

## RENTAL RESTORATION LOAN PROGRAM

### Program Summary and Requirements for Landlords

Program Summary - The Rental Restoration Program offers landlords in Lakewood 0% interest financing and partial loan forgiveness, up to \$14,500 per unit, to make improvements to their rental properties. Interior improvements like kitchens, bathrooms, painting, windows, flooring, electrical, and plumbing are eligible for the Rental Restoration Program. Common area improvements in multi-family units, such as hallways, entrances, and roofs, are also eligible when combined with unit renovations.

To qualify for the Rental Restoration Program, tenants must qualify as low to moderate income. Upon receiving funding, landlords must agree to a five-year commitment to affordability. Affordability is defined in the Rental Restoration Program as offering Fair Market Rents as required by the federal Department of Housing and Urban Development (HUD).

Tenant Income - Units receiving federal HOME funds must be rented to low and moderate income households meeting the below income guidelines. These limits are adjusted annually by HUD.

The income calculation required by HUD is a projection of current income for any household members 18 years of age and older regardless of familial status. Income documentation includes current statements for federally taxable income (paystubs, interest, dividends, social security, pension, alimony, etc...). While a prior year federal return is requested, HUD does not allow the prior year's income to be used in place of current year taxable earnings.

#### 2022 Income Limits

| Household Size   | 80% AMI<br>(Moderate) | 60% HOME<br>Limits |
|--|-----------------------|--------------------|
| 1 person   | \$47,850              | \$35,880           |
| 2 persons  | \$54,650              | \$41,040           |
| 3 persons  | \$61,500              | \$46,140           |
| 4 persons  | \$68,300              | \$51,240           |
| 5 persons  | \$73,800              | \$55,380           |
| 6 persons  | \$79,250              | \$59,460           |
| 7 persons  | \$84,700              | \$63,540           |
| 8 persons  | \$90,200              | \$67,680           |
| <b><i>HOME Income Guidelines effective 6/15/2022</i></b> |                       |                    |

Rent Limitations – Housing units receiving federal HOME funds must be rented at HUD's fair market rents, unless the unit receives a verified HUD housing voucher. For projects with five or more units, 20% must be rented to households at or below 60% AMI as represented on the above chart. **Note:** 2022 rent & income limits are effective June 15, 2022. See **Appendix 1**.

### 2022 HOME Fair Market Rents

| Cleveland-Elyria, OH MSA | Efficiency | 1-Bedroom | 2-Bedroom | 3-Bedroom | 4-Bedroom |
|--------------------------|------------|-----------|-----------|-----------|-----------|
| Low HOME Rent            | \$632      | \$732     | \$893     | \$1,110   | \$1,224   |
| High HOME Rent           | \$632      | \$732     | \$893     | \$1,169   | \$1,224   |

Utility Allowance – In addition to charging fair market rents, HUD also requires landlords to reduce that amount by a utility allowance (see attached allowance schedule) for any tenant paid utilities. For example, if a tenant is renting a two bedroom unit in a duplex and pays their own electricity and gas, the maximum allowed rent must be reduced by the corresponding utility allowance for a two (2) bedroom duplex unit. As is depicted on page two of this document, a utility allowance totalling \$85 must be subtracted from the gross rent. This means that the tenant can pay no more than \$808 per month.

#### Example of HUD Rent Calculation

| 2 Bedroom Duplex Unit  |              |
|--|--------------|
|  |              |
| HUD maximum gross rent   | \$893        |
| less tenant paid utilities   | (\$85)       |
| <b>Total rent charged to tenant</b>  | <b>\$808</b> |
|  |              |
| <b>Utility allowance for tenant paying gas and electric*</b>                                   |              |
| Gas Heat   | \$37         |
| Gas Water Heat   | \$4          |
| Cooking Gas  | \$1          |
| Electricity  | \$43         |
| <b>Total utility allowance</b>   | <b>\$85</b>  |
| <i>*This scenario assumes the property owner pays water and sewer bill on behalf of tenant</i> |              |

Housing Vouchers – In cases where tenants receive a housing voucher through a federal program, rents and utility allowances are set by the issuing agency and are not subject to the above rent and utility requirements.

