



DEPARTMENT OF  
**HOUSING**



# CDBG-DR

**Uniform Relocation Assistance Guide &  
Residential Anti-Displacement and Relocation Assistance  
Plan  
(URA & ADP GUIDE)**

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## 1 Overview

Every project funded in part or **entirely** by Community Development Block Grant – Disaster Recovery (**CDBG-DR**) funds, and all activities related to that project are subject to the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (**URA**), as amended, 42 U.S.C. § 4601 *et seq.*, and section 104(d) of the Housing and Community Development Act of 1992, as amended (**HCDA**), 42 U.S.C. § 5304(d), except where waivers or alternative requirements have been provided by the U.S. Department of Housing and Urban Development (**HUD**).<sup>1</sup> The implementing regulations for URA are at 49 C.F.R. Part 24. The regulations for section 104(d) are at 24 C.F.R. Part 42, subpart C. Additionally, HUD has established regulations specific to CDBG-funded housing activities at 24 C.F.R. § 570.606. The primary purpose of these laws and regulations is to provide uniform, fair, and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects.

When CDBG-DR funds are planned, intended, or used for any activity or phase of a project and the phases are interdependent, URA applies to that activity or project. This includes any property acquisition, even if CDBG-DR funds are not used to fund the purchase if the contract to acquire property is executed **to seek** CDBG-DR funds to complete the project or an interdependent phase of the project.<sup>2</sup>

## 2 Established Periods of Time

Unless otherwise specified, all established periods of time addressed in this, and all CDBG-DR Program Guidelines, Guides, Plans, and documents will be considered calendar days. On this matter, **as grantee**, the Puerto Rico Department of Housing (**PRDOH**) will follow Rule 68.1 of the Rules of Civil Procedure of Puerto Rico, 32 L.P.R.A. Ap. V, R. 68.1.

## 3 Definitions

Most of the definitions in this section come from 49 C.F.R. § 24.2. The definitions or terms in the URA guidelines are solely for purposes of providing assistance covered by URA:

- **Agency:** The term Agency means the State Agency, **Subrecipient**, or person that acquires real property or displaces a person.

(i) **Acquiring Agency:** The term acquiring agency means a State Agency, as defined in paragraph (iii) of this section, which has the authority to acquire

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<sup>1</sup> Several waivers related to URA, Section 104(d), and 24 C.F.R. § 570.606 requirements are provided in Federal Register Notice Vol. 83 No. 28 (February 9, 2018), 83 FR 5844, at 5858-5859.

<sup>2</sup> HUD Handbook 1378, Chapter 1, at the definition for "Displaced Person" states the following: "Given the nature of the URA and HUD programs, it is not always possible to establish by regulation a specific action or event that always marks the date a project begins for purposes of determining eligibility as a 'displaced person' [...]. Most HUD program regulations identify an event that establishes a 'rebuttable presumption' that a project begins (e.g., date of submission of the application)."

property by eminent domain under State law, and a State Agency or person which does not have such authority.

(ii) **Displacing Agency:** The term *displacing Agency* means any Federal Agency carrying out a program or project, and any State, State Agency, or person carrying out a program or project with Federal financial assistance, which causes a person to be a displaced person.

(iii) **State Agency:** The term State Agency means any department, Agency, or instrumentality of a State or of a political subdivision of a State, any department, Agency, or instrumentality of two (2) or more States or of two (2) or more political subdivisions of a State or States, and any person who has the authority to acquire property by eminent domain under State law. Pursuant to an alternative requirement established by 83 FR 5844, all references to states and State grantees shall include the Commonwealth of Puerto Rico.

- **Alien not lawfully present in the United States:** The phrase “alien not lawfully present in the United States” means an alien who is not “lawfully present” in the United States as defined in 8 C.F.R. § 1.3103-12 and includes:
  - (i) An alien present in the United States who has not been admitted or paroled into the United States pursuant to the Immigration and Nationality Act (8 U.S.C. 1101 *et seq.*), and whose stay in the United States has not been authorized by the United States Attorney General; and,
  - (ii) An alien who is present in the United States after the expiration of the period of stay authorized by the United States Attorney General or who otherwise violates the terms and conditions of admission, parole, or authorization to stay in the United States.
- **Appraisal:** The term appraisal means a written statement independently and impartially prepared by a qualified appraiser setting forth an opinion of defined value of an adequately described property as of a specific date, supported by the presentation and analysis of relevant market information.
- **Business:** The term business means any lawful activity, except a farm operation, that is conducted:
  - (i) Primarily for the purchase, sale, lease and/or rental of personal and/or real property, and/or for the manufacture, processing, and/or marketing of products, commodities, and/or any other personal property;
  - (ii) Primarily for the sale of services to the public;

- (iii) Primarily for outdoor advertising display purposes, when the display must be moved as a result of the project; or
- (iv) By a nonprofit organization that has established its nonprofit status under applicable Federal or State law.
- **Citizen:** The term citizen for purposes of this part includes both citizens of the United States and noncitizen nationals.
- **Comparable replacement dwelling:** The term comparable replacement dwelling means a dwelling which is:
  - (i) Decent, safe, and sanitary as described in paragraph 24.2(a)(8) of 49 C.F.R. § 24.2;
  - (ii) Functionally equivalent to the displacement dwelling. The term functionally equivalent means that it performs the same function and provides the same utility. While a comparable replacement dwelling need not possess every feature of the displacement dwelling, the principal features must be present. Generally, functional equivalency is an objective standard, reflecting the range of purposes for which the various physical features of a dwelling may be used. However, in determining whether a replacement dwelling is functionally equivalent to the displacement dwelling, the Agency may consider reasonable trade-offs for specific features when the replacement unit is equal to or better than the displacement dwelling (See 49 C.F.R. Appendix A, § 24.2 (a)(6));
  - (iii) Adequate in size to accommodate the occupants;
  - (iv) In an area not subject to unreasonable adverse environmental conditions;
  - (v) In a location generally not less desirable than the location of the displaced person's dwelling with respect to public utilities and commercial and public facilities, and reasonably accessible to the person's place of employment;
  - (vi) On a site that is typical in size for residential development with normal site improvements, including customary landscaping. The site need not include special improvements such as outbuildings, swimming pools, or greenhouses. (See also 49 C.F.R. § 24.403(a)(2));
  - (vii) Currently available to the displaced person on the private market except as provided in paragraph (ix) of this section (See 49 C.F.R. Appendix A, § 24.2(a)(6)(vii));<sup>3</sup> and
  - (viii) Within the financial means of the displaced person:

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<sup>3</sup> See waiver provided at 83 FR 5844, 5858.

(A) A replacement dwelling purchased by a homeowner in occupancy at the displacement dwelling for at least **180 days** prior to initiation of negotiations (180-day homeowner) is considered to be within the homeowner's financial means if the homeowner will receive the full price differential as described in § 24.401(c), all increased mortgage interest costs as described at § 24.401(d) and all incidental expenses as described at § 24.401(e), plus any additional amount required to be paid under § 24.404, Replacement housing of last resort.

(B) A replacement dwelling rented by an eligible displaced person is considered to be within their financial means if, after receiving rental assistance under this part, the person's monthly rent and estimated average monthly utility costs for the replacement dwelling do not exceed the person's base monthly rental for the displacement dwelling as described at § 24.402(b)(2).

(C) For a displaced person who is not eligible to receive a replacement housing payment because of the person's failure to meet length-of-occupancy requirements, comparable replacement rental housing is considered to be within the person's financial means if an Agency pays that portion of the monthly housing costs of a replacement dwelling which exceeds the person's base monthly rent for the displacement dwelling as described in § 24.402(b)(2). Such rental assistance must be paid under § 24.404, Replacement housing of last resort.

(ix) For a person receiving government housing assistance before displacement, a dwelling that may reflect similar government housing assistance. In such cases any requirements of the government housing assistance program relating to the size of the replacement dwelling shall apply. (See 49 C.F.R. Appendix A, § 24.2(a)(6)(ix).)

- **Contribute materially:** The term contribute materially means that during the two (2) taxable years prior to the taxable year in which displacement occurs, or during such other period as the Agency determines to be more equitable, a business or farm operation:
  - (i) Had average annual gross receipts of at least \$5,000; or
  - (ii) Had average annual net earnings of at least \$1,000; or
  - (iii) Contributed at least thirty three percent (33%) of the owner's or operator's average annual gross income from all sources; or

(iv) If the application of the above criteria creates an inequity or hardship in any given case, the Agency may approve the use of other criteria as determined appropriate.

- **Decent, safe, and sanitary dwelling:** The term decent, safe, and sanitary dwelling means a dwelling which meets local housing and occupancy codes. However, any of the following standards which are not met by the local code shall apply unless waived for good cause by the Federal Agency funding the project. The dwelling shall:

(i) Be structurally sound, weather tight, and in good repair;

(ii) Contain a safe electrical wiring system adequate for lighting and other devices;

(iii) Contain a heating system capable of sustaining a healthful temperature (of approximately 70 degrees) for a displaced person, except in those areas where local climatic conditions do not require such a system;

(iv) Be adequate in size with respect to the number of rooms and area of living space needed to accommodate the displaced person. The number of persons occupying each habitable room used for sleeping purposes shall not exceed that permitted by local housing codes or, in the absence of local codes, the policies of the displacing Agency. In addition, the displacing Agency shall follow the requirements for separate bedrooms for children of the opposite gender included in local housing codes or in the absence of local codes, the policies of such Agencies;<sup>4</sup>

(v) There shall be a separate, well lighted, and ventilated bathroom that provides privacy to the user and contains a sink, bathtub or shower stall, and a toilet, all in good working order and properly connected to appropriate sources of water and to a sewage drainage system. In the case of a housekeeping dwelling, there shall be a kitchen area that contains a fully usable sink, properly connected to potable hot and cold water and to a sewage drainage system, and adequate space and utility service connections for a stove and refrigerator;

(vi) Contains unobstructed egress to safe, open space at ground level; and

(vii) For a displaced person with a disability, be free of any barriers which would preclude reasonable ingress, egress, or use of the dwelling by such displaced person. (See 49 C.F.R. Appendix A, § 24.2(a)(8)(vii).)

- **Displaced person**

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<sup>4</sup> For more information on unit size and household composition please refer to the Reconstruction and Relocation Unit Size and Exceptions section of the Home Repair, Reconstruction, or Relocation Program (R3 Program) Guidelines available in English and Spanish at <https://cdbg-dr.pr.gov/en/resources/policies/> and <https://cdbg-dr.pr.gov/recursos/politicas/>.

