

## HOME-ARP 101: URA, Section 104(d) & HOME-ARP Relocation-Related Program Requirements

HUD Relocation and Real Estate Division - September 21, 2022

### **Today's Agenda**

- □ HOME-ARP Overview
- □ HUD's Relocation and Real Estate Division
- URA, Section 104(d), and HOME-ARP Program Relocation Requirements
- □ Resources
- **Questions**





## **Today's Presenters**

- Will Rudy, Director, Relocation and Real Estate Division (RRED)
- Bryan O'Neill, Senior Relocation Specialist, RRED
- Tosha Pierce, Relocation Specialist, RRED
- Tynan Stevenson, Relocation Specialist, RRED







## **HOME-ARP OVERVIEW**

### **HOME-ARP Background**

- American Rescue Plan Act appropriated \$5 billion for assistance to homeless and other vulnerable populations under the HOME Investment Partnership Program. This one-time funding program is known as HOME-ARP.
  - Serves different populations than regular HOME funds; includes additional eligible activities.
- Funds were allocated by formula to 651 HOME "Participating Jurisdictions" or PJs that received allocations of regular HOME Program funds in FY 2021.
  - HUD obligated funds to grantees in September 2021.
- HUD issued guidance establishing requirements for HOME-ARP on September 13, 2021, in CPD Notice 21-10: Requirements for the Use of Funds in the HOME-American Rescue Plan Program (HOME-ARP).
  - Notice, Factsheets, Policy Briefs, FAQs, Training, Webinars, and Tools are available at: <u>www.hudexchange.info/programs/home-arp/</u>
- PJs must develop and submit a HOME-ARP Allocation Plan to HUD before it may use funds for HOME-ARP activities or projects.





### **HOME-ARP Eligible Uses**

- HOME-ARP funds can be used for the following eligible activities:
  - Affordable Rental Housing acquisition, rehabilitation, or new construction
  - Tenant-Based Rental Assistance (TBRA)
  - Supportive Services
  - Non-congregate Shelter (NCS) acquisition and development
- PJs may use up to 15% of HOME-ARP grant for administrative and planning costs.
  - HUD made 5% admin immediately available to PJs to help pay costs of developing Allocation Plan.
- PJs may use up to 5% of grant to provide operating assistance to nonprofit organizations undertaking HOME-ARP activities and an additional 5% for capacity building for these nonprofits.
- HOME-ARP funds must be used to benefit "Qualifying Populations."





## **HOME-ARP Qualifying Populations**

- Homeless as defined at 24 CFR 91.5 (1), (2), and (3) (excludes paragraph 4)
- At Risk of Homelessness as defined at 24 CFR 91.5
- Fleeing/Attempting to Flee Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking
  - Domestic Violence, Dating Violence, Sexual Assault, and Stalking from VAWA regulation at 24 CFR 5.2003
  - Human Trafficking from Trafficking Victims Protection Act of 2000
- Other Populations: 1) Families Requiring Services or Housing Assistance to Prevent Homelessness OR 2) Those At Greatest Risk of Housing Instability (defined in HOME-ARP Notice)





## **HOME-ARP HUD Exchange Link**

### For more information on HOME-ARP, visit

## www.hudexchange.info/programs/home-arp/







## **HUD's Relocation and Real Estate Division**

### Who is RRED?

I - Nancy Johnson	II - Emie Eshmawy
III - Mike Szupper	IV - Regina Montgomery IV - Cari Palerm (PR,VI)
V - Maureen Thurman	VI - Ursula McLendon
VII – Natalie Simms-Patton	VIII - Jade Santoro
IX - Jay Smith	X - Lori Martin





## HQ RRED Staff Will Rudy, Director Sara Hernandez, Deputy Director Bryan O'Neill, Senior Relocation Specialist\* Cari Palerm, Regional Relocation Specialist Tosha Pierce, Relocation Specialist\* Tynan Stevenson, Relocation Specialist\*





## **URA - 49 CFR part 24**

### What is the URA?

- Acronym for a federal law: Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA)
- Federal regulations: 49 CFR part 24
- Applies to acquisition, rehabilitation, and demolition for federally-funded projects
- Establishes *minimum* federal requirements for real property acquisition and relocation of people & businesses

Key Objective: To ensure that people whose real property is acquired, or who move as a direct result of projects receiving federal funds, are treated fairly and equitably and receive assistance in moving from the property they occupy.





