

DELAWARE STATE HOUSING AUTHORITY
RELOCATION ASSISTANCE POLICY

In all Developments financed with Federal HOME or other Federal Funds, State Housing Development Funds (HDF) or Low Income Housing Tax Credits (LIHTC) that will result in displacement or temporary displacement, the Applicant/Developer must comply fully with all the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA). HUD Handbook 1378: Tenant Assistance Relocation and Real Property Acquisition is available through the HUD Website <http://www.hud.gov/relocation>. This handbook explains all of the requirements of the URA. Although the LIHTC program is not considered Federal financial assistance, DSHA has elected to adopt the URA as a relocation assistance policy for Tax Credit and/or DSHA financed properties that result in temporary or permanent displacement. The URA has recently been updated effective February 5, 2005. For a complete review of the final rule, please refer to the following:
<http://a257.g.akamaitech.net/7/257/2422/01jan20051800/edocket.access.gpo.gov/2005/pdf/05-6.pdf>

In accordance with DSHA's QAP, Developers may not displace residents for over-income purposes and DSHA strongly discourages proposals that will result in permanent displacement.

If the URA regulations are not followed, DSHA reserves the right upon final allocation and cost certification to decrease the relocation line item which may result in the following: a decrease in eligible basis, a decrease in the LIHTC award, and/or a decrease in other DSHA funding.

Notice Examples

Attached are some examples of notice letters that must be sent for developments with existing residents that may result in temporary or permanent displacement. (Attachment 1). The first letter must be sent when there is a contract of sale and the second letter must be sent after acquisition of the property. The third letter is for prospective residents that may move into the development before the property is acquired.

The first letter (**Notice—Residential Resident that they will not be Displaced**) informs any current/potential resident of the fact that the property is under an option to a buyer who is applying for DSHA assistance and lets the residents know that if an application is approved the current/potential resident may be displaced. The notice also informs the current/potential resident that they may not qualify as a displaced person and therefore, are not eligible to receive any assistance or benefits described in the relocation policy. The Applicant/Developer must notify DSHA and send a copy of this letter and a listing of residents notified to DSHA when the letter is sent to current/potential residents.

The second letter (**Notice of Eligibility for Relocation Assistance Residential Resident**) is to be sent when the property has been acquired. This letter (a) explains that the project was purchased and cautions the person not to move; (b) explains that the person will not be displaced; (c) explains what is to occur when the resident is temporarily displaced (i.e. approximately how long should they expect to be displaced from their current unit, how will the Applicant/Developer accommodate them with replacement housing while they are displaced, how will the Applicant assist them with any moving costs they incur from their temporary move); and, (d) explains that they will be able to move back into their unit. The Applicant/Developer must notify DSHA and send a copy of this letter, along with a list of notified residents, to DSHA when the letter is sent to current/potential residents.

The third letter (**Notice To Prospective Residents**) informs prospective applicants that move into the development prior to the new acquisition that they may not be entitled to relocation assistance.

Temporary Relocation Plan and Budget

1. The Applicant/Developer must submit a list of all current occupants including their name (for families, you need only list the name of the head of household and family size), address, and annual income after acquisition of the property.
2. A detailed relocation plan describing the manner in which the temporary displacement of residents will be handled must also be submitted prior to initial closing.
3. A comparison of the current rents being charged and the proposed rents for the project must be submitted to DSHA with the relocation plan. Also, for all relocation units, comparable rents must also be submitted. For comparables, the Applicant/Developer is required to assist the occupant in locating **decent, safe and sanitary housing**, (hereafter referred to as DSS, as determined by local housing codes) and must use **at least three suitable, DSS replacement units as comparables**. For Section 8 developments, please note, residents cannot be relocated to units that are smaller than the units on the Housing Assistance Payment contract. For example, a single person in a three-bedroom unit at a development with only three and four bedroom units must be relocated to a unit with a comparable number of bedrooms.
4. Applicants/Developers should include relocation expenses in their project cost budget. As part of DSHA's mortgagor's draw process, a monthly **RELOCATION REIMBURSEMENT FORM** must be completed with each draw (Attachment 2). Relocation costs must be drawn on a monthly basis and must include all back-up documentation. If funds are available in operations, start-up relocation costs can be paid from operations and then reimbursed from construction proceeds, however, relocation is not an operational expense unless otherwise approved in writing by DSHA. No advance payment of rents for relocation units will be allowed. All relocation units must be occupied within 90 days of draw request. Payments for holding unoccupied relocation units for more than 90 days will not be recognized as an eligible project cost by DSHA.

