



Relocation Training for RAD 1st Component Public Housing Conversions



March 24, 2015

Welcome and Introductions

- Relocation Training for the Rental Assistance Demonstration 1st Component – Public Housing Conversions
- HUD Team
 - Office of Community Planning and Development
 - Office of Public and Indian Housing
 - Office of Recapitalization
- Recap Real Estate Advisors
 - Tom Davis – Senior Vice President

Webinar Agenda

- Overview of relocation rules applicable to 1st Component public housing conversions
- Remainder of webinar will loosely follow the sequence of a RAD conversion transaction
 - Initial notice to residents
 - Relocation planning and key requirements affecting deal structure
 - HUD review of relocation
 - Determining eligibility for relocation assistance
 - Implementation of relocation plans

Overview

- RAD relocation rules are designed to:
 - Encourage resident consultation
 - Keep the residents informed of potential plans
 - Ensure residents understand the impact of the potential plans on their tenancy
 - Ensure residents can exercise their right of return
 - Ensure the residents are treated fairly, consistently & equitably

RAD Rules Affecting Relocation

- Current residents hold a Right of Return
 - PHA must redesign transaction so current residents can return if they want to return
 - No re-screening allowed before resident can return
- Do not move residents prior to closing
 - Limited exception
- No permanent involuntary relocation
 - A resident may choose to be permanently relocated if relocation is anticipated to be 12 months or more AND resident's choice is fully informed/documentated
 - In such cases, the resident would decline his or her right to return in advance

Rules that Apply to RAD PH Deals

- RAD program notice and RAD relocation notice apply to all RAD public housing conversions
- URA can be an overlay on the RAD rules. It applies in some, but not all, relocation cases
- If a RAD conversion involves CDBG or HOME funds, Section 104(d) may also apply
- All relocation activities must comply with fair housing and civil rights laws (i.e., physical and language access, non-discriminatory options)

RAD Relocation Basics

- Current residents hold a Right of Return
 - PHA has an obligation to redesign the transaction to ensure that a current resident can return if he or she wants to return
- No permanent involuntary relocation
 - A resident may choose to be permanently relocated if the resident's choice is fully informed and documented.
 - In such cases, the resident would decline his or her right to return in advance

URA Basics

- Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) – 49 CFR Part 24
- To provide uniform, fair and equitable treatment of persons whose real property is acquired or who are displaced as a direct result of acquisition, rehabilitation or demolition for Federal or federally funded projects
- Different requirements for temporary (12 months or less) and permanent (over 12 months) relocation

URA Basics – Temporary Relocation

- General Information Notice (GIN)
- Assistance to ensure fair and equitable treatment
- Temporary housing which is decent, safe and sanitary
- Reimbursement of all reasonable and necessary out-of-pocket expenses
- Right of appeal

