or other assistance)
  - i. Identify household pets (i.e. type, breed, number)
  - j. Identify special needs (i.e. physical disability, age, transportation)
5. Information to be obtained for occupants includes:
  - a. Names of occupants and their relationships, identification of head of household;
  - b. Exact address of dwelling;
  - c. Telephone number(s) of residents;
  - d. Determination of language access assistance for persons with limited English proficiency;
  - e. Age, sex, marital status, and minority group classification of each person;
  - f. Date person first occupied the dwelling (documented by rent payment or utility receipt);
  - g. Housing data, including size of current dwelling by number of rooms and square feet;
  - h. Employment status and place of employment;
  - i. Family income and assets, broken down by each adult wage earner in the household;
  - j. Financial obligations and debts, including dependents, loans, charge accounts;
  - k. Current housing-related expenses;
  - l. Housing preferences (e.g., neighborhood, rental or purchase, subsidized housing);
  - m. Special housing needs (e.g., proximity to day care or medical facilities);
  - n. Health status and health coverage; and

o. Household problems and deficiencies (such information is generally obtained through observation, rather than direct questioning; for example, lack of furniture, drug addiction, alcoholism, poor housekeeping standards).

[NOTE: To determine accurately the family or individual's ability-to-pay for replacement housing, it will be necessary to verify the income information provided during the interview(s).]

**Documentation:**

Appendix 015	Site Occupancy Record – Residential (HUD 1378 - Appendix 8)
Appendix 016	Site Occupancy Record – Non-Residential (HUD 1378 - Appendix 9)
Appendix 017	Site Record – Photographs (Interior and exterior – displacement unit)
Appendix 018	Photo Identification (Government-issued photo identification)
Appendix 019	Resident/Occupant Interview form
Appendix 020	Income Certification (Program form, supporting documentation)
Appendix 021 Agreement	Current lease or Occupancy
Appendix 022	Tenant paid Utility bills (2 to 3 months)
Appendix 023	Certification – Legal Status (Program form)
Appendix 024	Power of Attorney (if applicable)

**Section 3 - Relocation Notices**

In accordance with the requirements established under the URA (49 CFR 24.203), each project/program must provide written information and notification pertaining to the relocation plan. These notices must be provided in English, Spanish, or a language most familiar with the affected household in accordance with the Sandy Recovery Program Language Access Plan (LAP). These notices include, but are not limited to, the following:

1. HUD Brochures – (available in English and Spanish)
  - a. When an Agency Acquires Your Property (HUD-1041-CPD)
  - b. Relocation Assistance to Tenants Displaced from Their Homes (HUD-1042-CPD)
  - c. Relocation Assistance to Displaced Homeowner Occupants (HUD-1044-CPD)
2. General Information Notice (GIN) (HUD Handbook 1378 – Appendix 3)
3. Notice of Relocation Eligibility (NOE) (HUD Handbook 1378 – Appendix 6)
4. Notice of Non-Displacement (temporary relocation) (HUD Handbook 1378 – Appendix 4)
5. Ninety (90) Day Notice (Program form)
6. Combined Notice (NOE and 90 Day Notice) (HUD Guide form/program form)
7. Manner of Delivery of Notices
  - a. Certified mail
  - b. Registered mail
  - c. Personal/hand delivery

Evidence of receipt must be documented to establish that all notices have been delivered. Certified or registered mail can be verified by checking the U. S. Postal Service website found at:

[https://tools.usps.com/go/TrackConfirmAction\\_input](https://tools.usps.com/go/TrackConfirmAction_input)

If notices were provided via personal/hand delivery, a receipt must be signed by the household/occupant to evidence receipt.

**Documentation:**

Appendix 025	HUD Brochure - "When an Agency Acquires a Property" (HUD – 1041 – CPD)
Appendix 026	HUD Brochure – "Relocation Assistance When Tenants Displaced From Their Homes" (HUD - 1042 – CPD)
Appendix 027	HUD Brochure – "Relocation Assistance to Displaced Homeowner Occupants" (HUD - 1044 – CPD)
Appendix 028	Method/Manner of Notice Delivery
Appendix 029	General Information Notice Tenant Not-Displaced (HUD 1378 – Appendix 29) Business Not-Displaced (HUD 1378 – Appendix 2a) Tenant Displacement (HUD 1378 – Appendix 3) Business Displacement (HUD 1378 – Appendix 3a)
Appendix 030	Notice of Non-Displacement – Residential Tenant (HUD 1378 – Appendix 4)
Appendix 031	Notice of Eligibility for Relocation Assistance Homeowner (HUD 1378 – Appendix 5) Residential Tenant (HUD 1378 – Appendix 6) Non-Residential (HUD 1378 – Appendix 7)
Appendix 032	90 Move Notice
Appendix 033	Combined 90 Day and Notice of Eligibility

#### **Section 4 – Relocation Resource/Advisory Services**

In accordance with the requirements established under the URA (49 CFR 24.205(c)) the program staff shall contact each person who is affected by the project and provide advisory measures, facilities and services as may be necessary or appropriate. Relocation advisory services should be responsive to the needs and requirements of the affected households, based on the information collected during the interview and/or survey process. These services may be coordinated with outside public and non-profit organizations to assist with such requirements as payment of delinquent utility accounts, credit counseling, and assistance with day care or public health services.

The objective is to minimize hardship for persons adjusting to relocating through the provision of counseling, advice on available assistance and other assistance as appropriate.

Such services may include, but are not limited to the following:

1. Energy Assistance Resources:

- Comfort Partners
- Low-Income Home Energy Assistance Program (LIHEAP)
- New Jersey Shares (NJ Shares)
- Payment Assistance for Gas and Electric (PAGE)
- Temporary Relief for Utility Expenses (TRUE)
- Universal Service Fund (USF)
- Weatherization Assistance Program (WAP)
- Winter Termination Program (WTP)

2. Renter Specific Resources:

- Funds for Restoration of Multi Family Housing (FRM)
- New Jersey Housing Resource Center (NJHRC)

3. Homeowner Specific Resources:

- Blue Acres Buyout Program
- FHA Short Refinance
- Home Affordable Foreclosure Alternatives (HAFA)
- Home Affordable Modification Program (HAMP)
- Home Affordable Refinance Program (HARP)
- Home Affordable Unemployment Program (UP)
- Homeward Bound Homebuyer Mortgage Program
- New Jersey Homesaver Program
- Police and Firefighter's Retirement System Mortgage Program
- Sandy Home Repair and Advocacy Program
- Smart Start
- Stay at Home Streamline Refinance Program

4. Other Resources:

- Homelessness Prevention Program (HPP)
- Homelessness Prevention and Rapid Rehousing Program (HPRP)
- Neighborhood Enhancement Program (NEP)
- Sandy Recovery Housing Counseling Program

In addition to the services specifically related to the relocation itself, the program will also provide information about non-housing services that could be helpful to a household. The program may provide information directly or may provide referrals to public or private agencies that could assist with:

- Family and personal counseling
- Access to medical care
- Information on social security, food stamps, veterans' benefits, or other similar financial assistance programs
- Transportation needs
- Employment counseling and job training
- Aging issues
- Financial management and planning
- Family planning
- Legal aid

**Documentation:**

Appendix 034

Record of Advisory Assistance/Case Log  
(HUD 1378 – Appendix 10)

### **Section 5 – Stafford Act – Section (414)**

In accordance with the requirements for the Sandy Recovery Program, Section 414 of the Robert T. Stafford Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 et Seq.) commonly referred to as the “Stafford Act,” and the Disaster Relief Appropriations Act of 2013 (78 FR 14329 – published March 5, 2013, and the clarifying guidance published on April 19, 2013) identifies any tenant or an occupant in real property at the time of Superstorm Sandy, shall not be denied eligibility for relocation assistance due to reasons beyond the persons control, including a disaster, an emergency or an imminent threat to the public health and welfare. [See 49 CFR 24.403(d)(1)].

As such, for any property owner who subsequently applied for CDBG-DR assistance, all efforts shall be undertaken to determine if any “date of storm” tenants or occupants must be notified and informed that they may be eligible for relocation benefits.

The process for notifications is as follows:

- At the initial interview or appointment with a property owner, staff ask for the name and last known address of the tenant occupying the unit at the time of Superstorm Sandy.
- A notification letter is sent to the tenant via certified U.S. Mail with a return receipt requested
  - If signed receipt is returned by tenant:
    - Signed receipt is uploaded into property file
    - URA staff is notified to follow up with tenant
  - If signed receipt is not returned within 15 calendar days:
    - URA staff contact property owner for additional information related to previous tenant such as emergency contact information.
    - URA staff searches FEMA data base to identify possible match with the tenant and uses address for the tenant, if found.
      - If a new address is found, a notification letter is sent to tenant via certified U.S. Mail with a return receipt requested.
      - If received, upload receipt in property file and refer to URA team.
  - If additional searches do not result in locating the tenant, the URA staff is notified to take the next step in the notification process.
- URA staff initiates next steps to locate the tenants:
  - Identify locations of all of the various properties that had occupants at the time of Superstorm Sandy who have not been located.
  - Based on the locations, URA staff publishes general information ads in State and local publications to include:
    - Notification to tenants about possible eligibility for relocation benefits;
    - Addresses of properties being assisted by Sandy Recovery Programs; and
    - Contact information for the program or project URA staff.

Once the previous tenants are identified, the URA staff will work with them to determine the URA benefits for which they are eligible. If household qualifies for URA relocation assistance, program will proceed with permanent displacement procedures.

**Documentation:**

Appendix 035

Stafford Act 414 (Correspondence)

Appendix 036

Stafford Act 414 (Public Notices)

Appendix 037

Stafford Act 414 (Web Notification)

### **Section 6 – Replacement Housing of Last Resort**

During the development of the relocation plan, whenever it has been determined that comparable replacement housing is not available within the monetary means for displaced households or occupants, the program must provide additional alternative assistance under the provisions found at 49 CFR 24.404. Housing of last resort allows for relocation assistance, either a replacement housing payment or a purchase differential payment to that exceeds the limits established at 49 CFR Part 401(b) or 402 (b). Congress provided a statutory exemption to these limits (P.L. 91-646, Sec. 206).