Applicants may not receive reimbursement of relocation costs from more than two sources (i.e., construction funds and/or Housing Assistance Payments). Any subsidized properties that require relocation can only request the difference between the subsidy rent and the relocation rent (which may be positive or negative) and other relocation costs. A relocation fee up to a maximum of \$200 per unit may only be charged by the management agent or other approved entity for developments that require off-site relocation. This fee can not be charged to the development's operating funds. No additional fees are allowable for on-site relocation.

5. Upon permanent closing, the Applicant/Developer must provide DSHA with a final list of all residents occupying the property (due within 30 days after closing). If this list differs from the list that was originally submitted after acquisition (See number 1 above), the Applicant/Developer must explain why the resident is no longer an occupant. Please be prepared to submit evidence that the resident(s) moved on their own accord and not for reasons related to DSHA program rules (i.e. income limitations).

As a useful guide, DSHA recommends that the Applicant/Developer follow DSHA's recommended relocation process found in Attachment 3.

PERMANENT RELOCATION

Developments that experience permanent displacements for any reason, must follow all URA requirements.

Attachment 1 (Non-Section 8)

NOTICE—RESIDENTIAL RESIDENT THAT THEY WILL NOT BE DISPLACED.

(Applicant Letterhead)

Date

Dear Resident:

_____ has submitted an application to Delaware State Housing Authority to rehabilitate the building which you occupy at _____.

This notice is to inform you that , if the assistance is provided and the building is rehabilitated, you may be displaced. We urge you **not to move** anywhere at this time. This is **not** a notice to vacate the premises. We will be meeting with you at a later date to determine whether you will qualify for a rehabilitated unit. If you do elect to move for reasons of your choice, you will not be provided relocation assistance.

If you meet the criteria to continue to qualify for a unit, you will be able to lease and occupy your present apartment (or another suitable, decent, safe and sanitary apartment in the same building) upon completion of the rehabilitation. The criteria to qualify for a unit may include background checks on all adult household members. Of course, you must comply with standard lease terms and conditions.

If you meet the qualifications, after the rehabilitation, your initial rent, including the estimated average utility costs, will not exceed the greater of (a) your current rent/average utility costs, or (b) 30% of your average monthly gross household income. If you must move temporarily so that the rehabilitation can be completed, suitable housing will be made available to you for the temporary period, and you will be reimbursed all reasonable extra expenses, including all moving costs and any increase in housing costs. You can be assured that we will make every effort to accommodate your needs because a portion of the financing is from federal funding sources, you would be protected by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

If you do not meet the qualifications to remain as a tenant you should continue to pay your rent because a failure to pay rent or meet your other obligations as a tenant may be cause for eviction and loss of relocation assistance. You are urged not to move or sign an agreement to purchase or lease a new unit before receiving formal notice of your eligibility for relocation assistance. If you move or are evicted before receiving such notice, you may not receive any assistance. Please contact us before making any moving plans.

If you are eligible for relocation assistance, you will be given advisory services, including referrals to replacement housing, and at least 90 days advance written notice of the date you will be required to move. You would also receive a payment for moving expenses and may be eligible for financial assistance to help you rent or buy a replacement house.