Evictions – Tenants who do not meet the terms of their lease agreements can be evicted through municipal court. Examples of a justifiable eviction includes non-payment of rent; serious & repeated violation of the terms and conditions of the lease; violation of applicable federal, state, or local law; and/or other good cause, as defined by lease. The City expects evictions to be taken before the City’s municipal court to clearly document the justifiable cause for the eviction. See **Appendix 4** for a form to document evictions and other types of vacancies.

Prohibited Lease Terms and Tenant Protections – Tenants of HOME-assisted units must have a written lease. Leases may not exceed the HOME rent limits and lease terms must be for a minimum of one year unless the owner and tenant mutually agree to a lesser term (not less than 30 days). Owners/managers may not terminate a tenant’s lease or refuse to renew his/her lease without good cause. Should a lease be terminated for good cause, tenants must be provided 30-days written advanced notice. NOTE: Landlords are responsible for contacting the City of Lakewood as soon they become aware that a tenant intends to leave, the landlord plans to initiate eviction proceedings or not renew a lease for cause.

For a checklist of required HOME lease agreement requirements see **Appendix 2**. Prohibited lease provisions are outlined in **Appendix 3**.

Tenant Relocation – Some projects will require tenants to move temporarily (no more than 1 year) if the renovations require that the tenant to be absent from the unit for more than eight (8) hours (i.e. daily work cannot be completed within an 8 am to 5 pm period) and/or access to bathroom or kitchen facilities will be restricted during evening hours. The city will work with tenants and landlords to ensure all federal requirements are met. **NOTE: Should a tenant become permanently displaced from their unit, due to the property owner’s failure to follow program rules outlined in this document and in the HOME Rental Compliance Guide found online at the below link, they may be required to pay all or a portion of the displaced tenants relocation costs. Please see the Appendix 5, Relocation Procedures and Requirements for situations where a tenant is displaced permanently.**

Marketing – Owner/Manager of HOME assisted rental housing must conduct marketing and advertising activities in accordance with applicable fair housing laws and HOME affirmative marketing requirements. These requirements include ensuring all eligible applicants have an equal opportunity to rent HOME-assisted units and providing maximum opportunity to persons with disabilities to rent accessible units, if any.

Lead Paint Testing and Remediation – All projects going through the Rental Restoration Program (units and common areas) are subject to a Lead Risk Assessment conducted by a State of Ohio Licensed Risk Assessor. The City pays for the initial inspection and coordinates between the property owner and City’s Lead Risk Assessor. Any identified lead hazards must either be included in the project’s scope of work or taken care prior to the commencement of work. All lead remediation activities must be completed by a State Licensed Lead Abatement Contractor and the property must receive achieve a lead clearance.

Routine & Preventative Maintenance – HOME-assisted units and common spaces when completed must meet all applicable HOME standards, including the Federal lead-based paint elimination requirements and local code. Routine and preventative maintenance are essential to meeting ongoing requirements.

Monitoring Compliance and Property Condition – The City or its designee, will conduct regular (annual minimum) monitoring to ensure ongoing compliance with affordability, property condition and related requirements for the entire term of affordability.

Record Keeping – Property owners must keep the following records for the duration of the affordability period and 5 years after: tenant income verifications, leases, unit rents, affirmative marketing and property standards.

Davis Bacon Wage Rate – HOME funded rental rehabilitation projects with twelve (12) or more units are subject to federal wage rate (union scale) requirements. Information is available at [https://www.hud.gov/program\\_offices/davis\\_bacon\\_and\\_labor\\_standards/olr\\_foa](https://www.hud.gov/program_offices/davis_bacon_and_labor_standards/olr_foa)

Projects with twelve or more units - 20% of the HOME renovated units must be rented to households meeting the below low and moderate income limits. Fair market rents also apply.

Tenant Vacancies – Make sure your tenants provide written notice of intent to move. Its important to document any time a tenant leaves for any reason. The form found in **Appendix 4** can be used to document tenant vacancies. Contact the City as soon as you are notified that a tenant plans to move out to coordinate documentation of incoming tenants income eligibility before signing a new lease agreement.

