

## **Appendix G**

# **Displacement and Federal Relocation Requirements**

## Displacement and Federal Relocation Requirements

This Section contains policies regarding displacement and relocation of residential tenants and businesses as a result of projects supported with public funds. These policies apply to all projects that receive County or Consortium funds, including both housing and community development projects. The level of relocation benefits provided to households and business who are displaced will vary depending on the sources of public funds that go in to an individual project.

Any agency considering a project involving a facility occupied by residential and/or business tenants must consult with King County's Relocation Specialist prior to submitting a funding application. Early consultation will assist the applicant in developing an adequate budget for relocation assistance benefits, staff time and any additional operating costs, as well as ensure that the applicant provides appropriate and timely notification to tenants to meet legal requirements for use of public funds.

### ➤ **Displacement Practices For Consortium-Funded Projects**

It is the King County Consortium's policy to fund projects that minimize the displacement of people or businesses within the framework of the goals, objectives and strategies of the Strategic Plan. The King County Consortium supports strategies that may minimize the displacement of persons or businesses, such as the following:

- acquiring and rehabilitating properties which are being voluntarily sold by an owner-occupant so that relocation is not the direct result of the project;
- new construction;
- projects which require only temporary relocation if relocation is needed;
- retention of buildings currently housing low- and moderate-income tenants;
- projects which allow existing tenants, who do not qualify for the project, to leave through attrition;
- projects which will not cause increases in neighborhood rents and displacement as a result of cumulative impacts of CDBG or HOME investments in neighborhood.

The Consortium recognizes that, given that acquisition and rehabilitation of rental units for households in the lowest income categories is a priority, displacement of existing tenants may be unavoidable for some projects. Such projects may include special needs housing where services will be provided on-site to special needs residents; housing developments using other fund sources that do not permit non-eligible households to remain in residence; and developments in higher income communities where buildings occupied exclusively by low- to moderate-income households are generally not available. Funding for projects that involve displacement will be evaluated on a case-by-case basis. The elements to be

evaluated for Consortium-funded projects that will cause displacement include, but are not limited to, the following:

- 1) the public benefit of the project;
- 2) the extent and cost of relocation;
- 3) the feasibility of project alternatives that do not involve displacement of tenants.

➤ **Displacement In Projects Receiving Federal Funds - Federal Relocation Assistance Requirements**

The following relocation assistance benefits and procedures will be required when a project includes federal funds and is subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended (“URA”) and/or Section 104(d) of the Housing and Community Development Act of 1974, as amended (“Barney Frank Amendment”).

King County Housing staff are responsible for ensuring that requirements are met for notification and provision of relocation assistance, as described in the URA and The Barney Frank Amendment.

**Uniform Relocation Act (URA)**

If a County-assisted federally funded activity involves acquisition of a property with existing residential or business tenants, the following URA notification and relocation assistance policies apply.

Applicant applying for public funding on a project must inform the seller in writing that it does not have the power of eminent domain prior to signing the purchase and sales agreement. They must also provide the seller with an estimate in writing of the fair market value of the property (i.e., an appraisal). Applicants that have site control prior to applying for public funding should have completed this step at the time of purchase and sale.

Any tenant (resident or business) in occupancy at the signing of the purchase and sale agreement is protected under the URA. All tenants must be notified in writing at the time the purchase and sale agreement is signed or at time of application to be considered for federal funding. This notice informs the tenant of the pending sale and of their rights under the URA. If the seller rents any vacant units between the signing of the purchase and sale agreement and closing the new tenant must be notified of the pending sale. All tenants must be kept informed of project activities and scheduling.

Tenants who are displaced are eligible for financial benefit. All displaced tenants receive moving costs. In addition, residential tenants who are permanently

displaced are eligible for a rent differential payment. Displaced businesses are eligible for actual moving expenses and re-establishment benefits up to maximum \$10,000 or a fixed payment capped at \$20,000 based on income. Tenants who are temporarily displaced are eligible for all reasonable out-of-pocket expenses related to the temporary move.

The URA also protects tenants who remain after an agency has acquired the property. If the rent of residential tenants who remain is increased as a result of the federal assistance, the increased rent may not exceed tenant's current rent or 30% of the household's gross monthly income, whichever is greater.

All tenants, whether they are eligible to remain in the project or are displaced, must be offered a decent, safe and sanitary unit. Any overcrowding must be addressed. Building codes determine occupancy limits, but King County typically permits no more than two persons per bedroom plus one additional person. An overcrowded household who is eligible to remain in a project must be offered a unit on site that accommodates their household size. New unit must be rented at the tenant's current rent or no more than 30% of the household's gross monthly income, otherwise the tenant is considered displaced due to economic burden. If a unit is not available on site, they are considered displaced and eligible for relocation benefits necessary to house them in a unit that accommodates their family size. All tenants who are not eligible to remain must be offered relocation benefits that allow them to relocate to a unit that is appropriate in size for their household.

### **Barney Frank Amendment**

If a County-funded, federally assisted activity involves demolition or conversion of low- and moderate-income housing, King County will ensure that all occupied and vacant low-income dwelling units that could be occupied are replaced as required by the Barney Frank Amendment. All replacement housing units will be provided within one year prior to or three years after the commencement of the demolition or conversion.

Before entering into a contract committing King County to provide funds for an activity that will directly result in demolition or conversion, King County will require the applicant to publish a notice in the regional or local newspaper and King County will submit to HUD the following information in writing:

- A description of the proposed assisted activity;
- The location on a map and number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than as low-income dwelling units as a direct result of the assisted activities;
- A time schedule of the commencement and completion of the demolition or conversion;

- The location on a map and the number of dwelling unit by size (number of bedrooms) that will be provided as replacement dwelling units. If such data are not available at the time of the general submission, King County will identify the general location on an area map and the approximate number of dwelling units by size and provide information identifying the specific location and number of dwelling units by size as it is available;
  - The source of funding and a time scheduled for the provision of the replacement dwelling units;
  - The basis for concluding that each replacement dwelling unit will remain a low-income dwelling unit for at least 10 years from the date of initial occupancy;
  - Information demonstrating that any proposed replacement of dwelling units with smaller dwelling units (e.g., a 2-bedroom unit with two 1-bedroom units) is consistent with the housing needs of lower-income households in King County.
- **Displacement in Projects Receiving Non-federal Funds or Seeking Relocation Plan Approval for Another Fund Source from the Consortium**

Please see the “Local Relocation Policies” section of the King County Consortium Practices and Guidelines.