No current resident or residents of _____ will be permanently displaced on the basis of failing to meet income eligibility requirements unless the resident(s) consents to permanent displacement. The resident(s) may consent to permanent displacement contingent upon receiving relocation assistance approved by the Delaware State Housing Authority.

Again, this is not a notice to vacate and does not establish eligibility for relocation payments or other relocation assistance. This letter is important and should be retained. You will be contacted soon. In the meantime, if you should have any questions about our plans, please contact_____.

Sincerely,

Attachment 1 – (SECTION 8 MULTIFAMILY)
NOTICE—RESIDENTIAL RESIDENT THAT THEY WILL NOT BE DISPLACED.
(Applicant Letterhead)

Dear Resident,

_____ has submitted an application to the Delaware State Housing Authority to rehabilitate the building, which you occupy. If the application is approved, you will benefit from the substantial renovations that will take place. You may be relocated during these renovations. We urge you not to move anywhere at this time. This is not a notice to vacate the premises.

This is a Notice of Non-Displacement. You will not be required to move permanently as a result of the rehabilitation. This Notice guarantees you the following:

1. You will be able to lease and occupy your present apartment or another suitable, decent, safe and sanitary apartment in the same building/complex upon completion of the rehabilitation. Your monthly rent will remain the same or, if increased, your new rent and estimated average utility costs will not exceed 30% of the gross income of all adult members of your household. Of course, you must comply with the reasonable terms and conditions of your lease.
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2. If you must move temporarily so that the repairs/rehabilitation can be completed, you will be reimbursed for all of your extra expenses, including the cost of moving to and from the temporarily occupied unit and any additional housing costs. The temporary unit will be decent, safe and sanitary, and all other conditions of the temporary move will be reasonable.

Since you will have the opportunity to occupy a newly rehabilitated apartment, I urge you not to move. (If you do elect to move for your own reasons, you will not receive any relocation assistance.) We will make every effort to accommodate your needs. Because Federal and/or State assistance is involved, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, protects you.

If you have any questions, please contact _____ at _____. Remember do not move before we have a chance to discuss your eligibility for assistance. This letter is important to you and should be retained.

Sincerely,

(Non-Section 8)
NOTICE OF ELIGIBILITY FOR RELOCATION ASSISTANCE
RESIDENTIAL RESIDENT
(Applicant Letterhead)

Date

Dear Resident:

_____ has been approved to rehabilitate the building which you occupy at _____.

This notice is to inform you that while the building is rehabilitated, you may be displaced. We urge you **not to move** anywhere at this time. This is **not** a notice to vacate the premises. We will be setting up interviews to start the qualification process beginning _____. You will be contacted either by phone or by mail to schedule your interview.

If you meet the criteria to qualify for a unit, you will be able to lease and occupy your present apartment upon completion of the rehabilitation. The criteria to qualify for a unit includes background checks on all adult household members. Of course, you must comply with standard lease terms and conditions.

If you meet the qualifications, after the rehabilitation, your initial rent, including the estimated average utility costs, will not exceed the greater of (a) your current rent/average utility costs, or (b) 30% of your average monthly gross household income. If you must move temporarily so that the rehabilitation can be completed, suitable housing will be made available to you for the temporary period, and you will be reimbursed for all reasonable extra expenses, including all moving costs and any increase in housing costs. You can be assured that we will make every effort to accommodate your needs. Because a portion of the financing is from federal and/or state funding sources, you would be protected by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

If you do not meet the qualifications to remain as a tenant you should continue to pay your rent because a failure to pay rent or meet your other obligations as a tenant may be cause for eviction and loss of relocation assistance. You are urged not to move or sign any agreement to purchase or lease a new unit before receiving formal notice of your eligibility for relocation assistance. If you move or are evicted before receiving such notice, you may not receive any assistance. Please contact us before making any moving plans.

If you are eligible for relocation assistance, you will be given advisory services, including referrals to replacement housing, and at least 90 days advance written notice of the date you will be required to move. You would also receive a payment for moving expenses and may be eligible for financial assistance to help you rent or buy a replacement house.