(i) The term displaced person means, except as provided in the following paragraph (ii) of this definition, any person who moves from the real property or moves their personal property from the real property. (This includes a person who occupies the real property prior to its acquisition, but who does not meet the length of occupancy requirements of the URA as described at § 24.401 (a) and § 24.402(a)):

(A) As a direct result of a written notice of intent to acquire (see § 24.203(d)), the initiation of negotiations for, or the acquisition of, such real property in whole or in part for a project;

(B) As a direct result of rehabilitation or demolition for a project; or

(C) As a direct result of a written notice of intent to acquire, or the acquisition, rehabilitation or demolition of, in whole or in part, other real property on which the person conducts a business or farm operation, for a project. However, eligibility for such person under this paragraph applies only for purposes of obtaining relocation assistance advisory services under § 24.205(c), and moving expenses under § 24.301, § 24.302 or § 24.303.

(ii) **Persons not displaced.** The following is a nonexclusive listing of persons who do not qualify as displaced persons under this part:

(A) A person who moves before the initiation of negotiations (see § 24.403(d)), unless the Agency determines that the person was displaced as a direct result of the program or project;

(B) A person who initially enters into occupancy of the property after the date of its acquisition for the project;

(C) A person who has occupied the property for the purpose of obtaining assistance under the URA;

(D) A person who is not required to relocate permanently as a direct result of a project. Such determination shall be made by the Agency in accordance with any guidelines established by the Federal Agency funding the project (See 49 C.F.R. Appendix A, § 24.2(a)(9)(ii)(D));

(E) An owner-occupant who moves as a result of an acquisition of real property as described in §§ 24.101 (a)(2) or 24.101 (b)(1) or (2), or as a result of the rehabilitation or demolition of the real property. (However, the displacement of a tenant as a direct result of any acquisition, rehabilitation, or demolition for a Federal or federally assisted project is subject to this part);

(F) A person whom the Agency determines is not displaced as a direct result of a partial acquisition;

(G) A person who, after receiving a notice of relocation eligibility (described at § 24.203(b)), is notified in writing that he or she will not be displaced for a project. Such written notification shall not be issued unless the person has not moved and the Agency agrees to reimburse the person for any expenses incurred to satisfy any binding contractual relocation obligations entered into after the effective date of the notice of relocation eligibility;

(H) An owner-occupant who conveys his or her property, as described in §§ 24.101(a)(2) or 24.101(b)(1) or (2), after being informed in writing that if a mutually satisfactory agreement on terms of the conveyance cannot be reached, the Agency will not acquire the property. In such cases, however, any resulting displacement of a tenant is subject to the regulations in this part;

(I) A person who retains the right of use and occupancy of the real property for life following its acquisition by the Agency;

(J) An owner who retains the right of use and occupancy of the real property for a fixed term after its acquisition by the Department of the Interior under Pub. L. 93-477, Appropriations for National Park System, or Pub. L. 93-303, Land and Water Conservation Fund, except that such owner remains a displaced person for purposes of 49 C.F.R. Part 24, subpart D;

(K) A person who is determined to be in unlawful occupancy prior to or after the initiation of negotiations, or a person who has been evicted for cause, under applicable law, as provided for in § 24.206. However, advisory assistance may be provided to unlawful occupants at the option of the Agency in order to facilitate the project;

(L) A person who is not lawfully present in the United States and who has been determined to be ineligible for relocation assistance in accordance with § 24.208;

- **Dwelling:** The term dwelling means the place of permanent or customary and usual residence of a person, according to local custom or law, including a single family house; a single family unit in a two-family, multi-family, or multi-purpose property; a unit of a condominium or cooperative housing project; a non-housekeeping unit; a mobile home; or any other residential unit.
- **Dwelling site:** The term dwelling site means a land area that is typical in size for similar dwellings located in the same neighborhood or rural area. (See 49 C.F.R. Appendix A, § 24.2(a)(11).)

- **Eminent Domain:** Refers to the authority of government to acquire citizens' private property to convert into public use, with the payment of just compensation to the owner of said property.<sup>5</sup>
- **Farm operation:** The term farm operation means any activity conducted solely or primarily for the production of one (1) or more agricultural products or commodities, including timber, for sale or home use, and customarily producing such products or commodities in sufficient quantity to be capable of contributing materially to the operator's support.
- **Federal financial assistance:** The term Federal financial assistance means a grant, loan, or contribution provided by the United States, except any Federal guarantee or insurance and any interest reduction payment to an individual in connection with the purchase and occupancy of a residence by that individual.
- **Household:** A family and/or individuals who reside together in a single dwelling, including a live-in aid, if applicable.
- **Household income:** The term household income means total gross income received for a **twelve (12) month** period from all sources (earned and unearned) including, but not limited to wages, salary, child support, alimony, unemployment benefits, workers compensation, social security, or the net income from a business. It does not include income received or earned by dependent children and full-time students under 18 years of age. (See 49 C.F.R. Appendix A, § 24.2(a)(14) for examples of exclusions to income).
- **Initiation of negotiations (ION):** Unless a different action is specified in applicable Federal program regulations, the term initiation of negotiations means the following:
  - (i) Whenever the displacement results from the acquisition of the real property by a Federal Agency or State Agency, the initiation of negotiations means the delivery of the initial written offer of just compensation by the Agency to the owner or the owner's representative to purchase the real property for the project. However, if the Federal Agency or State Agency issues a notice of its intent to acquire the real property, and a person moves after that notice, but before delivery of the initial written purchase offer, the initiation of negotiations means the actual move of the person from the property.
  - (ii) Whenever the displacement is caused by rehabilitation, demolition, or privately undertaken acquisition of the real property (and there is no related acquisition by a Federal Agency or a State Agency), ~~the~~ initiation of negotiations means the

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<sup>5</sup> U.S. CONST. amen. V.

notice to the person that he or she will be displaced by the project or, if there is no notice, the actual move of the person from the property.

(iii) In the case of a permanent relocation to protect the public health and welfare, under the Comprehensive Environmental Response Compensation and Liability Act of 1980 (Pub. L. 96-510, or Superfund) (**CERCLA**) the initiation of negotiations means the formal announcement of such relocation or the Federal or federally-coordinated health advisory where the Federal Government later decides to conduct a permanent relocation.

(iv) In the case of permanent relocation of a tenant as a result of an acquisition of real property described in § 24.101(b)(1) through (5), the initiation of negotiations means the actions described in § 24.2(a)(15)(i) and (ii), except that such initiation of negotiations does not become effective, for purposes of establishing eligibility for relocation assistance for such tenants under this part, until there is a written agreement between the Agency and the owner to purchase the real property. (See 49 C.F.R. Appendix A, § 24.2(a)(15)(iv)).

- **Lead Agency:** While HUD is the lead agency for CDBG-DR funds, the Federal Highway Administration is the lead agency for URA, as URA is a cross-cutting federal requirement that is applicable to all federally funded programs, including CDBG.
- **Mobile home:** The term mobile home includes manufactured homes and recreational vehicles used as residences. (See 49 C.F.R. Appendix A, § 24.2(a)(17)).
- **Mortgage:** The term mortgage means such classes of liens as are commonly given to secure advances on, or the unpaid purchase price of, real property, under the laws of the State in which the real property is located, together with the credit instruments, if any, secured thereby.
- **Nonprofit organization:** The term nonprofit organization means an organization that is incorporated under the applicable laws of a State as a nonprofit organization, and exempt from paying Federal income taxes under section 501 of the Internal Revenue Code (26 U.S.C. 501).
- **Owner of a dwelling:** The term owner of a dwelling means a person who is considered to have met the requirement to own a dwelling if the person purchases or holds any of the following interests in real property:
  - (i) Fee title, a life estate, a land contract, a 99-year lease, or a lease including any options for extension with at least fifty (50) years to run from the date of acquisition; or
  - (ii) An interest in a cooperative housing project which includes the right to occupy a dwelling; or

(iii) A contract to purchase any of the interests or estates described in § 24.2(a)(1)(i) or (ii); or

(iv) Any other interest, including a partial interest, which in the judgment of the Agency warrants consideration as ownership.

- **Person:** The term person means any individual, family, partnership, corporation, or association.
- **Program or project:** The phrase program or project means any activity or series of activities undertaken by a Federal Agency or with Federal financial assistance received or anticipated in any phase of an undertaking in accordance with the Federal funding Agency guidelines.
- **Relocation Specialist:** The term relocation specialist refers to individuals who on behalf of the Program will be communicating with entitled persons regarding URA. This term is synonymous with URA Case Manager.
- **Salvage value:** The term salvage value means the probable sale price of an item offered for sale to knowledgeable buyers with the requirement that it be removed from the property at a buyer's expense (i.e., not eligible for relocation assistance). This includes items for re-use as well as items with components that can be re-used or recycled when there is no reasonable prospect for sale except on this basis.
- **Small business:** A small business is a business having not more than 500 employees working at the site being acquired or displaced by a program or project, which site is the location of economic activity. Sites occupied solely by outdoor advertising signs, displays, or devices do not qualify as a business for purposes of § 24.304.
- **State:** Any of the several States of the United States or the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or a political subdivision of any of these jurisdictions. Pursuant to an alternative requirement established by 83 FR 5844, all references to states and State grantees shall include the Commonwealth of Puerto Rico.
- **Subrecipient:** Means an entity, usually but not limited to non-Federal entities, ~~Non-Federal entity~~ that receives a subaward from a pass-through entity to carry out part of a Federal award; but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.
- **Tenant:** The term tenant means a person who has the temporary use and occupancy of real property owned by another.
- **Uneconomic remnant:** The term uneconomic remnant means a parcel of real property in which the owner is left with an interest after the partial acquisition of the

owner's property, and which the Agency has determined has little or no value or utility to the owner.

- **Uniform Act or URA:** The term Uniform Act means the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91-646, 84 Stat. 1894; 42 U.S.C. 4601 *et seq.*), and amendments thereto.
- **Unlawful occupant:** A person who occupies without property right, title or payment of rent or a person legally evicted, with no legal rights to occupy a property under State law. An Agency, at its discretion, may consider such person to be in lawful occupancy.
- **URA Case Manager:** A URA Case Manager (sometimes referred to as simply "Case Manager" in this Guide) refers to an individual who on behalf of the Program will be communicating with entitled persons regarding URA. This term is synonymous with Relocation Specialist.
- **Utility costs:** The term utility costs refer to expenses for electricity, gas, other heating and cooking fuels, water, and sewer.
- **Utility facility:** The term utility facility means any electric, gas, water, steam power, or materials transmission or distribution system; any transportation system; any communications system, including cable television; and any fixtures, equipment, or other property associated with the operation, maintenance, or repair of any such system. A utility facility may be publicly, privately, or cooperatively owned.
- **Utility relocation:** The term utility relocation means the adjustment of a utility facility required by the program or project undertaken by the displacing Agency. It includes removing and reinstalling the facility, including necessary temporary facilities; acquiring necessary right-of-way on a new location; moving, rearranging, or changing the type of existing facilities; and taking any necessary safety and protective measures. It shall also mean constructing a replacement facility that has the functional equivalency of the existing facility and is necessary for the continued operation of the utility service, the project economy, or sequence of project construction.
- **Waiver valuation.** The term waiver valuation means the valuation process used and the product produced when the Agency determines that an appraisal is not required, pursuant to §24.102(c)(2) appraisal waiver provisions.