**NOTE: This is NOT a complete list of requirements. Make sure to reference your agreement with the City and “Compliance in HOME Rental Projects: A Guide for Property Owners” which can be found online at the below web page:**

<https://www.hudexchange.info/resource/2395/compliance-in-home-rental-projects-a-guide-for-property-owners/>

**HOUSING CHOICE VOUCHER PROGRAM (HCVP)**  
Housing Allowances for Tenant Furnished Utilities and Other Services  
Cuyahoga Metropolitan Housing Authority (CMHA)  
**Natural Gas, Electric, Electric Heat Pump**

Utility Allowance Effective: **January 1, 2023**

| Actual bedrooms in  | 0 BR | 1 BR | 2 BR | 3 BR | 4 BR | 5 BR | 6 BR | 7 BR | 8 BR | Comments  |
|---|------|------|------|------|------|------|------|------|------|---|
| Monthly dollar allowances:  |      |      |      |      |      |      |      |      |      | <i>All 6-8BR numbers were calculated using a best-fit</i>                                   |
| <b>SPACE HEAT (natural gas):</b> Includes a monthly customer fee of \$40  |      |      |      |      |      |      |      |      |      |   |
| 1 Single-family dwelling  | 61   | 65   | 69   | 73   | 77   | 81   | 85   | 89   | 93   | Monthly customer fee not included   |
| 2 Single-family dwelling - <b>OIL</b>   | 98   | 115  | 134  | 153  | 171  | 190  | 209  | 227  | 246  |   |
| 3 Townhouse, Duplex/Triplex, F  | 59   | 62   | 66   | 69   | 72   | 76   | 79   | 83   | 86   |   |
| 4 Multi-unit apartment (Large A)  | 55   | 57   | 60   | 63   | 66   | 69   | 72   | 75   | 78   |   |
| 5 Manufactured home   | 58   | 61   | 65   | 68   | 71   | 75   | 78   | 82   | 85   | Monthly customer fee not included   |
| 6 Manufactured home - <b>OIL</b>  | 83   | 98   | 114  | 130  | 146  | 161  | 177  | 193  | 209  |   |
| <b>SPACE HEAT (electric resistance heating):</b>  |      |      |      |      |      |      |      |      |      |   |
| 7 Single-family dwelling  | 65   | 77   | 90   | 103  | 115  | 128  | 141  | 153  | 166  |   |
| 8 Townhouse, Duplex/Triplex, F  | 41   | 48   | 62   | 76   | 90   | 104  | 118  | 132  | 146  |   |
| 9 Multi-unit apartment  | 28   | 33   | 45   | 56   | 67   | 79   | 90   | 102  | 113  |   |
| 10 Manufactured home  | 69   | 81   | 83   | 86   | 88   | 91   | 93   | 96   | 98   |   |
| <b>SPACE HEAT (electric heat pump):</b>   |      |      |      |      |      |      |      |      |      |   |
| 11 Single-family dwelling   | 35   | 42   | 49   | 56   | 62   | 68   | 75   | 81   | 88   |   |
| 12 Townhouse, Duplex/Triplex, F   | 30   | 35   | 42   | 47   | 52   | 58   | 64   | 69   | 75   |   |
| 13 Multi-unit apartment   | 25   | 29   | 35   | 39   | 43   | 47   | 52   | 56   | 61   |   |
| 14 Manufactured home  | 30   | 35   | 42   | 47   | 52   | 58   | 64   | 69   | 75   |   |
| <b>DOMESTIC WATER HEATING:</b>  |      |      |      |      |      |      |      |      |      |   |
| 15 Natural gas  | 4    | 5    | 7    | 10   | 12   | 14   | 17   | 19   | 21   |   |
| 16 Electricity  | 23   | 27   | 35   | 42   | 50   | 58   | 66   | 73   | 81   |   |
| <b>COOKING:</b>   |      |      |      |      |      |      |      |      |      |   |
| 17 Natural gas  | 2    | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    |   |
| 18 Electricity  | 7    | 9    | 12   | 16   | 20   | 24   | 28   | 31   | 35   |   |
| <b>ELECTRICITY-other:</b> Includes monthly customer fee of \$6; does not include allowance for air conditioning |      |      |      |      |      |      |      |      |      |   |
| 19 Single-family  | 46   | 53   | 72   | 91   | 109  | 128  | 147  | 165  | 184  |   |
| 20 Townhouse, Duplex/Triplex, F   | 41   | 47   | 63   | 79   | 95   | 111  | 127  | 143  | 159  |   |
| 21 Multi-unit apartment   | 33   | 38   | 51   | 63   | 76   | 89   | 102  | 114  | 127  |   |
| 22 Manufactured home  | 46   | 53   | 72   | 91   | 109  | 128  | 147  | 165  | 184  |   |
| <b>MONTHLY SERVICE CHARGES---</b>   |      |      |      |      |      |      |      |      |      |   |
| 23 Natural gas  | 40   | 40   | 40   | 40   | 40   | 40   | 40   | 40   | 40   | Included in "Space Heat (natural gas)" figures<br>Included in "Electricity - other" figures |
| 24 Electricity  | 6    | 6    | 6    | 6    | 6    | 6    | 6    | 6    | 6    |   |
| <b>WATER &amp; SEWER (if metered):</b>  |      |      |      |      |      |      |      |      |      |   |
| 25 City of Cleveland  | 96   | 102  | 144  | 208  | 271  | 334  | 389  | 448  | 507  |   |
| 26 City of East Cleveland   | 88   | 94   | 133  | 190  | 248  | 306  | 356  | 410  | 464  |   |
| 27 Suburban   | 88   | 94   | 133  | 190  | 248  | 306  | 356  | 410  | 464  |   |
| <b>APPLIANCES (if not owner-furnished):</b>   |      |      |      |      |      |      |      |      |      |   |
| 31 Range  | 20   | 20   | 20   | 20   | 20   | 20   | 20   | 20   | 20   |   |
| 32 Refrigerator   | 25   | 25   | 25   | 25   | 25   | 25   | 25   | 25   | 25   |   |
| <b>TRASH:</b>   |      |      |      |      |      |      |      |      |      |   |
| 33 City of Cleveland  | 9    | 9    | 9    | 9    | 9    | 9    | 9    | 9    | 9    |   |
| 34 Suburban   | 14   | 14   | 14   | 14   | 14   | 14   | 14   | 14   | 14   |   |