### **URA Acquisition – 49 CFR 24 subpart B**

### *Voluntary vs. Involuntary – What's the difference?*

### ❑ Voluntary Acquisition:

- More than just a willing buyer and seller
- Abbreviated requirements for voluntary acquisitions
- Must meet <u>all</u> applicable requirements of 49 CFR 24.101(b)(1)-(5)
- *Owner-occupants ineligible* for relocation assistance (tenants are eligible)
- If acquisition doesn't qualify as voluntary, must meet **<u>full</u>** subpart B requirements





### URA Acquisition Requirements – 49 CFR 24 subpart B

### When is an acquisition "Involuntary" and subject to FULL subpart B Acquisitions?

- ✓ Acquisitions unable to meet <u>all</u> applicable voluntary requirements
- ✓ Acquisitions under threat or use of eminent domain

### □ Full subpart B Acquisition requirements include:

- More stringent requirements than "voluntary"
- Owner-occupants and tenants eligible for relocation assistance
- Property valuation (appraisal, appraisal review, waiver valuations, etc.)
- Negotiations (no coercion, administrative settlements, etc.)
- Payments (just compensation, incidental expenses, etc.)





### URA Relocation Requirements -Displaced Persons

### **Residential Displaced Persons (tenants & owner-occupants):**

Relocation advisory services, replacement housing payments, minimum 90-day written notice to vacate, comparable replacement housing, moving expense payments, and housing of last resort

### ❑ Nonresidential Displaced Persons (businesses, farms & non-profits):

Relocation advisory services, minimum 90-day written notice to vacate, moving expense and re-establishment payments (for small businesses) **or** a fixed moving payment

**Note:** MAP-21 statutory URA changes became effective on 10/1/2014 and must be implemented even though current URA regulations do not reflect those changes. Refer to <u>HUD Notice CPD-14-09</u> for guidance.





### URA Relocation Requirements -Temporary Relocation

### **Temporary relocation requirements include:**

- Decent, safe and sanitary (DSS) temporary housing;
- Reimbursement of reasonable out-of-pocket expenses in connection with the temporary move, including but not limited to, increased housing expenses and moving costs; and
- 12 months time limit for temporary relocation. After 12 months, must offer choice between all permanent URA relocation assistance or to remain temporarily relocated for agreed upon period.





## 

## SECTION 104(d) - 24 CFR part 42

## What is Section 104(d)?

- Section 104(d) refers to a section of a federal law entitled the Housing and Community Development Act of 1974, as amended.
- Only applies to HUD, and it only applies to HUD's Community Development Block Grant (CDBG) & HOME Investment Partnerships (HOME) programs (including HOME-ARP & CDBG-DR).
- Federal regulations: 24 CFR part 42
- Generally, applies when lower-income dwelling units are demolished or converted in connection with a CDBG- or HOME-assisted activity.

Key Objective: To minimize displacement, provide relocation assistance to displaced lower-income persons, and replace lower-income housing demolished or converted.





## **Section 104(d) - Key Definitions**

#### Dwelling unit with a:

#### Market rent + utility costs ≤ HUD Fair Market Rent (FMR)

#### HUD FMRs

LOWER INCOME DWELLING UNIT Tearing down or razing, in whole or part, residential structures.

Note: The reconfiguration of the interior space of buildings by moving or removing interior walls (e.g., altering two 1-bedroom units to create one 2-bedroom unit, or a 3bedroom unit altered to create a 2- bedroom unit) within the exterior walls of a building or structure is not generally considered "demolition."

(see HB 1378, chapter 7, for full description)

DEMOLITION

#### Altering a lower-income dwelling unit so that it is:

• Used for non-housing purposes;

- Used for housing purposes, but rents above FMR; or
  - Used as an emergency shelter.

(see 24 CFR 42.305 for full definition)









## Section 104(d) - Key Requirements

- Residential Antidisplacement and Relocation Assistance Plan (RARAP)
- Relocation Assistance for Displaced Lower-income Persons
- One-for-One Replacement of Lower-income Dwelling Units





### **Residential Antidisplacement and Relocation Assistance Plan** (RARAP) - Summary

As a condition of receiving CDBG or HOME funds from HUD, grant recipients must certify that they have in effect and are following a RARAP.

### □ All RARAP's must:

- Indicate steps to be taken to minimize displacement of persons from their homes and neighborhoods as a result of any assisted activity;
- Provide for relocation assistance at section 104(d) levels; and
- Provide one-for-one replacement of demolished and converted lower-Income dwelling units.

See HUD Handbook 1378, Appendix 34 for a RARAP guideform





## Section 104(d) Relocation Assistance - Summary

- Advisory services, replacement housing assistance, moving expense payments, security deposits and credit checks, interim living costs, and appeals.
- HUD policy limits eligibility to only displaced lower-income residential tenants.
- HUD policy expands relocation eligibility for lower-income residential tenants displaced by demolition of any dwelling unit, or conversion of lower-income dwelling units in connection with a CDBG- or HOME-assisted activity.
- Displaced persons may choose either section 104(d) relocation assistance or URA relocation assistance.
- Replacement Housing Assistance options include rental assistance or purchase assistance.
- Purchase assistance limited to cooperatives and mutual housing.





## Section 104(d) One-for-One Replacement - Summary

- Occupied and vacant occupiable lower-income dwelling units demolished or converted in connection with a CDBG or HOME assisted activity must be replaced on a one-for-one basis with comparable lower-income units.
- Replacement units are subject to location, size, condition, availability, and affordability requirements.
- Replacement units must be located within the recipient's jurisdiction and, if possible, in the same neighborhood as the demolished/converted units.
- Before committing funds for a demolition or conversion activity, a one-for-one replacement plan must be made public and submitted to HUD in writing. (See 24 CFR 42.375(c))





## **Vacant Occupiable - Definition**

### Is a unit in:

- standard condition;
- substandard unit that is suitable for rehabilitation; or
- any condition that has been occupied (except by a squatter) at any time within the period beginning 3 months before execution of the rehabilitation or demolition agreement.

\*Standard Condition and Substandard but Suitable for Rehabilitation must be defined in the HUD-approved Consolidated Plan pursuant to 24 CFR Part 91.





### Section 104(d) 1-for-1 Replacement Housing HOME-ARP Limited Waiver

Ordinarily, section 104(d) 1-for-1 replacement requirements of 24 CFR 42.375 and section 104(d)(2)(A)(i) and (ii) and (d)(3) apply to demolition or conversion of **lower-income dwelling units** *in connection with* a CDBG or HOME (HOME-ARP) assisted activity.

- For purposes of applying one-for-one replacement housing requirements as revised by the HOME-ARP waiver, a lower-income dwelling unit does not include single-room occupancy (SRO) units or residential hotel or motel units in jurisdictions where those units are considered dwelling units under state or local law.
- All other section 104(d) relocation requirements, including but not limited to the requirement that PJs maintain and follow a RARAP, remain in effect (see 24 CFR 92.353(e) and 24 CFR part 42, subpart C).







# HOME - DISPLACEMENT, RELOCATION & ACQUISITION 24 CFR 92.353

# HOME - Displacement, Relocation & Acquisition 24 CFR 92.353 Overview

HOME program regulations at 24 CFR 92.353 also apply to HOME-ARP.

### Key highlights include:

- Minimizing Displacement, including providing residential tenants a reasonable opportunity to return to a building or complex, if feasible, upon completion of the project
- Expanded Temporary Relocation requirements
- Economic Displacement Protections
- Optional Relocation Assistance





### HOME - Temporary Relocation & Economic Displacement Protections

**<u>Reminder</u>** - Requirement for written notice offering tenant opportunity to lease and occupy a suitable DSS unit in same building/complex after project completion.

Reasonable terms and conditions must include at least a one-year lease at monthly rent and estimated average monthly utilities not to exceed:

• Tenant's prior monthly rent and utilities

### or

- For low-income tenants Total Tenant Payment (TTP) under 24 CFR 5.628
- Non-low-income tenants 30% gross household income





### HOME - Optional Relocation Assistance § 92.353(d)

PJs may implement an optional relocation assistance policy to provide:

- Relocation payments and assistance to persons displaced by a HOME project who are ineligible under the URA, and
- Relocation assistance to URA eligible persons exceeding URA requirements.

**<u>Reminder</u>**: Must adopt *publicly available written* optional relocation assistance policy providing for equal relocation assistance within each class of displaced persons.







### HOME-ARP RELOCATION-RELATED REQUIREMENTS

### **HOME-ARP Relocation-Related Requirements Pt. 1**

**Applies to project activities involving:** 

- Acquisition and/or rehabilitation of hotels, motels and other non-residential property (section VII.F.4.a.)
- □ Conversion of HOME-ARP NCS (section VII.F.4.b.)
- Persons required to move who are ineligible as a displaced person under URA, section 104(d), HOME, or ineligible for HOME-ARP housing assistance (section VII.F.5.)





## **HOME-ARP Relocation-Related Requirements Pt. 2**

<u>Activity</u>: Acquisition and/or rehabilitation of hotels, motels, and other non-residential properties to produce HOME-ARP NCS or HOME-ARP rental housing (section VII.F.4.a.)

#### **Fact-specific Determination:**

- State and local law does **not** consider the non-residential property acquired or rehabilitated for the project to be a "dwelling unit" or "residential property."
  - Persons residing in those properties are not generally eligible for relocation assistance under the URA, section 104(d) or HOME pursuant to § 92.353 because the non-residential property is not a dwelling unit.
- Individuals or families occupying the non-residential property may be eligible for the HOME-ARP assistance below if they can demonstrate that they:
  - 1. Have been in continuous residence at the property for 30 or more calendar days; and
  - 2. Are a qualifying household, as defined by HOME-ARP Notice.

#### HOME-ARP Assistance PJ may Provide:

- HOME-ARP Supportive Services
- HOME-ARP TBRA
- Ability to stay in HOME-ARP NCS or HOME-ARP rental housing





## **HOME-ARP Relocation-Related Requirements Pt. 3**

### Activity: Conversion of HOME-ARP NCS (section VII.F.4.b.)

#### **Fact-specific Determination:**

- HOME-ARP NCS units are occupied and converted to either permanent housing under the CoC or permanent affordable housing as described in Section VI.E.11. of the Notice.
  - Persons occupying the NCS at the point of conversion would **not normally be eligible** for relocation assistance under the URA, section 104(d), or HOME assistance pursuant to § 92.353 because they are **not displaced from a dwelling unit**.
- Occupants of these shelter units are already qualifying households under HOME-ARP, PJs may immediately provide them the
  assistance below.

#### HOME-ARP Assistance PJ may Provide:

- HOME-ARP Supportive Services
- HOME-ARP TBRA
- HOME-ARP NCS
- HOME-ARP Rental Housing
- Moving cost assistance or advisory services as HOME-ARP administrative costs or under the HOME-ARP Supportive Services activity at Section VI.D. of the Notice.





### HOME-ARP Relocation-Related Requirements for Ineligible Persons

If a person is required to move as a direct result of a HOME-ARP project and is <u>determined to be</u> <u>ineligible</u>:

- > For HOME-ARP housing assistance under Section VII.F.4. of the Notice; **and also**
- > As a displaced person under the URA, section 104(d), or HOME program rules.

### **HOME-ARP Assistance PJ may Provide:**

• Reasonable and necessary advisory services (as determined by the PJ) as an eligible HOME-ARP administrative cost.







### RESOURCES

### **HOME-ARP** Resources



### **HOME-ARP on HUD.gov**

#### Home / Program Offices / Community Planning and Development / HOME-ARP

#### HOME-AMERICAN RESCUE PLAN PROGRAM

#### Overview

The American Rescue Plan (ARP) provides \$5 billion to assist individuals or households who are homeless, at risk of homelessness, and other vulnerable populations, by providing housing, rental assistance, supportive services, and non-congregate shelter, to reduce homelessness and increase housing stability across the country. These grant funds will be administered through HUD's HOME Investment Partnerships Program (HOME).

#### Eligible Grantees

The 651 State and local participating jurisdictions that qualified for an annual HOME Program allocation for FY 2021 are eligible to receive HOME-ARP grants. HOME-ARP funds will be allocated using the HOME Program formula. The HOME-ARP allocations were announced on April 8, 2021.

#### Eligible Populations

HOME-ARP funds must be used to primarily benefit individuals or families from the following qualifying populations:

· Homeless, as defined in section 103(a) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302(a));

- · At-risk of homelessness, as defined in section 401(1) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360(1));
- · Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, as defined by the Secretary;
- In other populations where providing supportive services or assistance under section 212(a) of the Act (42 U.S.C. 12742(a)) would prevent the family's homelessness or would serve those with the greatest risk of housing instability;

· Veterans and families that include a veteran family member that meet one of the preceding criteria.

#### **Eligible** Activities

HOME-ARP funds can be used for four eligible activities.

- · Production or Preservation of Affordable Housing
- Tenant-Based Rental Assistance (TERA)
- · Supportive Services, including services defined at 24 CFR 578.53(e), homeless prevention services, and housing counseling.
- · Purchase and Development of Non-Congregate Shelter. These structures can remain in use as non-congregate shelter or can be converted to: 1) emergency shelter under the Emergency Solutions Grant program; 2) permanent housing under the Continuum of Care; or 3) affordable housing under the HOME Program.

#### Administrative and Operating Funding

HOME-ARP provides up to 15% of the allocation for administrative and planning costs of the participating jurisdiction and subrecipients administering all or a portion of the grant. In addition, HOME-ARP can provide up to 5% of its allocation for operating costs of Community Housing Development Organizations (CHDOs), other non-profit organizations, and homeless providers. Additional HOME-ARP funding is available to these organizations for capacity building activities.

If you are a Participating Jurisdiction and need assistance, please contact homearp@hud.gov for further assistance.

#### **Policy Guidance**

- HOME-ARP Implementation Notice
- HOME-ARP Implementation Notice Appendix
- · HOME-ARP Preferences, Methods of Prioritization, and Limitations Policy Brief
- · HOME-ARP URA and Section 104(d) Policy Brief

#### Enabling Legislation



### **HOME-ARP on HUD Exchange**

#### **HOME-ARP** Program

The HOME Investment Partnerships American Rescue Plan Program (HOME-ARP) provides funding to HOME PJs to reduce homelessness and increase housing stability across the country.

Learn about HOME-ARP

#### Home > Programs > HOME-ARP Program



HOME-ARP IDIS Tutorial

This tutorial shows Participating Jurisdictions (PJs) how to upload their completed HOME-ARP allocation plans to the 2021 Annual Action Plan within the eCon Planning Suite.

#### Go to Training

Brief





Allocations American Rescue Plan Act of 2021 Implementation Notice and Income Limits Appendix (CPD-21-10) **Rent Limits** Preferences, Methods of PJ Allocations



FAQs on HUD.gov





#### **Program Support** Ask A Question (AAQ) Portal -

submit and get answers to your HOME-ARP Allocation Plan, eCon Planning Suite, and IDIS questions. Be sure to select the appropriate topic in Step 2 of the form.

Contact the HOME-ARP Team for **Reporting Systems** other HOME-ARP policy or program

**IDIS:** Integrated Disbursement and implementation questions. Information System eCon Planning Suite





Limits and

### **RRED** Resources



**RRED on HUD.gov** 

### **RRED on HUD Exchange**

#### Real Estate Acquisition and Relocation This site provides information and resources to implement HUD funded programs and projects in accordance with

Law and Policy

HOME-ARP URA and Section

104(d) Policy Brief

MAP-21 Update

Laws and Regulations

Policy and Guidance

**URA Income Limits** 

the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) and other HUD requirements such as section 104(d) of the Housing and Community Development Act of 1974.

#### Home > Programs > Real Estate Acquisition and Relocation



These training modules provide

basic information and resources

to HUD grantees on topics such

as budgeting, relocation, and property acquisition.

Way

Español

Q





Resources

Publications

Forms and Brochures

HUD RAP Newsletters

Realty page on FHWA

RRED page on HUD.gov

Learn about Acquisition and Relocation

**Disaster Recovery** 

CDBG-DR page on HUD.gov CDBG-DR page on HUD Exchange CDBG-MIT page on HUD Exchange CDBG-DR URA Overview Video Consolidated Notice: URA, 104(d), and CDBG Related Requirements Fact Sheet Consolidated Notice: URA, 104(d), and CDBG Related Requirements





Visit our

websites!



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## **URA the HUD Way**

https://www.hudexchange.info/trainings/ura-the-hud-way/



Module 1: URA Overview Module 2: Section 104(d) Overview Module 3: URA Planning & Budgeting Module 4: Real Property Acquisition Module 5: Residential Relocation Module 6: Nonresidential Relocation Module 7: Temporary Relocation Module 8: Administration & Oversight



This animated video provides a brief overview of the URA and is recommended to be viewed prior to commencing the modules below.

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View Video in English
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Ver El Video En Español



This animated video provides an overview of the Section 104(d) of the Housing and Community Development Act of 1974 and its impact.

View Video in English



Ver El Video En Español



### **Other Resources**

- HOME-ARP URA and Section 104(d) Policy Brief
- □ HUD Notice CPD-14-09 (MAP-21)
- HUD Handbook 1378
- CPD Monitoring Handbook (6509.2 REV 6) Chapter 25
- □ <u>2022 URA Low-income Limits</u>
- □ <u>URA Fixed Residential Moving Schedule (FHWA)</u>
- URA Frequently Asked Questions (FHWA)
- HUD Acquisition and Relocation Mailing List

### WHAT'S NEXT:

FAQs - Additional Guidance Training Technical Assistance





HOME-ARP program inquiries may be emailed to <u>HOMEARP@hud.gov</u>.



## QUESTIONS