

2024 CGA URA & Section 104(d) Training



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What is the URA?

- » Uniform Relocation Assistance and Real Property Acquisition Act (URA). 49 CFR 24.
- » Establishes minimum federal requirements for real property acquisition and relocation assistance as a result of a federally-funded project
- » Applies to projects funded through HUD, DOT, FHWA, along with most other federal funding sources.

Key Definitions

- » **Displaced Person:** Any person who moves their personal property from a real property as a result of acquisition, rehabilitation, demolition
- » **Person:** Individual, family, partnership, corporation, association

An individual person, renter, homeowner, business, nonprofit, etc. of all income levels are all eligible for the URA.

Acquisition

- » Property owners participating in a voluntary acquisition are not generally entitled to URA assistance. Four conditions of voluntary:
 1. No specific site needs to be acquired in order for the project to proceed, **AND**
 2. Property to be acquired is not part of an intended, planned, or designated project area where all, or substantially all, of the property within the area is to be acquired within specific time limits, **AND**
 3. Eminent domain is specifically ruled out in writing and the property will not be acquired if negotiations fail, **AND**
 4. Fair market value is offered to the property owner

- » Tenants are always considered displaced persons and are eligible for relocation assistance under the URA and Section 104(d).

Relocation Plan

- » Prior to displacing residents, IEDA will need to review and approve the Relocation Plan prepared by the grant administrator to handle the permanent and/or temporary displacement.
- » This plan should outline the scope of the displacing activity, projected costs/funding available to displaced residents, per diem amounts, notice timelines, etc.
- » Plan will need to be in place prior to first 90-day notification.
- » Work with your project manager on developing a Relocation Plan.

Permanent Residential Displacement

- » Permanently displacing residents or displaced from their home for more than 12 months
- » Services to provide include:
 - At least 90 days out, notice and notice of relocation eligibility.
 - Advisory services of the relocation assistance outlined in the Relocation Plan
 - Comparable replacement housing that is “decent, safe, and sanitary”
 - Moving expense payments
 - Replacement Housing Payments (RHPs)
 - Housing of last resort (when necessary)
- » Displaced persons have 18 months to file a claim for relocation assistance.
 - For owners, this is 18 months after the date of displacement or date of final payment for acquisition, whichever is later
 - For tenants, this is 18 months after the date of displacement.

Temporary Residential Displacement

- » Residents can be temporarily displaced by HUD-funded projects. This occurs when a homeowner or tenant is unable to occupy their home for more than 8 hours and/or the temperature cannot be controlled between 68-72 degrees Fahrenheit.
- » For example, under lead safe work practices, if the tenant/homeowner has a child or elects not to waive, they may be temporarily displaced. If tenants are losing access to their units for days at a time, they would be temporarily displaced. This must be planned for in your project and Relocation Plan.

Temporary Residential Displacement

- » Temporary relocation shall not exceed 12 months, otherwise permanent relocation assistance must be offered
- » Must be provided with:
 - At least 90 days out, notice and notice of relocation eligibility.
 - Advisory services of the relocation assistance outlined in the Relocation Plan
 - Comparable replacement dwelling that is “decent, safe, and sanitary”
- » Reimbursed for reasonable increased out-of-pocket expenses associated with the temporary move
- » Temporary replacement housing must be “decent, safe, and sanitary”. Per diem may be necessary if housing in a hotel where meal preparation is not available.

Temporary Residential Displacement

- » Temporary relocation can be triggered by projects that require:
 - Packing, moving, or storing residents' furniture or personal items
 - Involving the kitchen or bathroom and prevents usage of these areas
 - Creates odor, dust, debris, noise, or other hazards

- » Temporary relocation is not triggered by:
 - Temporary switch over to new equipment when the inside temperature can remain between 68-72 degrees Fahrenheit
 - Temporary switch to new fixtures, receptables, or equipment if electricity remains available
 - If ingress and egress can be safely maintained

Nonresidential Displacement

- » Businesses, farms, and nonprofits could be displaced and are eligible for URA assistance.
- » Permanent relocation:
 - 90-day notice, relocation advisory services, and either:
 - Moving expense payments, related nonresidential expenses, and reestablishment expenses for small businesses (not to exceed \$25,000) OR
 - Fixed payment up to \$40,000 in lieu of all other expenses
- » Temporary relocation:
 - 90-day notice, relocation advisory services
 - Temporary relocation and reimbursement for all reasonable out-of-pocket expenses

Section 104(d)

- » Section 104(d) is HUD's equivalent of the URA. It applies only to LMI tenants affected by CDBG and HOME programs.
- » It is up to the tenant to decide whether to pursue the URA or Section 104(d). Section 104(d) tends to be more generous with benefits and does not require proof of residency in the U.S.
- » Generally, Section 104(d) is waived with CDBG-DR to the extent that its benefits differ from the URA.

Key Definitions

- » **Lower Income Dwelling Unit:** Unit with market rent (including utility cost) that doesn't exceed the Fair Market Rent for existing housing established by 24 CFR Part 888
- » **Conversion:** Changing a lower income dwelling unit so that is used for non-housing purposes, raising the rents to exceed the Fair Market Rent, or using it as an emergency shelter instead of permanent housing
- » **Lower Income Person:** For CDBG, a Low to Moderate Income person (80% or less Area Median Income)
- » **Vacant Occupiable:** A vacant unit in standard condition, substandard condition but suitable for rehabilitation, or any unit that has been occupied (except by a squatter) within the 3 months prior to the execution of a rehab/demo agreement.