## 4 Acronyms

The following acronyms are commonly used in the implementation of programs subject to this regulation:

- Bureau of Citizenship and Immigration Service (**BCIS**)
- Federal Emergency Management Agency (**FEMA**)
- Federal Housing Administration (**FHA**)
- Federal Highway Administration (**FHWA**)
- Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (**FIRREA**)
- Housing and Community Development Act of 1974 (**HCDA**)
- Housing of last resort (**HLR**)
- U.S. Department of Housing and Urban Development (**HUD**)
- Mortgage interest differential payment (**MIDP**)
- Puerto Rico Department of Housing Uniform Relocation Assistance and Real Property Guide (**PRDOH URA Guide**)
- Replacement housing payment (**RHP**)
- Surface Transportation and Uniform Relocation Act Amendments of 1987 (**STURAA**)
- Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (**URA**)
- U.S. Department of Transportation (**USDOT**)
- Uniform Standards of Professional Appraisal Practice (**USPAP**)

## 5 Requirements and Waivers

### 5.1 Applicable Waivers and Alternative Requirements

In 83 FR 5844, HUD provided waivers and alternative requirements to select requirements under the URA, section 104(d) of the HCDA, and Section 414 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, 42 U.S.C. 5181, concerning the use of CDBG-DR funds. HUD extended these waivers and alternative requirements to the additional CDBG-DR funds allocated to Puerto Rico under Federal Register Notices Vol. 83, No. 157 (August 14, 2018) 83 FR 40314, and Vol. 85, No. 17 (January 27, 2020) 85 FR 4681. These waivers and alternative requirements are summarized below.

### 5.2 One-for-One Replacement

One-for-one replacement requirements at section 104 (d ) (2) (A) (i) and (ii) and (d) (3) of the HCDA and 24 C.F.R. § 42.375 are waived in connection with CDBG-DR funds allocated under the aforementioned Notices for lower-income dwelling units that are damaged by the disaster and not suitable for rehabilitation. Section 104(d) one-for-one replacement requirements generally apply to demolished dwelling units or converted occupied and vacant occupiable lower-income dwelling units. This waiver exempts disaster-damaged units that meet the definition of “not suitable for rehabilitation” from the one-for-one replacement requirements.

PRDOH defines the term “not suitable for rehabilitation” as a storm-damaged home that cannot be rehabilitated or reconstructed in place due to a CDBG-DR program policies and program award caps. Homes that are not suitable for rehabilitation are those that

the estimated rehabilitation costs of the structure exceed the threshold value established by the specific CDBG-DR program, cannot be brought up to state and local code requirements, legal issue, site limitation, represent engineering or environmental constraints. However, PRDOH may determine that rehabilitation is warranted in cases involving preservation and restoration of properties of historical significance.

### 5.3 Relocation Assistance

The relocation assistance requirements at section 104 (d) (2) (A) of the HCDA and 24 C.F.R. § 42.350 are waived to the extent that they differ from the requirements of URA and its implementing regulations at 49 C.F.R. Part 24, as modified by waivers and alternative requirements established, for activities related to disaster recovery. This waiver of section 104 (d) relocation assistance requirements assures uniform and equitable treatment by setting the URA and its implementing regulations as the sole standard for relocation assistance provided under the CDBG-DR Program.

### 5.4 Tenant-Based Rental Assistance

The requirements of sections 204 and 205 of the URA, and 49 C.F.R. § 24.2 (a) (6) (vii), 24.2 (a) (6) (ix), and 24.402 (b) are waived to the extent necessary to permit a grantee to meet all or a portion of a grantee's replacement housing payment obligation to a displaced tenant by offering rental housing through a Tenant-Based Rental Assistance (TBRA) housing program subsidy (e.g., Section 8 rental voucher or certificate), provided that comparable replacement dwellings are made available to the tenant in accordance with 49 C.F.R. § 24.204 (a) where the owner is willing to participate in the TBRA program, and the period of authorized assistance is at least **forty-two (42) months**.

TBRA programs, such as the Section 8 rental voucher program, are programs administered by HUD Public Housing, typically not through disaster recovery grants. TBRA programs referenced in this waiver are not disaster recovery programs. This waiver allows PRDOH to use TBRA programs to meet the URA benefit obligation of providing comparable replacement dwellings which are supported by TBRA to displaced persons, so long as the displaced person is willing to participate in the TBRA program.

### 5.5 Arm's Length Voluntary Purchase

The requirements at 49 C.F.R. 24.101(b) (2) (i) and (ii) are waived to the extent that they apply to an arm's length voluntary purchase carried out by a person who uses funds allocated under the aforementioned Notices and does not have the power of eminent domain, in connection with the purchase and occupancy of a principal residence by that person.

### 5.6 ~~Optional Relocation Policies~~

~~Grantees may allow their subrecipients to establish separate optional relocation policies for CDBG-DR programs, which is otherwise not contemplated by 24 C.F.R. § 570.606 (d).~~

~~This waiver is intended to provide States with maximum flexibility in developing optional relocation policies with CDBG-DR funds.~~

## 5.7 Displacement Due to a Major Disaster

Section 414 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, 42 U.S.C. 5181, states that no person otherwise eligible for any kind of replacement housing payment under URA shall be denied that eligibility for failure to meet the occupancy requirements set by the URA due to being displaced from the subject property as a result of a major disaster as determined by the President. Section 414 of the Stafford Act (including its implementing regulation at 49 C.F.R. § 24.403(d)(1)), is waived to the extent that it would apply to real property acquisition, rehabilitation, or demolition of real property for a CDBG-DR funded project commencing more than **one (1) year** after the date of the latest applicable Presidentially declared disaster undertaken by the grantees, or subrecipients, provided that the project was not planned, approved, or otherwise underway prior to the disaster.

For purposes of this paragraph, a CDBG-DR funded project shall be determined to have commenced on the earliest of: (1) The date of an approved Request for Release of Funds and certification, or (2) the date of completion of the site-specific review when a program utilizes tiered environmental reviews, or (3) the date of sign-off by the approving official when a project converts to exempt under 24 C.F.R. § 58.34(a)(12). Because no projects funded by the CDBG-DR allocations for the year 2017 disasters commenced within one (1) year of the qualifying disaster event, this waiver applies to activities undertaken as part of PRDOH's CDBG-DR portfolio of programs, outlined in the Action Plan for Disaster Recovery, as amended.

This waiver does not apply concerning persons that meet the occupancy requirements to receive a replacement housing payment under the URA, nor does it apply to persons displaced or relocated temporarily by other HUD-funded programs or projects. Such persons' eligibility for relocation assistance and payments under the URA is not impacted by this waiver.

## 6 Acquisition Requirements

CDBG-DR funds may be used to acquire real property for any public purpose as set forth in the URA and HCDA as modified by waivers or alternative requirements. Methods of acquisition include purchase, long-term lease of **fifteen (15) or more years**, and donations. PRDOH may acquire real property directly or provide CDBG-DR assistance to another public agency or public or private non-profit subrecipient to acquire real property. This means the property need not be publicly owned to serve a public purpose. When federal funds are planned, intended, or used for any activity or phase of a project

and the phases are interdependent, the URA applies to the land acquisition even if CDBG-DR does not fund the purchase.

All notifications and documents are sent in English and Spanish until the preferred language of their recipient is known. Each notice must include the contact information of a person who can be contacted to answer questions or provide other needed help. Persons who are unable to read or understand the notifications must be provided with appropriate translation or interpretation services in accordance with the PRDOH CDBG-DR Language Access Plan and Reasonable Accommodation Policy, as applicable to the needs of a displaced person or their household.<sup>6</sup>

PRDOH has established URA compliance checklists to be used by any subrecipient or project owner where any acquisition is required, or when the project site to be acquired is occupied by residential or commercial tenants. The applicable checklists must be completed by the acquiring entity before submitting an invoice for an acquisition or pursuing any eminent domain proceedings.

A property owner or residential or commercial tenants occupying the property to be acquired are typically considered displaced persons, with some exceptions. They would trigger applicable requirements for relocation assistance described at 49 C.F.R. Subparts C through F. These requirements are explained further in the General Relocation Requirements section of this Guide. Requirements for acquisition under the URA differ based on whether it is voluntary or involuntary.

## **6.1 Voluntary Acquisition**

Voluntary acquisitions are those acquisitions carried out with no threat or use of eminent domain (condemnation) meeting the criteria outlined in 49 C.F.R. § 24.101 (b) (1) through 5. These criteria describe the situations and related requirements that must be met in order for an acquisition to be considered voluntary. For the purposes of the CDBG-DR Program, only three (3) of these situations will be encountered.

- 1) The requirements for real property acquisition at 49 C.F.R. § 24, Subpart B do not apply if all of the following conditions are met:
  - No specific site or property needs to be acquired;
  - Property to be acquired is not part of an intended, planned, or designated project area where all or substantially all of the property within the area is to be acquired within specific time limits;

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<sup>6</sup> The CDBG-DR Language Access Plan and the Reasonable Accommodation Policy are available in English and Spanish in the PRDOH CDBG-DR website at <https://cdbg-dr.pr.gov/en/resources/policies/general-policies/> and <https://cdbg-dr.pr.gov/recursos/politicas/politicas-generales/>.

- An Agency will not acquire property if the negotiations fail to reach an amicable agreement, and the owner of such property is informed in writing; and
  - An Agency will inform the owner in writing of what it believes to be the **property's fair market value**.
- 2) Acquisitions for CDBG-DR funded programs or projects that are undertaken by an Agency that does not have the authority of eminent domain are not subject to the aforementioned real property acquisition requirements at Subpart B, provided that such Agency shall:
- Prior to making an offer **to acquire** the property, clearly advise the owner that it is unable to acquire the property if negotiations fail to result in an agreement; and
  - Inform the owner in writing of what it believes to be the **property's fair market value**.
- 3) The acquisition of real property from a Federal Agency, State, or State Agency, if the Agency desiring to make the purchase, does not have authority to acquire the property through condemnation.

In situations where a property owner resides on the property subject to an application to a CDBG-DR Program that would result in acquisition, such as the R3 Program, the acquisition is voluntary so long as the requirements above are met. No property will be acquired through involuntary purchase or eminent domain or condemnation if negotiations for acquisition fail to result in an agreement. Owners of such properties acquired voluntarily by PRDOH are not considered displaced persons (see 49 C.F.R § 24.2(a)(9)(ii)(E) or (H)), and as such, are not entitled to relocation assistance benefits under URA. However, tenants in such properties may be eligible for relocation assistance benefits. More information about relocation benefits for such tenants can be found under the **General Relocation Requirements** of this Guide.