Use of last resort housing is **required** where an owner-occupant or tenant cannot otherwise be appropriately housed within the monetary limits. Specifically housing of last resort can be provided in several methods:

1. Cash Assistance – assistance exceeds the maximum assistance found at 49 CFR Part 401(b) or 402(a) for replacement housing payment
2. Other Last Resort Housing – construction of new housing or rehabilitation of existing housing to provide comparable, replacement dwelling units
3. Option of Displaced Person – displaced household accepts alternative housing assistance, such as housing voucher or a project-based rental subsidy (if available)

Upon completion of the housing market analysis for the project area that will be incorporated in the relocation plan, the program shall make the determination that, based on comparable, available dwelling units, relocation assistance will be provided under replacement housing of last resort. This determination is appropriate whenever a program or project cannot proceed on a timely basis because comparable replacement dwelling units are not available within the monetary limits for owner or tenants, the program must provide additional assistance. Determination to provide last resort housing assistance must be adequately justified using either of the following options and should be identified in the Relocation Plan:

**Option #1 – Individual Case-by-Case Determination:**

Provide a detailed memorandum to the individual case file for each displaced household that establishes which of the three (3) approaches for Last Resort Housing will be used in this case – memorandum must be signed and dated by the preparer and approved by program manager or director prior to the issuance of an individual Notice of Eligibility. (See Appendix 038 for sample memorandum.)

**Option #2 – Determination of Project-wide Basis:**

Include either in the project's (a) Relocation Plan or (b) standard project-wide memorandum to file, prior to initiation of any issuance of Notice of Eligibility (NOE), for the entire project (must be included in each case file) that all displaced households in the project will receive assistance under the provision of Housing of Last Resort. (See Appendix 038 for sample memorandum or relocation plan narrative.)

**Documentation:**

Appendix 038	Option #1 – Individual Case Determination
Appendix 039	Option #2(a) – Relocation Plan (sample)
Appendix 040	Option #2(b) - Project-wide determination

## **Section 7 – Displacement**

### **Permanent Displacement**

In accordance with the requirements found at 49 CFR 24.204(a), no person to be displaced shall be required to move from a dwelling unit unless at least one comparable replacement dwelling has been made available. To the extent necessary, the program should conduct an on-site survey of occupants and document all relevant information in the Site Occupant Record (see Appendix 015 – Site Occupancy Record Residential). A program must plan to collect detailed information about each person's income and replacement housing resources in a manner that meets the project needs. If a shortage of comparable replacement housing resources is anticipated, the program must develop how it will adequately address the shortage, including housing of last resort options.

Comparable replacement housing dwelling units must not only meet the needs of the displaced person, but must also meet the criteria defined in the URA regulations found at 49 CFR 24.2(a)(6). For any replacement unit to qualify as "comparable," it must be a decent, safe and sanitary dwelling unit that meets local housing and occupancy codes. Further, if any of the following standards are not addressed by local code or standards, the following shall apply:

- Be structurally sound, weather tight and in good repair;
- Contain a safe electrical wiring system adequate for lighting and other devices;
- Contain a heating system capable of sustaining a healthful temperature of 70 degrees;
- Be adequate in size with respect to the number of rooms and area of living space needed to accommodate the displaced person;
- Contain a separate, well lighted and ventilated bathroom that provides privacy to the user and contains a sink, bathtub or shower stall, and a toilet, all in good working order and properly connected to appropriate sources of water and to a sewage drainage system;
- Contain a kitchen area that has fully usable sink, connected to potable hot and cold water and to a sewage drainage system;
- Contain adequate space and utility service connections for a stove and refrigerator;
- Contain unobstructed egress to safe, open space at ground level; and
- For a disabled person, be free of any barriers which preclude reasonable ingress and egress, or use of the dwelling unit for a person with physical disabilities, visual or hearing impairment.

Additionally, in order to qualify a dwelling unit as comparable, a site inspection will be required. The purpose of the site inspection shall be to ensure that all of the above detailed requirements for a potential comparable dwelling unit have been verified and documented. The site inspection documentation shall include the individual dwelling unit site report. (Appendix 041 – Comparable Replacement Dwelling Unit and Certification form)

Included in the individual Comparable Dwelling Unit report shall be pictures of the unit, that include:

- Exterior photograph (front, including ingress/egress);
- Interior photograph (general living space);
- Interior photograph – kitchen;
- Interior photograph – bathroom; and
- Exterior photograph (rear, including ingress/egress).

For the purpose of identification of comparable units, the program must take into consideration the following factors, once the specific Site Occupancy Record for the displaced unit has been completed.

- Number of people in the household;

- Dwelling size and number of bedrooms and bathrooms;
- Parking (if applicable);
- Household income;
- Special needs (physical disability, visual or hearing impairment, other);
- Neighborhood;
- Location of area schools and distance from comparable unit;
- Distance to place(s) of worship (if applicable);
- Distance or location of child care facilities (if applicable);
- Public transportation – distance and type of service (rail, subway or bus);
- Employment – distance;
- Neighborhood shopping;
- Sale price or rent/utility costs; and
- Date available.

Detailed here are the process steps to be completed to effectively and efficiently evaluate and document the process for the selection of the final comparable dwelling:

Step 1	Conduct local housing market analysis
Step 2	Interview households to be displaced and complete Site Occupancy Record
Step 3	Based on Site Occupancy Record, identify potential comparable replacement dwelling units, using housing market analysis
Step 4	Conduct on-site site inspection of potential comparable replacement dwelling unit and document site inspection on Individual Comparable Dwelling Report
Step 5	Identify three (3) comparable available replacement units, but no less than one*
Step 6	Summarize and complete comparable analysis using HUD Form 40061 “Selection of Most Representative Comparable Replacement Dwelling”
Step 7	Prepare Notice of Relocation Eligibility based on final analysis detailed on HUD Form 40061

(\*Note – if only one (1) comparable is identified, supporting documentation must establish why less than three (3) comparable units were available)

### **Step 1 – Conducting a Housing Market Analysis**

Based on the nature and location of the project, a local housing market analysis may be conducted using various resources, including but not limited to, local advertisements in newspapers of daily/weekly circulation, using internet or web-based search data, or contacting local real estate agents who may have property listings for rent or sale. This analysis should also include public and affordable housing developments, if located in the project area, as well as senior (age restricted) housing. Listed herewith are several web based property search listings for potential rental and for sale listings:

Multiple Listing Service

<http://www.mls.com/search/new-jersey.mvc>

Trulia

<https://www.trulia.com/>

Apartments.com

<https://www.apartments.com/>

Zillow

<https://www.zillow.com>

New Jersey HMFA

<http://www.njhousing.gov/dca/hmfa/rentals/>

New Jersey Housing Resource Center

<http://www.NJHRC.gov>

Realtor.com

<http://www.realtor.com/>

Use of these resources should provide an initial overview of the current market pertaining to both rental and for-sale residential housing within a community. If little or no sufficient results are produced to establish an inventory of potential comparable replacement dwellings, further steps may be warranted to determine the characteristics of the local housing market. These may include contacting local units of government (building/code inspectors), public housing authorities, local real estate agents or state certified appraisers who may have a more detailed local market knowledge and background.

It is required that if using internet or web-based search tools, the sale or rental listing be printed and retained as "point in time evidence" of availability. If working with local real estate agents or local property owners, sufficient supporting documentation pertaining to the property listing must be maintained in the individual case file.

### **Step 2 – Interview Households to be Displaced**

Upon approval of a project, program staff must conduct a personal interview of displaced persons to determine their needs and preferences. The interview is the method to establish a "profile" of each displaced person or household to assist with their relocation needs. Information obtained from the individual interviews will enable the program to provide appropriate relocation assistance and advisory services.

When interviewing residential households that will be displaced, the program staff must identify the following characteristics:

- Number of persons in the household;
- Dwelling size and number of bedrooms;
- Household income;
- Special needs (physical or mental disability, visual or hearing impairment);
- Identification and location of children's schools;
- Place for worship;
- Child care needs;
- Transportation needs;
- Community linkages;
- Family needs;
- Pets;
- Physical needs;
- Place of Employment; and
- Personal desires and preferences relative to relocation.

Program staff must complete an individual interview form (see Appendix 019), along with a Site Occupancy Record (see Appendix 015) for each displaced household. This Site Occupancy Record will establish the elements and factors when locating and evaluating potential comparable replacement dwelling units.

**Step 3 – Identify Comparable Replacement Dwelling Units**

Based on the local market analysis and the individual interview of the displaced household, program staff will need to identify three (3) comparable replacement units, based on individual household characteristics determined through the individual interview. It is recommended that five (5) to seven (7) units be initially identified, as to create a pool or current inventory of potential comparable units, however no less than 3 units must be used for side-by-side comparison. Each comparable replacement unit identified must be documented using the “Individual Comparable Replacement Unit” worksheet (Appendix 041).

**Step 4 – On-site Inspection of Comparable Replacement Dwelling Units**

The URA relocation specialist will conduct an on-site inspection of a group or pool of comparable dwelling units that were identified in Step 3. This on-site inspection is to affirmatively review and document that the following conditions are satisfied:

- Unit is decent, safe and sanitary;
- Meets local building and/or housing code;
- For pre-1978 properties, passes a Lead-based Paint Visual Assessment;
- Functionally equivalent in square footage, number of bedrooms and amenities; and
- Unobstructed egress to safe, open space at ground level.

**Step 5 – Identify three (3) best comparable Replacement Dwelling Units**

In the event that, due to unforeseen circumstances or unique factors, less than three (3) comparable units are used to establish the best, available comparable replacement dwelling unit, the relocation specialist must detail specifically why less than three (3) comparable dwelling units are being used. This written justification, with sufficient detail, must be prepared and approved in advance of the completion of this step by a program manager or division assistant director.

One required factor for a dwelling unit to qualify as comparable and to be included in the NOE availability for sale or lease. It is recommended that the relocation specialist create a pool or inventory of potential comparable units, update weekly as dwelling units come on or go off the market. This continuous update will assist in the provision of relocation assistance in a timely fashion.

