




Residential Anti-Displacement & Relocation Assistance Plan Policy

City of Detroit

Housing & Revitalization Department

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PURPOSE:

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, Choice Neighborhoods, 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.

SCOPE:

The Plan outlines measures to be taken by the City to minimize displacement in cases where federal funding is used in a real estate development project involving acquisition, rehabilitation, or demolition. It 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.

Additionally, developers seeking City support can reference the City’s Tenant Retention Standards (see Exhibit A) and the Occupied Rehabilitation Developer Guide (see Exhibit B).

POLICY:

A. 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
- Adopting policies to identify and mitigate displacement resulting from intensive public investment in neighborhoods
- Prioritizing affordable housing preservation projects in requests for City support via investment of federal housing development funds, other City funds, tax abatements or sale of public land at below market value
- 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 Tenant Retention Plans, affirming that all reasonable

efforts have been made to avoid displacement of tenants (see Section D)

- Providing guide for developers of occupied projects to assist with planning for compliance (see Appendix A)
- 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

B. ONE FOR ONE REPLACEMENT OF LOWER-INCOME DWELLING UNITS

Where a project assisted with funds provided under the CDBG and/or HOME Programs involves any occupied or vacant occupiable lower-income dwelling units being demolished or converted to a use other than lower-income housing, the City is committed to a minimum of one-for-one replacement of such units in accordance with 24 CFR 42.375. All replacement housing will be provided within three years of the commencement of the demolition or rehabilitation relating to the conversion and will 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
- Replacement of units will be within the jurisdiction, decent safe and sanitary, and able to accommodate the same number of occupants as the original units.

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

1. A description of the proposed assisted project;
2. 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;
3. A time schedule for the commencement and completion of the demolition or conversion;
4. 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;
5. The source of funding and a time schedule for the provision of the replacement dwelling units;
6. 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
7. 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 are not available at the time of the general submission, the City will 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.

C. 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 ensure that relocation assistance is provided for tenants in accordance with 24 CFR 42.350 and 49 CFR 24.¹ 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. A displaced person 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, including but not limited to:

- Advisory services as per 49 CFR 24
- Moving expenses as per 49 CFR 24
- Replacement housing assistance as per 49 CFR 24 Subpart E

For projects receiving HOME or CDBG assistance, when a lower-income person (as defined by the 24 CFR Part 92 or 24 CFR Part 570, as applicable) is displaced in connection with an assisted activity that results in the demolition of any dwelling unit or the conversion of a lower-income dwelling unit, the person is also eligible for all relocation assistance required per 24 CFR 42.350, including but not limited to:

- 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)

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. The Tenant Retention Plan (see Section D) must state who will be responsible for each portion of implementing the actions outlined in this Plan, and who will undertake the relocation duties. Replacement housing assistance per URA or Section 104 (d) shall be released in a minimum of bi-

¹ *Federally assisted* projects or activities are assisted by HUD program funds subject to: 24 CFR Part 570, Community Development Block Grant (CDBG), 24 CFR Part 92, HOME Investment Partnerships (HOME) Program, the Choice Neighborhoods Implementation Grant program, and/or State and Local Fiscal Recovery Funds (SLFRF) as authorized by the American Rescue Plan Act (ARPA).

annual installments (quarterly payments are recommended) to eligible low-income renters. If the City approves, the developer may select an intermediary to distribute the payments, so long as the intermediary is specified within the Tenant Retention Plan and provides all required documentation to the developer and to the City. 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 program funds to support relocation assistance for low to moderate income residents in non-federally assisted projects who are at risk of displacement based on a written determination of need by the City. 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 housing², through the provision of temporary and/or permanent relocation assistance.³ 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 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). 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, including:
 - Payment of fees associated with obtaining birth certificates and other required identification
 - Payment of tenant back rent and/or utility bill clearance, late fees and costs associated with court cases if required for resident to relocate
 - 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 reasonable rent and utility costs in excess of tenants' previous costs

² 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.

³ Affordability is based on standard of households spending less than or equal to 30% of gross income on housing expenses.

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 organizations will be reimbursed monthly upon submission of supporting documentation.

D. TENANT RETENTION PLAN

The City requires developers to submit for approval Tenant Retention Plans (TRPs) 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, tax abatements, 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 a TRP is required. TRPs must include an inventory of current tenants by income; detailed project phasing; location, size and evidence of quality of temporary housing, where required; a detailed communication plan; and all information related to temporary and/or permanent relocation. TRPs will be reviewed for compliance with City tenant retention standards as well as compliance with URA and HCDA.

E. NOTICE

For federally assisted projects where displacement is anticipated, owners and sponsors must provide General Information Notice (GIN), notice of relocation eligibility, notice of non-displacement, 90-day notice of permanent relocation and 30-day notice of temporary relocation to each tenant where applicable 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.

D. 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 additional evidence of compliance from owners and sponsors.

F. APPEALS

Any person who believes he/she has been displaced for a federally assisted project may file a written appeal with the City (City of Detroit Housing and Revitalization Department, 2 Woodward Avenue, Suite 908, Detroit MI 48206). If a person believes that the City 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 City. The City will promptly review appeals in accordance with the requirements of applicable law and 49 CFR Part 24.10 of the Uniform Act regulations.