No current resident or residents of _____ will be permanently displaced on the basis of failing to meet income eligibility requirements unless the resident(s) consents to permanent displacement. The resident(s) may consent to permanent displacement contingent upon receiving relocation assistance approved by the Delaware State Housing Authority.

Enclosed with this letter is what you will need to bring with you to your interview. If you should have any questions about our plans, please contact _____.

Sincerely,

(SECTION 8 MULTIFAMILY)
**NOTICE OF ELIGIBILITY FOR RELOCATION ASSISTANCE
RESIDENTIAL RESIDENT**

Dear Resident,

On _____ we notified you that the owner of your building had applied for assistance to make extensive repairs to the building. On _____, the owner's request was approved and the repairs will begin soon.

This is a Notice of Non-Displacement. You will not be required to move permanently as a result of the rehabilitation. This Notice guarantees you the following:

1. You will be able to lease and occupy your present apartment or another suitable, decent, safe and sanitary apartment in the same building/complex upon completion of the rehabilitation. Your monthly rent will remain the same or, if increased, your new rent and estimated average utility costs will not exceed 30% of the gross income of all adult members of your household. Of course, you must comply with the reasonable terms and conditions of your lease.
2. If you must move temporarily so that the repairs/rehabilitation can be completed, you will be reimbursed for all of your extra expenses, including the cost of moving to and from the temporarily occupied unit and any additional housing costs. The temporary unit will be decent, safe and sanitary, and all other conditions of the temporary move will be reasonable.

Since you will have the opportunity to occupy a newly rehabilitated apartment, I urge you not to move. (If you do elect to move for your own reasons, you will not receive any relocation assistance.) We will make every effort to accommodate your needs. Because Federal and/or State assistance is involved, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, protects you.

If you have any questions, please contact _____, _____, at _____. Remember do not move before we have a chance to discuss your eligibility for assistance. This letter is important to you and should be retained.

Sincerely,

NOTICE TO PROSPECTIVE RESIDENTS
(Applicant Letterhead)

Dear _____:

On _____ (date) , I (property owner or buyer) , entered into an option to sell/acquire the property/unit you now propose to occupy. As part of my agreement to sell/acquire, I am to advise you of the following:

An application has been or will be submitted to Delaware State Housing Authority (DSHA) for low-income housing tax credits to be used on the property you now propose to occupy. This notice is to advise that that financial assistance available under a Relocation Assistance Policy is only for tenants that occupy units at this site at the time of the option to sell and **will not** be made available to you.

This notice is to inform you of the following information **before you enter into any lease agreement and occupy a unit at the above address:**

- You may be displaced by the property.
- You may be required to relocate temporarily.
- You may be subject to a rent increase.
- You will not be entitled to any relocation benefits provided under DSHA's Relocation Assistance Policy. If you have to move, or your rent is increased as a result of the above project, you will not be reimbursed for any such rent increase or for an costs or expenses incurred by you in connection with a move as a result of the property.

Please read this notice carefully prior to signing a lease agreement and moving into this property. If you should have any questions about this notice, please contact:

_____ (Seller/Buyer) at _____ (address and telephone number)

Once you have read and have understood this notice, please sign the statement below if you still desire to lease the unit.

Sincerely,

Owner

I have read the Notice to Prospective Resident and understand the conditions under which I am moving into this property.