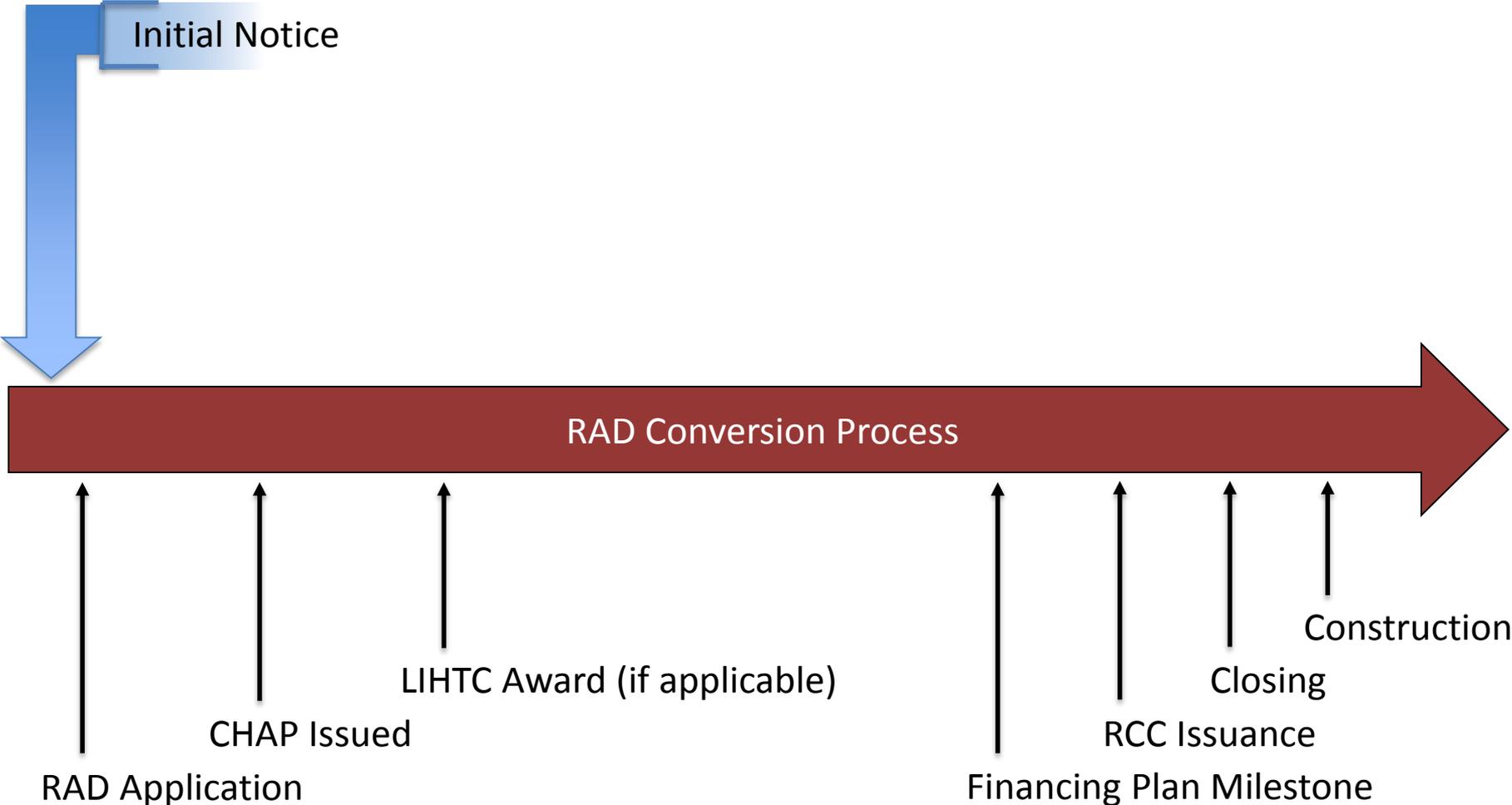
URA Basics – Permanent Relocation

- Relocation advisory services
- Notices, including 90 days' notice to vacate
- Identification of housing options – at least 1 and where possible 3 comparable options which are decent, safe and sanitary
- Reimbursement of moving and other out-of-pocket expenses
- Assistance with added cost of housing
- Right of appeal

CDBG & HOME Funding Rules

- Section 104(d) relocation requirements may apply
- One-for-one replacement housing requirement may apply
- Economic displacement protections may apply
- HUD Regional Relocation Specialists can provide additional assistance

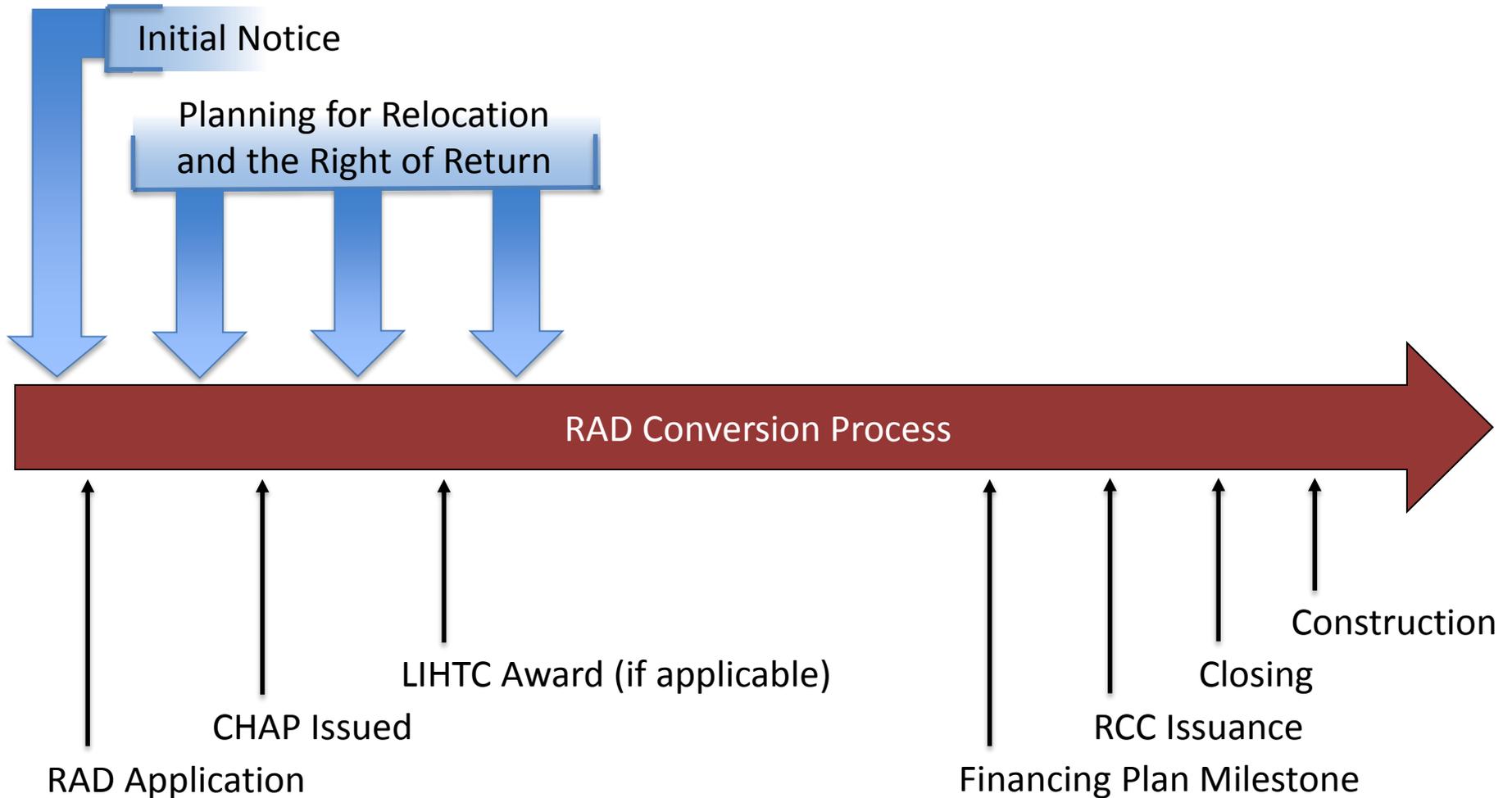
RAD and Relocation Sequence



Initial Notice of Potential Relocation

- General Information Notice (GIN)
 - Must be provided *as soon as feasible* (before PHA applies for RAD – at the time of resident meetings)
 - Informs the resident of the possibility of relocation and of potential eligibility for relocation assistance
 - Advises the resident to take no action at that time
 - GIN protects both the residents and the PHA
 - The RAD Relocation Notice Appendix 2 provides a sample that satisfies the full requirements of 49 CFR 24.203(a)