**Step 6 – Selection of Most Representative Comparable Replacement Dwelling Unit**

Once the relocation specialist has identified three (3) comparable replacement units, using the information found in the individual Comparable Replacement Dwelling Unit form (Appendix 041), along with the Occupant Site Record for the displacement unit (Appendix 015), the selection of the most representative Comparable Replacement Dwelling shall be finalized using HUD Form 40061 (Appendix 042). This must be reviewed and approved by a program manager or division assistant director.

It is important to carefully document this final determination for the comparable replacement dwelling unit, as this establishes the upper limit for relocation assistance. The information from the final determination will be provided to the displaced household and used by the program to compute the replacement housing payment. For establishing the payment limit, the comparable replacement housing units shall be selected from the neighborhood in which the displacement dwelling unit is located, or in a nearby similar neighborhood where housing costs are the same or higher.

**Step 7 - Prepare Notice of Relocation Eligibility (NOE)**

Upon completion of Step 6, the information regarding comparable replacement dwelling units must be incorporated in the NOE, with the best available comparable replacement unit being identified because this establishes the payment limit. This issuance of a NOE cannot occur until all of the proceeding steps detailed herein have been completed, including approval of the selection of the most comparable replacement dwelling unit by a program manager or division assistant director.

**Documentation:**

Appendix 015	Site Occupancy Record (displaced unit)
Appendix 041	Individual Comparable Replacement Unit
Appendix 042	Selection Comparable Replacement Dwelling Unit (HUD 1378 – Appendix 12)

### **Section 8 – Replacement Housing Payment**

All involuntarily displaced persons are eligible to receive some form of relocation benefits. The level and type of assistance will depend on several key factors, including:

- Is the person a tenant or an owner?
- Is the person a business or a household?
- How long has the person lived in the project?
- What is the person's income?

Eligibility for relocation assistance is not income-based; however, a household's income is a factor in determining the amount of assistance that will be provided. Certain households may be eligible for different types of assistance depending upon their income level.

#### **Forms of Assistance**

Certain relocation services are provided to all displaced persons regardless of income or status as a tenant or a homeowner, including advisory services, replacement housing assistance, and moving and related expenses as follows:

- *Advisory Services.* Advisory services include timely notices of project dates, information booklets, explanation of assistance, referrals to comparable housing, referrals to social services, counseling and advice on rights under the Fair Housing Act.
- *Replacement Housing Assistance.* This assistance is provided as either rental assistance or purchase assistance. In the case of tenant relocation assistance, the household, and not the grantee, has the right to choose whether rental assistance is provided through a Replacement Housing Payment (RHP) or through tenant-based rental assistance.
- *Moving and Related Expenses.* The displaced person can choose from either a payment for actual reasonable moving costs and related expenses, or a moving expense and dislocation allowance based on a U.S. DOT schedule that is published periodically.

#### **Replacement Housing Assistance - Homeowners**

A special calculation is used to provide a replacement housing payment for a homeowner who has occupied the displacement dwelling for at least ninety (90) days prior to the initiation of negotiations. The replacement housing payment for a homeowner who has occupied the replacement dwelling unit for less than ninety (90) days is calculated in the same manner as that given to a displaced tenant, as detailed in the previous section. The RHP made to a homeowner who has occupied the property for ninety (90) days or more is the sum of the amount by which the cost of the replacement unit exceeds the acquisition amount, any additional mortgage financing cost, and reasonable expenses incidental to purchase the replacement dwelling.

The RHP is obtained by subtracting the acquisition cost from the lesser of the comparable dwelling unit or the actual replacement unit.

The following is an example of a RHP calculation:

<b>A. Acquisition Price</b>	<b>\$65,000</b>
<b>Comparable Unit</b> ( <i>established by agency</i> )	<b>\$80,000</b>
<b>Replacement Unit</b> ( <i>unit family purchased</i> )	<b>\$87,000</b>
<b>B. Lessor of comparable or actual</b>	<b>\$80,000</b>
<b>Difference between A and B:</b>	
<b>\$80,000 - \$65,000 =</b>	<b>\$15,000</b>

<b>Financing cost</b>	<b>\$ 1,000</b>
<b>Incidental cost</b>	<b>\$ 2,700</b>

**RHP:        \$15,000 + \$1,000 + \$2,700 = \$18,700**

Relocation benefits for owner occupants who have been in residence less than ninety (90) days is calculated and provided in the same manner as if the occupant were a renter household.

While the URA regulations refer to a displaced homeowner RHP cap of \$31,000, Section 205(c)(3) requires any additional assistance calculated to be provided to the displaced person. Therefore, the amount may exceed \$31,000.

Incidental expenses can include:

- Legal and related closing costs;
- Application and appraisal fees;
- Credit report;
- Title insurance; and
- Revenue and documentary stamps and transfer fees.

#### **Replacement Housing Assistance - Renters**

The RHP is intended to provide affordable housing for a forty-two (42) month period. While the URA regulations mention that total payments are capped at \$7,200, this amount may be exceeded in cases where a determination of housing of last resort has been made and where a household's calculated forty-two (42) month payment exceeds \$7,200. The HUD-40058 is the form used to calculate the amount of RHP for renters and the HUD-40057 is the form used to calculate the amount of the RHP for homeowners.

#### *RHP Calculation- Renters*

It is here that the household's income comes into play regarding the amount of RHP that will be provided for relocation assistance. For low-income tenants the RHP makes up the difference between:

- The lesser of rent and estimated utility costs for the replacement dwelling or comparable unit; and
- The lesser of:
  - Thirty percent (30%) of the tenant's monthly gross income; or
  - The monthly rent and average utility costs of the displacement dwelling; or

Formula for **Low-Income Households** (at or below 80% AMI)

The lessor of (C or D) minus (-) the lessor of (A or B) = \$\_\_\_\_\_ X 42 months = RHP

A- Current rent/utilities at displaced unit \$ _____	C- Comparable Replacement Unit \$ _____
B- 30% of monthly annual income \$ _____	D- Actual Replacement Unit \$ _____

For non-low-income tenants residing in replacement housing for more than ninety (90) days, RHP makes up the difference between:

- The lesser of rent and estimated utility costs for the replacement dwelling or comparable unit; and
- The monthly rent and average utility costs of the displacement dwelling; or

Formula for **Non-Low-Income** (above 80% AMI)

The lessor of (C or D) minus (-) current rent/utilities (A) = \$\_\_\_\_\_ X 42 months = RHP

A- Current rent/utilities at displaced unit \$ _____	C- Comparable Replacement Unit \$ _____
B- N/A	D- Actual Replacement Unit \$ _____

**Documentation:**

Appendix 043

Claim for Replacement Housing – Homeowner (90 Day)  
HUD Form 40057 from 1378 – Appendix 13)

Appendix 044

Claim for Replacement Housing – Renter  
HUD Form 40058 from 1378 – Appendix 14)

**Temporary Displacement**

This section details the requirements when current occupants are not permanently displaced and are able to remain after the project is concluded. Temporary displacement is defined as the tenant being displaced for less than one (1) year. Tenants who are not afforded the opportunity to reoccupy within a year are considered permanently displaced and must be offered assistance under the permanent displacement guidelines. This situation applies to the rehabilitation and/or acquisition of renter-occupied housing developments or projects.

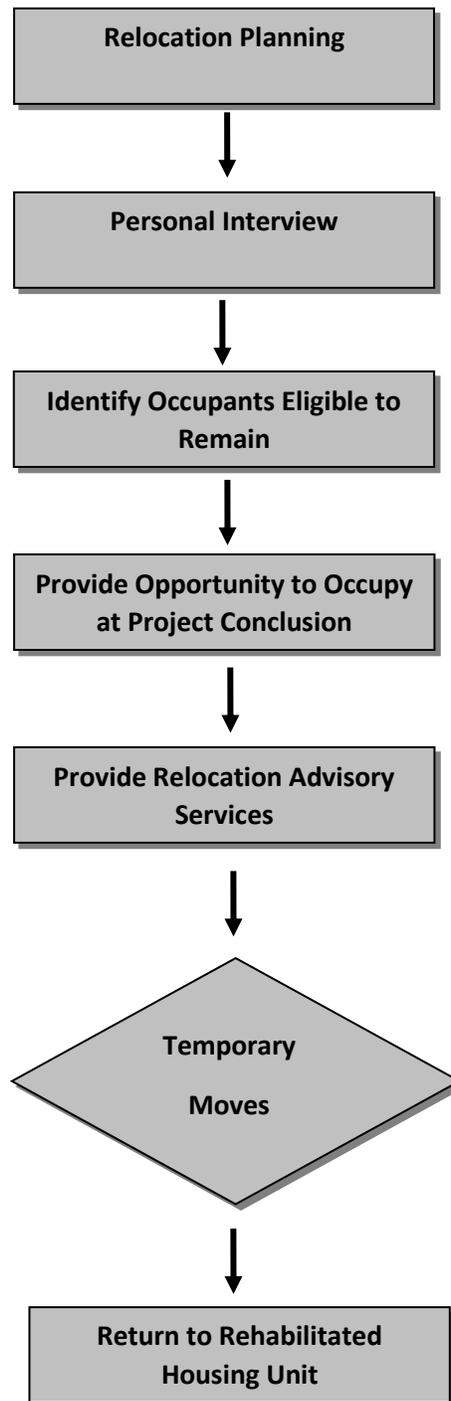
These requirements include:

- Planning for the temporary relocation;
- Determining who will not have to move permanently;
- Providing the proper written notices;
- Informing tenants of the benefits that will be made available; and
- Providing necessary and appropriate advisory services.

Neither the URA nor the regulations at 49 CFR Part 24 establish criteria for eligibility for temporary relocation assistance for a current occupant. Nonetheless, most HUD programs provide that if a current occupant is subjected to unreasonable temporary moves, unreasonable permanent moves within the development, or if they are not provided the opportunity to occupy a unit once the project is complete in a decent, safe and sanitary unit under reasonable terms and conditions, then they are considered “displaced” by the project.

Additionally, the development entity or public agency must provide reasonable out-of-pocket expenses related to the temporary move and appropriate advisory services. Given the emphasis and priority to minimize displacement and any undue hardship to occupants, temporary relocation should be seriously considered before making a decision to permanently and involuntarily displacing occupants.

