

# CHAPTER 18: RELOCATION & ACQUISITION

## CHAPTER PURPOSE & CONTENTS

Whenever Federal funds are used in a project involving the acquisition, rehabilitation or demolition of real property, a Federal law known as the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) generally applies. In some cases, the use of CDBG funds in a project involving the demolition or conversion of lower income dwellings may also trigger another Federal law under Section 104(d) of the Housing and Community Development Act of 1974 (Section 104(d)). The purpose of this chapter is to provide grantees with a general understanding of the requirements under both Federal laws in addition to where additional information and assistance may be obtained.

SECTION	TOPIC
18.1	Overview of the Relocation and Acquisition Requirements

## 18.1 Overview of the Relocation and Acquisition Requirements

There are many CDBG activities that may trigger the URA and 104(d) requirements. This section provides a brief overview of these requirements.

**Key Topics in This Section:** Activity Definitions, Triggering Actions

**Regulatory/Statutory Citations:** 49 CFR Part 24, 24 CFR Part 42, HUD's Handbook 1378

**Other Reference Materials on This Topic** HUD's Real Estate Acquisition and Relocation website at <http://www.hud.gov/relocation>

### 18.1.1 Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act or URA)

The Uniform Act, passed by Congress in 1970, is a Federal law that establishes minimum standards for Federally funded programs and projects that require the acquisition of real property (real estate) or that displace persons from their homes, businesses, or farms. The Uniform Act's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for Federal or Federally funded projects.

**49 CFR Part 24** are the government-wide regulations that implement the URA. A formatted copy of these regulations is attached to this chapter.

**HUD Handbook 1378** provides HUD policy and guidance on implementing the URA and 49 CFR Part 24 for HUD funded programs and projects.

Grantees with questions about the URA are urged to contact the HUD Regional Relocation Specialist (RRS) for their region, as well as referring to the regulations, HUD handbook, and HUD's website for additional guidance. A list of the RRS can be found at <http://www.hud.gov/relocation> under contacts.

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What are the URA's objectives?

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; and

To encourage and expedite acquisition by agreement and without coercion.

How do URA requirements impact a grantee's project?

Agencies conducting a program or project under the URA must carry out their legal responsibilities to affected property owners and displaced persons. Agencies should plan accordingly to ensure that adequate time, funding, and staffing are available to carry out their responsibilities.

Some of those responsibilities include:

**For Real Property Acquisition** (Involuntary Acquisition – under threat or use of eminent domain)

Appraise property before negotiations;

Invite the property owner to accompany the appraiser during the property inspection;

Provide the owner with a written offer of just compensation and a summary of what is being acquired;

Pay for property before possession; and

Reimburse expenses resulting from the transfer of title such as recording fees, prepaid real estate taxes, or other expenses.

Note that agency responsibilities for voluntary acquisitions differ. Refer to 49 CFR 24.101(b) and **HUD Handbook 1378** Chapter 5 for additional information.

**For Residential Displacements**

Provide relocation advisory services to displaced tenants and owner occupants;

Provide a minimum 90 days written notice to vacate prior to requiring possession;

Reimburse for moving expenses; and

Provide payments for the added cost of renting or purchasing comparable replacement housing.

**For Nonresidential Displacements (Businesses, Farms, and Nonprofit Organizations)**

Provide relocation advisory services.

Provide a minimum 90 days written notice to vacate prior to requiring possession.

Reimburse for moving and reestablishment expenses.

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For additional information and resources visit HUD's Real Estate Acquisition and Relocation website at <http://www.hud.gov/relocation>.

### **18.1.2 Section 104(d) of the Housing and Community Development Act (Section 104(d)) "The Barney Frank Amendment"**

Section 104(d) of the Housing and Community Development (HCD) Act provides minimum requirements for CDBG funded programs or projects when units that are part of a community's low-income housing supply are demolished or converted to a use other than low- or moderate-income dwellings.

24 CFR Part 42 are the regulations that implement Section 104(d).

HUD Handbook 1378 provides HUD policy and guidance on implementing Section 104(d).

What are the Section 104(d) requirements?

Replacement, on a one-for-one basis, of all occupied and vacant occupiable low- or moderate-income dwelling units that are demolished or converted to a use other than low- or moderate-income housing in connection with an activity assisted under the HCD Act; and

Provision of certain relocation assistance to any lower income person displaced as a direct result of the following activities in connection with Federal assistance:

Demolition of any dwelling unit; or

Conversion of a low- or moderate-income dwelling unit to a use other than a LMI residence.

What triggers Section 104(d)?

Section 104(d) requirements are triggered by the use of HOME, CDBG, Section 108 Loan Guarantee, or UDAG funding in a project involving the demolition or conversion of low- or moderate-income housing. It should be noted that CDBG funding used solely for relocation assistance or project administration does not trigger Section 104(d) requirements.

What are the relocation requirements under Section 104(d)?

The relocation assistance and payments for eligible persons under Section 104(d) are similar to those required for the URA, but there are a number of differences. One significant difference is the period of time used to calculate a rental assistance payment: Section 104(d) factors in 60 months vs. 42 months for the URA. Section 104(d) eligible displaced persons may choose to receive relocation assistance under either Section 104(d) or the URA.

Grantees with questions about section 104(d) are urged to contact the HUD Regional Relocation Specialist (RRS) for their region, as well as referring to the regulations, HUD handbook, and HUD's website for additional guidance. A list of the RRS can be found at <http://www.hud.gov/relocation> under contacts.

For additional information and helpful resources visit HUD's Real Estate Acquisition and Relocation website at <http://www.hud.gov/relocation>.