RAD and Relocation Sequence



Planning for Relocation

- Consider transaction designs which minimize the impact of relocation
 - Keep relocation periods as short as possible
 - Sequence work to permit single-move relocation
- Preference for relocation on-site
 - Under RAD, PHAS scoring is suspended after the CHAP is issued so a PHA can accumulate vacancies
 - Reduces costs and disruption to residents' lives
- Use of PH resident transfer policies to move residents for the RAD project is relocation

Developing Relocation Plans

- A written relocation plan is strongly recommended for all transactions involving temporary or permanent relocation
- Plan construction activities and relocation plans in concert based on projected timelines
- Survey residents to determine their housing preferences and needs, including whether they may prefer to elect permanent relocation
- See RAD Relocation Notice Appendix 1

Planning for the Right of Return

- Plan for the residents' right of return under RAD in designing the transaction structure
- Examples of potentially problematic situations:
 - Converting from a family to an elderly community
 - Changing the bedroom distribution as a result of reconfiguring units or new construction
 - Using LIHTCs when there are residents earning over 60% of AMI living on the site
 - Not addressing accessibility needs
 - Transferring assistance to a new site

Right of Return & Transfer of Assistance

- Is it “permanent relocation”?
 - RAD focuses on the resident’s relationship with the rental subsidy
 - URA focuses on the resident’s relationship with the property but only if there is acquisition, rehab or demo at the site resident relocated from
- Right of return under RAD applies to the subsidized unit – even if it is in a different place
- Not permanently relocated under RAD may be considered permanently relocated under URA

Declining the Right to Return

- Residents can choose permanent relocation in which case they must decline the right to return
- Resident's decision must be fully informed with at least 30 days to decide
- PHA shouldn't blur the line between permanent relocation and temporary relocation options
- PHA should carefully document discussions

Integrating Relocation & Agency Plans

- The annual plan (or annual plan amendment) needs to:
 - Outline the relocation plan
 - Outline long-term admissions and occupancy policies
 - Outline transfer policies
 - Describe the re-occupancy plan, with protections for returning residents
 - Re-screening is prohibited
 - Resident consultation is required

Items to Consider When Budgeting

- Counseling and home search assistance
- Moving expenses
- Security deposits and utility set-up costs
- Payment of increases in rent & utilities
 - Temporary – during time of relocation
 - Permanent – 42 months (under URA) or 60 months (under Section 104(d))
- Meals, transportation & out-of-pocket costs
- See RAD Relocation Notice Appendix 1