As per Article 1331 of the Puerto Rico Civil Code, Act No. 55-2020, 31 L.P.R.A. § 10101, a lessee (tenant) is a person who, **under a lease, and on a temporary basis**, acquires the use and **enjoyment** of a **property** in exchange **for** a particular price.

The basic steps for the voluntary purchase of a property are outlined below:

1. **Determine Ownership** – The acquiring agency should determine ownership of the property by reviewing available property records. **The Agency must provide proof of ownership of the property to be acquired by conducting a title search.**
2. **Voluntary Acquisition Notice to Owner**–**The acquiring agency must issue a written notice to the property owner. This notice serves to properly inform them of the agency's interest in acquiring the property using Federal funds, the owner has the**

right to receive just compensation based on the appraised value, and that the owner may accompany the appraiser during the appraisal of the property. The notice must also include a statement of the Acquiring Agency declaring does not have, or will not use, the power of eminent domain and if they are unable to negotiate a satisfactory agreement, the Agency will not acquire or condemn the property.

3. **General Information Notice to Tenant** – If the property is occupied by any residential or commercial tenants, a General Information Notice, as provided on 49 C.F.R. § 24.203(a), should be issued to each tenant as soon as feasible via certified mail or hand delivery. When notifications are personally served, recipients will be asked to sign an acknowledgment of document receipt.
4. **Determine Property Value** - Although an appraisal is not required for voluntary acquisitions by URA regulations, it is the policy of PRDOH that all acquisitions or dispositions of real property, conducted by PRDOH or its subrecipients that involve CDBG-DR funding, must include an appraisal and review appraisal.<sup>7</sup>
5. **Just Compensation Offer** - In cases of voluntary acquisitions, the Acquiring Agency must provide the property owner with a just compensation offer in writing of what is determined to be the property's market value based on the appraised value of the property.
6. **Negotiations** - In the case of voluntary acquisitions under URA, there is nothing in the regulations to preclude negotiations from resulting in an agreement at, above, or even below the Agency's appraised value after the property owner has been so informed, and all applicable requirements have been satisfied. Acquiring Agencies should consider alternative sites to complete the project prior to entering into any purchase agreement at an amount that exceeds the Agency's estimate of market value unless the additional amount is reasonably supported and justified. *(see Administrative Settlement)*
7. **Administrative Settlement (49 C.F.R. § 24.102 (i))** - When the property's purchase price exceeds the amount offered by the Agency, where reasonable efforts to negotiate an agreement at that amount have failed, a written justification for the higher amount shall be prepared in the form of a URA Administrative Settlement Memorandum. This memorandum states the available information to support the incremental cost over and above the estimated market value. PRDOH approval is required prior to entering into a purchase agreement for more than the

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<sup>7</sup> Consistent with Section 3 and Section 4 of Executive Order OE-2004-04 (January 20, 2004).

appraised value. PRDOH will evaluate if the administrative settlement is reasonable, prudent, and in the public's interest.

8. **Closing** – Following successful negotiations closing documents are prepared and executed. At closing, the owner is provided with a closing statement (HUD-1 form or equivalent). Completed closing documents should be recorded.

## 6.2 Involuntary Acquisition (49 C.F.R. § 24, Subpart B)

Involuntary acquisitions are those that do not meet the Voluntary Acquisition requirements previously mentioned and are initiated using the threat or use of eminent domain. Involuntary acquisitions are subject to the provisions of 49 C.F.R. § 24, Subpart B. The exercise of the power of eminent domain requires that a displacing project serve a public use. For purposes of CDBG-DR funds, public use does not include economic development activities that primarily benefit private entities.

Any acquisition efforts, especially those involving the threat of eminent domain, must be closely coordinated between the acquiring entity and the CDBG-DR Program first to confirm the eligibility and feasibility of the proposed project or activity to which the acquisition relates.

The basic steps for the involuntary purchase of property are outlined below:

1. **Determine Ownership** – The Acquiring Agency should determine ownership of the property by reviewing available property records. A title search of the property to determine ownership is often necessary.
2. **Notice to Owner (49 C.F.R. § 24.102(b))** – This notice serves as the initial written communication to inform an owner of the Agency's interest in acquiring the property using Federal funds. The notice must also provide information on the basic protections provided to the property owner under the URA. This notice must clearly outline the agency's authority to acquire the property under the power of eminent domain, should negotiations be unsuccessful. The HUD information brochure, "When a Public Agency Acquires Your Property," should be included with the notice. Proof of certified delivery must be maintained in the case file. When notifications are personally served, recipients will be asked to sign an acknowledgment of document receipt.
3. **General Information Notice to Tenant** – If the property is occupied by any residential or commercial tenants, a General Information Notice as provide on 49 C.F.R. § 24.203(a), should be issued to each tenant as soon as feasible via certified mail or hand delivery. When notifications are personally served, recipients will be asked to sign an acknowledgment of document receipt.

4. **Appraisal (49 C.F.R. § 24.103)** – A licensed appraiser must appraise the property and be consistent with the Uniform Standards of Professional Appraisal Practice (USPAP). The property owner or their representative must be provided the opportunity to accompany the appraiser during the appraiser's inspection of the property.
5. **Appraisal Review (49 C.F.R. § 24.104)** – After the appraisal is conducted, it must be examined by a qualified review appraiser. The review appraiser must examine the appraisal to check that it meets all applicable requirements and evaluate the initial appraiser's documentation, analysis, and soundness of opinion. The review appraiser must certify that the appraisal and its process conformed to the USPAP and 49 C.F.R. § 24.103.
6. **Establish Just Compensation (49 C.F.R. § 24.102(d))** - Before initiation of negotiations, the Acquiring Agency shall establish an amount that it believes is just compensation for the real property. The amount shall not be less than the approved appraisal of the fair market value of the property. The determination of just compensation may not be delegated to a third party or private consultant.
7. **Written Offer to Purchase and Summary Statement (49 C.F.R. § 24.102(e))** - Promptly after establishing just compensation, the Acquiring Agency must send the property owner a written Offer to Purchase. Along with the initial written purchase offer, the owner shall be given a written summary statement of the basis for the offer of just compensation.
8. **Negotiations (49 C.F.R. § 24.102(f), 24.106)** – The Agency shall make all reasonable efforts to contact an owner or their agent to fairly negotiate for the purchase of the property, including incidental expenses. If negotiations are successful, complete the sale. If, after affording an owner a reasonable opportunity to consider and/or counteroffer, negotiations are unsuccessful, consider an administrative settlement to complete the sale.
9. **Administrative Settlement (49 C.F.R. § 24.102(i))** - When the property's purchase price exceeds the amount offered by the Agency, where reasonable efforts to negotiate an agreement at that amount have failed, a written justification for the higher amount shall be prepared in the form of a URA Administrative Settlement Memorandum. This memorandum states the available information to support the incremental cost over and above the estimated market value. PRDOH approval is required prior to entering into a purchase agreement for more than the appraised value. PRDOH will evaluate if the administrative settlement is reasonable, prudent, and in the public's interest.

10. **Condemnation** – If negotiations are unsuccessful, the Acquiring Agency can choose to walk away or proceed with eminent domain through the court system. Condemnation is the legal process by which the title to the property is acquired through the process of eminent domain. The Agency shall institute formal condemnation proceedings, and court will determine just compensation for the property.
11. **Payment** – Before requiring an owner to surrender possession of real property, the Agency shall pay to the owner, or deposit with the court for the benefit of the owner, the agreed purchase price that is not less than the Agency's approved appraisal or, in the case of condemnation, the court award of compensation.
12. **Closing** – Following successful negotiations closing documents are prepared and executed. At closing, the owner is provided with a closing statement (HUD-1 form or equivalent). Completed closing documents should be recorded.

### 6.3 Other URA Acquisition Applicability

The provisions of the URA apply when acquiring fee title subject to retention of a life estate or a life use; to acquisition by leasing where the lease term, including option(s) for extension, is **fifteen (15) years** or more; and to the acquisition of permanent and/or temporary easements necessary for the project. However, PRDOH may apply the real property acquisitions regulations to any less-than-full-fee acquisition that, in its judgment, should be covered.

The provisions of URA do not apply to temporary easements or permits needed solely to perform work intended exclusively for the benefit of the property owner, which work may not be done if an agreement cannot be reached.

### 6.4 Donations (49 C.F.R. § 24.108)

An owner whose real property is to be acquired may, after being fully informed by the Acquiring Agency of the right to receive just compensation for such property, donate the property or any part thereof to the Agency. The Acquiring Agency must obtain an appraisal of the real property unless the owner, in writing, releases the Agency from such obligation, except as provided in 49 C.F.R. § 24.102(c)(2).

### 6.5 Appraisal Requirements (49 C.F.R. § 24.103)

When PRDOH is the acquiring agency, they must procure appraisal and review appraisal services in accordance with PRDOH Procurement Manual for the CDBG-DR Program, Regulation 9205<sup>8</sup>. When subrecipients become the acquiring agency, they must procure

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<sup>8</sup> On August 4, 2020, PRDOH approved "Procurement Manual for the CDBG-DR Program", Regulation No. 9205, effective on September 3, 2020 (Regulation No. 9205), which repeals the "Procurement Manual and Contractual Requirements for

appraisal and review appraisal services in accordance with the provisions of federal regulation 2 C.F.R. § 200.317. This, in turn, allows subrecipients to be subject to the provisions of 2 C.F.R. § 200.318 to 2 C.F.R. § 200.327 when conducting their procurements.<sup>9</sup> An agreement for appraisal services requiring compliance with Uniform Appraisal Standards for Federal Land Acquisitions (**UASFLA**) must be executed.

A minimum of one (1) appraisal is required; however, if the project is potentially controversial or where property values exceed one hundred thousand dollars (\$100,000.00), the acquiring agency may consider having a second independent appraisal. A review appraisal must be prepared for each appraisal conducted. The appraisal report(s), including the review appraiser's report, must meet the requirements at 49 C.F.R. § 24.103 and 49 C.F.R. § 24.104.

The property owner must be invited to accompany each appraiser on the appraiser's inspection of the property as required by 49 C.F.R. § 24.102(c)(1).