**Relocation Process for Temporarily Displaced Households**



### **Planning for Temporary Relocation**

To minimize displacement, grantees should make every effort to allow occupants of a property to remain in the property after rehabilitation is complete. In many of these instances, a plan for the temporary relocation of residents may be necessary. The relocation plan (discussed previously) should address the agency's plans for temporarily relocating those who will be able to reside in the newly rehabilitated development. The portion of the relocation plan that addresses temporary relocation will:

- Identify reasonable steps that will be taken to minimize displacement of persons from their homes as a result of the assisted project;
- Identify current occupants that will be able to reoccupy a decent, safe and sanitary unit at the conclusion of the project, based on the provision of reasonable terms and conditions, and occupancy standards established for the project; and
- Detail the reasonable temporary relocation that will be necessary to accomplish the proposed project.

When the involved parties determine who will coordinate project activities and be responsible for relocation, they need to also address temporary relocation, if appropriate. Typically, the agency or entity that provides for the permanent relocation of residents, will also handle the temporary relocation activities. These roles and responsibilities should be clearly defined in the relocation plan.

The relocation plan should detail the terms and conditions of the temporary relocation, along with the occupancy standards that will apply to the housing development upon completion of the project. The URA protects the rights of residents who are temporarily relocated. Once the households who will be temporarily relocated have been identified, the responsible party must issue required notices, interview affected households, identify and communicate the terms and conditions of the temporary move, and provide appropriate advisory services.

### **Meeting and consulting with affected households**

In order to develop and carry out an effective temporary relocation plan, it will be necessary for the responsible agency to consult with affected households early in the planning process. At these meetings, the responsible agency should gather as much information as it can to understand the needs of the affected households, or to listen to suggestions from the current residents regarding alternatives to the proposed temporary relocation plan, or how the project should proceed. Generally, it is important to minimize the amount of time a household is temporarily relocated, to minimize inconvenience and hardship to the affected household, and to minimize unnecessary costs. These early meetings offer an opportunity to gather the information that will help to plan for an effective relocation, and to establish good communication with the affected households. All meetings need to be properly documented and incorporated into the file.

Consultation and meetings can be accomplished in a number of ways, including individual meetings, small group discussions or a "town hall" format. Meeting in a local school or community center can help to accommodate large groups. The approach to meeting with affected should be appropriate and yield the best results to ensure that the rights and benefits of households to be displaced are protected.

### **Survey**

A resident survey is an important element when preparing a relocation plan that properly addresses temporary relocation. The survey identifies all occupants of a property that may be affected by a proposed affordable housing project, and assesses whether or not they will be able to remain after the

project is complete. The survey assists in planning for temporary moves, the type and number of temporary units, and the timetable for moves of current occupants. Additionally, this can be useful to identify overcrowded households, along with households who may not have the legal right to be in occupancy.

Information to be collected during a survey must include:

- Type and tenure of the occupant;
- The number and ages of persons in the household;
- Legal Status
- Employment status;
- Income; and
- Special housing needs.

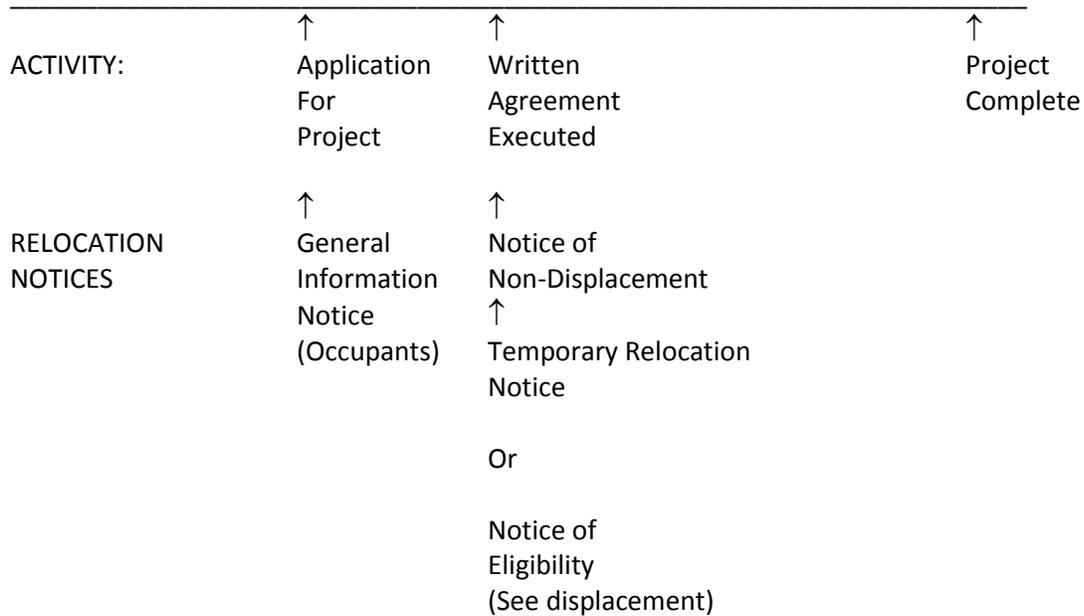
### **Notices**

The URA requires that everyone affected by a federally-financed project receive timely notices and specific information regarding their status and potential eligibility for any assistance and services. For occupants that will be temporarily relocated, the following notices must be provided:

- General Information Notice (GIN) – informs occupant of project and how the proposed activity will affect their occupancy;
- Notice of Non-Displacement – informs occupants that they will be able to remain in occupancy after the project is complete, and details the terms and conditions for their remaining in the property; and
- Temporary Relocation Notice – informs occupants they will be temporarily relocated for the project and the conditions of that temporary move.

The relocation plan should describe how the project will proceed and identify the necessary notices that must be issued. It is allowable to combine certain notices if they are provided timely and contain the appropriate information. Notices need to be tailored to the specific project and may also be required to reflect specific circumstances of the affected households.

**URA Timeframes for Notices –  
Temporary Relocation**



**Suitable Units**

When temporary relocation will occur, suitable housing units need to be available and sufficient in bedroom size and number to accommodate the affected households. The units must meet minimum standards for decent, safe and sanitary, in accordance with HUD Housing Quality Standards (HQS). The relocation plan needs to identify the number of on-site and off-site units required, and where they are located.

Temporary units are not required to be located in the immediate neighborhood. However, these units should take into consideration the special housing needs of identified households. Ideally, they will be accessible to transportation and other needs of the affected households, such shopping, employment, and community facilities.

**Occupant Moves**

The relocation plan must address the manner in which current occupants will have their household items and personal property moved when temporary relocation occurs. The URA requires that all reasonable and appropriate out of pocket expenses be paid. The displacing agency is responsible for ensuring all occupants are compensated for reasonable and appropriate out of pocket expenses before a project can be closed out.

The responsible agency should determine whether it will ask the occupant to hire a mover and reimburse the cost, or if the agency will hire the mover for all affected households. The relocation plan should identify how the temporary moves will be carried out and the responsible agency should inform affected households. It is recommended that in order for the project to meet its deadlines and ensure timely temporary moves, that the project engage a contract mover and provide adequate advance notice of the actual temporary move date to the affected households.

During the development stage of the project, there is often a need to stage and move residents around. Households that will be temporarily relocated need to be provided reasonable advance written notice of the planned move date. The date of an actual move may depend on factors such as progress on the work on the project or the availability of temporary housing units. Households that will be temporarily relocated should be given ten (10) to fourteen (14) days advance notice of their move date, and the actual address of their temporary unit. This would satisfy the requirement that all terms and conditions of the temporary move are reasonable, and not cause a current occupant to become “displaced” and eligible for relocation assistance under the URA.

Upon completion of the project, residents must be offered the opportunity to reoccupy a dwelling unit that is decent, safe and sanitary, under reasonable terms and conditions. It is not required that households return to the original unit that they occupied prior to the temporary relocation and project rehabilitation.

**Advisory Services**

All appropriate advisory services need to be provided to all affected households. The resident survey can serve to assist in identifying specific and unique resident needs that may result when residents are temporarily moved from their homes. Community-based and nonprofit organizations can be a valuable resource to providing such services. In some cases, the affected households may want assistance from someone other than the official representative of the project, or may need information translated into their native language. The relocation plan should detail these services and specify who will provide them to occupants required to temporarily relocate.

**Determining Households for Temporary Relocation**

Either the public agency or the development entity may make the determination of who can qualify to reoccupy once the project is complete. If the development entity makes the determination, then the public agency funding the project should reserve the right to review and agree on this determination, in order to keep consistent with its annual certifications to HUD.

In many cases, the determination is straightforward, when, upon completion of the project, the units will remain affordable, and will be sufficient of bedroom size and number to accommodate all current occupants. While the responsible agency may intend to provide temporary relocation and allow the existing occupants to remain in their units after rehabilitation, this may not always be possible. The post-rehabilitation unit must be suitable for the household. This means, the unit must be:

- Affordable;
- Decent, safe and sanitary; and
- Adequate in size, and containing the appropriate number of bedrooms for the household.

A suitable unit is of adequate size and contains an appropriate number of bedrooms to properly house all members of the household. Households that cannot be offered a unit of appropriate bedroom size to accommodate all members of the household would then qualify as displaced, regardless if prior to the project, they were living in an overcrowded situation.

Additionally, once the project is complete, current occupants must be provided a gross rent (base rent plus average monthly utility costs) that is affordable to them. Many HUD programs define “affordable” as a rent that does not exceed 30% of gross monthly income. The HOME Program uses 30% of the gross income for occupants whose incomes are above the Section 8 Low Income Limit and the Section 8 *Total Tenant Payment* (TTP) for occupants at or below the Section 8 Low Income Limit. TTP is the greater of 30% of adjusted income or 10% of gross monthly income. This is to ensure that remaining households in the project are not rent burdened and are not “economically displaced.”

When the current occupant cannot afford to pay the higher rent for the rehabilitated unit, then the household is considered “displaced” and would be eligible for relocation benefits under the URA.