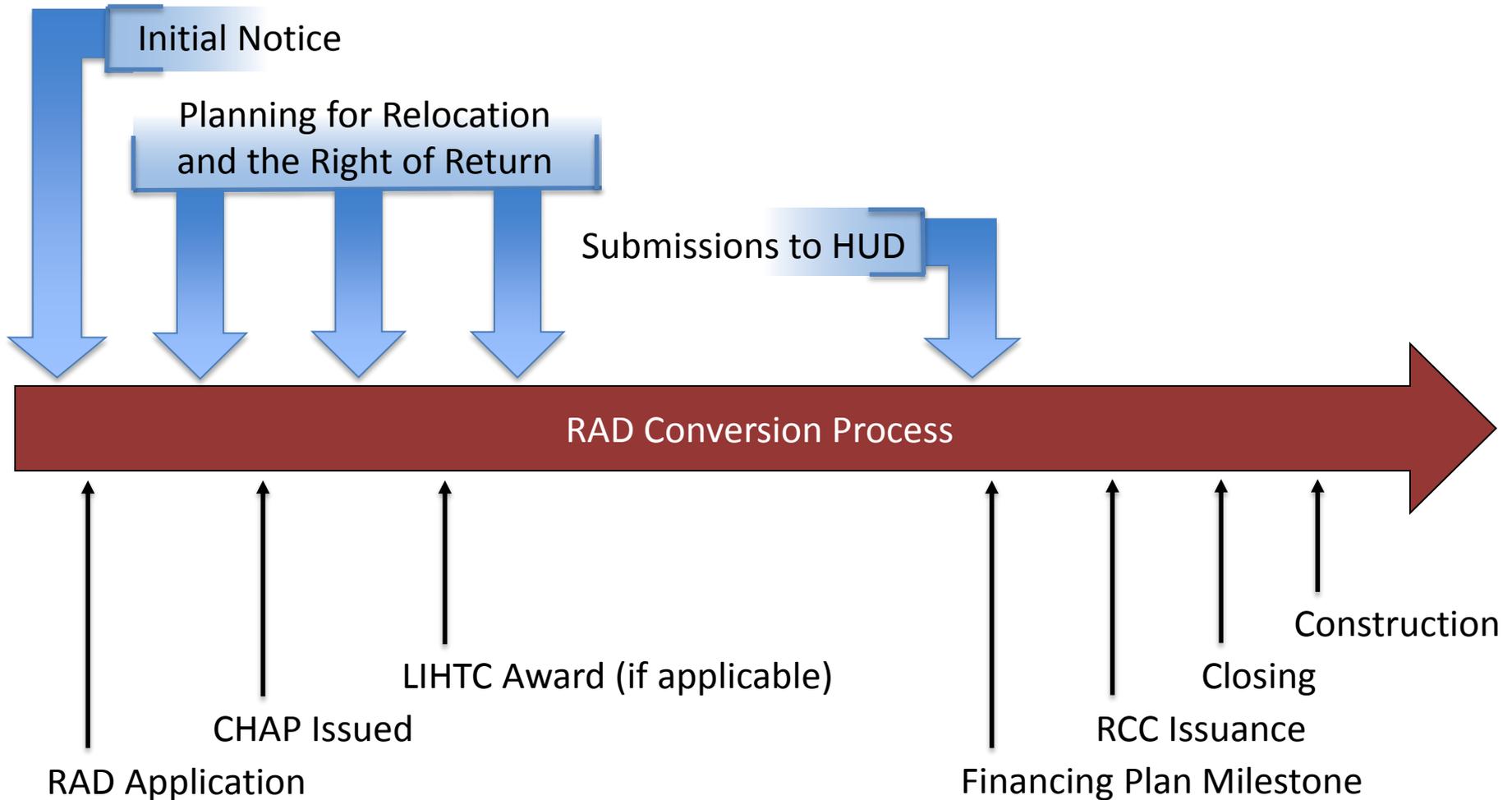
Case Study 1

- The PHA's plan is to rehab a 100-unit project using HOME funds. The project will have 95 units after rehab to make room for a community center. Construction and temporary relocation is estimated to be 12 months.
- Residents will not be able to remain in their units during rehab, but will remain in the project. The PHA has been leaving units vacant in anticipation of the rehab to accommodate temporary relocation.
- The PHA has surveyed residents about whether they want to remain in the project or be permanently relocated. Some tenants have indicated that, after rehab, they want to return to their original units.
- Once the units have been renovated, a tenant's payment and lease violation history will be reviewed before a tenant is allowed to move back into the renovated unit. Tenants with poor payment records and/or more than three violations will be given an HCV so they can move to another location.

Case Study 1 – Summary of Issues

- Section 104(d) requirements may apply and may impact 1 for 1 RAD de minimis reduction
- URA & RAD definitions of permanent displacement
- URA permanent relocation over 12 months, Notice of Relocation Eligibility
- Right to return is to the project, not the unit
- No rescreening

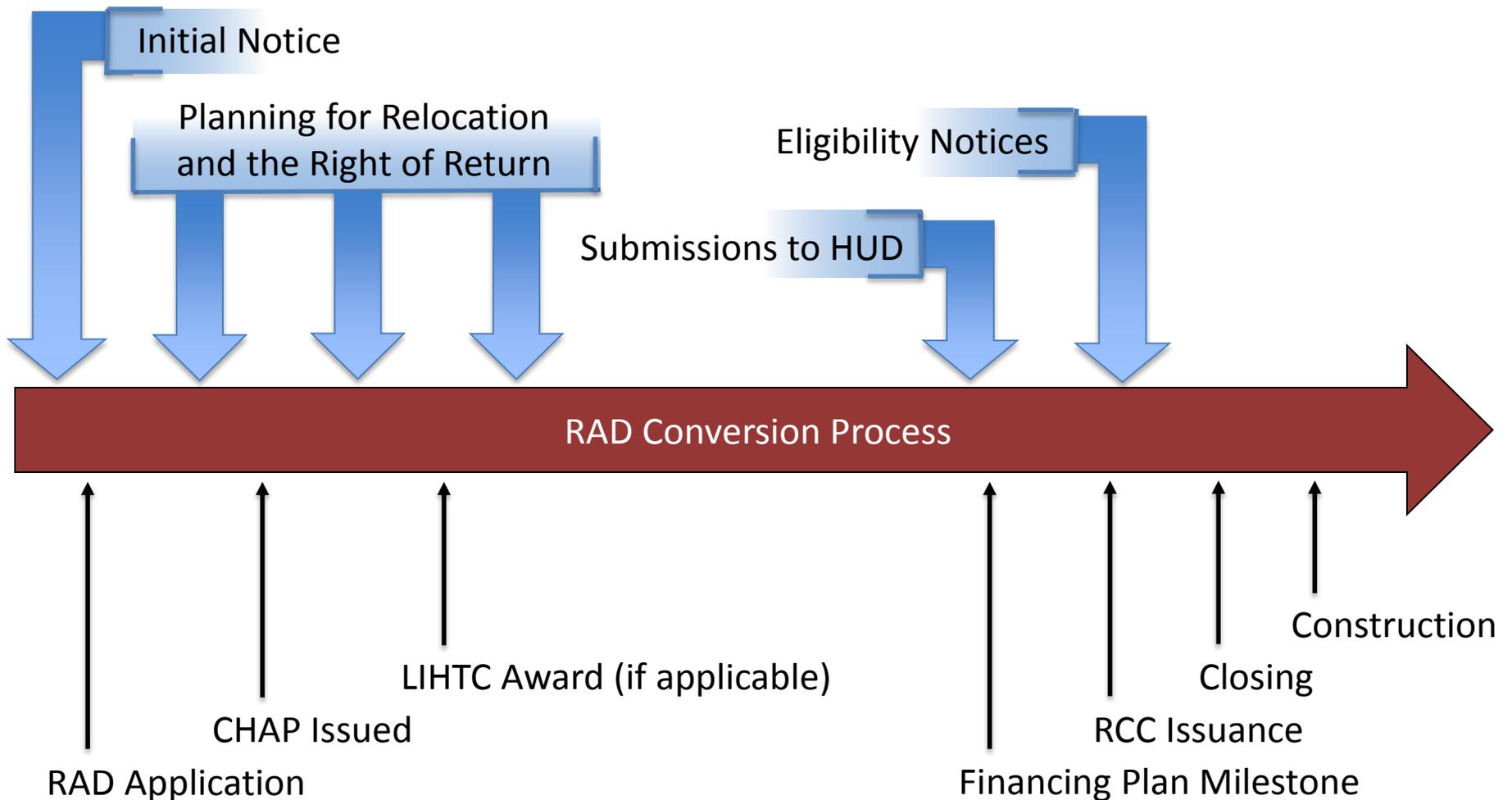
RAD and Relocation Sequence



HUD Review of Financing Plan

- 180-Day Milestone – Financing Plan submission
- Budgets, with relocation costs included
- FHEO Accessibility and Relocation Checklist
 - Describes relocation plans for displacements longer than 60 days and for transfers of assistance
 - Describes the temporary unit and location
 - May include the full relocation plan at PHA's option
- Responses to questions

