RELOCATION ASSISTANCE TO PERSONS DISPLACED FROM THEIR HOMES (SECTION 104(d))
www.hud.gov/relocation

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

Introduction

This booklet describes the relocation payments and other relocation assistance provided under **section 104(d) of the Housing and Community Development Act of 1974** (section 104(d)) to eligible persons displaced from their homes. Persons eligible for assistance have the option of declining the section 104(d) assistance and receiving assistance under the **Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)**, if they decide that it is in their best interest.

NOTE: Aliens not lawfully present in the United States are not eligible for URA relocation assistance, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent or child. A person seeking URA relocation assistance must certify that the person is a United States citizen or national, or an alien lawfully present in the United States. (Section 104(d) assistance is not subject to this requirement.)

Eligibility

To be eligible for relocation assistance under section 104(d), you must be a **lower-income person** (family or individual) and must move as a direct result of the "**conversion**" or **demolition** of your dwelling unit for a project in which Federal Community Development Block Grant (CDBG), Section 108 Loan Guarantee**,** or HOME Investment Partnerships funds are used.

"Lower-income" means that your income does not exceed 80% of the median income for the area as established by the U.S. Department of Housing and Urban Development (HUD).

Generally, "conversion" means that before the project, your unit had a "market rent" at or below the HUD Fair Market Rent (FMR) standard, and, after the project, the market rent exceeds the FMR, or the unit was converted to a nonresidential use. HUD determines the FMRs for use in its programs. The levels vary by metropolitan area and by the size of the unit.

The Agency (identified at the back of this booklet) will determine whether you qualify as a lower-income person and if your home will be demolished or "converted." If you do not qualify for section 104(d) assistance, you may be eligible for relocation assistance under the URA.

Caution. If you are notified that you will be displaced, it is important that you **do not move** before you learn what you must do to receive the relocation payments and other assistance to which you are entitled.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

This booklet may not answer all of your questions. If you have more questions about your relocation, contact your Agency representative. (See name/telephone number in the back of this booklet.) Ask your questions before you move. Afterwards, it may be too late.

Summary of Relocation Assistance

As an eligible tenant (or homeowner) displaced from your home, you will be offered the following advisory and financial assistance:

- **Advisory Services** (*same under section 104(d) and URA*). This includes referrals to comparable and suitable replacement homes, the inspection of replacement housing to ensure that it meets established standards, help in preparing claim forms for relocation payments, counseling and other assistance to minimize the impact of the move.

- **Payment for Moving Expenses** (*same under section 104(d) and URA*). You may choose either a:

  -- **Payment for Your Actual Reasonable Moving and Related Expenses**, **or**

  -- **Moving Expense and Dislocation Allowance, or**

  -- **a combination of both, based on circumstances**.

- **Security Deposit** (available under section 104(d) only, when required).

- **Interim Living Costs**, when required.

- **Replacement Housing Assistance**. To enable you to rent, or, if you prefer, to buy a replacement home, you may choose either:

  -- **Rental Assistance**, or

  -- **Purchase Assistance**.

If you disagree with the Agency's decision as to the relocation assistance for which you are eligible, you may appeal that decision.

Basic Questions and Answers

How Will I Know I Am Eligible For Relocation Assistance?

Any one of several actions can trigger eligibility for relocation assistance. Promptly after eligibility is triggered, the Agency must provide you a written "Notice of Eligibility for

Relocation Assistance." To be certain of your eligibility, you should not move before receiving that notice. If you do, you may not receive relocation assistance.

How Will The Agency Know How Much Help I Need?

You will be contacted at an early date and personally interviewed by a representative of the Agency to determine your relocation needs and preferences for replacement housing and advisory services. The interviewer will ask certain questions about you and other members of your household, including questions about your income. It is to your advantage to provide the information so that the Agency can assist you in moving with a minimum of hardship. The information you give will be kept in confidence.

How Soon Will I Have To Move?

If possible, a mutually agreeable date for the move will be worked out. You will be given enough time to make plans for moving. Unless there is a health or safety emergency, you will not be required to move without at least 90 days advance written notice of (1) at least one "comparable replacement home" that is available to you and (2) the earliest date by which you must move.

