



CITY OF DETROIT  
HOUSING & REVITALIZATION DEPARTMENT

RESIDENTIAL ANTI-DISPLACEMENT &  
RELOCATION ASSISTANCE PLAN

As Adopted by the Housing and Revitalization Department

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Director

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Date

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## I. Introduction

This Residential Anti-Displacement and Relocation Assistance Plan (the “Plan”) is prepared by the City of Detroit’s Housing and Revitalization Department (the “City”) in accordance with the Housing and Community Development (HCD) Act of 1974, as amended; and HUD regulations at 24 CFR 42.325 and is applicable to the CDBG, UDAG, HOME, Section 108 Loan Guarantee programs and such other grants as HUD may designate as applicable to City projects. These guidelines support compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (the “URA”) and section 104(d) of the Housing and Community Development Act of 1974 (the “HCDA”) where those acts apply. These guidelines also outline the City’s strategies for preventing displacement of residents in developments not receiving federal assistance, where the URA and the HCDA do not apply. The Plan outlines measures to be taken by the City to minimize displacement and describes the actions to be taken if and when displacement occurs, including steps for relocation assistance, notice for residents, and one-for-one replacement of lower-income dwelling units.

## II. Minimizing Displacement

The City is committed to a policy of inclusive growth that minimizes displacement of families and individuals from their homes and neighborhoods as a result of any development activity. This policy is consistent with the goals and objectives of activities assisted under the URA and the HCDA as well as the City’s guiding principles. The City is committed to the following actions in support of this policy:

- Implementing steps outlined in the City’s Preservation Action Plan to preserve affordable housing units and prevent displacement of current residents
- Prioritizing affordable housing preservation projects in requests for *City support* and applications through the City’s Affordable Housing Leverage Fund<sup>1</sup>
- Encouraging phased rehabilitation that allows tenants to remain in the building / complex during construction
- Requiring development partners receiving *City support* for any redevelopment project containing occupied units to submit relocation plans, affirming that all reasonable efforts have been made to avoid displacement of tenants (see Section IV)<sup>1</sup>
- Providing relocation services through nonprofit partners as needed for persons who must be temporarily relocated during rehabilitations
- Limiting acquisition of residential properties to unoccupied structures or only to protect the health, safety, or welfare of residents, should a structure be occupied

## III. Relocation Assistance

A residential occupant is considered to be *displaced* if he or she is permanently relocated, or temporarily relocated for over one year. Note that residential occupants will be considered *not displaced* if he or she will either (a) remain in his or her unit while work is being completed or (b) be temporarily relocated for less than one year. If and when displacement or temporary relocation occurs in *federally assisted* projects, the City will

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<sup>1</sup> *City support* is defined as investment of federal housing development funds, investment of City funds, or sale of public land at below market value.

ensure that relocation assistance is provided for tenants in accordance with 24 CFR 42.350.<sup>2</sup> In addition, the City may choose to provide optional relocation assistance in the case where low-income tenants are displaced from non-federally assisted projects.

#### *Required Relocation Assistance*

Compliance with the URA is required in all occupied developments receiving federal assistance in order to minimize displacement of persons. When a lower-income person is displaced in connection with an assisted activity that results of the demolition of any dwelling unit or the conversion of a lower- income dwelling unit, the person is eligible for all relocation assistance required by the URA, including but not limited to:

- Advisory services as per 49 CFR 24
- Moving expenses as per 49 CFR 24
- Security deposits and credit checks as per 24 CFR 42.350(c)
- Interim living costs as per 24 CFR 42.350(d)
- Replacement housing assistance as per 24 CFR 42.350(e)

A displaced person who is not a lower-income tenant will be provided relocation assistance in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR Part 24. The City's Notice of Funding Availability (NOFA) requires owners and sponsors of all federally assisted developments to ensure compliance with all requirements of the URA and HCDA at their sole cost and expense.

The City will determine what relocation assistance is required, the relevant costs, and party responsible for identified costs. A written agreement will be made between sponsors, developers and the City prior to any displacement, stating who will be responsible for each portion of implementing the actions outlined in this Plan, and who will undertake the relocation duties. Payments for tenants will be paid following the review of monthly reimbursement documentation and the City will oversee the work to ensure that relocation payments to persons are provided in a timely manner.