The following two examples further illustrate “rent burden”:

**Example 1:**

<b>\$575</b>	<b>Pre-rehab Unit Rent</b>	<b>\$590</b>	<b>Post-Rehab Rent</b>
<u><b>85</b></u>	<b>Estimate of Utility Cost</b>	<u><b>85</b></u>	<b>Estimate of Utility Cost</b>
<b>\$660</b>	<b>Pre-rehab Unit Gross Rent</b>	<b>\$675</b>	<b>Post-rehab Unit Gross Rent</b>

\$32,350 Household’s Gross Income

$\$32,350/12 \times 0.30 = \$809$  affordable rent to this household

The family is not rent burdened, since the new gross rent does not exceed 30% of gross income.

**Example 2:**

<b>\$575</b>	<b>Pre-rehab Unit Rent</b>	<b>\$590</b>	<b>Post Rehab Rent</b>
<u><b>85</b></u>	<b>Estimate of Utility Cost</b>	<u><b>85</b></u>	<b>Estimate of Utility Cost</b>
<b>\$660</b>	<b>Pre-rehab Unit Gross Rent</b>	<b>\$675</b>	<b>Post-rehab Unit Gross Rent</b>

\$26,482 Gross Income of Household

$\$26,482/12 \times 0.30 = \$662$  is affordable to this household

The family is rent burdened, since the new gross rent exceeds 30% of gross income.

The project can elect to limit rents for current occupants in order to avoid economic displacement, or the public agency providing federal financial assistance can increase its contribution to reduce rents. This should be done during the underwriting phase of project review. While this may not seem to be a viable approach, the cost of permanent and involuntary displacement may exceed the increased assistance to the project. The rents must remain affordable, and all current occupants should be offered a new lease, generally for one year. Any rent increases should be reasonable and based on market conditions, and a property owner may not set rents at an artificially low level, then subsequently raise the rents dramatically, due to the property improvements.

**Temporary Residential Relocation**

Once a household has been determined eligible to reoccupy a unit at the completion of the proposed project, then these current occupants must be provided (in writing):

- Notices;
  - General Information Notice
  - Notice of Non-Displacement
  - Temporary Relocation Notice
- Offer to reoccupy a decent, safe and sanitary unit, under reasonable terms and conditions (affordable) at the completion of the project;
- Advance written notice of the date of the move;
- Reasonable out-of-pocket expenses incurred in the move; and
- Advisory services.

Households determined not to be displaced have the right to appeal any determination made by the displacing agency, including:

- Eligibility to be considered “displaced;”
- Unit offered is not suitable, decent, safe and sanitary;
- Terms and conditions to occupy a unit after the project is complete are not reasonable;
- Terms and conditions of the temporary move are unreasonable; and
- Failure to provide for any reasonable out-of-pocket expense related to the temporary move

Failure to provide Notice of Non-Displacement can lead to a tenant moving and being found eligible as a displaced tenant because they had not been informed of their ability to reoccupy a unit within the project.

**Documentation:**

Appendix 045	Claim for Temporary Relocation Expenses (HUD-40030 from 1378 – Appendix 15)
Appendix 046	Temporary Relocation Notice (sample) On-site On-site Transfer Off-site Hotel
Appendix 047	Move-In Notice (HUD 1378 – Appendix 29)
Appendix 048	Tenant Rent Roll (sample)

## **Section 9 – Moving Expenses**

### **Payment for Moving and Related Expenses**

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

- Reimbursement of actual expenses; or
- Receipt of fixed payment based on DOT schedule (Fixed Moving Expense and Dislocation Allowance).

### **Eligible Moving Costs**

Based on the displacing agency's determination that the expenses are reasonable and necessary, actual moving and related expenses that are eligible for reimbursement must include:

- Transportation of the displaced person and personal property;
- Packing, crating, uncrating and unpacking of personal property;
- Storage of the personal property for up to 12 months, unless the Agency determines that a longer storage period is necessary;
- Disconnecting, dismantling, removing, reassembling, and reinstalling relocated household appliances, and other personal property;
- Insurance for the replacement value of the property in connection with the move and necessary storage;
- The replacement value of property lost, stolen, or damaged in the process of moving (not through the fault or negligence of the displaced person, his or her agent, or employee) where insurance covering such loss, theft or damage is not reasonably available;
- Credit checks;
- Utility hook-ups, including reinstallation of telephone and cable service; and
- Other costs as determined by the Agency to be reasonable and necessary.

### **Ineligible Moving Costs**

The following costs associated with moving a displaced person to a new residence are not reimbursable under URA:

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

Public housing residents are eligible to receive moving assistance under URA. Public Housing Authorities (PHA) that elect to perform the move must provide the dislocated tenant with a \$50 moving expense and dislocation allowance. If the responsibility of the move is left to the public housing resident, the PHA must provide the dislocated resident with the option to choose payment for actual moving and related expense or the applicable fixed moving expense and dislocation allowance. Note, this policy covers displacement under URA and not "general transfers."

**Documentation:**

Appendix 049

Relocation Moving Reimbursement

Appendix 050

(HUD Form-40054

Handbook 1378 – Appendix 11)

Claim for Moving Expenses – Residential

**Section 10 – Section 504 – Accessibility**

To comply with Section 504 of the Rehabilitation Act, as implemented by 49 CFR part 24 and HUD's regulations at 24 CFR part 8, the displacing agency must take steps to ensure that no displaced person with disabilities is excluded from participating in, denied the benefits of, or subjected to discrimination in the provision of relocation assistance because of the person's disability. Any reasonable accommodations required shall be incorporated into the relocation plan for the project and should reflect information collected during individual resident interviews.

Such steps include:

- Determining the accessible features of housing from which persons with disabilities will be displaced, as well as any other accessible housing needs (49 CFR 24.205(a)(1) and section 2-2.B.2 of this Handbook). For public housing and Housing Choice Vouchers this could entail updating section 5 of form HUD-50058, Family Report.
- Ensuring that communications are effective (24 CFR 8.6) and that facilities for meetings, counseling, and other informational activities are accessible (24 CFR 8.21).
- Providing reasonable accommodations (e.g., providing transportation assistance to locate comparable housing) at the request of a displaced person who is disabled (24 CFR 8.4) See also Departmental program notices – for example: Notice CPD-05-10 (CDBG), CPD-05-09 (HOME), PIH 2006-13 (public housing and Housing Choice Voucher programs), PIH 2006-38 (NAHASDA), and H 04-19 (Section 202, Section 811, and insured multifamily housing). (Also see 49 CFR 24.205(c) and Paragraph 2-4 of this Handbook.)
- If comparable replacement housing is not available on a timely basis, using replacement housing of last resort (See 49 CFR 24.404 and Paragraph 3-8 of this Handbook).
- Inspecting replacement housing to ensure that it is decent, safe, and sanitary – e.g., free of barriers to the person's ingress, egress, adequate in size to accommodate the occupants, and includes other features to meet the accessibility needs of the displaced person with disabilities (49 CFR 24.2(a)(8)(vii) and Paragraph 3-7(A) of this Handbook).

### **Section 11 – Mobile Homes**

The State of New Jersey defines a mobile home as a unit of housing which is built on a permanent chassis and is designed to be used, when connected to utilities, as a residential dwelling. As such, a mobile home is deemed “personal property” and must be titled with the New Jersey Motor Vehicle Commission (MVC) similar to titling a vehicle. Mobile homes are exempt from registration and inspection. Mobile home regulations are found at N.J.S.A. 46:8C-2 through 46:8C-21 (Mobile Home Park Private Residential Leasehold Communities) which details the rights, protections and standards for operation and management of mobile home communities.

For HUD programs, a mobile home is defined as “a structure, transportable in one or more sections, which, in the traveling mode, is eight (8) body feet or more in width or forty (40) body feet or more in length, or, when erected on site, is three hundred (300) or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities and includes the plumbing, heating, air-conditioning, and electrical systems contained therein; except that such terms shall include any structure which meets all the requirements except the size requirements and with respect to which the manufacturer voluntarily files a certification required by the Secretary of HUD and complies with the standards established under the National Manufactured Housing Construction and Safety Standards Act, provided by Congress in the original 1974 Manufactured Housing Act.”

In 1979 the term “mobile home” was changed to “manufactured home.” For purposes of this regulation, the terms mobile home and manufactured home are synonymous. When assembled, manufactured homes built after 1976 contain no less than three hundred twenty (320) square feet. They may be single or multi-sectioned units when installed. Their designation has been determined by New Jersey state law. The 1976 HUD standards distinguish manufactured homes from factory-built “modular homes” as well as conventional or “stickbuilt” homes. Both of these types of housing are required to meet State and local construction codes. To acquire a title for a new or used mobile home in the State of New Jersey, the Motor Vehicle Commission will require the following documents:

- Acceptable proof of identification;
- A properly completed, signed, original Manufacturer's Certificate of Origin (MCO) or title;
- If the vehicle is financed, you must provide the address and corporation code of the lien holder. The original title will be sent to the lien holder; and
- \$60 fee or \$85 fee for a financed vehicle.

In addition to the URA requirements, the State of New Jersey have established relocation requirements (See 46:8C-21) that state “no agency of municipal, county or State government, or of any agency or instrumentality thereof, shall approve or take any other final action upon any application for a variance which would result in the removal of homes or relocation of homeowners residing in a private residential leasehold community, without first determining that adequate private residential facilities and circumstances exist for the relocation of those homeowners.

Additional information can be found at

[http://www.nj.gov/dca/divisions/codes/publications/pdf\\_lti/mobile\\_hm\\_pk.pdf](http://www.nj.gov/dca/divisions/codes/publications/pdf_lti/mobile_hm_pk.pdf)

<http://www.state.nj.us/mvc/Vehicle/Motorhomes.htm>

**Section 12 – Section 104(d) One – for – One Unit Replacement**

An important element of the planning process is the review and determination of whether the project will result in the demolition or conversion of existing affordable housing unit as the result of the proposed project. An affordable housing initiative may result in newly renovated units, construction of new housing units, or conversion from renter-occupied units to owner-occupied units. Even so, the project must be evaluated in accordance with the requirements under Section 104(d) of the Housing and Community Development Act of 1974, as amended.