**Payment Standards (subsidy limits):**

Payment standard effective **January 1, 2023** (subtract from reasonable gross rent to check if additional tenant portion would be required.)

**Appendix 2 - Checklist for Required HOME Lease Agreement Requirements**

| Yes/No                   | Required Provision                                      | Description  |
|--------------------------|---|--|
| <input type="checkbox"/> | Income Eligibility/Annual Income Recertification        | <ul style="list-style-type: none"> <li>• Owner retains right to recertify the tenant’s HOME income-eligibility on an annual basis. The tenant’s failure to cooperate in the income recertification process constitutes a violation of the lease.</li> <li>• Deliberately providing false information can result in termination of the lease.</li> </ul>  |
| <input type="checkbox"/> | HOME Rent Restrictions/Rent Increases                   | <ul style="list-style-type: none"> <li>• Rents are subject to the rent restrictions of the HOME Program. Owner retains right to adjust rents, in accordance with the HOME Rent limits. The rents for tenants whose incomes go over the HOME rent limits for the units they occupy (High or Low HOME Rent units) will be increased.</li> <li>• Terms for rent increases (i.e., how frequently rent can be increased; when increases can be made; how much written notice must tenant receive.)</li> </ul> |
| <input type="checkbox"/> | Lease Renewal   | <ul style="list-style-type: none"> <li>• Owner may choose not to renew a tenant’s lease for good cause, and definition of good cause.</li> <li>• Owner must give the tenant a written notice at least 30 days before the tenant must vacate the unit.</li> </ul>   |
| <input type="checkbox"/> | Lease Term  | <ul style="list-style-type: none"> <li>• The lease term for a HOME-assisted unit must be for at least one year unless the tenant and the owner mutually agree upon a shorter term.</li> </ul>  |
| <input type="checkbox"/> | Annual Unit Inspection                                  | <ul style="list-style-type: none"> <li>• Owner retains the right to inspect, and to permit the PJ and HUD to inspect, HOME-assisted units during the affordability period. State or local law may establish how much notice the tenant must be given for inspections.</li> </ul>   |
| <input type="checkbox"/> | Accessible Units  | <ul style="list-style-type: none"> <li>• Owners may choose to include a provision in the lease of a tenant that occupies, but does not have need for, an accessible unit. This provision would give the owner the right to ask the tenant to move into a comparable non-accessible unit, should the accessible unit be needed by a person with a disability.</li> </ul>  |
| <input type="checkbox"/> | Lead Warning Statement for properties built before 1978 | <ul style="list-style-type: none"> <li>• Confirm that the owner has complied with lead-based paint notification requirements.</li> </ul>   |