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. A person has a right to be represented by legal counsel or other representative in connection with his or her appeal, but solely at the person's own expense.

The City shall permit a person to inspect and copy all materials pertinent to his or her appeal, except materials which are classified as confidential. In deciding an appeal, the City will consider pertinent justification and material submitted by the person, to ensure a fair and full review of the appeal. Promptly after receipt of all information submitted by a person in support of an appeal, the City shall make a written determination on the appeal, including an explanation of the basis on which the decision was made, and furnish the person a copy.

If the full relief is not granted, the City shall advise the person of his or her right to seek judicial review of the decision. The (jurisdiction) official conducting the review of the appeal shall be either the head of the Agency or his or her authorized designee. However, the official cannot be directly involved in the action appealed. ONLY If the displaced person is low and/or moderate income and still not in agreement with the determination, the person shall be directed to the local HUD office (HUD Detroit Field Office, McNamara Federal Building, 477 Michigan Avenue, Floors 16 & 17, Detroit MI 48206, attn: Relocation Specialist in Community Planning and Development) for a review of the appeal and determination.

Attachments:

APPENDIX A: Developer Guide for Occupied Rehabilitation

City of Detroit Housing & Revitalization Department

Developer Guide for Occupied Rehabilitation

August 2023

The City of Detroit is committed to minimizing displacement and ensuring that existing residents benefit from redevelopment and rehabilitation activity. This guide is intended as an introductory resource for developers planning for occupied rehabilitation.

Tenant Retention Plan: Overview

Developers seeking City support for rehabilitation of occupied developments must submit a Tenant Retention Plan (TRP) for review and approval by the City. These plans must provide information on affordability, tenant communications, relocation where applicable, tenant safety during rehabilitation, and compliance with all applicable federal regulations. All TRPs must meet the City's Tenant Retention Standards. HRD can provide copies of these standards as well as templates for TRPs.

What types of projects trigger the Tenant Retention Plan requirement?

TRPs must be submitted for approval for projects meeting all of the following criteria:

- Project is receiving City support through one of the following:
 - Projects receiving new awards of HOME, CDBG, Choice Neighborhoods, Section 108, ARPA, and/or Affordable Housing Development & Preservation Fund (AHDP).
 - Projects seeking modification or subordination of an existing City loan.
 - Projects approved for tax incentives through City Council, including but not limited to NEZs, OPRAs, and PILOTs.
- Rents are projected to increase by greater than 5% and/or rehabilitation is planned in excess of \$5,000 per unit.
- At least one resident currently uses the property as their primary residence, regardless of lease status ("occupied project").

Applicable regulations

- All eligible projects as described above must comply with the City's Tenant Retention Standards.

- Projects receiving new awards of federal assistance, including CDBG, HOME, Choice Neighborhoods, ARPA, and/or Section 108 must comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (the “URA”).
- Projects receiving new awards of HOME or CDBG specifically must also comply with Section 104(d) of the Housing and Community Development Act of 1974 (“Section 104(d”).

Additional resources related to URA and Section 104(d) are provided below.

When submitting a request for funding through the City’s NOFA, note that the City has discretion in selecting the specific funding source to be awarded to each project. Therefore, it is recommended that applicants plan conservatively for compliance with all regulations listed above until a specific funding source is confirmed.

Timing & milestones

Developers should set up an initial meeting with HRD’s Preservation Team as early as possible when planning an application to the City’s NOFA or discussing tax incentives with DEGC.

Note that the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (the “URA”) requires an initial notice called the General Information Notice (GIN) to be distributed to residents *at the time of application for federal funds*, so it is important to begin the conversation on TRP planning and URA as early as possible.

In many cases, information gleaned from residents is needed to inform a complete TRP. The City must approve “Part I: Tenant Communications” of the TRP *before the developer or property manager engages in any communication with residents regarding the rehabilitation/relocation*, with the exception of the GIN if it was distributed at time of application.

Once all necessary information has been obtained through resident communication and outreach, “Part II: Plan Details” of the TRP can be completed and submitted for approval.

For new awards or loan modifications, TRPs are part of the City’s closing checklist and must be finalized and approved prior to closing.

For tax incentives, TRPs must be finalized and approved prior to City Council approval at the certificate stage.

Additional Resources

- *URA the HUD Way*: HUD has published introductory videos on URA and Section 104d through HUD Exchange, available here: <https://www.hudexchange.info/trainings/ura-the-hud-way/> . The HUD Exchange resource also offers 8 in-depth training modules.
- The City’s Residential Anti-Displacement and Relocation Assistance Plan (RARAP) is a policy document required by HUD for all recipients of HOME and CDBG. The City’s RARAP is available on HRD’s website in the “Resources and Archives” section, and can also be requested.

- For additional information, please contact Kyle Ofori, Affordable Housing Preservation Initiatives Manager, at kyle.ofori@detroitmi.gov.