Section 104(d) requires that whenever HOME or CDBG program funds are used in a project that results in the “loss” of housing units that are affordable to low-income households (both rental and owner occupied), higher relocation benefits must be extended to the displaced low-income families, and units lost must be replaced on a one-for-one basis. This requirement can be triggered even in projects where the de-concentration or reduction of density is a desirable objective.

Meeting the requirements of Section 104(d) is an important planning consideration that must be addressed to ensure that both the project budget has sufficient resources, and the obligation to replace units can be achieved. Additionally, requirements under this section include development of a plan to replace units lost to the affordable housing supply, the provision of public notice and comment, and the notification to HUD of the proposed activity and submission of the replacement housing plan.

The agency or entity that will move to purchase property for a project needs to identify any and all land, buildings and improvements that may be needed for the project, along with who currently occupy that property. Additionally, the proposed housing development project and its owner/developer/sponsor must determine if any current occupants will have to move from the property as the result of the property being purchased, and if so, where they likely will be able to relocate. The location and availability, or lack thereof, of replacement housing is a significant determining factor when reviewing project feasibility.

**In the event that a project will trigger this requirement, the Subrecipient or other funded entity must notify the Department of Community Affairs - Sandy Recovery Division to commence development of the Section 104(d) One-for-One Unit Replacement Plan. This requirement includes a thirty (30) day public notice and comment period.**

**Documentation:**

Appendix 051

Section 104(d) One-for-One Unit Replacement Plan

**Section 13 – Certification**

All persons who are directly responsible for any and all actions, determinations, decisions, or other related actions, regardless by whom they are employed (public or private) shall be required to execute a certification that attests to the following:

- Neither my employment nor my compensation for the preparation of URA notices, comparable replacement housing units, temporary housing units, claims for replacement housing, purchase assistance or reimbursement for moving expenses are in any way contingent upon the assistance provided to any individual, family, business, non-profit or farmer;
- That I have no direct or indirect present or contemplated future personal interest in such property or in any benefit from the acquisition of property appraised, identified as comparable replacement housing or any temporary housing; and
- That I have not revealed the results of any assistance provided under the Uniform Act to anyone other than the officials of the State of New Jersey officials of the U.S. Department of Housing and Urban Development.

**This certification must be executed prior to the commencement of the project.**

**Documentation:**

Appendix 052

Relocation Specialist/Program Staff Certification

### **PART III – NON-RESIDENTIAL DISPLACEMENT**

Under the URA, displaced businesses are entitled to relocation benefits and advisory services to assist with displacement. Businesses under the URA are defined as:

- A for-profit enterprise, engage in a lawful activity;
- A non-profit organization (church or social service agency); and
- A farm.

When dealing with a business that will be displaced as the direct result of a federally assisted activity, there are differences and similarities between residential displacements. While businesses are entitled to moving expenses and advisory services, they do not qualify for a “replacement occupancy payment” similar to the RHP. Instead, they are eligible for reestablishment payment and moving expenses. If the site a business relocates to is more expensive than the business’ current location, there is no obligation to provide assistance to address the difference, as required in residential displacement. In addition, upon notice to vacate, there is no requirement that the relocating agency provide a comparable site, however, advisory services include assistance to locate alternative locations and reimbursement for the search.

Business moves can be complex, and it may require the assistance of a knowledgeable relocation professional to properly advise the business owner and provide adequate advisory services. In many cases, the owner of the real property to be acquired for a project and the business owner are separate parties, and both have specific rights that must be protected.

#### **Relocation Advisory Services**

A relocation specialist must meet with the business owner to discuss business relocation and eligibility for various benefits once affected properties are identified for the project. The relocation specialist will provide information about the general relocation process during several personal visits and contacts and review the timeframe or project schedule to inform the business how long they may remain at the current location. The relocation specialist will be available during the relocation process to answer questions and assist in your relocation efforts.

At a minimum, the business owner will be provided with at least a ninety (90) day notice prior to the date required to move. The business will not be displaced unless at least one available, comparable replacement property is presented.

#### **Interview and Market Study**

As a first step in the relocation process, the relocation specialist will interview the business owner as part of the development of the project-wide relocation plan that addresses the business and relocation needs for the project. The information collected during the interviews with business owners will be incorporated into the relocation plan for the project.

The relocation plan provides a market analysis of available business properties considered comparable to the current business (subject) site, including purchase or lease terms, if applicable and other contractual obligations and the financial ability of the business to accomplish the move. A comparable property is a property that is:

- adequate for the needs of the business;
- reasonably similar in all major characteristics;
- functionally equivalent;

- meets applicable federal, state and local codes;
- within reasonable proximity of the subject site; and
- suitable for the same type of business.

During the interview, the relocation specialist will review project timelines and possible relocation benefits and provide the business owner with necessary contact information.

#### Legal Citizen Certification

Under federal law, in order to qualify for relocation services and payments, the business owner must certify that they are a legal citizen or lawfully present in the United States. This must be completed prior to any disbursement of relocation assistance to business owners. The relocation specialist will review this policy and require the owner to sign a certification form. Any person who is not lawfully present in the U.S. is not eligible for relocation advisory services and payments, unless ineligibility would result in exceptional and unusual hardship to a qualifying spouse, parent, or child.

#### Relocation Assistance

Once the appraisal for the property has been approved, negotiations will be initiated for the purchase of the property by providing a written financial offer to the business owner. At this time (or soon afterwards), formal notification of the relocation assistance will be provided that includes a summary of all relocation benefits available in the program. This package will include a replacement business payment calculation; available comparable business locations; and other information, as appropriate. The business owner shall be required to sign a form acknowledging receipt of the documents.

#### **Notices**

When a business is to be displaced it is to be provided proper and timely information regarding the nature and extent of the project. Specifically tailored notices must include the following:

- General Information Notice (GIN);
- Notice of Eligibility for Relocation Assistance; and
- 90-day Notice to Move.

The GIN must be issued as early in the project as feasible to provide the necessary information pertaining to the project and the point of contact. In addition to notifying a business of its rights and entitlement to benefits, the GIN should describe the obligations of the business owner to assist and to be eligible to receive relocation assistance and advisory services. These obligations include:

- Allow inspections to current and replacement sites;
- Provide notice of date and time of move; and
- Provide a list of property to be moved or sold.

In most cases, a representative of the displacing agency should be present at the time of the move to ensure that it occurs, it is done at reasonable cost, to secure a detailed inventory of personal property moved, and to provide any other technical assistance necessary.

#### **Moving Expenses**

When a business must move, it is eligible for actual reasonable moving expenses and it may choose between a fixed payment and actual expenses. Additionally, a business may choose to use a professional mover or perform a self-move, however, in neither case may the cost exceed that of the lowest acceptable bid from a moving company. Depending on the nature and complexity of the

business, moves may require special handling, equipment or technicians, and may have to be based on actual cost on a time and material basis. Generally, eligible costs include:

- Transportation;
- Packing, crating, unpacking;
- Disconnecting, dismantling, reinstalling equipment;
- Storage for up to 12 months;
- Insurance;
- Licenses, permits or certification;
- Professional services for searching for replacement site;
- Re-lettering signs and stationary; and
- Disposal cost of items not to be moved.

Additional benefits that may be provided to businesses, depending the circumstances, are a “direct loss” payment and a “substitute equipment” payment. A direct loss payment is reimbursement for loss of personal property, after a good faith effort to liquidate inventory, due to closing or moving the business. A substitute equipment payment is made when personal property is left in place and promptly replaced at the new site.

#### Actual and Reasonable Moving Costs

The business owner may choose to receive reimbursement for the actual, reasonable cost of moving personal property to the new business location. The relocation specialist will work with the business owner to prepare an inventory of personal property items that will be moved. She/he will contact at least two commercial movers to provide moving estimates based on this inventory. Reimbursement is provided, once the business has vacated the premise, in a lump sum based on the lower of the two moving estimates.

The business owner will have the choice of either receiving reimbursement for the moving costs by using a commercial mover or a self-move.

- Commercial Move - Reimbursement is provided for the actual and reasonable costs incurred in moving the business to a replacement business site when the move is accomplished by a licensed commercial mover, in an amount up to the lower of the two estimates received.
- Self-Move – This option allows a business owner to conduct their own move utilizing owned or leased equipment; their own employees, relatives or other persons hired specifically for the move; supervised by himself/herself and/or a working foreman. Or, a business owner can also choose to move their business with a self-move combined with a partial commercial move. Any self-move requires a signed agreement that is completed before the move takes place and reimbursement is provided. The business owner will be provided with the actual date necessary to have all personal property removed and premises “broom cleaned.”

#### Exclusions on Moving Expenses and Losses

The following expenses are considered ineligible for reimbursement as "actual moving expenses":

- Additional expenses incurred because of doing business in a new location;
- Cost of moving structures, improvements or other property purchased or when the displace reserved ownership. This includes items which have been included in the acquisition of the property and paid for as part of the real property and items retained by the owner;
- Modification of personal property, except when necessary to adapt personal property to the replacement site or structure;

- Costs for storage of personal property on real property you already own or lease;
- Physical changes to the real property at the replacement location of a business, except for the modification and adaptation of utilities to the personal property at the replacement site;
- Interest on loans or the money borrowed to cover moving expenses;
- Loss of good will, business, profits or trained employees; and
- Personal injury, annoyance or discomfort.

#### Searching for a Replacement Business Site

A displaced business is eligible for the reimbursement up to a maximum of \$2,500 for actual and reasonable searching expenses for a replacement business site. Related reimbursable expenses (limited to a fifty (50) mile radius from the displaced location) include:

- Transportation;
- Meals;
- Lodging away from home;
- Time spent searching;
- Fees paid to real estate agents or brokers;
- Time spent obtaining zoning permits; and
- Negotiating the purchase of a replacement site.

Payment is based on the applicable hourly wage rate for the persons conducting the search, not to exceed \$30.00 per hour. Receipts for meals and lodging must accompany any claim for search expenses.

#### **Relocation Benefits**

##### Replacement Business Payment

In addition to the amount received for the purchase of the building(s)/property, the business owner may qualify for a replacement business payment. The business must have been in business at the same location for at least one (1) year prior to the initiation of negotiations to qualify.