What Is A Comparable Replacement Home?

A comparable replacement home is:

- Decent, safe, and sanitary.
- Functionally equivalent to your present home. It may not be identical, but it will be equal to or better than your present home.
- Actually available for you to rent.
- Within your ability to pay as described in this booklet.
- Reasonably accessible to your place of employment.
- Generally as well located with respect to public and commercial facilities, such as schools and shopping, as your present home.
- Not subject to unreasonable adverse environmental conditions.
- Available to all persons regardless of race, color, religion, sex, or national origin.

What Is Decent, Safe, And Sanitary Housing?

Decent, safe, and sanitary housing is housing that:

- Meets applicable housing and occupancy requirements.
- Is structurally sound, weathertight, and in good repair.
- Contains a safe, adequate electrical wiring system.
- Has adequate living space for the occupants.
- Has a kitchen with a sink, hot and cold running water, and connections for a stove and refrigerator (if you were displaced from a housekeeping unit).
- Has a separate, complete bathroom with hot and cold running water.
- Has heating as required by climatic conditions.

- Has an unobstructed exit to safe, open space at ground level.
- Meets standards protecting occupants from lead-based paint hazards.
- If you are a person with a physical disability, is free of any barriers which would preclude your reasonable use of the unit.

Will The Agency Help Me Find A Replacement Home?

Yes. You will be provided with referrals to housing that has been inspected to ensure that it meets the established standards. If possible, you will be referred to at least three comparable replacement homes. All comparable replacement homes must be available to you, and, with the rental assistance for which you may qualify, they must be affordable to you. The maximum financial assistance for which you may qualify will be based on the cost of the most representative comparable replacement home. Promptly after you become eligible for relocation assistance, the Agency will inform you of such unit and the maximum payment available.

Once the Agency representative has a clear understanding of your needs and preferences, he or she will work with you to assure that you are given the best possible choice of housing. You will be offered appropriate transportation to inspect these units.

If you would like to move to government-owned housing or obtain a Housing Choice Voucher (HCV), let the Agency representative know of your interest. Generally, an eligible displaced person receives preference for such long term housing assistance. You will be given assistance in completing any required application forms.

What If I Find My Own Replacement Housing?

You have every right to find your own replacement housing. However, before you rent or buy, ask the Agency to inspect the unit to make sure that it is decent, safe, and sanitary. If the housing unit is not decent, safe, and sanitary, you will not receive a replacement housing payment.

What If I Encounter A Problem In Obtaining Housing Of My Choice?

If you encounter a problem in buying or renting housing of your choice, notify the Agency immediately. The Agency will look into the matter and try to resolve it. You will receive this help whether you were referred to the housing unit or found it yourself.

If you are unable to buy or rent a housing unit because of discriminatory practices on the part of a real estate broker, rental agent, lender, or a property owner, the Agency will help you file a formal housing discrimination complaint with the U.S. Department of Housing and Urban Development or the appropriate State or local fair housing agency.

What Other Services Will I Receive?

In addition to help in obtaining a comparable replacement home, other assistance, as necessary, will be provided in order to minimize the impact of your move. This

assistance may include referral to appropriate public and private agencies that provide services concerning housing financing, employment, health, welfare, or legal assistance. The range of services depends on the needs of the person being displaced. You should ask the Agency representative to tell you about the specific services that will be available to help you and your family.

Payment for Moving Expenses

To pay the cost of moving, you may choose either a **payment for actual reasonable moving and related expenses,** or a **moving expense and dislocation allowance,** or **a combination of both, based on circumstances**.

What Is A Payment For Actual Reasonable Moving And Related Expenses?

If you choose a Payment For Actual Reasonable Moving And Related Expenses, you may include in your claim the reasonable and necessary costs for:

- Transportation for you and your family.
- Packing, moving and unpacking your household goods.
- Disconnecting and reconnecting household appliances and other personal property (examples: telephone and cable TV).
- Storage of household goods, as may be necessary.
- Insurance for the replacement value of your property during the move and necessary storage.
- The replacement value of property lost, stolen or damaged in the move (but not through your neglect) if insurance is not reasonably available.