### Appendix 3 – Prohibited Lease Provisions

| Yes/No                   | Required Provision                                  | Description  |
|--------------------------|---|--|
| <input type="checkbox"/> | Agreement to be sued                                | <ul style="list-style-type: none"> <li>Agreement by the tenant to be sued, to admit guilt, or to a judgement in favor of the owner in a lawsuit brought in connection with the lease.</li> </ul>   |
| <input type="checkbox"/> | Agreement regarding seizure of property             | <ul style="list-style-type: none"> <li>Agreement by the tenant that the owner may seize or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This provision does not apply to disposition of personal property left by a tenant who has vacated a property.</li> </ul> |
| <input type="checkbox"/> | Excusing owner from responsibility                  | <ul style="list-style-type: none"> <li>Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent.</li> </ul>  |
| <input type="checkbox"/> | Waiver of notice                                    | <ul style="list-style-type: none"> <li>Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant.</li> </ul>   |
| <input type="checkbox"/> | Waiver of legal proceedings                         | <ul style="list-style-type: none"> <li>Agreement of the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties.</li> </ul>   |
| <input type="checkbox"/> | Waiver of a jury trial                              | <ul style="list-style-type: none"> <li>Agreement by the tenant to waive any to a trial by jury.</li> </ul>   |
| <input type="checkbox"/> | Waiver of right to appeal court decision            | <ul style="list-style-type: none"> <li>Agreement by the tenant to waive the tenant's right to appeal or to otherwise challenge in court a court decision in connection with the lease.</li> </ul>  |
| <input type="checkbox"/> | Agreement to pay legal costs, regardless of outcome | <ul style="list-style-type: none"> <li>Agreement by the tenant to pay attorney's fees or other legal costs, even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.</li> </ul>  |

## Appendix 4 – Documenting Tenant Vacancies

Tenant Name: \_\_\_\_\_

Unit Number: \_\_\_\_\_

Anticipated Date of Vacancy: \_\_\_\_\_

Reason for Vacancy (check below):

- Tenant submitted notice to landlord (provide written statement from tenant)
- Court Approved Eviction (provide court approval)
  - Lease Violation, explain \_\_\_\_\_
  - Criminal Activity, Police Citation # \_\_\_\_\_
  - Failure to cooperate w/income recertification (required provision of lease)
  - Other, explain \_\_\_\_\_

*I certify that the information included in and attached to this form are accurate and true to the best of my knowledge and understanding. I understand that any misrepresentation, use of prohibited lease language or failure to provide accurate information will result in penalties up to and including immediate repayment of all loan funds to the City of Lakewood.*

\_\_\_\_\_  
Landlord Name

\_\_\_\_\_  
Date

Attachments:

- Written Statement/Notice from tenant vacating property
- Court Eviction Order
- Landlord 30 Day Non-Renewal Letter for Cause (reason must be included in the letter to the tenant). Acceptable reasons must be documented in writing by the landlord and may include:
  - o Violation of terms of lease (make sure its not a prohibited requirement)
  - o Criminal Activity
  - o Failure to recertify
  - o Documented behavior (written) that the tenant has been previously alerted to (and which is in violation of their lease) to which the tenant has not complied.
  - o Failure to pay rent in a timely manner

**NOTE: LANDLORDS ARE RESPONSIBLE FOR CONTACTING THE CITY OF LAKEWOOD AS SOON THEY BECOME AWARE THAT A TENANT INTENDS TO LEAVE, THE LANDLORD PLANS TO INITIATE EVICTION PROCEEDINGS OR NOT RENEW A LEASE FOR CAUSE.**

## **Appendix 5 – Uniform Relocation Assistance and Real Property Acquisition Act (URA)**

All federally funded projects are subject to tenant protections and in cases where a tenant has been displaced without cause or for longer than 1 year, the Uniform Relocation Assistance and Real Property Acquisition Act. Additionally, projects funded with Community Development Block Grant (CDBG) and HOME funds are also subject to 104d Relocation Assistance. The latter provides up to sixty-months of relocation assistance. URA offers 48 months.