#### *Optional Relocation Assistance*

In line with its policy of minimizing displacement due to development citywide, the City may opt to use CDBG or HOME Investment Partnership program funds to support relocation assistance for low to moderate income residents in non-federally assisted projects who are at risk of displacement. This investment can minimize the effects of displacement for occupants in formerly Low Income Housing Tax Credit (LIHTC) properties without HUD assistance following the three-year decontrol period, or in naturally occurring affordable housing<sup>3</sup>, through the provision of temporary and/or permanent relocation assistance.<sup>4</sup> In the case of redevelopment to preserve existing affordable housing that requires substantial renovation, low to moderate income occupants may face the need for temporary relocation. In the case of substantial rent increases, foreclosure, sale to new owner, and/or exit of LIHTC affordability restrictions, low to moderate income occupants may face the need for

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<sup>2</sup> Federally assisted projects or activities are assisted by HUD program funds subject to 24 CFR Part 570, Community Development Block Grant (CDBG), and/or 24 CFR Part 92, HOME Investment Partnerships (HOME) Program.

<sup>3</sup> The City defines naturally occurring affordable housing as non-rent restricted housing that is priced affordably to households earning up to 60% of Area Median Income (AMI), however the City may provide relocation assistance to households earning up to 80% of AMI.

<sup>4</sup> Affordability is based on standard of households spending less than or equal to 30% of gross income on housing expenses.

permanent relocation services. The provision of relocation services meets the CDBG national objective of providing benefit to low to moderate income persons (LMH, 3.2.3). Relocation services for lower income tenants meet the criteria for eligible activities serving eligible beneficiaries of HOME funds, as long as they apply to projects that create or preserve affordable housing units (24 CFR 92.205, 24 CFR 92.216).<sup>5</sup> This assistance may include but is not limited to:

- Advisory services, including:
  - Assessment of client needs and development of individual case plans for temporary and/or permanent relocation as needed
  - Assistance in finding suitable and comparable temporary or permanent replacement housing
  - Review of leases or rental agreements as needed
  - In the case of temporary relocation, ongoing case management services to resolve conflicts and help tenants remain in temporary housing
- Payment of packing and reasonable moving expenses
  - Payment of late fees and/or costs associated with court cases
  - Payment of fees associated with obtaining birth certificates and other required identification
  - Payment of tenant back rent and/or utility bill clearance
  - Payments to clear outstanding balances with subsidized housing providers
  - Reasonable storage costs
- Payment of application fees, security deposits, pet fees, and cost of credit checks
- Interim living costs
- Replacement housing assistance
  - Replacement housing expenses covering rent and utility costs in excess of tenants' previous costs, up to 150% of tenants' previous costs

The City may provide program funds to a subrecipient, such as a nonprofit experienced in tenant relocation, to execute these services. These funds can be used to cover the cost of personnel performing services, or to cover direct tenant expenses. The scope of services will be detailed in a written subrecipient agreement, which will include requirements and tools for verifying eligibility of program participants. Agreements will also specify that subrecipients collect and submit performance monitoring data to assist the City in meeting its recordkeeping and reporting requirements per 24 CFR 507.503(b)(2), including:

- the number of qualified individuals served through temporary and permanent relocation assistance (including a breakdown by income level)
- For tenants served by temporary relocation, the length of stay, location, cost, and number of residents returned to original housing
- For tenants served by permanent relocation, the number relocated within a twenty-minute pedestrian radius and the number of residents relocated in Detroit
- Total cost and number of individuals served by type of relocation service

Payments for relocation assistance will be made either to an agency designated by the City to provide services, or may be made directly to landlords, utility or moving companies, etc. Expenses incurred by service

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<sup>5</sup> Where HOME funds are used, at least 90% of units are serving households with incomes at or below 60 percent of the HUD-adjusted median family income, and for projects with five or more units, at least 20% of units will serve households, in accordance with 24 CFR 92.216.

organizations will be reimbursed monthly upon submission of supporting documentation.