The Agency will explain all eligible moving costs, as well as those which are not eligible. You must be able to account for any costs that you incur, so keep all your receipts. Select your mover with care. The Agency can help you select a reliable and reputable mover.

You may elect to pay your moving costs yourself and be repaid by the Agency, or, if you prefer, the Agency will pay the mover directly. In either case, let the Agency know before you move.

What Is A Moving Expense And Dislocation Allowance?

If you choose a Moving Expense and Dislocation Allowance, you will receive an allowance which is normally based on the number of rooms of furniture you will be moving, as shown on a schedule. The Agency has a copy of the schedule and will help you decide whether choosing this allowance is in your best interest.

If you do not have a large amount of personal property to move, this payment should be more advantageous. No special documentation is required to support your claim. You need only move your personal property and complete the appropriate claim form in order to receive your payment.

Payment for Rental Assistance

You may be eligible to receive rental assistance. If so, you may choose assistance under section 104(d) or under the URA. For most lower-income tenants, the amount of assistance provided under section 104(d) is greater.

Section 104(d) Rental Assistance.

If you are eligible, you will receive assistance based on estimated needs for a period of 60 months. The Agency may offer you that assistance in cash or under the HCV Program. The Agency will tell you which option it is providing to you.

- **Cash Rental Assistance**. A household's "need" for rental assistance is computed by subtracting the highest of the following calculations from the rent and estimated average monthly utility costs for your new home (or a comparable replacement home, if that cost is lower):

  1. 30 percent of the household's monthly adjusted income,
  2. 10 percent of the household's monthly gross income, or
  3. The welfare rent allowance (where designated).

  That monthly need, if any, is multiplied by 60, to determine the total amount that you will receive. This amount will be paid directly to you in monthly installments or other periodic payments.

  Example: Let's say that your family's adjusted monthly income is $600, and the monthly rent and estimated average utility costs for the comparable replacement home to which you move are $350. In this case, your monthly need would be $170 [$350 - $180 (30 percent of $600)]. Multiplying this amount by 60 results in $10,200 of rental assistance.

- **Housing Choice Voucher (HCV) (section 104(d)).** You may be offered a HCV. If so, you will also be referred to comparable replacement homes where the owner will accept the voucher. If the rent and estimated average monthly utility costs for both the comparable replacement home and the unit to which you relocate exceed the voucher "payment standard," you will qualify for cash assistance to cover the gap for 60 months.

  Advantages of HCV Assistance. The HCV assistance may continue for as long as you have a need. Unlike cash assistance, HCV assistance is recomputed each year to reflect changes in your income, rent or the cost of utilities. While cash assistance will terminate at the end of 60 months, HCV assistance may continue to be available after the 60-month period ends if you still qualify as a lower-income person.

URA Rental Assistance.

URA rental assistance is computed by subtracting the "base monthly rent" for your present home from the rent and average monthly cost of utilities for your new home (or a comparable replacement home, if that cost is lower). That monthly need, if any, is multiplied by 42, to determine the total amount that you will receive. This amount will be paid directly to you in monthly installments or other periodic payments. Generally, the base monthly rent for your present home is the ***lesser*** of: (1) the monthly rent and average monthly cost for utilities, or (2) thirty (30) percent of your income (if you are low-income based on HUD income limits).

Examples: Let's say that the monthly rent and average cost for utilities for your present home are $250; the monthly rent and estimated average utility costs for a comparable replacement home are $350; and your monthly gross income is $700. In this case, your "base monthly rent" would be $210 because you are low-income and that amount (30 percent of your income) is less than the monthly cost of rent and utilities at your present home ($250).

- If you rent a replacement home for $360 per month, including estimated average monthly utility charges, you will receive $5,880. That amount is 42 times $140 (the difference between the "base monthly rent" for your present home ($210) and the cost for a comparable replacement home ($350)).

- If you rent a replacement home for $310, including estimated average monthly utility charges, you will receive $4,200. That amount is 42 times $100 (the difference between the "base monthly rent" for your present home ($210) and the actual cost of your new home ($310)).

Purchase Assistance

If you buy, rather than rent, a replacement home, you may be eligible for assistance to make a down payment. The amount depends on the type of housing that you buy. Section 104(d) purchase assistance is limited to mutual housing and cooperative housing. If you wish to purchase a house that is not mutual or cooperative housing, your purchase assistance would be provided under the URA.