It's important to note that under specific circumstance tenants may be evicted and/or their leases not renewed for cause (non-payment of rent, criminal activity and/or otherwise not meeting the terms of their lease). However, proper notification must be provided and clearly documenting all steps that the landlord has taken to resolve lesser lease violations is essential to avoid activating relocation requirements. With evictions, you must file notices with the City of Lakewood's Municipal Court and follow through to the conclusion of the eviction action.

The Uniform Relocation Assistance and Real Property Acquisition Act (URA), is a federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms. The URA's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for federal or federally funded projects.

- **49 CFR Part 24** is the government-wide regulation that implements the URA.
- **HUD Handbook 1378** provides HUD policy and guidance on implementing the URA and 49 CFR Part 24 for HUD funded programs and projects.

This module covers URA requirements as they apply to HUD programs.

### **What are the URA's objectives?**

- To provide uniform, fair and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects
- To ensure relocation assistance is provided to displaced persons to lessen the emotional and financial impact of displacement
- To ensure that no individual or family is displaced unless decent, safe, and sanitary (DSS) housing is available within the displaced person's financial means
- To help improve the housing conditions of displaced persons living in substandard housing
- To encourage and expedite acquisition by agreement and without coercion

### **How do URA requirements impact your project?**

Agencies conducting a program or project under the URA must carry out their legal responsibilities to affected property owners and displaced persons. Agencies should plan accordingly to ensure that adequate time, funding and staffing are available to carry out their responsibilities.

Some of those responsibilities include:

#### **For Real Property Acquisition**

- Appraise property before negotiations
- Invite the property owner to accompany the appraiser during the property inspection

- Provide the owner with a written offer of just compensation and a summary of what is being acquired
- Pay for property before possession
- Reimburse expenses resulting from the transfer of title such as recording fees, prepaid real estate taxes, or other expenses

Please note that agency responsibilities for voluntary acquisitions differ. (Please see Voluntary Acquisition vs. Involuntary Acquisition in this training module for additional information.)

#### **For Residential Displacements**

- Provide relocation advisory services to displaced tenants and owner occupants
- Provide a minimum 90 days written notice to vacate prior to requiring possession
- Reimburse for moving expenses
- Provide payments for the added cost of renting or purchasing comparable replacement housing

#### **For Nonresidential Displacements (businesses, farms, and nonprofit organizations)**

- Provide relocation advisory services
- Provide a minimum 90 days written notice to vacate prior to requiring possession
- Reimburse for moving and reestablishment expenses

#### **Which HUD Programs are covered by URA Requirements?**

URA requirements apply to most HUD programs. There are, however, some exceptions such as PIH's Section 18 Demolition and Disposition program (24 CFR Part 970).

You should refer to HUD's program rules to help determine whether the URA covers a particular program. When in doubt, grantees should contact their HUD Regional Relocation Specialist for assistance.

**SOURCE:** [HTTPS://WWW.HUDEXCHANGE.INFO/PROGRAMS/RELOCATION/OVERVIEW/#OVERVIEW-OF-THE-URA](https://www.hudexchange.info/programs/relocation/overview/#overview-of-the-ura)

**NOTE: THE CITY OF LAKEWOOD PROGRAM STAFF ARE AVAILABLE TO ANSWER QUESTIONS ABOUT TENANT RELOCATION REQUIREMENT COMPLIANCE. THE PRIMARY CONTACTS ARE MARY LEIGH, 216-529-7681 AND DAN WYMAN, 216-529-7680.**