RAD and Relocation Sequence



After Issuance of the RCC

- Eligibility for relocation payments and assistance is effective on issuance of the RAD Conversion Commitment (RCC) (the “Initiation of Negotiations” in URA terms)
- PHA issues RAD Notice of Relocation as soon as possible after the RCC is issued
- PHA may issue subsequent notices (i.e., the notice to move) when timed to project needs
- Notices to residents must satisfy RAD Relocation Notice and applicable URA requirements

RAD Notice of Relocation

- Necessary for temporary or permanent moves
- Describes estimated payments and relocation assistance, among other topics
- Minimum 30-days' notice before temporary move, 90-days' notice before permanent move
- HUD Notice of Non-Displacement not required
- See RAD Relocation Notice Appendices 3 & 4
- Sample forms of the notice of relocation vary for temporary and permanent relocations

RAD Notice of Relocation – Temporary

- 30-day notice before temporary relocation move
 - Provides notice of the move date
 - Specifies the household's destination unit
 - Longer notice periods may be appropriate in cases with relocation for extended time periods (i.e., 6 months)
 - Longer notice periods may be necessary due to personal needs or circumstances
- Destination unit must meet URA's "decent, safe and sanitary" requirements

RAD Notice of Relocation – Permanent

- 90-day notice before permanent move
 - Specifies the earliest date to move
 - Identifies and provides information on comparable replacement dwelling units
- Destination unit must meet URA’s “decent, safe and sanitary” requirements

URA Notice of Relocation Eligibility

- URA Notice of Relocation Eligibility is different from RAD Notice of Relocation
- URA Notice of Relocation Eligibility applies when the resident is relocated for over 12 months
- URA requirements, such as 90 day notice, comparable dwelling requirements and rest of 49 CFR Part 24 apply (i.e., 24.203 and 24.204)
- See RAD Relocation Notice – Appendix 5

Case Study 2

- The PHA's plan is to rehab a 100-unit project using HOME funds. The project will have 95 units after rehab to make room for a community center.
- After completion of the RAD Physical Conditions Assessment, construction and temporary relocation is now estimated to be 14 months.
- The PHA is still planning to accommodate all of the relocation on site, but wants to start moving residents into the vacant units this month.
- The PHA has surveyed residents again on their desire to return to the site or move permanently, and many residents want to move permanently off-site using an HCV.
- The PHA is scheduled to receive their RCC in a month, and expects to close in two months.

Case Study 2 – Summary of Issues

- Planned relocation is now considered “permanent” according to URA (**exceeds** 12 months); the PHA must offer a choice between:
 - Temporary relocation with a right of return, or
 - Decline the right of return and receive permanent relocation assistance and payment URA assistance levels
- When relocation **becomes** more than 12 months
 - Issue URA (not RAD) Notice of Relocation Eligibility
 - Provide updated information on the schedule
 - Offer the choice as if it was planned for 12+ months
- PHA cannot begin moving residents until closing

