

# **Residential Anti-displacement and Relocation Assistance Plan March 2004**

## **Applicable to CDBG & HOME Funded Activities**

Section 104 (d) of the Housing and Community Development Act of 1974, as amended, and implementing regulations at 24CFR Part 42, specify that a grantee under the Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) programs must certify that it has in effect and is following a “residential anti-displacement and relocation assistance plan” (Plan).

As a CDBG and HOME entitlement grantee, Chester County, through the Department of Community Development (DCD), must certify to the Department of Housing and Urban Development (HUD) that it has and is following such a Plan. All activities involving the use of CDBG or HOME funds that cause displacement as direct result of demolition or conversion of a lower-income dwelling are subject to the requirements specified herein.

### **A. Plan to Minimize Displacement**

- DCD will take all reasonable and necessary steps to minimize the displacement of residents from low/moderate-income dwelling units as a result of an activity that receives CDBG or HOME funding for any part of the activity. These steps may include:
  1. Careful review of all CDBG and HOME funding applications to determine whether involuntary displacement is likely to occur. Those applications involving displacement will receive a lower priority recommendation for funding unless it can be shown that alternatives are not available.
  2. Encourage applicants who apply for CDBG or HOME funding for acquisition for the development of lower-income housing to purchase vacant land. In the case of in-fill and other projects where this is not feasible and the project involves potential displacement, the applicant shall allow the displaced lower-income persons to occupy the new housing at an affordable rent.
  3. Require applicants for CDBG or HOME or funding to plan, organize and stage the rehabilitation of assisted housing to allow tenants to remain during and after rehabilitation so as to provide the most convenient, safe and efficient rehabilitation effort possible.
  4. Assist in the identifying and locating of temporary relocation facilities in order to house families whose displacement will be of short duration, so that they can return to their neighborhood after rehabilitation or new construction.

5. Evaluate housing codes and rehabilitation standards in reinvestment areas to prevent the placing of undue financial burdens on long-established owners or on tenants of multi-family buildings.
  6. Advise homeowners and renters regarding the range of assistance that may be available to meet and protect their housing rights and interests.
  7. Coordinate with neighborhood organizations to identify displacement problems and to identify individuals facing displacement who need assistance.
- DCD will provide assistance to low/moderate-income displaced persons to allow them to relocate within the same neighborhood, whenever possible. Such assistance may include:
    1. Provide low-income housing in the neighborhood through HUD housing programs through any of the following:
      - purchase existing units;
      - rehabilitate vacant units; or
      - construct new housing units.
    2. Give priority in assisted housing units in the neighborhood to area residents facing eviction.
    3. Refer displaced persons to the Housing Authority of the County of Chester (HACC) for participation in the Section 8 or housing choice voucher programs.
    4. Provide referral services to assist displaced residents in finding alternate housing in the neighborhood.
    5. Work with area landlords and real estate brokers to locate vacancies or households facing displacement.
  - DCD will take actions to mitigate the adverse effects of displacement, which may include:
    1. Use of public funds to pay moving costs and provide relocation payments or, to the extent permissible by state or local law, require private developers to provide compensation to persons displaced by development activities.
    2. Give displaced persons priority in obtaining subsidized housing.
    3. Provide referral services to assist displaced persons to locate elsewhere in the community.

**B. Replacement of “low-income” dwellings.**

- Requirement for Replacement:

Pursuant to Section 104(d) of the Housing and Community Development Act of 1974, Chester County, through the Department of Community Development (DCD), agrees to replace all occupied and vacant occupiable low/moderate income dwelling units demolished or converted to a use other than as low/moderate income housing as a direct

result of activities assisted with funds provided through the CDBG or HOME programs. DCD may NOT use HOME or CDBG dollars to reduce the supply of “low-income” dwelling units. A low-income unit is defined as:

*“a dwelling unit with a market rent less than the FMR (Fair Market Rent). For owner-occupied units, the market rent is the rent the unit could command if it were rented.”*

Applicants (sub-grantees) who utilize CDBG or HOME funds to rehabilitate or convert a low-income unit to a non-residential use will be required to supply replacement housing consistent with the requirements of this section of the Plan.

A low-income, (or affordable) dwelling unit that is demolished or converted must be replaced by a comparable low-income dwelling unit when:

1. HOME/CDBG funds are used for any part of the activity, AND
2. It meets the definition of low-income unit, and is occupied or is a vacant occupiable dwelling, AND
3. The unit is converted such that rent after conversion rises above the Section 8 FMR or the unit is no longer available for permanent housing.

DCD will NOT be obligated to replace any unit that is both:

1. not suitable for rehabilitation, and
2. has been vacant for more than three months.

• Replacement Unit Plan:

Before obligating or expending funds that will directly result in such demolition or conversion, DCD will make public and submit to HUD the following:

1. A description of the proposed activity.
2. The location on a map and the approximate number of units that will be demolished or converted.
3. A time schedule for completion of the demolition or conversion.
4. The location on a map and the approximate number of units that will be provided as replacement dwelling units.
5. The sources of funding and a time schedule for the provision of replacement units.
6. The basis of assurance that each replacement unit will remain a low/moderate-income dwelling unit for a minimum of ten (10) years from the date of initial occupancy.