In accordance with 49 C.F.R. § 24.103(d)(2) if the acquiring agency uses a contract (fee) appraiser to perform the appraisal, such appraiser shall be State licensed or certified in accordance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (**FIRREA**), 12 U.S.C. 3331 *et seq.*

## 6.6 Other Acquisition Requirements

1. **Coercive Action (49 C.F.R. § 24.102(h))**– An Agency shall not advance the time of condemnation or defer negotiations or condemnation or the deposit of funds with the court or take any other coercive action in order to induce an agreement on the price to be paid for the property.
2. **Uneconomic Remnant (49 C.F.R. § 24.102(k))**– If the acquisition of only a portion of a property would leave the owner with an uneconomic remnant, the Agency shall offer to acquire the uneconomic remnant along with the portion of the property needed for the project.
3. **Fair Rental (49 C.F.R. § 24.102(m))**– If the Agency permits a former owner or tenant to occupy the real property after acquisition for a short term, or a period subject to termination by the Agency on short notice, the rent shall not exceed the fair market rent for such occupancy.
4. **Conflict of Interest** – Any conflicts of interest relating to property acquisition must be disclosed in a Property Owner Conflict of Interest Disclosure Form.

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CDBG-DR", Regulation No. 9075 of February 26, 2019 (Regulation No. 9075); and any other previously regulation, manual, administrative order, or circular letter regarding this matter. All ongoing procurements initiated before September 3, 2020, must abide by the repealed "Procurement Manual and Contractual Requirements for CDBG-DR", Regulation No. 9075 of February 26, 2019.

<sup>9</sup> OA 21-27 - To enable all subrecipient entities of CDBG-DR funds to use the provisions of 2 C.F.R. § 200.318 through 2 C.F.R. § 200.327 in their procurement processes in relation to CDBG-DR Programs.

- a. A conflict of interest exists when an owner of an interest in real property to be acquired for a CDBG-DR assisted project serves as an officer, employee, or agent of PRDOH or a subrecipient, or a designated acquiring agent or exercises any other responsible function in connection with the project.
- b. The appraiser, review appraiser or person performing the waiver valuation shall not have any interest, direct or indirect, in the real property being valued for the Agency.
- c. No person shall attempt to unduly influence or coerce an appraiser, review appraiser, or waiver valuation preparer regarding any valuation or other aspect of an appraisal, review or waiver valuation. Persons functioning as negotiators may not supervise or formally evaluate the performance of any appraiser or review appraiser performing appraisal or appraisal review work, except that, for a program or project receiving Federal financial assistance, the Federal funding Agency may waive this requirement if it determines it would create a hardship for the Agency.
- d. An appraiser, review appraiser, or waiver valuation preparer making an appraisal, appraisal review or waiver valuation may be authorized by the Agency to act as a negotiator for real property for which that person has made an appraisal, appraisal review or waiver valuation only if the offer to acquire the property is \$10,000, or less.

## 6.7 Decide Not To Acquire

In the event the acquiring agency decides not to acquire or condemn the property for any reason after property owners and/or tenant have received a written URA notification, the agency must notify the property owner and all tenants in writing of its intention not to acquire the property and that they are no longer eligible for relocation assistance.

## 7 General Relocation Requirements

Anyone who meets the URA definition of a “displaced person” must be fully informed of their rights and entitlements to relocation assistance and payments provided under the URA. For the CDBG-DR Program, any Displacing Agency administering Program-funded projects or activities that cause displacement shall ensure that all URA relocation requirements are met. These requirements include, but are not limited to:

- Provision of written notifications to displaced persons that inform them about potential future displacement, eligibility, and actions to be taken during the implementation of a displacing project;
- Identification of comparable dwellings or sites to those from which persons are displaced sufficiently prior to their displacement;

- Engagement in relocation planning that identifies the extent of potential displacement, types of activities displaced (residential, business), and needs to minimize impacts of displacement to the extent possible; and
- Provision of relocation services and assistance payments to residential and non-residential displacements based on individual needs and entitlements as afforded by URA and HCDA regulations.

The types of notifications, services, and assistance that will be made available to displaced persons will vary depending on whether it is a residential or non-residential displacement and whether it will be a temporary relocation (less than **one (1) year**) or permanent relocation.

It is essential to understand when URA relocation requirements apply to a project. The displacement of occupants from any property related to a CDBG-DR funded project is presumed to trigger URA requirements, even if CDBG-DR funds have not yet been awarded to the project. If displacement is caused prior to an award, it will be the project owner or subrecipient responsibility to evidence that such displacement is not the result of any activity related to the CDBG-DR program-funded project.

**Important note to Subrecipients:** The demands of URA compliance with relocation requirements are labor-intensive and require diligent recordkeeping. Any project causing displacement of households or businesses will need to create a relocation plan, generate and send written notices, perform intake for each household and business, determine eligibility and assistance amounts, provide individualized relocation advisory and counseling services, make timely payments to each displaced household and business, and complete a periodic report of these events to PRDOH. If the displacement of households and businesses cannot be avoided in the execution of a public-benefitting project, PRDOH highly recommends that Subrecipients procure the services of a qualified relocation service to administer a URA-compliant relocation process.

## 7.1 Notifications (49 C.F.R. § 24.203)

The following URA notifications are those which displaced persons (or potentially displaced) will receive depending on their situation and eligibility. All URA notifications are provided in English or Spanish at each person's preference, except as specified below, where both languages must be provided. Each notice includes the contact information of a specific person who can answer questions or provide other necessary assistance. Persons who are unable to read or understand the notifications must be provided with appropriate translation, interpretation, or other accessibility services in accordance with the PRDOH CDBG-DR Language Access Plan and Reasonable Accommodation Policy.

Certain notices described in this part require **delivery with certification** as indicated below, meaning that they are personally served or sent by certified first-class mail, with return receipt requested and documented in the Program system of record. When notifications are personally served, recipients will be asked to sign an Acknowledgement of Document Receipt to confirm receipt. A URA case file must indicate the method by which these notifications were delivered.

#### 7.1.1 Notice to Owner (49 C.F.R. § 24.102(b))

If a proposed project from a Displacing Agency is expected to receive Federal funding and involve the involuntary acquisition, the Agency needs to notify the owner(s) in writing of its interest in acquiring the property and the basic protections applicable under the URA. This may include acquisitions made before an application to the CDBG-DR program if the Agency anticipates receiving CDBG-DR assistance for the project. The Notice to Owner makes no commitments to the owner. **This notice is sent to the owner in English and Spanish.**

#### 7.1.2 General Information Notice (GIN) (49 C.F.R. 24.203(a))

Once an Agency or other entity makes a formal action to pursue CDBG-DR funds (i.e. applies to a CDBG-DR program) for a project, as soon as feasible, the General Information Notice (**GIN**) must be issued to potentially displaced persons that may be displaced by the assisted project. **This notice is sent to the tenant in English and Spanish.**

The GIN discloses to all potentially displaced persons that the Displacing Agency may provide assistance, via federal funding subject to URA, to support the rehabilitation, reconstruction, or acquisition of the property they occupy. The GIN outlines the basic requirements to be eligible for URA protections, the relocation assistance they may be eligible for, and the procedures for obtaining the payment(s). It also provides information about the reasonable relocation advisory services available to help the displaced person successfully relocate.

The GIN advises households NOT to relocate until advised to do so by the Displacing Agency. The GIN advises households that they will not be required to move without at least **ninety (90) days** advance written notice for permanently displaced persons or without at least **thirty (30) days** advance written notice for temporary relocation, as well as being provided with at least one (1) comparable dwelling. Persons that relocate after receiving a GIN but before receipt of one of these notices are considered to have moved voluntarily and for reasons other than Program-funded activities, making them not displaced persons.

The GIN informs the displaced person that any person who is an alien not lawfully present in the United States is ineligible for relocation assistance unless such ineligibility would cause extremely unusual hardship to a qualifying spouse, parent, or child. Finally, the GIN

provides information about the person's right to appeal an Agency determination as to a person's application for assistance for which a person may be eligible.

For property owners who have applied to a CDBG-DR Program to receive funding for a displacing project, a copy of the GIN is provided to that Applicant.

### 7.1.3 Notice of Non-Displacement – No Relocation Required

All households receiving a Notice that will not need to relocate to complete Agency activities are provided a Notice of Non-Displacement – No Relocation Required. Every effort is made to provide the Notice in a timely manner following the review and approval of the Program activities. Once provided with a Notice of Non-Displacement – No Relocation Required, a household is determined to not qualify for URA assistance unless the Program activities are significantly altered. A circumstance that would prompt notice of non-displacement no relocation required would be that program activity doesn't take place or that the tenant can stay on property while repairs are being made.

### 7.1.4 Notice of Non-Displacement – Temporary Relocation Required

All households receiving a GIN that will need to relocate for periods up to **twelve (12) months** to complete Program activities are provided a Notice of Non-Displacement – Temporary Relocation Required. Temporary relocation is most commonly required when a tenant occupies a storm-damaged property that qualifies to receive rehabilitation or reconstruction in its original location, but the scope of work and/or special household conditions requires the occupants to move temporarily. The need for permanent displacement vs. temporary relocation will be determined on a case-by-case basis in compliance with URA regulations.

### 7.1.5 Notice of Eligibility (NOE)

A Notice of Eligibility should be provided immediately following the formal commitment of CDBG-DR funding to a project or formal confirmation of intent to acquire real property. Eligibility is based on the determination that a person will qualify as a displaced person and satisfies the eligibility requirements specified below in the Household Eligibility Requirements for URA section of this document. The NOE must include the types and amounts of assistance they may be entitled to claim based on the information collected at intake to establish the base monthly rental, or if applicable, a replacement housing payment to a homeowner occupant.

#### 7.1.5.1 NOE-Temporary Relocation

This document informs the tenant that the relocation period will not exceed **twelve (12) months**. In addition, it notifies eligible households of their entitlements for relocation advisory services, moving costs, and rental assistance.

The household must also be provided with a Comparable Dwelling Listing form, which provides information on at least one (1) comparable replacement dwelling available to

them. This comparable will determine the maximum rental assistance for the household. Also, the displaced person(s) will be informed that he/she/they will receive a notice indicating, at least **thirty (30) days** in advance, the specific date by which they must move.

#### 7.1.5.2 NOE-Permanent Relocation

This document informs the tenant of their eligibility for relocation advisory services, moving costs, and replacement housing payments to **permanently relocate**. Together with the NOE, the displaced person is provided with information on at least one (1) comparable replacement dwelling and the maximum amount of replacement housing payments available to the household. Also, the displaced person(s) will be informed that **they** will receive a notice indicating, at **least ninety (90) days** in advance, the specific date by which they must move.

Displaced persons receiving a Notice of Eligibility should indicate their relocation preferences as soon as feasible in order to support accurate relocation planning and market analysis. Preferences are non-binding and do not affect the household's eligibility for URA assistance and services.

Eligibility for relocation assistance begins based on whether the activity includes acquisition. If no acquisition is occurring, then on the date of a notice of intent to acquire (described in §24.203(d)), the initiation of negotiations (defined in §24.2(a)(15)), or actual acquisition, whichever occurs first. When this occurs, the Agency shall promptly notify all occupants in writing of their eligibility for applicable relocation assistance.