Print Name

Signature

RELOCATION RECOMMENDED PRACTICES

Prior to site control:

1. A rent roll should be obtained to locate vacancies and determine first building of construction, etc.
2. Draft first notice of displacement letter informing them of the potential acquisition and relocation assistance and send to DSHA for approval. (URA Handbook, Pgs. 2-3, 2-4, & 2-5)
3. Send residents the displacement notice letter by **certified mailing**. Copy all certified mailings for reimbursement.
4. Organize resident meeting to introduce new management company and explain relocation and answer questions.
5. Obtain bids from moving companies and award a contract.
6. Locate available units off-site to use for the duration of the relocation (for those residents that will be moved off-site). The lease and security deposits should be in management's name/limited partners name.
7. Draft second notice of displacement letter after the acquisition is complete. The letter may also inform residents of a date new management will be on site and informing them of an interview that will be scheduled. Also, mention the relocation assistance available and send to DSHA for approval.
8. Send residents second notice of displacement letter by **certified mailing**. Copy all certified mailings for reimbursement.
9. Set up vendor accounts (bank, post office, office supply, etc).
10. Locate "comparable replacement dwellings" for residents who do not want to stay or volunteer to move off-site during the relocation. A comparable replacement dwelling performs the same function, provides the same utility, and has a comparable style of living. (URA Handbook, Pg. 1-7, 2-7 & 2-8)
11. Create a relocation folder for each resident keeping all relocation correspondence including a "Site Occupant Record" in file. (URA Handbook, Appendix 8)
12. Prior to relocating the resident, all relocation units, for developments that are receiving Housing Assistance Payments (HAP), must be inspected by DSHA Contract Administrator.

Once on Site:

1. Set up interviews with all residents (for continued eligibility) starting with first building of construction, have vendor accounts in place. File in JP Court on any delinquent residents. Any evicted residents are not entitled to relocation assistance. (URA Handbook, Pg. 1-14)
2. Upon interviews, residents should complete a new application and should be explained relocation process again at the interview. If applicable, for tenant screening policies, completed all screening. When applicable, criminal background checks are completed on all adult residents and if denied, the resident is entitled to relocation assistance. (URA Handbook Pg. 1-12) (Note: criminal

- background checks should not be completed for existing Section 8 project based residents).
3. Moving supplies should be provided to residents upon requests. (boxes, bubble wrap, tape, etc.). Note: Tenants are not required to pack or box their belongings unless they elect to move themselves.
Note: Residents may choose to move themselves and are still entitled to the moving estimate. (URA Handbook, Pg. 2-12)
 4. When turning over a building or unit for construction, turn off all utilities from management's name to construction.
 5. A "property" moving report and relocation expense report should be maintained. The reports should include date moved, location of move, and all moving expenses.
 6. When issuing checks for reimbursement to residents, residents must sign acknowledgment of any money received.
 7. Copies of all moving bills, utility bills (reconnect fees) and reimbursement checks should be maintained for each resident for reimbursement from construction. Send DSHA a "Claim for Actual Reasonable Moving and Related Expenses" form with all backup for each resident. (URA Handbook, Appendix 16)

When residents require relocation assistance (i.e., they chose to permanently move or are not eligible (i.e., criminal backgrounds):

1. Determine if resident is eligible. (URA Handbook, Pg. 1-11)
2. Referrals to replacement dwellings must be provided to the resident. (URA Handbook, Pg. 1-7 & 2-9)
3. Issue resident letter of "Eligibility for Relocation Assistance-Resident" at least 90 days in advance of their **permanent** relocation. (URA Handbook, Pg. 2-5 and Appendix 6)
4. Issue relocation assistance payment with the payment required by the formula provided on Pg. 3-10 of the URA Handbook. An eligible displaced person who rents a replacement dwelling is entitled to a payment equal to 42 times the new monthly amount obtained by subtracting the current base monthly rent. Example: The resident finds a replacement dwelling of \$500 monthly with comparable utilities to their current dwelling rent of \$450 monthly. The resident is due the difference of $\$50 \times 42 = \$2,100$ for relocation assistance in addition to moving expenses and transfer fees. Tenant must sign acknowledgment for reimbursement.
Note: If utilities are not comparable, the difference is subject to the same formula.
5. If resident does not want relocation assistance, have the resident sign a waiver. (URA Handbook Pg. 1-25)