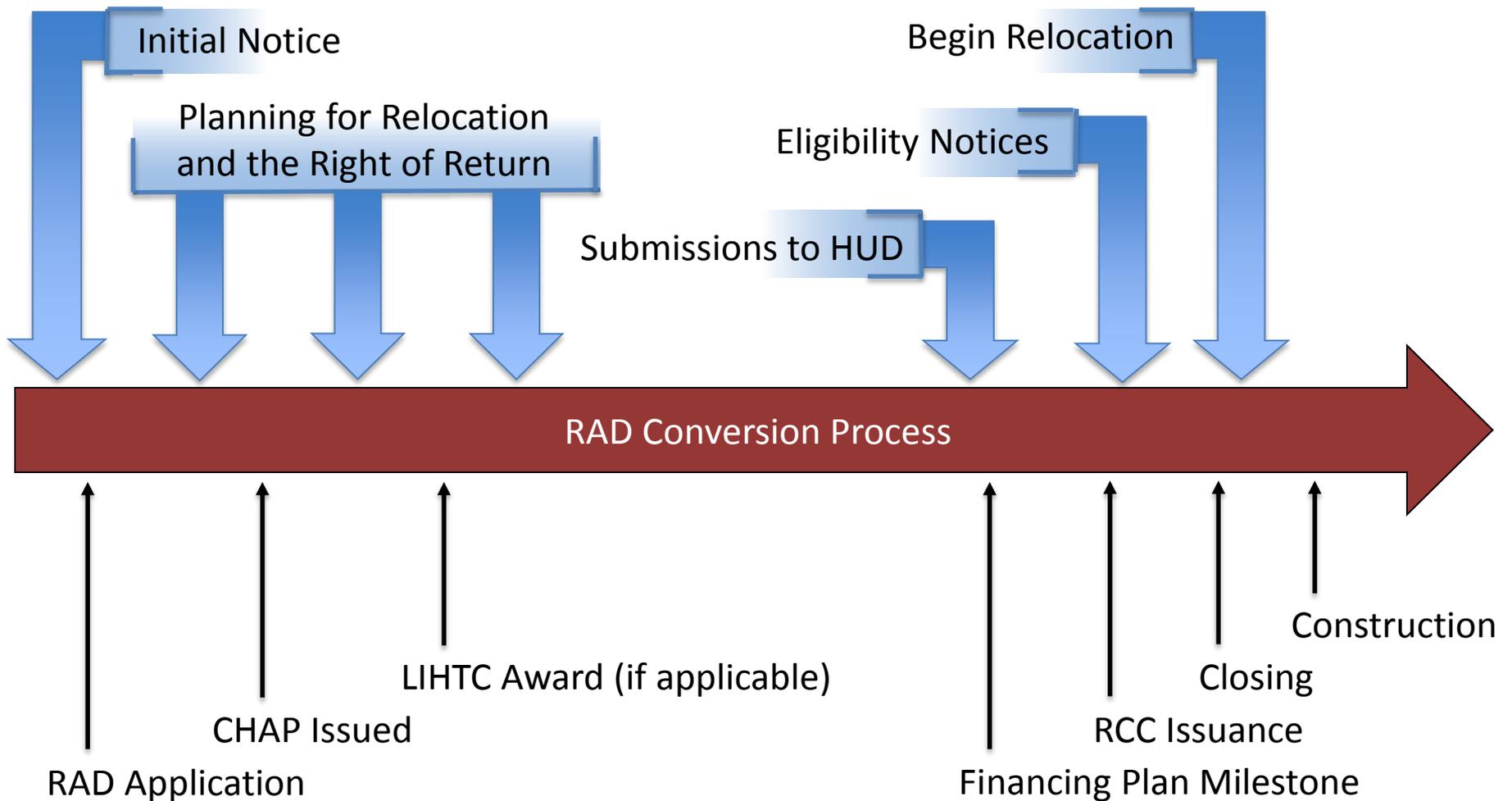
Notice Requirements

- All relocation notices must be in writing
- Notices must be in plain language
- Notices must include contact for questions and assistance
- Notices must be “personally served” or sent by certified or registered mail with return receipt
- PHA must assist those unable to read and understand the notice (e.g., translation)
- See 49 CFR 24.5 for additional details

Notice Procedures

- Get a written receipt for every relocation notice
- Inadequate or improper content is a common problems
- Changed transaction plans may trigger the need for updated or revised notices

RAD and Relocation Sequence



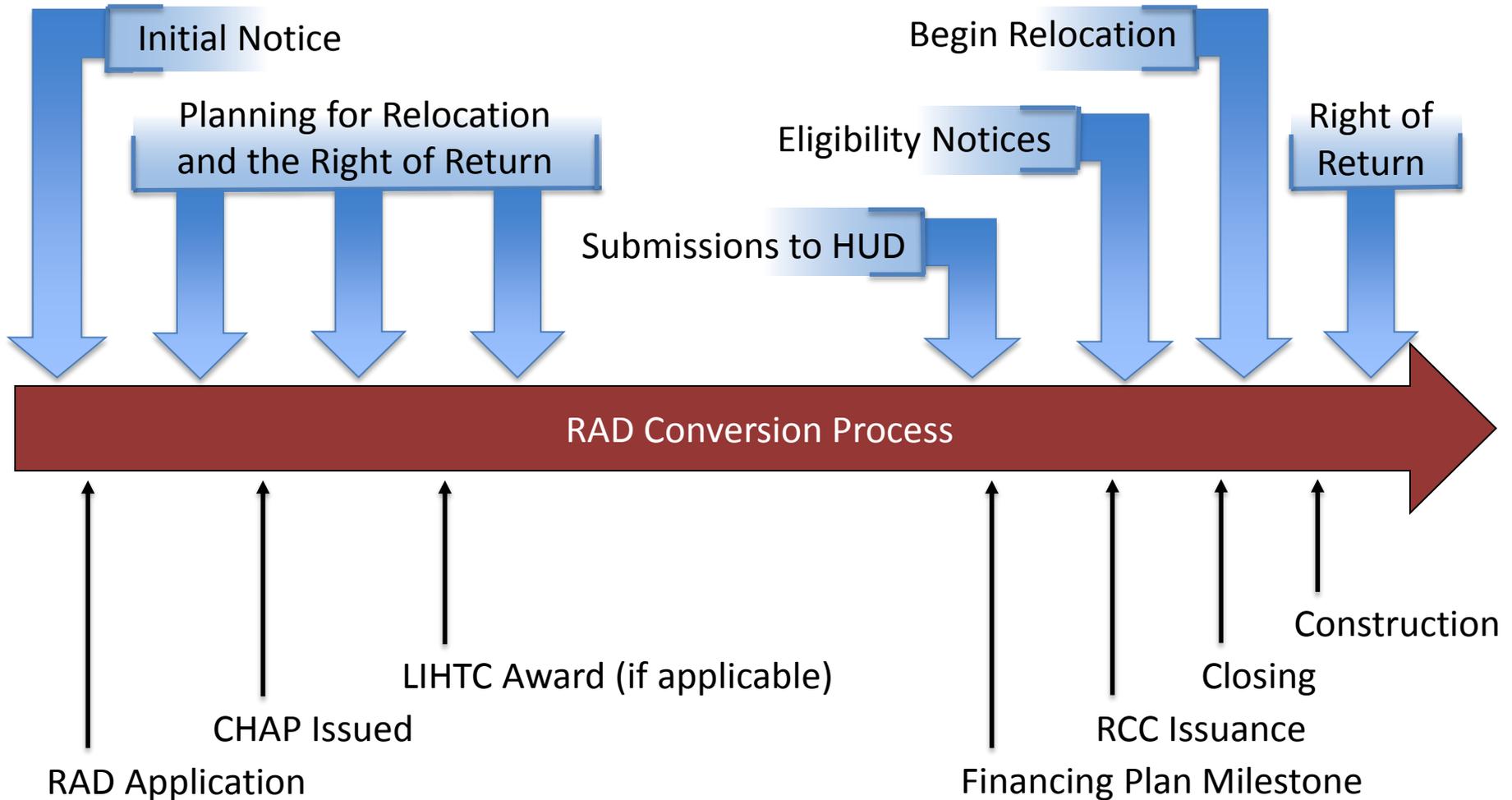
Beginning the Relocation

- Relocation begins after closing
 - PHA cannot move residents before the closing
 - Early relocation may be allowed in rare cases with permission from HUD Headquarters. Talk to your HUD Transaction Manager as soon as possible
- Relocation cannot begin until all necessary notices are issued & notice periods have passed