The relocation assistance will include a calculation of the replacement business payment. The payment is calculated by subtracting the offering price for the present business (subject) site from the list price of a comparable business site. This calculation establishes the maximum benefit amount eligible for the replacement business payment. However, the actual payment amount depends on the final negotiated acquisition amount of the current business location, comparable properties, and documentation verifying the purchase (or rental) of a replacement business property.

If eligible, a replacement business payment will be received after the property is acquired and the business has moved to a replacement property. For payment, the replacement property must meet federal, State and local codes and requirements.

If a business does not utilize the maximum allowable business replacement payment in the purchase (or rental) of a replacement business property, reasonable incidental costs may be reimbursed to the business. These costs include:

- Legal, closing and related costs including title search, preparation of conveyance contracts;
- Notary fees, surveys, drawings or plats and recording fees related to the purchase of a replacement property;
- Lender, appraisal or application fees;

- Certification of structural soundness for the replacement property;
- Credit report fees;
- Owner or mortgagee title insurance policy or abstract of title;
- Escrow agent fee; and
- Transfer taxes.

#### Actual Direct Losses of Tangible Personal Property

This benefit is provided if the business owner discontinues business or elects not to relocate a particular item of personal property from the displaced business. The business owner may be eligible for a calculated benefit based on the actual direct loss of tangible property. To be eligible to receive a direct loss of tangible personal property payment, the owner must make a meaningful effort to sell the items.

If an item of personal property used in connection with the current business is not moved, the payment will be either:

- The fair market value “in place, as is” for continued use of the personal property, minus the proceeds from its sale;

OR

- The estimated cost of moving the item “as is,” but not including any storage costs or reconnections/recalibration costs if the item is in storage or not being used at the subject site.

Eligible moving costs of direct loss of tangible personal property include reconnection costs if the item was used at the current business operation. Reconnection and recalibration costs are based on estimates of what it would be to install items as they currently exist at the property. If the business is discontinued, the estimated cost of moving the item is based on a moving distance of fifty (50) miles.

Ineligible costs of tangible personal property include: increased costs to meet codes or other requirements that would only be necessary if item were actually relocated to a replacement site; storage and installation costs for inoperable or uninstalled machinery or equipment at the subject site; installation costs of equipment not moved to replacement site; moving costs exceeding the fifty (50) mile radius limit.

#### Purchase of Substitute Personal Property

This benefit is intended to provide payment for an item of personal property that will not be moved but will be promptly replaced with an item that performs a comparable function at the replacement site. Commonly “substituted” items are technology-based equipment, such as computers and phone systems.

The substitute personal property benefit is the lesser of:

- The cost of the substitute item including installation costs of the replacement site, minus all proceeds from the sale or trade-in of the replaced item;

OR

- The estimated cost of moving and reinstalling the replaced item (no allowance for storage).

Eligible moving costs of purchase of substitute personal property include reconnection costs, based on estimates of what it would be to install items as they currently exist at the subject site.

Ineligible costs of purchase of substitute personal property include: increased costs to meet codes or other requirements that would only be necessary if item were actually relocated to a replacement site; installation for inoperable or uninstalled machinery or equipment at subject site; moving costs exceeding the fifty (50) mile radius limit; and storage costs.

#### Fixed Payment for Moving Expenses

The owner of a discontinued or relocated business may be eligible to receive a fixed payment for moving expenses. This is an optional payment that may be selected in lieu of all other moving expense payments, such as actual moving expenses, re-establishment expenses, and search costs. The maximum amount eligible for a fixed move payment is between \$1,000 and \$40,000 and will depend on supporting documentation.

To be eligible for a fixed move payment, a business must meet five (5) criteria:

1. The business must own or rent personal property which must be moved in which move expenses would be incurred.
2. The business would not be able to relocate without a substantial loss of its existing patronage.
3. The business must have contributed materially to the income of the displaced person during the two (2) taxable years prior to displacement. "Contribute materially" means the income from the business: 1) had an average annual gross receipts of at least \$5,000; 2) had an average annual net earnings of at least \$1,000; or 3) contributed at least one-third of the owner's average annual gross income from all income sources.
4. A business must not be part of a commercial enterprise having more than three (3) other entities not being acquired, and which are under the same ownership and engaged in the same/similar business activities.
5. The business is not eligible for a fixed move payment if it is operated at the subject site solely for the purpose of renting to others (a landlord owner, renting the property to a business).

Documentation for this payment calculation is required, including a complete copy of the previous two (2) years of federal tax returns and schedules. The fixed payment is calculated using the business owner's average annual net earnings of the business during the two taxable years immediately before the taxable year in which the business is relocated.

If the business owner received reimbursement for actual move expenses and decides later to take a fixed payment, the fixed payment calculation would subtract those amounts previously paid. If the business discontinues at a replacement site within two (2) years of the vacate date, the business may be entitled to an additional benefit through the fixed move payment in addition to actual moving expenses already reimbursed.

#### Multiple Businesses at a Property

Individuals sometimes own multiple, distinct businesses located at the same property to be acquired. To determine if more than one business occupies a single site, there are several factors considered. These factors include, the extent to which:

- The same facilities and equipment are shared;
- The businesses are substantially identical or are interrelated and carried out and the financial affairs are commingled;

- The entities are held out to the public, and to those customarily dealing with them, as one operation; and
- The same person, or closely related persons own, control, or manage the affairs of the entities.

Business taxes and schedules are required to determine multiple businesses relocation benefit eligibilities.

### **Reestablishment Expenses**

While business relocation assistance does not include any additional cost to the business at the replacement sites, certain small businesses (less than 500 employees) are eligible for up to a maximum of \$25,000. It is important to properly document all costs related to assistance and moving expenses to ensure that they are reasonable and appropriate. These costs include:

- Repairs or improvements to replacement site;
- Modification to replacement property to accommodate business;
- Exterior signs;
- Utility service;
- Licenses, permits, fees;
- Market studies;
- Environmental testing;
- Impact fees; and
- Increased taxes, insurance, rent or utility costs for first two (2) years.

### **Relocation Claims**

In order to receive reimbursement for eligible relocation items, each claim will be reviewed (signed form plus supporting documentation) and determine whether the request is reasonable and necessary. Documentation is very important, such as, such as paid invoices, receipts, and photos. The submission of a claim does not guarantee reimbursement.

Reimbursement depends on many factors including:

- Eligibility for reimbursement is allowable under the provisions of State and federal laws, codes and policies.
- The claim for reimbursement of incurred costs is considered to be actual, reasonable and necessary.
- Documentation that verifies payment and eligibility for reimbursement, such as copies of business taxes, paid invoices/receipts, photographic documentation.

Business owners have two (2) years from the date to vacate from the subject site to file claims for reimbursement of relocation benefits. Legal fees are generally ineligible for reimbursement in the relocation program.

### **Documentation:**

Appendix 016

Site Occupancy Record – Non-Residential  
(HUD 1378 – Appendix 9)

Appendix 017

Site Occupancy - Photographs

Appendix 053

Claim Moving Expenses – Business  
(HUD 1378 – Appendix 16)

Appendix 054

Claim Payment in Lieu Actual Moving  
(HUD 1378 – Appendix 17)

## **PART IV – APPEALS**

When a person, household or business feels that they have not been accorded all protected rights and protections under the URA, they must have an avenue to appeal and seek review of how their case was handled. The displacing agency must establish an appeal process, and that process should be described in the formal relocation plan. It should also be made public and directions provided in writing to each affected household, person or business should they wish to appeal.

An appeal should be in writing and filed with the displacing agency within a thirty (30) day period. The appeal process should establish the opportunity for the affected household, person or business to be heard by a person other than the one who made the decision or determination being appealed. This process should be established in accordance with local standards and state law pertaining to administrative hearing procedures.

Actions that may be appealed include:

- Determination as a “displaced person;”
- The amount of relocation benefit provided;
- Comparable housing unit offered;
- Failure to inspect replacement unit in a timely manner; and
- Failure to meet time deadlines for filing a claim for relocation benefits.

A person, household or business has the right to be represented, to review pertinent records, and to receive a prompt, written decision on the matter appealed. In most cases, a person, household or business that is dissatisfied may also submit a written request for the local HUD Field Office to review the decision. Notwithstanding the appeal process, a person, household, or business is not precluded nor limited in seeking judicial review, once all administrative remedies have been exhausted.

## PART V – RECORDKEEPING

HUD program participants that use HUD program funds for relocation purposes must keep detailed records documenting that procedure was followed according to program rules and regulations. At a minimum, all pertinent relocation records must be kept for a period of three years, unless a longer retention period is required pursuant to State or other applicable requirements, past the latest of:

- The last payment for relocation and acquisition for the project has been made;
- The date the project was completed; or
- The date by which all issues resulting from litigation, negotiation, audit, or other actions (e.g., civil rights compliance) have been resolved.

This section discusses the specific record keeping requirements that pertain to HUD-assisted relocation activities.

### **Records to be retained for Displaced Households**

A separate case file must be maintained for each displaced person. At a minimum, each file must include the following items:

- Personal Identification Information
  - Name;
  - Address; and
  - Date of initial occupancy.
- For residential tenant-occupants, files must also include:
  - Age;
  - Sex;
  - Racial or ethnic group classification;
  - Presence of disability in the household;
  - Income of each member of the household; and
  - Monthly rent and estimated average monthly utility cost for the displacement dwelling.
- For homeowners, files must include the agency “acquisition cost” of the unit.
- For nonresidential occupants, files must include information concerning:
  - Type of enterprise (business); and
  - Whether the business is a minority business enterprise.