#### **IV. Additional requirements**

##### *Relocation Plan*

The City requires developers to submit relocation plans for any project involving acquisition and/or rehabilitation of occupied units in which the developer requests City support through federal programs or other City funds, or below market value land sale. The City will review all projects applying for funds in response to the City's Notice of Funding Availability (NOFA), and notify owner/sponsor when relocation plan is required. Relocation plans must include an inventory of current tenants by income; detailed project phasing; location, size and evidence of quality of temporary housing, where required; and a timeline for relocation.

##### *Notice*

For federally assisted projects where displacement is anticipated, owners and sponsors must provide general notice, notice of relocation eligibility and 90-day notice to each tenant as per 49 CFR 24.203.

For all projects where owner seeks to terminate existing affordability covenants, the owner must file notices with individual tenants at least 12 months and 6 months prior to the exit of affordability restrictions, per the City's municipal ordinance No. 25-1 (26-3), including owner contact information, details on the subsidy program to terminate, date of expected termination, and a description of tenants' legal rights. Owners must also file notice with the Director of the Housing and Revitalization Department providing details on underlying subsidy, total units, occupancy by elderly, disabled and family status, and current and anticipated rent schedules.

##### *Recordkeeping*

Owners and sponsors must maintain case files for displaced persons that include documentation sufficient to demonstrate that the owner verified an occupant's relocation needs, current situation, and eligibility for URA and HCDA assistance and payments. Case files should include adequate documentation to support owner determinations. The City may, if deemed necessary, request an additional evidence of compliance from owners and sponsors.

#### **V. One-For-One Replacement of Lower-Income Dwelling Units**

The City is committed to a strategy of preservation of existing lower-income dwelling units, and does not support the demolition or conversion of these units with HUD funds or other City resources. If occupied and vacant occupiable lower-income dwelling units were demolished or converted to a use other than lower-income housing in connection with a project assisted with funds provided under the CDBG and/or HOME Programs, the City would replace these units in accordance with 24 CFR 42.375. All replacement housing would be provided within three years of the commencement of the demolition or rehabilitation relating to the conversion and would meet the following requirements:

- Units located within the city
- Units meet all applicable City housing, building and zoning ordinances
- Units designed to remain low to moderate income dwelling units for at least 10 years from the date of initial occupancy

- Units meet the criteria of 49 CFR 24.2(d)(1) for *comparable replacement dwelling unit*.

If the City were to enter into a contract committing to provide funds for a project that would directly result in demolition or conversion of lower-income dwelling units, the City would make the plans public by publication in the locally circulated newspaper, Detroit Free Press, and submit to the HUD Field Office the following information in writing:

- A description of the proposed assisted project;
- The address, number of bedrooms, and location on a map of lower-income dwelling units that will be demolished or converted to a use other than as lower-income dwelling units as a result of an assisted project;
- A time schedule for the commencement and completion of the demolition or conversion;
- To the extent known, the address, number of lower-income dwelling units by size (number of bedrooms) and location on a map of the replacement lower-income housing that has been or will be provided.
- The source of funding and a time schedule for the provision of the replacement dwelling units;
- The basis for concluding that each replacement dwelling unit is designated to remain a lower-income dwelling unit for at least 10 years from the date of initial occupancy; and
- Information demonstrating that any proposed replacement of lower-income dwelling units with smaller dwelling units (e.g., a 2-bedroom unit with two 1-bedroom units), or any proposed replacement of efficiency or single-room occupancy (SRO) units with units of a different size, is appropriate and consistent with the housing needs and priorities identified in the HUD-approved Consolidated Plan and 24 CFR 42.375(b).

To the extent that the specific location of the replacement dwelling units and other data in items 4 through 7 were not available at the time of the general submission, the City would identify the general location of such dwelling units on a map and complete the disclosure and submission requirements as soon as the specific data is available.

Under 24 CFR 42.375(d), the City may submit a request to HUD for a determination that the one-for-one replacement requirement does not apply 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 the area.

## VI. Appeals

Any displaced person who disagrees with a determination of eligibility for benefits or the amount of relocation assistance for which the person is eligible may file a written appeal to the City. Appeals will be promptly reviewed in accordance with the requirements of applicable law and 49 CFR Part 24.10. Further appeal, in writing, may be submitted to the HUD Detroit Field Office. If not satisfied with the HUD review, person has right to seek judicial review of that determination.