#### 7.1.6 Thirty (30) Day Notice

Households who must temporarily relocate due to program activities are provided a minimum of **thirty (30) day** notice of the date by which they must vacate to allow Program activities to continue. Applicants may not knowingly create an emergency situation (failing to inform PRDOH **or subrecipient** of project plans, disconnecting utilities, restricting access and egress with construction staging, etc.) requiring households to vacate with less than **thirty (30) days** written notice from PRDOH **or the subrecipient**. Households may choose to relocate at any point after receipt of the **thirty (30) day** notice; up to the relocation date provided by **the notice** with no loss of URA eligibility.

If project plans are delayed, **agencies** may choose to provide a revised **thirty (30) day** notice to impacted households with a new relocation date. If households have been unable to secure temporary relocation housing with the Program's assistance by the relocation date, the project activities must be delayed until suitable housing can be secured.

### 7.1.7 Ninety (90) Day Notice (49 C.F.R. 24.203(c))

No lawful occupant that qualifies as “displaced persons” as defined in 49 C.F.R. § 24.2(a)(9) and who have been provided a Notice of Eligibility shall be required to move unless they receive **at least ninety (90) days advance written notice** of the earliest date by which they may be required to move.

Households may relocate and/or initiate a claim for relocation assistance at any point after receipt of the **ninety (90) day** notice up to the relocation date provided by the Program with no loss of URA eligibility. The household must notify PRDOH immediately when they have determined their move-out date. Households have up to **twelve (12) months** from the date of the **ninety (90) day** notice to occupy a replacement dwelling and up to **eighteen (18) months** from the date of the **ninety (90) day** notice to submit a claim relocation assistance.

## 7.2 Relocation Planning

PRDOH and its subrecipients will take all reasonable steps and make every effort to minimize displacement as a result of Program activities. Projects that will cause temporary relocation or permanent displacement of multiple residential or commercial occupants must have a relocation plan in place early in the project's timeline. The plan's purpose is to establish necessary information, roles, and responsibilities relating to the execution of relocation activities from initial notification through the relocation process until all affected occupants have been successfully relocated in compliance with URA requirements. A relocation plan should achieve, at minimum, the following:

- Establish the use of voluntary or involuntary acquisition of properties related to the project;
- Describe the number and nature of households and businesses identified to be displaced temporarily or permanently, as well as other information collected from these persons through the survey process;
- Specify the responsible persons and/or entities who will manage and provide URA case management and relocation services;
- Include projected timelines for the project causing displacement, as well as the relocation activities themselves;
- Identify the availability of comparable replacement dwellings;
- Identify any challenges projected for acquisition or relocation activities;
- Provide a course of action to address any challenges identified; and
- Inform the project budget to include relocation activity costs and ensure the availability of adequate resources for the project and URA compliance.

Relocation Plans will be reviewed by the awarding CDBG-DR program for the components listed above to confirm that the project owner or Subrecipient has secured

sufficient resources and that a successful relocation can be expected before the release of the project funding for any acquisition or construction activities.

### 7.3 Residential

PRDOH CDBG-DR Program activities include rehabilitation, reconstruction, new construction, demolition, and acquisition of storm-damaged single-family or multifamily residential properties. Prospective Agency activities may result in temporary relocation or permanent displacement subject to URA.

Below are the services necessary to provide and the requirements to follow in the event of URA-eligible residential relocation and displacement.

#### 7.3.1 Applicant Advisory Services

As a condition for receiving CDBG-DR assistance, Applicants and Subrecipients agree to comply with URA requirements and PRDOH requirements established in this Guide. Applicants and Subrecipients must disclose to PRDOH all households occupying the assisted property and must coordinate design and construction timelines with relocation planning to ensure households receive timely and proper written notifications, as well as relocation advisory services. PRDOH applicant advisory services focus on supporting Applicants and Subrecipients in their URA compliance efforts.

In order to maintain accurate records, PRDOH may request periodic updates and reports on project progress and the status of related URA relocation activities from the Applicant or Subrecipient. PRDOH may also request the Applicant's or Subrecipient's assistance in contacting property occupants. Applicants and Subrecipients refusing to provide the requested information and/or assistance may be found in violation of URA requirements that would jeopardize the Applicant's or Subrecipient's award of CDBG-DR assistance.

PRDOH will not interfere in the Applicant's or Subrecipient's efforts to enforce legally agreed upon occupancy terms. However, Applicants and Subrecipients must carefully document all potential and actual eviction proceedings as they occur to ensure proper procedure and notification of the occupants regarding their URA eligibility. While occupants may, after sufficient URA due diligence in accordance with this Guide, be evicted "for the project," failure to adequately inform the CDBG-DR Program in advance and document the eviction may result in the loss of Program eligibility or funding if the eviction appears to have been undertaken in order to clear the property for construction. PRDOH requests that all households in delinquency be given at least **thirty (30) days** to cure the issue before the Applicant or Subrecipient proceeds to legal eviction.

##### 7.3.1.1 Subsequent Tenant Occupancy

Owner applicants to CDBG-DR Programs are discouraged from allowing tenants to move into a property after an application for Program assistance to that property has been submitted, which is referred to as "subsequent occupancy." Should an Applicant or

Subrecipients have a new household occupy the property after the date of application to the Program and prior to substantial completion of Program activities, the Program requests that they provide a Move-In Notice prior to their move in or lease, which states that the household may be required to relocate and that they will not be eligible to receive URA assistance. Failure to properly notify households moving into the property after the date of application will result in the Applicant or Subrecipient being responsible for all relocation expenses incurred under URA.

For the R3 Program, the procedure for handling subsequent tenant occupants differs. Should an Applicant choose to have a new household occupy the property after the date of application to PRDOH, the Applicant must inform the Program of the new prospective tenants prior to allowing them to move in. PRDOH is responsible for ensuring that a Move-In Notice is provided to the disclosed household.

### 7.3.2 Relocation Advisory Services (49 C.F.R. § 24.205(c))

Relocation advisory services include determining the relocation needs and preferences of each person or household who must relocate, identifying comparable replacement units, and providing any other assistance needed by the displaced occupants through the URA relocation process. Relocation specialists are available to explain relocation payments and other assistance for which the person or household may be eligible, associated eligibility criteria, and the process for obtaining such assistance. Relocation advisory services shall include a personal interview with each displaced person. When feasible, contact shall be face-to-face.

Relocation advisory services are provided to all persons who must relocate from program-assisted properties to assure that the person(s) affected by the project understands their rights and responsibilities. Limited advisory services (separate from housing counseling services) are additionally provided to CDBG-DR Program Applicants and households not required to relocate to ensure notifications are received and applicable policies are clearly understood.

Dedicated Relocation Specialists must be made available by PRDOH and Subrecipients related to any project causing displacement to answer any questions about the URA, and PRDOH relocation policies and procedures. Communication, whether in person, postal mail correspondence, on the phone, or via email, must be recorded in an organized system of record that attributes communications to each household or business. PRDOH does not provide legal advice or intervene in landlord/tenant or other similar disputes.

### 7.3.3 Intake Meeting

PRDOH and its Subrecipients must meet with all households required to relocate to determine their relocation needs and preferences. Whenever possible, this meeting is

conducted in person. The meeting is coordinated with the delivery of the **thirty (30) day** notice and/or **ninety (90) day** notice, whenever possible. Households may request more than one (1) face-to-face meeting. The meeting may be conducted prior to delivery of the **thirty (30) day** notice or **ninety (90) day** notice when a relocation date is not yet known but is anticipated to be within the next **sixty (60)** or **one hundred twenty (120) days** as appropriate.

The purpose of the intake meeting is to:

- Ensure that all applicable notices described in the Notifications section have been provided and understood by the household;
- Describe the relocation process to the household, including the procedures for submitting expense claims and receiving payments;
- Explain the eligibility requirements and process for obtaining each type of available assistance, including any applicable payment calculations and limitations;
- Collect documentation from the household to be used to validate their eligibility and amount of assistance;
- Collect information on the specific features of the household's current dwelling and their relocation needs with respect to accessibility, transportation, and community; and
- Collect demographic data from the household to be included in PRDOH's reporting of assisted persons.

#### 7.3.4 Comparable Replacement Dwellings (49 C.F.R. § 24.2(a)(6))

In providing relocation advisory services, PRDOH and its Subrecipients must continuously review information on the availability, purchase prices, and rental costs of potential comparable replacement dwellings. Households are encouraged to review the housing market and notify PRDOH or its Subrecipients of preferred properties. No household is required to relocate until at least one (1) comparable<sup>10</sup> replacement dwelling has been made available to them, followed by the notice period applicable to the type of relocation. If a household is required to relocate more than once due to program activities, including potentially renegotiating lease terms due to changes in the expected duration of relocation, PRDOH or its Subrecipients will identify comparable replacement housing for each required relocation.

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<sup>10</sup> In addition, § 24.204(a) requires that, "where possible, three (3) or more comparable replacement dwellings shall be made available." Thus, the basic standard for the number of referrals required under this section is three (3). Only in situations where three (3) comparable replacement dwellings are not available (e.g., when the local housing market does not contain three (3) comparable dwellings) may the Agency make fewer than three (3) referrals. See 49 Appendix A to Part 24.

To be identified as comparable, a dwelling must be functionally equivalent to the displacement dwelling. The term “functionally equivalent” means that it performs the same function and provides the same utility. It does not require the replacement dwelling to include all the same features of the displacement dwelling.

At a minimum, a comparable dwelling must be able to house the entire household being relocated adequately. This includes providing any medically necessary accommodations required by any member of the household. PRDOH and its Subrecipients will consider the following additional factors in determining a unit's comparability:

- Environmental conditions at the location;
- Distance from the displacement dwelling;
- Location with respect to access to public utilities, commercial and public facilities, and the displaced person's place of employment;
- Size of the dwelling site;
- Cost as compared to the market and the financial means of the displaced person; and
- The length of the lease and other rental terms.

A dwelling is considered to be made available to the household if the household is informed of its location and the household is able to successfully negotiate a lease within a reasonable period of time, should they choose to do so. If a household does not attempt to negotiate a lease within a reasonable period of time and the unit is subsequently leased to others, additional comparable replacement dwellings may be made available to the household at the discretion of PRDOH or the Subrecipient. A reasonable period of time is generally understood to be at least **thirty (30) days**.

**Temporarily occupied housing** must be decent, safe, and sanitary. The Section 8 Housing Quality Standards checklist<sup>11</sup> may be used to document inspection and that the dwelling is free of lead paint and other hazards. **The temporary unit must be suitable** but not necessarily comparable (see 49 C.F.R. § 24.2(a)(6) Comparable replacement dwelling).

The agency will provide transportation to view the identified properties upon request. The agency may also assist households with completing rental applications and satisfying other requirements of the lease negotiation process. The agency does not provide legal advice to households.