Flow of Funding

- Residents continue to pay the tenant portion and the PHA continues to receive subsidy as the “rehab assistance payment,” creating an amount to cover most or all of the rent in the temporary relocation unit
- If the temporary rent is higher, the relocation budget will need to provide funds to cover it
- If the PHA uses an existing public housing unit as the relocation resource, the PHA gets operating subsidy for both units

RAD and Relocation Sequence



Record Keeping

- PHA must keep auditable records of:
 - Identity of the residents – all members of household
 - The units the resident is being relocated from and to
 - Notices, information & advice given to residents
 - Options provided to residents and their decisions
 - Rents, security deposits, utility arrangements, relocation claim forms and payments
 - Reasonable accommodations provided
- See detailed guidance in 49 CFR 24.9 and in Handbook 1378

Appeals Process

- URA provides for the right to appeal
- Residents should submit written appeals to the PHA
- Residents may appeal relocation eligibility and/or payment amounts
- PHAs should establish an appeals process and procedures
- See 49 CFR 24.10 for more info

Reference Documents

- RAD Relocation Notice – PIH 2014-17/H 2014-09
www.radresource.net/home.cfm
- RAD FAQs – www.radresource.net/home.cfm
- URA Regulations – 49 CFR part 24
- HUD Relocation guidance – HUD Handbook 1378.0
- HUD Relocation website – www.hud.gov/relocation
- RAD PowerPoints – www.radresource.net/webinars.cfm
- Section 104(d) – 24 CFR Part 42, Subpart C

RAD Relocation Checklist

- The RAD Relocation Checklist is a guide to issues the Transaction Manager will be reviewing
 - Will there be resident relocation?
 - Is there a written relocation plan (recommended)?
 - Will any relocation last more than 12 months?
 - Will residents be offered a choice between permanent relocation and right of return?
 - Does the transaction plan trigger risks for the right of return, such as change in units or change in occupancy type?
 - Does the transaction involve transfer of assistance?
 - Does the PHA need to start relocation early?
 - Has the PHA already relocated anyone?
 - Has the PHA identified the destination units?
 - Is the budget adequate?
 - Are the resident relocation notices adequate?

RAD Relocation Checklist

RAD RELOCATION CHECKLIST (3/2015)

Please review RAD Relocation requirements as outlined in Notice H2014-09/PIH 2014-7 before completing this form.

Project Name:
Project Identifier:
Transaction Manager:

SECTION I: PROJECT INFORMATION

PROJECT NAME:			
PROJECT CITY/STATE:			
PHA NAME:			
YEAR BUILT/REHABBED:			
CONVERSION TYPE:	<input type="checkbox"/> PBRA	<input type="checkbox"/> PBV	REHAB COST/UNIT: \$
FINANCING (check all applicable):	<input type="checkbox"/> NONE	<input type="checkbox"/> FHA	<input type="checkbox"/> CONVENTIONAL
	<input type="checkbox"/> CDBG/HOME ¹	<input type="checkbox"/> TAX CREDITS (Placed-in service date: / /)	
	<input type="checkbox"/> OTHER		
SCOPE OF WORK ² :	<input type="checkbox"/> REHABILITATION	<input type="checkbox"/> ACQUISITION	<input type="checkbox"/> DEMOLITION
	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> NONE	
CLOSING/REHAB PERIOD:	Estimated Closing: / /	Work Period:	
DATE GENERAL INFORMATION NOTICES (GIN) PROVIDED:	/ /		
HAS PHA PREPARED A WRITTEN RELOCATION PLAN? ³	<input type="checkbox"/> YES	<input type="checkbox"/> NO	
OCCUPANCY TYPE:	Current:	<input type="checkbox"/> Elderly	<input type="checkbox"/> Disabled
		<input type="checkbox"/> Mixed	<input type="checkbox"/> General
	RAD Conversion:	<input type="checkbox"/> Elderly	<input type="checkbox"/> Disabled
		<input type="checkbox"/> Mixed	<input type="checkbox"/> General

UNIT/BEDROOM DISTRIBUTION		0-BR	1-BR	2-BR	3-BR	4-BR	4+BR
#UNITS/By BR:	Current:						
	RAD Conversion:						
	Total:						

SECTION II: THRESHOLD QUESTIONS

1. Will any households be required to relocate for longer than 12 months in connection with the project? YES NO

If "YES", how many households will be required to relocate?	
What is the anticipated length of relocation (in months)?	
RAD RIGHT TO RETURN: Have these households been offered the choice to relocate temporarily?	<input type="checkbox"/> YES <input type="checkbox"/> NO
Have these households been offered the choice to voluntarily accept permanent relocation and decline their right to return?	<input type="checkbox"/> YES <input type="checkbox"/> NO

¹ Additional Section 104(d) of the Housing and Community Development Act of 1974 requirements may apply. Please consult with the appropriate Regional Relocation Specialist (RRS).
² For transactions including rehabilitation, acquisition, or demolition, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) may apply.
³ A relocation plan in accordance with the requirements outlined in Notice H2014-09/PIH 2014-7, Appendix 1. This item does not refer to the FHEO Relocation & Accessibility Checklist.