In all cases, whether temporary relocation or permanent displacement, each file must contain documentation that the person received timely written notice of the following:

- Evidence that the person received:
  - Early written notice of the possible displacement;
  - General description of the relocation payments;
  - Information concerning advisory services for which the person may be eligible, including eligibility conditions;
  - Procedures to obtain payments;
  - For residential occupants, assistance to relocate to a comparable dwelling unit;
  - Timely written notice of eligibility for relocation assistance;
  - For those displaced from a dwelling, the specific comparable replacement dwelling and the related cost to be used to establish the upper limit of the replacement housing payment.
  - Relocation needs and preferences;
  - Dates of personal contacts;

- Services provided;
- Referrals to replacement properties:
  - Date of referral;
  - Date of availability;
  - Reason(s) person declined referral;
  - Rent and utility cost, or sale price (if residential); and
  - Evidence of referrals to comparable replacement dwelling(s) and suitable housing that is consistent with the grantee's responsibility to affirmatively further fair housing (if residential);
- A copy of 90-day notice and vacate notice, if issued;
- Identification of:
  - Address of actual replacement property;
  - Rent and utility costs, or sale price if dwelling;
  - Date of relocation; and
  - Whether the replacement unit is located in an area of minority concentration.
- A copy of replacement dwelling inspection report showing both condition of unit and the date of inspection;
- A copy of the:
  - Approved claim form and related documentation;
  - Evidence that the person received payment;
  - If applicable, evidence that the person received Section 8 or HOME Tenant-Based Rental Assistance; and
  - Copies of any appeals or complaints filed and the grantee's response.

### **Records for Valuation**

The establishment and use of clear and consistent standards for awarding compensation for displacement and property loss are key to meeting the URA's mandate to "provide for uniform and equitable treatment" of displaced persons and "promote confidence in federal land acquisition practices." The use of appraisals is an important element of this process. Ensuring the public's faith in appraisals developed for URA purposes is a high priority for HUD and the Federal Government.

To this end, HUD has developed strict rules governing the use of appraisals for the valuation of property and the documentation that serves as evidence that these rules have been followed.

In general, agencies are encouraged, but not required, to obtain at least two appraisals of high value properties and properties requiring a complicated valuation process. In such cases, additional appraisals are used to serve as independent and objective confirmation of the validity of the valuation reached.

HUD requires that, at a minimum, a detailed appraisal shall contain the following items:

- A statement describing the purpose and/or function of the appraisal, a definition of the estate being appraised, and a statement of the assumptions and limiting conditions affecting the appraisal;
- An adequate description of the physical characteristics of the property being appraised (and, in the case of a partial acquisition, an adequate description of the remaining property), a statement of the known and observed encumbrances, if any, title information, location, zoning, present use, an analysis of highest and best use, and at least a 5-year sales history of the property;

- All relevant and reliable approaches to value consistent with commonly accepted professional appraisal practices. When sufficient market sales data is available to reliably support the fair market value for the specific appraisal assignment encountered, the Agency may require only the market value for the specific appraisal approach. If more than one approach is used, there shall be an analysis and reconciliation of approaches to value that are sufficient to support the appraiser's opinion of value;
- A description of comparable sales, including a description of all relevant physical, legal, and economic factors such as parties to the transaction, source and method of financing, and verification by a party involved in the transaction;
- A statement of the value of the real property to be acquired and, for a partial acquisition, a statement of the value of the damages and benefits, if any, to the remaining real property, where appropriate; and
- The effective date of valuation, date of appraisal, signature, and certification of the appraiser.

In cases where the purchase price for the property exceeds the amount offered, a written justification explaining the basis for the settlement must be included in the Agency's files. The record keeping requirements for appraisals and other acquisition instruments are discussed in the next section.

#### **Records for Real Property Acquisition**

For each HUD-assisted project involving real property acquisition, grantees are required to keep records documenting that the acquisition process followed URA policies and requirements. For each project, files must include a list identifying all parcels acquired for the project. Such a list may be maintained in a suitable computer generated format that also indicates, for project management purposes, progress made in carrying out the acquisition program.

In addition, a separate file must be maintained for each parcel acquired. At a minimum, the property file must include:

- Identification of the property and property owner(s);
- Evidence that the owner was informed on a timely basis about the acquisition and his or her rights;
- A copy of each appraisal report (discussed above), including review appraiser's report, and evidence that the owner was invited to accompany each appraiser on appraiser's inspection of the property;
- A copy of the written purchase offer and a summary statement of the basis for the determination of just compensation, and date of delivery to the owner;
- A copy of the purchase contract and documents conveying the property;
- A copy of the closing statement identifying identical purchases, and evidence that the owner received all net proceeds due from the sale; and
- A copy of any appeal or complaint filed and the Agency's response.

#### **Confidentiality of Records**

It is the responsibility of the grantee to safeguard the confidentiality of the information kept in files maintained for URA record keeping purposes. These records are not to be made available as public information, unless required by applicable law. Only authorized staff of the grantee or HUD shall have access to them.

However, upon written request of the affected person, the grantee shall give the person or the person's designated representative the opportunity to inspect and copy all pertinent records, EXCEPT material that the grantee determines should not be disclosed to the person for reasons of confidentiality.

**Documentation:**

Appendix 055	Residential Relocation Management Report (HUD 1378 – Appendix 21)
Appendix 056	Non-Residential Relocation Management Report (HUD 1378 – Appendix 22)
Appendix 057	Comparison Chart Voluntary vs. Involuntary Acquisition (HUD 1378 – Appendix 23)
Appendix 058	Acquisition Checklist (HUD 1378 – Appendix 24)
Appendix 059	Monitoring Checklist - Acquisition
Appendix 060	Monitoring Checklist - Relocation

**PART VI – APPENDIX**

<b>Appendix Number</b>	<b>Title</b>
Appendix 001	URA Applicability Screening form
Appendix 002	Guide form Relocation Plan (HUD 1378 – Appendix 34)
Appendix 003	Appraisal Scope of Work (HUD 1378 – Appendix 19)
Appendix 004	Appraisal Contract (HUD 1378 – Appendix 20)
Appendix 005	Appraiser Certification (HUD 1378 – Appendix 19)
Appendix 006	Notice to Owner – Voluntary Acquisition – No E/D (HUD 1378 – Appendix 31)
Appendix 007	Notice to Owner – Voluntary Acquisition – with E/D (HUD 1378 – Appendix 32)
Appendix 008	Voluntary Acquisition – Alternative Valuation
Appendix 009	Notice of Intent (HUD 1378 – Appendix 30)
Appendix 010	Notice of Just Compensation (Offer to Purchase)
Appendix 011	HUD 1 Settlement Statement (HUD – 1)
Appendix 012	Title Report
Appendix 013	Administrative Settlement
Appendix 014	Condemnation Court Record/Case File
Appendix 015	Site Occupancy Record – Residential (HUD 1378 – Appendix 8)
Appendix 016	Site Occupancy Record – Non-Residential (HUD 1378 – Appendix 9)
Appendix 017	Site Record – Photographs
Appendix 018	Occupant Photo Identification
Appendix 019	Resident/Occupant Interview form
Appendix 020	Income Certification
Appendix 021	Current Lease/Occupancy Agreement
Appendix 022	Tenant paid utility bills
Appendix 023	Certification – Legal Status
Appendix 024	Power-of-Attorney
Appendix 025	HUD Brochure - “When an Agency Acquires a Property” (HUD – 1041 – CPD)
Appendix 026	HUD Brochure “Relocation Assistance When Tenants Displaced From Their Homes” (HUD – 1042 – CPD)
Appendix 027	HUD Brochure “Relocation Assistance to Displaced Homeowner Occupants” (HUD – 1044 – CPD)
Appendix 028	Method/Manner of Notice Delivery

Appendix 029	General Information Notice Tenant Non-Displaced (HUD 1378 Appendix 29) Business Non-Displaced (HUD 1378 Appendix 2a) Tenant Displacement (HUD 1378 Appendix 3) Business Displacement (HUD 1378 – Appendix 3a)
Appendix 030	Notice of Non-Displacement – Residential Tenant (HUD 1378 – Appendix 4)
Appendix 031	Notice of Eligibility for Relocation Assistance Homeowner (HUD 1378 – Appendix 5) Residential Tenant (HUD 1378 – Appendix 6) Non-Residential (HUD 1378 – Appendix 7)
Appendix 032	90 Day Move Notice (sample)
Appendix 033	Combined 90 Day and Notice of Eligibility (sample)
Appendix 034	Record of Advisory Assistance/Case Log (HUD 1378 – Appendix 10)
Appendix 035	Stafford Act 414 – Correspondence
Appendix 036	Stafford Act 414 – Public Notices
Appendix 037	Stafford Act 414 – Web Notification
Appendix 038	Option #1 – Individual Case Determination
Appendix 039	Option #2(a) – Relocation Plan (sample)
Appendix 040	Option #2(b) – Project-wide (sample)
Appendix 041	Individual Comparable Replacement Unit
Appendix 042	Selection Comparable Replacement Unit (HUD-40061 from 1378 – Appendix 12)
Appendix 043	Claim for Replacement Housing – Homeowner (90 day) (HUD-40057 from 1378 – Appendix 13)
Appendix 044	Claim for Replacement Housing – Renter (HUD-40058 from 1378 – Appendix 14)
Appendix 045	Claim for Temporary Relocation Expenses (HUD-40030 from 1378 – Appendix 15)
Appendix 046	Temporary Relocation Notice (sample) On-site On-site Transfer Off-site Hotel
Appendix 047	Move-In Notice - Residential (HUD 1378 – Appendix 29)
Appendix 048	Tenant Rent Roll (sample)
Appendix 049	Relocation Moving Reimbursement
Appendix 050	Claim for Moving Expenses - Residential (HUD-40054 from 1378 – Appendix 11)
Appendix 051	Section 104(d) One-for-One Unit Replacement Plan
Appendix 052	Relocation Specialist or Program Staff Certification
Appendix 053	Claim for Moving Expenses – Business (HUD-40055 from 1378 – Appendix 16)
Appendix 054	Claim Payment in Lieu Actual Moving (HUD-40056 from 1378 – Appendix 17)
Appendix 055	Residential Relocation Management Report

	(HUD 1378 – Appendix 21)
Appendix 056	Non-Residential Relocation Management Report (HUD 1378 – Appendix 22)
Appendix 057	Comparison Chart Voluntary vs. Involuntary Acquisition (HUD 1378 – Appendix 23)
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Appendix 059	Monitoring Checklist- Acquisition
Appendix 060	Monitoring Checklist- Relocation