### 7.3.5 Base Monthly Rental

The **base monthly rental** is the amount used to calculate the amount of URA rental assistance which displaced or temporarily relocated persons are eligible to receive. The

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<sup>11</sup> [https://www.hud.gov/sites/documents/DOC\\_11775.PDF](https://www.hud.gov/sites/documents/DOC_11775.PDF)

occupant's household circumstances, Adjusted Gross Income (AGI), current monthly rent and utilities, and location can each serve as a basis for the determination of the base monthly rental type and amount.

There are four (4) methods by which the base monthly rental can be determined:

1. **Actual Rent and Utilities Paid** is the amount of rent and utilities the household pays at the displacement dwelling. This method should be used when the household is not LMI and pays more than the Fair Market Rent.
2. **Fair Market Rent (FMR)** is established annually by HUD and is based on geographic area, usually at either a metro area or county/municipality level, as well as unit size, and includes utilities.<sup>12</sup> This method should be used when the household is not LMI and pays less than FMR, or no rent at all.
3. **Thirty Percent (30%) of the Household AGI** is only used if the household is Low-to-Moderate Income (LMI). This should be based on the CDBG-DR Adjusted Income Limits for Puerto Rico that are most current at the time of the income calculation.<sup>13</sup> This method should be used when the household is LMI and pays little to no rent.
4. **Welfare Housing Assistance** is any federal assistance the Tenant household receives that is specifically designated for shelter and utilities. This method should be used when the household receives such assistance and should be subtracted from the displacement dwelling rent and/or utilities to establish the base monthly rental.

The average monthly cost for rent and utilities at the displacement dwelling should be based on a minimum of **three (3) months** of these costs prior to initiation of negotiations. The LMI determination should be based on income documentation collected at intake and whether they receive any federal housing assistance.

### 7.3.6 Housing of Last Resort

Whenever a program or project cannot proceed on a timely basis because comparable replacement dwellings are not available within the project area as a whole or within the monetary limits for owners or tenants, PRDOH will offer additional or alternate assistance to eligible households. Any decision to provide housing of last resort must be adequately justified on a case-by-case basis in accordance with 49 C.F.R. § 24.404.

Methods for providing replacement housing of last resort include, but are not limited to:

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<sup>12</sup> The Fair Market Rents established by HUD can be accessed here: <https://www.huduser.gov/portal/datasets/fmr.html>

<sup>13</sup> The CDBG-DR Adjusted Income Limits for Puerto Rico can be accessed here: <https://www.huduser.gov/portal/datasets/cdbg-income-limits.html#2021>.

- A replacement housing payment in excess of the limits outlined in 49 C.F.R. § 24.401 or 49 C.F.R. § 24.402; Rehabilitation and/or additions to an existing replacement dwelling;
- Construction of a new replacement dwelling;
- Relocation and, if necessary, rehabilitation of a dwelling; and
- Removal of barriers for persons with disabilities.

Provisions of last resort housing assistance will be decided on a case-by-case basis, only after appropriate consideration has been given to the availability of comparable replacement housing in the project area, the resources available to provide comparable replacement housing, and the individual circumstances of the displaced person.

#### 7.3.7 Decent, Safe, and Sanitary (DSS) Inspections 49 C.F.R. § 24.403 (b))

PRDOH and its Subrecipients must inspect all relocation dwellings occupied by assisted households to ensure decent, safe, and sanitary (**DSS**) conditions. This inspection should be performed prior to negotiating a lease and always before occupying the dwelling. It is preferred that relocation dwellings be inspected prior to being occupied by the displaced person. There is no limit to the number of inspections that will be performed per household.

Should a tenant household disclose the need for ADA requirements, the Inspector must utilize the ADA Inspection Addendum together with the Housing Quality Standards (HQS) inspection form, to confirm the functional equivalence of the property. If any accessibility requirements aren't present at the inspection property, they will be presented to the household for approval.

Should a dwelling fail the initial inspection, the property owner will be given the opportunity to cure the identified issues within a reasonable period of time, but no longer than **ten (10) calendar days** before requesting a follow-up inspection. Should the issues persist upon reinspection and/or if the household so requests, PRDOH or its Subrecipients will work with the household to identify an alternate relocation dwelling.

#### 7.3.8 Reasonable Accommodations

In certain circumstances, displaced households may require a reasonable accommodation to fully benefit from temporary or permanent relocation activities undertaken in conjunction with Agency activities. Reasonable accommodations that serve a disability-related need in the displaced household shall be made to a relocation dwelling for persons with a disability or physical impairment that substantially limits one or more major life activities. Reasonable accommodations may include, but are not limited to:

- Doors of adequate width;

- Ramps or other modifications to bisect stairs and access bathtubs, shower stalls, toilets, sinks, or storage cabinets; and
- Physical modifications to the unit based on the displaced person's needs.

The handling and evaluation of Reasonable Accommodation requests, as well as the provision of accommodations and modifications, should follow the guidelines and requirements found in the PRDOH CDBG-DR Reasonable Accommodation Policy found, in English and Spanish, at <https://cdbg-dr.pr.gov/en/resources/policies/general-policies/> and <https://cdbg-dr.pr.gov/recursos/politicas/politicas-generales/>.

### 7.3.9 Language Access

All URA related forms, written materials, and verbal messages used to communicate with displaced households will be made available in Spanish and English. Any written notice or document sent to a property owner or tenant must be provided in both languages until their preferred language has been determined. Displaced persons who are unable to read or adequately understand Spanish or English will be provided with appropriate counseling and translation following the PRDOH Language Access Plan found, in English and Spanish, at <https://cdbg-dr.pr.gov/en/resources/policies/general-policies/> and <https://cdbg-dr.pr.gov/recursos/politicas/politicas-generales/>.

### 7.3.10 Moving Assistance

PRDOH and its Subrecipients must regularly communicate with households to ensure they are adequately preparing to relocate by the relocation date. This includes confirming the household is making plans to move and/or store their personal property. Referrals to counseling, including the Housing Counseling Program and other sources of assistance that may be available, may be made to households that appear to be having difficulty adjusting to the relocation or preparing to move.

If requested, PRDOH or its Subrecipients may organize moving and storage services on the household's behalf. The household must authorize such actions via a Third-Party Payment Authorization Form.

### 7.3.11 Expense Claim Assistance

PRDOH and its Subrecipients must routinely communicate with relocated households to ensure that eligible claims are submitted in a timely manner. Where necessary and requested, PRDOH or its Subrecipients may provide assistance collecting appropriate expense documentation and filling out all necessary claim forms. Households are ultimately responsible for submitting all payment claims to PRDOH or its Subrecipients within the required timeframes.

### 7.3.12 Government Housing Assistance

For households that may be eligible for tenant-based rental assistance and qualify as "displaced persons," PRDOH and its Subrecipients will advise the household on the

requirements and procedures, including the applicable timelines to coordinate with the relocation date to obtain such a long-term rent subsidy. These requirements may be considered in the evaluation of comparable replacement dwellings. It is ultimately at the household's discretion to pursue and obtain this assistance.

For households receiving government housing assistance at the displacement dwelling, PRDOH or its Subrecipients will work with the household and their assigned relocation specialist to coordinate a transfer or pause existing assistance during the relocation period.

### 7.3.13 Household Eligibility Requirements for URA

To be eligible for URA relocation assistance, a household must be:

- Distinct from the person(s) or entity responsible for the application to a program included in the Puerto Rico Action Plan for Disaster Recovery (Action Plan) and its Amendments. A household is defined as all persons occupying the same unit regardless of familial status unless it can be proven or demonstrated that some persons occupying the unit are defined as legal tenants. If the person can be defined as a tenant, those persons will be excluded from the household for Program purposes such as income verification, etc. However, that proven tenant, who is distinct from the household may be eligible for URA as described in this document;
- Actively occupying a housing unit within a property receiving Agency assistance at the time of funded acquisition, rehabilitation, or reconstruction activities are scheduled to commence. All households occupying assisted properties on the date of application to PRDOH must be allowed to renew their occupancy through the duration of Agency assistance by initiating negotiations. Households whose occupancy begins after the date of application are similarly protected unless they were provided a proper Move-In Notice at the beginning of their occupancy;
- **Required** to relocate from the assisted housing unit for a minimum of **one (1) day** to complete **Program-assisted** activities. Relocation is considered to be required if Agency activities in the unit or other parts of the property will result in the housing unit not being decent, safe, and sanitary for habitation for a period of time exceeding **eight (8) hours**. This includes restriction of unit access and egress as well as the provision of utilities. For situations like these, the agency could allow a maximum of **two (2) nights'** stay in a nearby hotel to be reimbursed to the tenant once proper claim forms have been filled out and approved by the Agency. If the tenant cannot pay for such accommodations, the Agency could provide an advance payment to cover the costs.

- They are legally entitled to occupy the housing unit. All household members of the person legally entitled to occupy the housing unit are presumed to be in lawful occupancy unless the household or specific household members have been evicted for serious or repeated violation of material terms of the lease or occupancy agreement; and
- Lawfully present in the United States. All members of the household must certify they are a citizen or national of the United States or an alien who is lawfully present in the United States. No PRDOH URA assistance is provided to household members who fail to provide this certification unless such persons can demonstrate that the denial of relocation assistance will result in an exceptional and extremely unusual hardship to other household members who are a citizen, national, or alien lawfully admitted for permanent residence in the United States.

In the event a household that would otherwise be required to relocate is determined to be ineligible for URA assistance, they must be notified in writing of this determination. Notification is personally served or sent by certified first-class mail, return receipt requested and documented in the project's system of record. Households may appeal this determination in accordance with the Appeals section of this document. Applicants are advised to delay relocation and construction plans while any such appeal is pending.

#### 7.3.14 Non-Responsive Households

In the event, a household does not readily respond to PRDOH or its Subrecipient outreach and notifications, or a household has moved from the property prior to receiving a required notice or assistance, the following good faith efforts must be made to locate and contact the household. A household is considered non-responsive after:

- A minimum of **three (3) attempts** to contact the household using the last known contact information result in no meaningful reply.
  - These contact attempts must be completed within a **thirty (30) day** period.
  - At least **one (1)** of these attempts must be an in-person visit to the housing unit.
- At least **one (1)** request to the Applicant for updated contact information or other assistance contacting the household that does not produce new information and/or a response from the household.

If a household that is required to relocate does not respond to outreach and/or notifications prior to the relocation date, PRDOH or its Subrecipient will confirm with the Applicant that the household continues to occupy the property. If so, outreach and notifications continue until the household becomes responsive or can be documented as non-cooperative, as described below. If the household has already vacated the property, the Applicant is responsible for documenting to PRDOH that the move was

voluntary and unrelated to Agency activities and/or providing active contact information for the household to PRDOH.