RELOCATION CHECKLIST (3/2015)

Please review RAD Relocation requirements as outlined in Notice H2014-09/PIH 2014-7 before completing this form.

Project Name:
Project Identifier:
Transaction Manager:

Has each household's housing choice been documented?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
Will households be offered permanent relocation assistance under the URA after 12 months of temporary relocation?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
If "NO", indicate why residents will not be required to relocate. If the property is vacant, please indicate.		

- Is the transaction involve a change in occupancy type? YES NO
- Is the transaction involve a change in unit configuration? YES NO
- If yes, can all tenants return to the property? YES NO
- Is the transaction involve a transfer of assistance? YES NO

⁵, indicate additional details including distance of receiving site from originating site:

- Does the PHA intend to request HUD's approval to relocate residents prior to closing? (Transaction must include acquisition) YES NO

- Has the PHA already moved residents prior to closing without HUD approval? YES NO

Answers to questions 1-5 above are all "NO", please skip the Relocation section of this checklist. In other cases, please complete this section and refer transaction to the appropriate Regional Relocation Specialist (RRS) for a URA/104(d) review.

DN III: RELOCATION

- Has the PHA identified housing for residents who will be relocated? YES NO

RELOCATION HOUSING UNITS	# OF RELOCATIONS TO EACH HOUSING TYPE						TOTAL
	0-BR	1-BR	2-BR	3-BR	4-BR	4+ BR	
UNIT UNITS ON-SITE							
UNIT UNITS IN OTHER PH							
UNIT-BASED SECTION 8 R HOUSING OPTIONS							
TOTAL RELOCATION HOUSING UNITS:							

⁵, additional details should be obtained from the PHA. TMs should complete this chart completely. If the not determine the sufficiency of the additional information received, contact the appropriate RRS for review.

RELOCATION CHECKLIST (3/2015)

Please review RAD Relocation requirements as outlined in Notice H2014-09/PIH 2014-7 before completing this form.

Project Name:
Project Identifier:
Transaction Manager:

Please indicate the following amounts from the Applicant/PHA's relocation budget:

MOVING EXPENSES		
Number of Moves	Cost Per Move	Total
Initial Moves (12 months or less):	\$ (2 ways)	\$
Initial Moves (longer than 12 months):	\$	\$
REPLACEMENT HOUSING PAYMENTS for permanent moves (increases in rent and utilities for 42 months (60 months if section 104(d) applies))		
Number of Displaced Households	Cost per Household	Total
Initial:	\$	\$
OTHER COSTS		
REGISTRATION/COUNSELING COSTS		\$
LEGAL COSTS		\$
TOTAL RELOCATION COSTS		\$

⁵ should complete this chart completely. Additional details should be obtained from the PHA if necessary. If not determine the sufficiency of the additional information received, contact the appropriate RRS for review.

DN IV: CERTIFICATIONS

Transactions referred to Regional Relocation Specialist (RRS), RRS must certify their review below.

Initial Relocation Specialist: _____ Date: _____

Are there any unresolved URA/104(d) issues (if any):

Are there any intended follow up (if any):

Are there any intended conditions for RCC (if any):

The information, as well as the related information submitted by the Applicant/PHA, has been reviewed in accordance with Notice H2014-09/PIH 2014-7.

Transaction Manager: _____ Date: _____

Are there any intended conditions for RCC (if any):



Case Study 3

- The PHA's plan is to demolish two buildings, each with 70 family units, and replace them with two buildings, each containing 60 units of elderly housing.
- The PHA plans to demolish the existing buildings and construct the new buildings in 2 phases. In Phase 1, one building will be demolished and the new building will be constructed. In Phase 2, the second building will be demolished and the second building will be constructed. Construction of each phase is projected to be 10 months using HOME funds.
- The PHA has already sent GINs and RAD Relocation Notices to the tenants, notifying them of their construction plans and the need for tenants to move. In preparation for construction, the PHA has already permanently moved 50 residents from both buildings.
- The PHA expects to receive its RCC next month, and close in approximately two months.

Case Study 3 – Summary of Issues

- Change in occupancy type from family to elderly (permanent displacement)
- Unit reduction exceeds de minimis threshold
- HOME & Demo – Section 104(d) relocation & 1-for-1 replacement, HOME program economic displacement?
- Timing of Notices – RAD Relocation Notice sent before RCC
- Length of relocation – Some residents will be relocated for less than 12 months, others for more than 12 months
- Residents relocated prior to closing

RAD Rules Affecting Relocation

- Current residents hold a Right of Return
 - PHA must redesign transaction so current residents can return if they want to return
 - No re-screening allowed before resident can return
- Do not move residents prior to closing
 - Limited exception
- No permanent involuntary relocation
 - A resident may choose to be permanently relocated if relocation is anticipated to be 12 months or more AND resident's choice is fully informed/documentated
 - In such cases, the resident would decline his or her right to return in advance

Summary of Core Assistance

- If temporary (not a complete list)
 - Provide decent, safe & sanitary temporary housing
 - 30-days' notice before the move
 - Reimburse moving costs & other expenses
- If permanent (not a complete list)
 - Provide 1-3 comparable units and advisory services
 - 90 days' notice before the move
 - Reimburse moving costs & related expenses
 - Payment of rent differential if necessary

Thank you

Tom Davis, Recap Real Estate Advisors

For questions:

Contact your RAD Transaction Manager or submit questions, feedback, or suggestions for additional training to RAD@HUD.gov

HUD Resources:

www.HUD.gov/RAD

www.HUD.gov/relocation