Section 104(d) Purchase Assistance.

If you buy a replacement home which is mutual or cooperative housing, you may be eligible for assistance based on the present value of the monthly payments you would receive if you rented a comparable replacement home for 60 months. Remember, the monthly payment is generally determined by subtracting 30 percent of your adjusted income from the monthly rent and estimated average monthly utility costs for a comparable replacement home.

Example: Assuming the information in the prior section 104(d) example and a 4 percent return on passbook savings, the purchase assistance would be $9,231.

Remember, your net monthly contribution is $180, and the monthly rent and estimated average monthly cost of utilities for a comparable replacement home total $350. The monthly difference is $170. The present value of 60 monthly payments of $170, discounted at 4 percent, is $9,231. The full amount of the payment must be applied to the purchase of the mutual or cooperative housing that you buy.

URA Purchase Assistance for Renters.

URA assistance to make a down payment is equal to the amount you would receive if you had rented a comparable replacement home (42 times the amount obtained by subtracting the "base monthly rent" for your present home from the monthly rent and estimated average monthly cost of utilities for a comparable replacement home). Remember, URA assistance is not limited to mutual housing or cooperatives.

Example: Assuming the information in the prior URA examples, the assistance for a down payment would be $5,880. That amount is 42 times $140 (the difference between the "base monthly rent" for your present home ($210) and the monthly rent and estimated average monthly utility costs for a comparable replacement home ($350)). The full amount of the payment must be applied to the purchase of your new home.

MORE QUESTIONS AND ANSWERS

Must I File A Claim To Obtain A Relocation Payment?

Yes. You must file a claim for each relocation payment. The Agency will, however, provide you with the required claim form, help you to complete it, and explain the type of documentation, if any, that you must submit in order to receive the payment.

If you must pay any relocation expenses before you move (for example, a security deposit when you sign a lease for your new home), discuss your financial needs with the Agency. You should be able to obtain an advance payment to meet these costs. An advance payment may be placed in "escrow" or paid directly to a contractor to ensure that the move will be completed on a timely basis.

You must file your claim within 18 months after the date you move. However, it is to your advantage to file as soon as possible after you move. The sooner you submit your claim, the sooner it can be processed and paid. Be careful not to confuse this 18-month filing period with the requirement that you must rent (or buy) and actually occupy a decent, safe and sanitary replacement home within 12 months of the move. (If you are unable to occupy the replacement home within 12 months or file your claim within 18 months after the move, ask the Agency to extend this period.)

You will be paid promptly after you file an acceptable claim. If there is any question regarding your right to a relocation payment or the amount of the payment, you will be notified, in writing, of the problem and the action you may take to resolve the matter.

Will I Have To Pay Rent To The Agency Before I Move?

If the Agency acquires the property in which you live, you may be required to pay a fair rent to the Agency for the period between the acquisition of the property and the date that you move. Such rent will not exceed the market rent for comparable properties in the area.

Do I Have To Pay Federal Income Taxes On My Relocation Payments?

No. You need not report relocation payments as part of your gross income for Federal tax purposes. For information on State or local income taxes, you should check with the State or local income tax office in your area or with your personal tax advisor.

If I Don't Receive The Required Assistance, Can I Appeal?

If you disagree with the Agency's decision as to your right to relocation assistance or the amount of a payment, or the adequacy of the housing to which you have been referred, you may appeal the decision to the Agency.

The Agency will inform you of its appeal procedures. At a minimum, you will have 60 days to file your appeal with the Agency after your receive written notification of the Agency's determination on your claim. Your appeal must be in writing. However, if you need help, the Agency will assist you in preparing your appeal. If you are dissatisfied with the Agency's determination on your appeal, you may request administrative review of that decision (by HUD or the State). You can expect a fair decision on any appeal. However, if you are not satisfied with the final administrative decision on your appeal, you may seek review of the matter by the courts.

I Have More Questions. Who Will Answer Them?

If you have more questions after reading this booklet, contact the Agency and discuss your concerns.

Agency:

Address:

Office Hours:

Telephone No.:

Person to Contact: