



## **County of San Luis Obispo**

# **RESIDENTIAL ANTI-DISPLACEMENT AND RELOCATION ASSISTANCE PLAN**

## **Community Development Block Grant HOME Investment Partnerships Programs**



**DEPARTMENT OF PLANNING AND BUILDING**  
976 OSOS STREET, SAN LUIS OBISPO, CALIFORNIA 93408

**URBAN COUNTY OF SAN LUIS OBISPO**

## **RESIDENTIAL ANTI-DISPLACEMENT AND RELOCATION ASSISTANCE PLAN FOR HOME AND CDBG PROGRAMS**

### **I. PURPOSE**

The Urban County of San Luis Obispo's (Urban County) Residential Anti-Displacement and Relocation Assistance Plan (RARAP) is written in accordance to Section 104(d) of the Housing and Community Development Act of 1974, as amended. Its objective is to insure that persons displaced as a result of Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) assisted projects receive the benefits they are entitled to as mandated by federal laws.

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) governs displacement that directly results from acquisition, rehabilitation, or demolition of real property when federal funds are used. The RARAP is in no way intended to supersede the URA. CDBG and HOME assisted activities may still be subject to the requirements of the URA.

The RARAP must address: (1) the policies to minimize and avoid displacement of persons from their homes and neighborhoods; (2) the replacement of any low and moderate income occupiable housing units that are demolished or converted to another use utilizing HOME and/or CDBG funds and any relocation that might be associated with the loss of those housing units; and (3) any relocation or displacement as a direct result of any federally assisted project.

### **II. STEPS TO BE TAKEN TO MINIMIZE THE DISPLACEMENT OF PERSONS FROM THEIR HOMES**

The Urban County will minimize displacement of families and individuals from their homes and neighborhoods as a result of activities assisted with funds provided under the HOME Investment Partnerships and Community Development Block Grant programs.

(a) *Steps to Minimize Displacement:* Consistent with the goals and objectives of activities assisted under the HOME and CDBG programs, the Urban County, at a minimum, will take the following steps to minimize direct and indirect displacement of persons from their homes:

1. If any temporary or permanent relocation is contemplated by a project, the County will require the project sponsor to submit a detailed relocation plan that describes the entire relocation process and its impact on all current occupants. The County will actively consult with the sponsor in order to minimize displacement. If current tenants must move as part of the construction process, the County will encourage sponsors to provide those who are eligible an opportunity to rent a unit in the new project upon its completion.

2. Projects sponsors applying for funds from the Urban County will be required to include information on whether displacement or temporary relocation will occur as a result of the activity. Projects which may cause displacement or temporary relocation will be required to include replacement costs and/or relocation costs in the proposed budget. Projects that result in displacement will be ranked lower than similar projects which cause no displacement.
3. Projects with the potential for displacement or temporary relocation will, whenever feasible, be structured so as to reduce the occurrence of permanent, involuntary displacement. This will be done through phasing work to minimize displacement or temporary displacement through provision of temporary housing facilities to prevent permanent displacement;
4. Projects such as housing rehabilitation loans, which are not subject to a competitive selection process, will be evaluated by Urban County staff and preference will be given to those which do not result in displacement or temporary relocation;
5. Except in cases involving severe health or safety hazards, housing rehabilitation loans will not be provided if they result in a net loss of standard condition low-income housing units.
6. Adopt an appeals process for those persons who disagree with the determination concerning whether they qualify as a displaced person, or the amount of relocation assistance for which they may be eligible, including the opportunity to file a written appeal of that determination with the County of San Luis Obispo (County). A low-income person who is dissatisfied with the County's determination of his or her appeal may submit a written request for review of that determination to the HUD field office.
7. Priority will be placed on the rehabilitation of housing, where feasible, to avoid the displacement of persons from their homes.
8. Property acquisition will be highly selective, targeting only those properties deemed essential to the success of the project.
9. Priority will be placed on the purchase of unoccupied buildings; if a suitable, unoccupied site cannot be found, priority will be given to purchasing an occupied property from a willing seller.
10. When a property must be acquired quickly for whatever reason, efforts will be made to avoid displacement until the property is actually needed.
11. The acquisition and/or demolition of properties will be timed so as to allow the maximum amount of time for tenant or owner relocations.
12. Temporary displacements will be for as brief a period of time as is possible.

13. Except in emergency cases, owners or tenants of properties who may be displaced will be given at least a ninety-day notice prior to being required to vacate.
14. In determining whether or not temporary relocation is necessary to facilitate the rehabilitation of a dwelling, the Urban County will consider any hardships likely to result if the person occupies the property during the rehabilitation process.
15. The Urban County shall review all claims for relocation assistance in an expeditious manner. The claimant shall be promptly notified as to any additional documentation that is required to support his/her claim. Payment of the claim will be made within 30 days following receipt of sufficient documentation to support the claim.
16. If a person demonstrates the need for an advance relocation payment in order to avoid or reduce a hardship, the Urban County will issue the payment, subject to such safeguards as the Urban County deems are appropriate, to ensure that the objective of the payment is accomplished.
17. All persons to be displaced as a result of a federally funded activity shall be offered relocation assistance advisory services as outlined in 49 CFR 24.205 of the Uniform Act.

**III. STEPS TO BE TAKEN WHEN LOW OR MODERATE INCOME HOUSING UNITS ARE DEMOLISHED OR CONVERTED TO ANOTHER USE AS A DIRECT RESULT OF ACTIVITIES ASSISTED WITH CDBG AND/OR HOME FUNDS (SECTION 104(d) OF THE HOUSING & COMMUNITY DEVELOPMENT ACT OF 1974 AND 24 CFR PART 42)**

**ONE-FOR ONE REPLACEMENT OF LOWER INCOME DWELLING UNITS -**

All occupied and vacant occupiable lower income dwelling units that are demolished or converted to a use other than as lower income dwelling units, as a result of a HUD funded project, must be replaced with comparable lower income dwelling units. Lower income housing is defined here as housing with a market rent (including utility costs) that does not exceed the San Luis

Replacement dwelling units may be provided by any government agency or private developer and must meet the following requirements:

- The units are located within San Luis Obispo County (within the HOME & CDBG grantee's jurisdiction).
- The units are the same size as the demolished or converted dwelling units (able to support the same number of occupants who could have lived in the original unit)

- The units meet federal and local health and safety standards.
- The units are available for occupancy within the period starting one year before the County makes its public notice regarding replacement housing (see below) and ending three years after commencement of the demolition or conversion of the original units.
- There is assurance that the units will remain lower income dwelling units for at least 10 years from the date of initial occupancy.

**PUBLIC NOTICE BY COUNTY** - Prior to execution of a contract committing HUD funds to any activity or project that will directly result in the demolition or conversion of lower income dwelling units, the County Department of Planning & Building shall publish a notice in the Tribune, and shall submit in writing to the HUD field office, the following information:

- A description of the HUD funded activity or project.
- A map showing the location, number and size (number of bedroom) of lower income dwelling units that will be demolished or converted.
- A time schedule for the commencement and completion of the demolition or conversion.
- A map showing the location, number and size (number of bedroom) of the replacement dwelling units
- The source of funding and the time schedule for provision of the replacement dwelling units.
- A description of the method by which there will be assurance that the replacement dwelling units will remain lower income units for at least 10 years.

**When Replacement Is Not Required**

The one-for-one replacement requirement does not apply where the HUD field office determines, based upon objective data, that there is an adequate supply of vacant lower income dwelling units that are available and that are in compliance with federal and local health and safety standards.

**RELOCATION ASSISTANCE COMPONENT** - The project sponsor will provide relocation assistance, as described in 24 CFR Part 570.606 (b)(2), to each low/moderate income household displaced by the demolition of housing or by the conversion of a low/moderate income dwelling unit to another use as a direct result of HOME and/or CDBG assisted activities. The low- or moderate-income household may elect to receive relocation assistance as described in 24 CFR Part 42 (Uniform Relocation Act as

summarized in Part III of this document) or may elect to receive the following relocation assistance.

1. Moving expenses - Subject to the limitations and definitions contained in 49 CFR, Part 24, Subpart D, a displaced owner-occupant or tenant of a dwelling unit is entitled to either:
  - a. Reimbursement of the actual reasonable moving expenses for the transportation of themselves and their personal property, including packing, storage (if necessary), insurance, and other eligible expenses.

OR

- b. A fixed moving expense payment determined according to the applicable schedule approved by the Federal Highway Administration based on the number of rooms of furniture. See the "Fixed Residential Moving Cost Schedule" at the website of the Federal Highway Administration ([www.fhwa.gov](http://www.fhwa.gov)).
2. The reasonable cost of any security deposit required to rent the replacement unit, and any credit checks required to rent or purchase the replacement unit.
3. Persons are eligible to receive one of the following two forms of replacement housing assistance:
  - a. Each person must be offered rental assistance equal to 60 times the amount necessary to reduce the monthly rent and estimated average monthly cost of utilities for a replacement of dwelling (comparable replacement dwelling or decent, safe, and sanitary replacement dwelling to which the person relocates whichever costs less). All or a portion of this assistance may be offered through a certificate or housing voucher for rental assistance (if available) provided through the local Public Housing Agency (PHA) under Section 8 of the United States Housing Act of 1937. If a Section 8 certificate or housing voucher is provided to a person, the project sponsor must provide referrals to comparable replacement dwelling units where the owner is willing to participate in the Section 8 Existing Housing Program.

OR

- c. If the person purchases an interest in a housing cooperative or mutual housing association and occupies a decent, safe, and sanitary dwelling in the cooperative or association, the person may elect to receive a lump sum payment. This lump sum payment shall be equal to the capitalized value of 60 monthly installments of the amount that is obtained by subtracting the "Total Tenant Payment" from the monthly rent and estimated average monthly cost of utilities at a comparable replacement dwelling unit.

4. Advisory Services - All eligible displaced households shall be provided appropriate advisory services, including notification of the planned project with a description of the relocation assistance provided, counseling, and referrals to at least one suitable comparable replacement dwelling.

#### **IV. STEPS TO BE TAKEN WHEN RELOCATION OCCURS FROM ACQUISITION, REHABILITATION OR DEVELOPMENT ACTIVITIES UTILIZING COMMUNITY DEVELOPMENT BLOCK GRANT AND/OR HOME INVESTMENT PARTNERSHIPS PROGRAM FUNDS (UNIFORM RELOCATION ACT)**

The Uniform Relocation Act applies to all federal or federally assisted activities that involve acquisition of real property or the displacement of persons, including displacement caused by rehabilitation or development activities funded by the HOME Program or CDBG Program.

If, as a direct result of any HOME or CDBG funded activity, it becomes necessary to relocate persons they shall be eligible for relocation benefits as outlined below (49 CFR Part 24, Subpart C-E):

#### **PERMANENT DISPLACEMENT**

1. Moving Expenses - Subject to the limitation and definitions contained in 49 CFR. Subpart D, a displaced owner-occupant or tenant of a dwelling is entitled to either:
  - a. Reimbursement of actual reasonable moving expenses for the transportation of themselves and their personal property, including packing, storage (if necessary), insurance, and other eligible expenses.

OR

  - b. A fixed moving expense payment determined according to the applicable schedule approved by the Federal Highway Administration based on the number of rooms of furniture. See the "Fixed Residential Moving Cost Schedule" at the website of the Federal Highway Administration ([www.fhwa.gov](http://www.fhwa.gov)).
2. Advisory services as outlined in 49 CFR Part 24, Subpart C including notification of the planned project with a description of the provided relocation assistance, counseling and referrals to at least one comparable replacement dwelling.
3. Replacement Housing Payment - Subject to the limitations of 49 CFR Part 24 Subpart E of the Act, a displaced owner-occupant or tenant is eligible for one of the following replacement housing payment:
  - a. 180-Day Homeowner - Occupants
    - i. If the person has actually owned and occupied the displacement dwelling for not less than 180 days prior to the initiation of

negotiations to acquire the property and purchases and occupies a replacement dwelling within one year, he/she is eligible for a replacement housing payment of not more than \$22,500 which represents the combined cost of (1) the differential amount, (2) increased interest costs, and (3) reasonable incidental expenses as outlined in Section 24.401;

OR

ii. If the person is eligible for this section, but elects to rent a replacement dwelling, he/she is eligible for a rental assistance payment not to exceed \$5250 computed in accordance with Section 24.401(a)(2)(ii) below:

b. 90-Day Occupants (homeowners and tenants): A displaced tenant or owner-occupant, not qualified for the above 180-day homeowner-occupant payment, is eligible for either:

i. A rental assistance payment not to exceed \$5,250 computed in the following manner:

1. The lesser of either the monthly cost of rent and utilities for a comparable replacement dwelling or the monthly cost of rent and utilities for a decent, safe and sanitary unit the person actually moves into.
2. The lesser of either thirty percent of the person's average gross household income or the monthly cost of rent and utilities at the displacement dwelling.
3. Line (1) minus line (2)
4. Forty-two (42) times the amount of line (3)

OR

ii. A down payment assistance payment for the person electing to purchase a home in the amount the person would receive paragraph (b)(i) above, if the person received rental assistance.

4. Additional costs and benefits. If the Urban County determines the replacement housing payment, as outlined above and specifically in 49 CFR Part 24 Subpart E, would not be sufficient to provide a comparable replacement dwelling on a timely basis, the project sponsor will take appropriate measures as outlined in Subpart E 49 CFR 24.404 (Replacement housing of last resort). These measures may include but are not limited to, the following:

- Payment of a replacement housing payment in excess of the limits set forth in Subpart E, 49 CFR Part 24 and outlined in Section 24.401 (a)(2)(ii) of this document.
- Rehabilitation of and/or additions to an existing replacement dwelling.
- Construction of a new replacement dwelling.

## **TEMPORARY RELOCATION**

The following policies cover residential tenants who will not be required to move permanently but who must relocate temporarily from the development. Such tenants must be provided a minimum:

1. Reimbursement for all reasonable out of pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporary occupied housing and any increase in monthly rent/utility costs at such housing.
2. Appropriate advisory services, including reasonable advanced written notice of (i) the date and approximate duration of the temporary relocation; (ii) the address of the suitable, decent, safe, and sanitary dwelling to be made available for the temporary period; (iii) the terms and conditions under which the tenant may lease and occupy a suitable, decent, safe, and sanitary dwelling in the building/complex upon completion of the project; and (iv) the provisions in the Notice of Nondisplacement in which persons who are not to be displaced must be provided a notice explaining the reasonable terms and conditions under which they may lease and occupy the property upon the completion of the acquisition or rehabilitation. It is important that this notice be provided as soon as possible. In addition, agencies must offer all residential displaced persons transportation to temporary replacement housing.
3. If a person is required to relocate for a temporary period because of an emergency, which is a direct result of a HOME or CDBG funded activity, the project sponsor shall:
  - a. Take whatever steps necessary to ensure that the person is temporarily relocated to a decent, safe and sanitary dwelling; and
  - b. Pay the actual reasonable out-of-pocket expenses and any increases in rent and utilities; and
  - c. Make available as soon as feasible, at least one comparable replacement dwelling (for the purpose of filing a claim for relocation payment as described in Section III (A) of this document).
4. The Urban County will determine who will be responsible for payment of the eligible costs. An agreement will be made between the property owner and the Urban County, prior to the start of rehabilitation, stating who is responsible for each portion of the eligible costs outlined above. If the property owner does not pay a temporarily relocated or permanently displaced tenant the money due that tenant under these guidelines there will be no further distribution of Urban County loan money until the Urban County determines that the money due the tenant has been paid.

## **V. APPEALS REGARDING ASSISTANCE AND AGENCY DETERMINATIONS**

Assistance, or lack thereof, that can be appealed may include the person's eligibility for, or the amount of, payments required for moving, replacement housing or commercial re-

establishment. Any person who believes he/she has been displaced by a federally assisted project may file a written appeal with the Urban County. If a person believes that the project sponsor has failed to properly consider the person's application for assistance under the Uniform Act or Section 104(d) of the Housing and Community Development Act, by denying benefits, an appeal should be sent to, and will be reviewed by, the Urban County. The person responsible for reviewing the appeals is identified here:

Grants Program Manager  
County of San Luis Obispo Department of Planning and Building  
976 Osos Street, Room 200,  
San Luis Obispo, CA 93408  
(805) 781-5600, Office Hours: 8 am – 5 pm

The County will accept written appeals that are received within 60 days after the project sponsor's determination of what relocation benefits the displaced person shall receive (i.e., Notice of Eligibility or Notice of Nondisplacement). The County will promptly review appeals in accordance with the requirements of applicable law and 49 CFR Part 24.10 of the Uniform Relocation Act regulations.

A person may inspect and copy all materials pertinent to his or her appeal, except materials that are classified as confidential. The person's right to inspect these documents will be consistent with applicable laws, and the opportunity to inspect will be made available under reasonable conditions, and during the County's regular business hours, 8am – 5 pm (except holidays). An advance notice to review a person's records is required in order to arrange for staff to be available to assist with the inspection, and to ensure that the necessary and appropriate records are available and on hand.

In deciding an appeal, the County will consider pertinent justification and material submitted by the person, to ensure a fair and full review of the appeal will be considered. If the full relief is not granted by the County or by HUD, the person shall be advised of his or her right to seek judicial review of the decision. If the displaced person is not in agreement with the determination, the County may direct the person to the regional HUD Office of Community Planning and Development for a review of the appeal and determination. The address of the regional HUD Office of Community Planning and Development is listed here:

U.S. Department of Housing and Urban Development  
Los Angeles Field Office  
AT&T Building  
611 West Sixth Street, Suite 801  
Los Angeles, CA 90017  
Attention: Director, Office of Community Planning and Development

All persons are reminded that they have a right to be represented by legal counsel or other representatives in connection with his or her appeal, but solely at the person's own expense.

## DEFINITIONS

### **Comparable Replacement Dwelling**

A dwelling unit that is:

1. Decent, safe and sanitary. The dwelling must meet the local jurisdiction's housing code requirements. Dwellings must meet the Section 8 Housing Quality Standards (HQS)(24 CFR 982.401) and all state and local codes and zoning ordinances;
2. Functionally equivalent to and substantially the same as the acquired dwelling with respect to the number of rooms and area of living space (but not excluding new construction nor excluding a larger dwelling necessary to comply with decent, safe and sanitary criteria stated above);
3. Adequate in size to accommodate the occupants;
4. Demonstrated to be available to all persons regardless of race, religion, familial status, sex or national origin in a manner consistent with the requirements of Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et.seq.), and available without discrimination based on source of income (e.g. welfare or alimony);
5. In an area not subject to unreasonable adverse environmental conditions from either natural or man-made sources and in an area not generally less desirable than that of the acquired dwelling with respect to public utilities and public and commercial facilities;
6. Reasonably accessible to the place of employment of the displaced person or, if unemployed (but employable) reasonably accessible to sources of employment;
7. Currently available to the displaced person on the private market, however, a comparable replacement dwelling for a person receiving government housing assistance before displacement may reflect similar government housing assistance.

**Displaced Person:** Any person that moves from real property, or moves his or her own personal property from real property as described in the Uniform Relocation Assistance and Real Property Acquisition Policies Act.

**Lower/Low and Moderate-Income Housing-** A dwelling unit with a market rent (including utility costs) that does not exceed the applicable Fair Market Rent (FMR) for Section 8 existing housing established under CFR part 888.

**Lower- and Moderate-Income Person-** A “low and moderate income person” as that term is defined in 24 CFR part 570.3- means a member of a family having an income equal to or less than the Section 8 low-income limit established by HUD.

### **Occupiable Dwelling Unit**

A dwelling unit that is in a standard condition or in a substandard condition, but suitable for rehabilitation. A "vacant occupiable low/moderate-income dwelling unit" requires replacement of units in any condition which are occupied (except by a squatter) at any time within the period beginning three months before the date of execution of the agreement

covering the rehabilitation or demolition (e.g., the agreement between the subgrantee/recipient and the owner of the building to be rehabilitated).

**Standard Dwelling Unit**

A dwelling unit with 0-5 minor housing code violations.

**Substandard Dwelling Unit**

Any housing unit with more than 16 minor housing code violations or any structural systems violations.

**Substandard Dwelling Unit Suitable for Rehabilitation**

1. All basic structural components of the subject unit must be determined to be sound. If the building has severe structural damage and the cost of repair would exceed the fair market value of the dwelling unit after rehabilitation, the building would be considered to be not suitable for rehabilitation.
2. The cost of rehabilitation should not exceed the fair market value of the dwelling unit after rehabilitation.
3. The rehabilitation activities should extend the usable life of the dwelling unit for at least five years.

The HUD Inspector General's Office has agreed to use the Internal Revenue Service's definition of what constitutes substantial rehabilitation and what is considered to be new construction. The Urban County will abide by this definition when attempting to determine whether or not a substantially substandard unit is suitable for rehabilitation. The IRS regulations state that in order for a unit to be considered eligible for rehabilitation and not be considered new construction, 75% or more of the existing external walls of the structure must be retained in place as external walls in the rehabilitation process.

**References:**

1. Uniform Relocation Assistance and Real Property Act of 1970 (URA), as amended, which covers all HUD assisted programs and projects;
2. Housing Community Development Act of 1992 (Public Law 102-550).
3. 49 CFR Part 24, which contains the government-wide regulations implementing the URA of 1970.
4. Handbook 1378 Tenant Assistance Relocation and Real Property Acquisition
5. WebLink  
<http://www.hud.gov/offices/cpd/library/relocation/policyandguidance/index.cfm> 24 CFR Part 42 for CDBG or HOME funds