Section 104(d) One-for-One Replacement

- » Occupied and vacant occupiable lower-income dwelling units demolished or converted in connection with a CDBG or HOME project must be replaced on a one-for-one basis with comparable lower-income units.
- » Replacement units are subject to location, size, condition, availability, and affordability requirements
- » Replacement units must be located within the same jurisdiction and, if possible, the same neighborhood.

Displacement Eligibility

- » Unlike the URA, only LMI residential tenants are eligible for Section 104(d) relocation services.
- » Displaced owner occupants and nonresidential persons are not eligible and should use the URA.
- » Section 104(d) does not require a certification that a person is a U.S. citizen or alien lawfully present in the United States. URA requires certification of citizenship or lawful presence.

RARAP Template

- » Residential Anti-displacement and Relocation Assistance Plan (RARAP)
- » HUD requirement to have a local plan to minimize the direct and indirect displacement of people from federally-funded projects and outlining the steps taken to determine which actions it will take to minimize displacement and comply with **URA & Section 104(d)**.
- » A template plan drafted by IEDA and adopted by many communities is included in Appendix 1 to the CDBG Management Guide: [2021cdbg-appx1.pdf \(iowaeda.com\)](https://www.iowaeda.com/2021cdbg-appx1.pdf)

Minimize Displacement

Consistent with the goals and objectives of activities assisted under the Act, [jurisdiction] will take the following steps to minimize the direct and indirect displacement of persons from their homes: *(The steps provided below are examples only, each jurisdiction must determine the actions it will take based on local needs and priorities.)*

- Coordinate code enforcement with rehabilitation and housing assistance programs.
- Evaluate housing codes and rehabilitation standards in reinvestment areas to prevent undue financial burden on established owners and tenants.
- Stage rehabilitation of apartment units to allow tenants to remain in the building/complex during and after the rehabilitation, working with empty units first.
- Arrange for facilities to house persons who must be relocated temporarily during rehabilitation.
- Adopt policies to identify and mitigate displacement resulting from intensive public investment in neighborhoods.
- Adopt policies which provide reasonable protections for tenants faced with conversion to a condominium or cooperative.
- Adopt tax assessment policies, such as deferred tax payment plans, to reduce impact of increasing property tax assessments on lower income owner-occupants or tenants in revitalizing areas.
- Establish counseling centers to provide homeowners and tenants with information on assistance available to help them remain in their neighborhood in the face of revitalization pressures.
- Where feasible, give priority to rehabilitation of housing, as opposed to demolition, to avoid displacement.
- If feasible, demolish or convert only dwelling units that are not occupied or vacant occupiable dwelling units (especially those units which are “lower-income dwelling units” (as defined in 24 CFR 42.305).
- Target only those properties deemed essential to the need or success of the project.

Relocation Assistance to Displaced Persons

[city/county] will provide relocation assistance for lower-income tenants who, in connection with an activity assisted under the [CDBG and/or HOME] Program[s], move permanently or move personal property from real property as a direct result of the demolition of any dwelling unit or the conversion of a lower-income dwelling unit in accordance with the requirements of 24 CFR 42.350. A displaced person who is not a lower-income tenant, will be provided relocation assistance in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR Part 24.

One-for-One Replacement of Lower-Income Dwelling Units

The [city/county] will replace all occupied and vacant occupiable lower-income dwelling units demolished or converted to a use other than lower-income housing in connection with a project assisted with funds provided under the [CDBG and/or HOME] Program[s] in accordance with 24 CFR 42.375. Before entering into a contract committing [city/county] to provide funds for a project that will directly result in demolition or conversion of lower-income dwelling units, [jurisdiction] will make public by [describe how, such as publication in a newspaper of general circulation] and submit to HUD [the State, under the State CDBG and/or HOME Program(s)] the following information in writing:

- 1) A description of the proposed assisted project;
- 2) The address, number of bedrooms, and location on a map of lower-income dwelling units that will be demolished or converted to a use other than as lower-income dwelling units as a result of an assisted project;
- 3) A time schedule for the commencement and completion of the demolition or conversion;
- 4) To the extent known, the address, number of lower-income dwelling units by size (number of bedrooms) and location on a map of the replacement lower-income housing that has been or will be provided. NOTE: See also 24 CFR 42.375(d).
- 5) 5. The source of funding and a time schedule for the provision of the replacement dwelling units;
- 6) The basis for concluding that each replacement dwelling unit will remain a lower-income dwelling unit for at least 10 years from the date of initial occupancy; and
- 7) Information demonstrating that any proposed replacement of lower-income dwelling units with smaller dwelling units (e.g., a 2-bedroom unit with two 1-bedroom units), or any proposed replacement of efficiency or single-room occupancy (SRO) units with units of a different size, is appropriate and consistent with the housing needs and priorities identified in the HUD-approved Consolidated Plan and 24 CFR 42.375(b).

To the extent that the specific location of the replacement dwelling units and other data in items 4 through 7 are not available at the time of the general submission, [city/county] will identify the general location of such dwelling units on a map and complete the disclosure and submission requirements as soon as the specific data is available.

URA & Section 104(d): More Information

- » More information and the recommended IEDA RARAP template can be found in Appendix 1 to the CDBG Management Guide:
- » Appendix 2 Files contains a template notice for voluntary acquisitions for entities with eminent domain authority, a template notice for voluntary acquisition for entities without eminent domain authority, and a template notice of an involuntary acquisition.
- » See the following link for the CDBG Management Guide: [CDBG Management Guide | Iowa Economic Development Authority \(iowaeda.com\)](https://www.iowaeda.com/CDBG-Management-Guide)