## **SUMMARY OF MAJOR DIFFERENCES BETWEEN URA & 104(d) RELOCATION ASSISTANCE FOR DISPLACED RESIDENTIAL TENANTS**

### **PART I. ELIGIBILITY**

| <b>Subject</b>                                     | <b>URA Regulations</b>   | <b>Section 104(d)</b>  |
|--|--|--|
| <b>Displaced Person</b>                            | <ul style="list-style-type: none"> <li>• Residential tenants and homeowner occupants</li> <li>• Nonresidential owners and tenants (businesses, non-profits &amp; farms)</li> </ul> | <p>Only residential tenants are covered</p> <p>Other displaced persons (e.g., homeowners) may be eligible under URA provisions.</p>            |
| <b>Income Requirements</b>                         | No income requirements, covers persons of all income levels.   | Only lower-income (LI) residential tenants   |
| <b>Persons displaced by acquisition</b>            | Eligible for assistance.   | NA (unless housing units are demolished or LI units are converted <sup>1</sup> )   |
| <b>Persons displaced by rehabilitation</b>         | Eligible for assistance.   | NA (unless LI units are converted as a result of rehabilitation)   |
| <b>Persons displaced by demolition</b>             | Eligible for assistance.   | Displaced LI residential tenants are eligible.   |
| <b>Persons displaced by conversion<sup>1</sup></b> | NA (provided no acquisition, rehabilitation, or demolition involved)   | Displaced LI tenants eligible only if market rent (including utilities) of the displacement dwelling did not exceed the FMR before conversion. |
| <b>of lower income dwelling</b>                    |  |  |

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<sup>1</sup> Conversion (1) This term means altering a housing unit so that it is: (i) Used for non-housing purposes; (ii) Used for housing purposes, but no longer meets the definition of lower-income dwelling unit; or (iii) Used as an emergency shelter. See 24 CFR 42.305.

## SUMMARY OF MAJOR DIFFERENCES BETWEEN URA & 104(d) RELOCATION ASSISTANCE FOR DISPLACED RESIDENTIAL TENANTS

### PART II. RELOCATION ASSISTANCE FOR DISPLACED RESIDENTIAL TENANTS

| <b>Subject</b>   | <b>URA Regulations</b>  | <b>Section 104(d)</b>  |
|--|---|--|
| <b>Advisory Services</b>                                     | Comprehensive services provided.  | Same as URA.   |
| <b>Rental Assistance</b>                                     | Payment equals 42 x monthly rental assistance payment   | Payment equals 60 x monthly rental assistance payment  |
| <b>Monthly Rental Assistance Payment</b>                     | <p>Monthly difference between the lesser of:</p> <ul style="list-style-type: none"> <li>• Old rent/utility costs;</li> <li>• 30% of gross monthly income (if low income);</li> <li>• Welfare rent (as paid)</li> </ul> <p>And</p> <p>Monthly rent/utility costs for the lesser of:</p> <ul style="list-style-type: none"> <li>➤ comparable or</li> <li>➤ DSS replacement dwelling occupied</li> </ul> | <p>Monthly difference between Total Tenant Payment<sup>2</sup> (TTP), the greater of:</p> <ul style="list-style-type: none"> <li>• 30% of adjusted monthly income;</li> <li>• 10% of gross monthly income;</li> <li>• Welfare rent (as paid);</li> <li>• Minimum Rent (PHAs)</li> </ul> <p>And</p> <p>Monthly rent/utility costs for the lesser of:</p> <ul style="list-style-type: none"> <li>➤ comparable or</li> <li>➤ DSS replacement dwelling occupied</li> </ul> |
| <b>Use of Government Housing Assistance (Vouchers, etc.)</b> | <p>If displaced residential tenant is not currently receiving government housing assistance, cash replacement housing payment is required (person may accept government housing assistance, if available).</p> <p>If displaced person currently in government assisted housing, must be offered a government assisted rental, unless one is not available</p>   | <p>Agency may offer Housing Choice Voucher (Section 8) assistance in lieu of cash replacement housing payment under 104(d).</p> <p>However, LI tenants may request assistance calculated under URA instead.</p>  |
| <b>Pay Security Deposit</b>                                  | Only if non-refundable.   | Payment required   |

<sup>2</sup> See 24 CFR 5.628 for the definition of Total Tenant Payment (TTP)

| <b>Subject</b>                     | <b>URA Regulations</b>  | <b>Section 104(d)</b>   |
|------------------------------------|---|---|
| <b>Downpayment Assistance</b>      | Payment equals 42 x monthly rental assistance payment. Agency may increase up to \$7,200 (if calculation is less). <sup>1</sup>   | Limited to purchase of cooperative or mutual housing and based on present (discounted) value of 60 x monthly rental assistance payment. |
| <b>Moving and Related Expenses</b> | Displaced person may choose: <ul style="list-style-type: none"> <li>• Payment for actual moving and related expenses;</li> <li>• Fixed Residential Moving Cost Schedule;</li> <li>• or in some cases, a combination of both.</li> </ul> | Same as URA.  |

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<sup>1</sup> See CPD-14-09 Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21).