• DCD will insure that each replacement housing unit meets all of the following standards:

1. All replacements units must be located within the geographic boundary of the entitlement jurisdiction (Chester County, Pennsylvania).

2. The units must be sufficient in number and size to house no fewer than the number of occupants who could have been housed in the units that are demolished or converted, pursuant to local housing occupancy codes.
3. The units must be in standard condition and must, at a minimum meet Section 8 Program Housing Quality Standards. Replacement units may include units brought from a substandard condition to a standard condition if:
  - a. No person was displaced from the unit, or:
  - b. The unit was vacant for at least 3 months before execution of the agreement of sale.
4. All replacement housing will be provided within three years of the commencement of the demolition or rehabilitation related to conversion.
5. The units must be designed to remain as low-income dwelling units for at least ten years from the date of initial occupancy. Replacement units may include public housing units or existing housing receiving Section 8 project-based assistance.

\*\*\*The one-for-one replacement requirements may not apply if HUD determines, based on objective data, that there is an adequate supply of vacant lower-income dwelling units in standard condition, available on a non-discriminatory basis within Chester County. In making such a determination, HUD will consider such factors as vacancy rates, numbers of low-income units in the County and the number of eligible families on the Section 8 waiting list.

### **C. Relocation Assistance**

- Only low-income persons are eligible for assistance under section 104(d). A low-income person is defined as “a person having an income equal to or less than the Section 8 low-income limit established by HUD”. A low-income person is eligible for relocation assistance when:
  1. A unit occupied by a low-income person is *demolished* using HOME or CDBG funds.
  2. A HOME/CDBG funded *conversion* displaces a low-income person.
  3. A *rehabilitated* unit previously had a market rent that did not exceed the Section 8 Existing Housing Fair Market Rent (FMR), and the market rent after rehab was above the FMR.
- Displaced persons have the right to elect, as an alternative to the benefits described in this Plan, to receive benefits under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) if they determine that it is in their best interest to do so. Displaced lower-income tenants shall be advised of their right to elect relocation assistance pursuant to the URA and the regulations at 49 CFR 24 as an alternative to the relocation assistance available under CDBG and HOME regulations.

**\*\*\*Non-low-income residents of a HOME/CDBG funded project who are displaced are NOT eligible for section 104(d) assistance but ARE eligible for URA assistance.**

- When Section 104 (d) assistance is elected, a displaced low-income person is eligible for:
  1. Advisory services.
  2. Payment for moving and related expenses.
  3. The reasonable and necessary cost of any security deposit required to rent the replacement dwelling unit and for credit checks required to rent or purchase the replacement dwelling unit.
  4. Actual and reasonable out-of-pocket costs incurred in connection with temporary relocation, including moving expenses and increased housing costs, if:
    - a. The person must relocate temporarily because continued occupancy of the dwelling unit constitutes a substantial danger to the health or safety of the person or the public, or
    - b. The person is displaced from a lower-income dwelling unit, none of the comparable replacement units to which the person has been referred qualifies as a lower-income dwelling unit and a suitable lower-income dwelling unit is scheduled to become available through one-for-one replacement requirements.
  
- Displaced low-income persons are eligible to receive one of the following two forms of replacement housing assistance:
  1. Rental assistance will be provided as determined pursuant to 24 CFR Part 42. All or a portion of this assistance may be offered through a certificate or housing voucher for rental assistance provided through the Housing Authority of the County of Chester (HACC) under the Section 8 program. Where Section 8 assistance is provided to the displaced person, HACC will provide the person with referrals to comparable units whose owners are willing to participate in the Section 8 program. Cash assistance will be provided in installments. *(If the family wants a cash payment and therefore rejects an offer of tenant based assistance under 104 (d), the family retains its right to a cash payment (42 months) under URA (7-16e (1) c).*
  2. In lieu of the housing voucher, certificate or cash assistance described above, the person may elect to receive a lump sum payment allowing them to secure participation in a housing cooperative or mutual housing association. Payments shall be calculated pursuant to 24 CFR Part 42. To the extent necessary to minimize hardship to the person, DCD will facilitate payment in advance of the purchase of the interest in the cooperative or mutual housing association.
  
- A low-income person is NOT eligible for relocation assistance if:

1. The person is evicted for cause based upon a serious or repeated violation of the terms and conditions of the lease or occupancy agreement, violation of applicable federal, state or local law, or other good cause, and the County determines that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance;
2. The person moved into the property after receiving written notice of the expected displacement; or
3. The County determines that the displacement was not a direct result of the CDBG or HOME assisted activity and the HUD office concurs with this determination.

*Note: DCD Staff must be made aware of these requirements and must be able to demonstrate that they are monitoring activities that trigger the applicability of 104 (d) as well as the URA.*