In the event that a non-responsive household subsequently contacts PRDOH or Subrecipient, communication, advisory services, and payments will resume without penalty for the duration of the grant.

#### 7.3.15 Non-Cooperative Households

Households subject to relocation must cooperate with PRDOH and its Subrecipients to receive URA assistance and payments, including vacating the assisted property in a timely manner. Households that fail to cooperate and vacate the property in a timely manner may be subject to eviction as governed under Puerto Rico law to allow CDBG-DR activities to proceed.

PRDOH expects households to relocate within the timeframes provided in the **thirty (30) day** notice and/or **ninety (90) day** notice or to have notified PRDOH or the Subrecipient of any serious issues affecting their ability to relocate within the established timeframe.

If a tenant fails to move out after receiving the notices disclosed, the URA Case Manager will be responsible for establishing communication with the household and providing an updated list of comparable units. All efforts will be made to encourage the tenant to comply with the requested relocation.

In the event that a household or business has been determined to be a “displaced person” as defined in 49 C.F.R. § 24.2(a)(9) and fails to vacate the assisted property by the established relocation date (extended as appropriate by appeal and/or reasonable accommodation determinations), the household may be evicted “for the project” without penalty to the Applicant. The household retains their entitlement to relocation assistance and payments, provided a suitable permanent dwelling is occupied, and payment claims are submitted within the required timeframes. Legal fees incurred in the eviction, if any, are not URA eligible expenses. Prior to any eviction being pursued, Subrecipients are required to notify PRDOH for approval. Evictions must comply with all applicable local and Puerto Rico laws.

#### 7.3.16 Opt-out of Relocation Assistance

Households who qualify to receive URA relocation assistance may choose not to receive the relocation assistance or benefits provided by URA. Households may opt-out of these rights and entitlements by signing a written statement that specifically identifies the assistance and benefits the household has chosen not to accept. The statement must also clearly show that the household has been informed of the assistance and benefits they are entitled to receive. Once a household completes and submits a Relocation Assistance Voluntary Opt-Out Form, all communication with the household with respect to the assistance and/or benefits will cease.

Should a household become eligible for different assistance or benefits following a waiver, they must be informed of the changes to their eligibility in writing. The household may choose at that time to pursue new assistance and benefits, or they may again elect to opt-out of these. A new written and signed Opt-out Form is required in these instances.

PRDOH and its Subrecipients never propose or request households to opt-out of their rights or entitlements to assistance and benefits afforded under the URA. Any opt-out of relocation assistance and protections is initiated entirely at the discretion of the household.

## 7.4 Non-Residential Requirements

Businesses, farms, and non-profit organizations that are displaced due to CDBG-DR program activities can also be considered "displaced persons" for URA eligibility. Many of the same URA requirements for residential relocations described above that are not housing-specific also apply to non-residential relocations, including:

- Applicant Advisory Services (if the non-residential occupant is renting from a property owner that has applied to a CDBG-DR Program);
- Relocation Advisory Services;
- Comparable Replacement Dwellings;
- Housing of Last Resort (in this case, commercial space of last resort);
- Reasonable Accommodations;
- Language Access;
- Moving Assistance;
- Expense Claim Assistance;
- Non-Responsive Households (in this case, non-responsive business, farm or non-profit owners);
- Non-Cooperative Households (in this case, non-cooperative business, farm or non-profit owners); and
- Opt-Out of Relocation Assistance

In addition to these requirements, some additional requirements and considerations are unique to displaced non-residential occupants. These are described in the subsections below.

### 7.4.1 Intake

PRDOH and its Subrecipients must collect certain types of information from business, farm, or non-profit owners to determine their eligibility for URA relocation assistance by determining whether they meet the definition of a "displaced person" or "person not displaced," each as described at 49 C.F.R. § 24.2 (a) (9). Particular to non-residential occupants, this information includes:

- **Use Permit (*Permiso de Uso*)** – This permit establishes whether the occupant is legally allowed to operate their business on the property from which they will be displaced, indicating lawful occupancy.
- **Municipal Business Permit (*Patente Municipal*)** – This permit establishes whether the occupant is legally allowed to be operating their business in the Municipality where they are located, also indicating lawful occupancy in conjunction with the Use Permit.
- **CRIM (*Centro de Recaudación de Ingresos Municipales*, for its Spanish name)** Establishes fiscal standing with the Puerto Rico Treasury Department (*Departamento de Hacienda*, for its Spanish name); only needed when the business owner is also the real property owner.
- **Lease Agreement** – This agreement establishes the terms and conditions of the non-residential occupancy, which is needed to establish lawful occupancy and URA assistance amounts; only needed if the business owner is leasing the real property from which they will be displaced.
- **Tax Returns** – Information establishing the net earnings of a business or farm operation, or annual gross revenues less administrative expenses if a non-profit organization, for the previous **two (2) years** is required to establish certain aspects of the non-residential occupant to determine available URA assistance under 49 C.F.R. Subpart D.

Once URA eligibility has been established, additional information will be needed to determine the needs of the displaced non-residential occupant's business or operation and their needs through the relocation process. This information is covered further in the Relocation Advisory Services - Nonresidential subsection below.

#### 7.4.2 Relocation Advisory Services - Nonresidential (49 C.F.R. § 24.205(c))

Relocation advisory services are provided to all businesses who must relocate due to program activities to ensure that the business affected by the project understands their rights and responsibilities. Relocation Specialists must be made available to answer questions about the URA, as well as PRDOH and its Subrecipient relocation policies and procedures.

Communication, whether in person, on the phone, postal mail correspondence, or via email, must be recorded in the acquiring agency's system of record. Business information is kept confidential to any extent required unless disclosure is authorized in advance by the business owner. Neither PRDOH nor its Subrecipients provide legal advice or intervene in landlord/business owner or other disputes between parties that are not PRDOH, Subrecipients, or their contractors or agents.

Relocation specialists are available to explain relocation payments, assistance for which the business owner may be eligible, associated eligibility criteria, and the process for

obtaining such assistance. Relocation advisory services shall include a personal interview with each displaced business. When feasible, contact shall be face-to-face. Additionally, businesses should be provided with a copy of HUD *Relocation Assistance to Displaced Businesses, Nonprofit Organizations, and Farms (HUD-1043-CPD)*, which is also available in Spanish (*HUD-1043-CPD-1*).

#### 7.4.2.1 Relocation Needs and Preferences

Relocation advisory services include meeting with businesses likely to be displaced to determine their relocation needs and preferences. The purpose of the meeting is to:

- Collect business's replacement site requirements;
- Collect current lease terms and other contractual obligations and the financial capacity of the business to accomplish the move;
- Determine the need for outside specialists in accordance with §24.301(g)(12) that will be required to assist in planning the move, assistance in the actual move, and in the reinstallation of machinery and/or other personal property;
- For businesses, identification, and resolution of personalty/realty issues. Every effort must be made to identify and resolve realty/personalty issues prior to, or at the time of, the appraisal of the property;
- Estimate the time required for the business to vacate the site;
- Estimate the anticipated difficulty in locating a replacement property; and
- Identify any advance relocation payments required for the move and the Agency's legal capacity to provide them.

#### 7.4.2.2 Comparable Replacement Locations

Based on the needs and preferences of the business owner to be displaced, the acquiring agency shall identify comparable replacement locations. A minimum of one (1) comparable business location should be identified.

In order to be identified as comparable, a location must be functionally equivalent to the displacement location. The term "functionally equivalent" means that it performs the same function and provides the same utility. It does not require the replacement location to include all the same features of the displacement location.

At a minimum, a comparable business location must be able to adequately house the entire business being relocated. This includes reasonable accommodations required by the business owner. PRDOH will consider the following additional factors in determining a unit's comparability:

- Environmental conditions at the location;
- Distance from the displacement dwelling;
- Location with respect to access to public utilities, commercial and public facilities, and the displaced person's place of employment;

- Size of the dwelling site;
- Cost as compared to the market and the financial means of the displaced business owner; and
- Length of the lease and other rental terms.

The Agency will provide the business owner with current information on available replacement locations that meet their needs. The Agency may also provide the business owner with the names of real estate agents and brokers who can assist them in finding the type of replacement location they need. While the Agency will assist the business owner in obtaining a suitable replacement location, they should take an active role in finding and relocating to a location of their choice; no one knows their needs better than they do. When searching for a replacement location, they should ensure that there are no zoning or other requirements which will unduly restrict their planned operations.

#### 7.4.2.3 Expense Claim Assistance

The acquiring agency **must** routinely communicate with relocated businesses to encourage eligible claims **to be** submitted in a timely manner. Where necessary and requested, the acquiring agency may provide assistance collecting appropriate expense documentation and filling out all necessary claim forms. Businesses are ultimately responsible for submitting all payment claims to the acquiring agency within the required timeframes. **Payments for eligible relocation activities and requirements are covered under the Payments section further below.**

## 8 Temporary Relocation

The URA regulation at 49 C.F.R. § 24.2(a)(9)(ii)(D), Appendix A provides **general** guidance for assistance to tenant-occupants who are **not required to relocate permanently** due to federally assisted projects involving the acquisition, rehabilitation, or demolition of apartments, homes, commercial buildings, etc., which could allow for a quick return for the original occupants. **HUD expands on the requirements regarding temporary relocation at section 2-7 of HUD Handbook 1378.0, Chapter 2.<sup>14</sup> Together, these requirements effectively create an “exemption” from certain URA requirements by establishing how the project owner can avoid creating “displaced persons,” however, many of the same general URA principles of written notification, relocation advisory services, and payments still apply. Temporary relocation may be required for occupants of funded project sites if the scope of work:**

- **Requires packing, moving, and/or storing furniture or personal items in order to perform the work;**
- **Affects the safe and accessible ingress and egress to the unit;**

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<sup>14</sup> <https://www.hud.gov/sites/dfiles/OCHCO/documents/1378c2CPDH.pdf>

- Impacts the tenant's continued use of basic utility services, such as water, sewer, and electricity;
- Impacts the tenant's continued use of basic facilities required for daily living, such as the kitchen, bathroom, and bedroom; and/or
- Creates odor, debris, noise, or other environmental hazards that may affect the safety and sanitary conditions of the unit.

Relocation is considered temporary when the displaced household must relocate for no more than **twelve (12) months**. Any residential tenant who has been temporarily relocated for a period beyond **twelve (12) months** will be offered permanent relocation assistance. This assistance would be in addition to any assistance the person has already received for temporary relocation and may not be reduced by the amount of any temporary relocation assistance. (See Section on Permanent Relocation)

## 8.1 Eligible Expenses

PRDOH and its Subrecipients must reimburse temporarily relocated households for all reasonable out-of-pocket expenses incurred in connection with the relocation. The temporarily displaced household is responsible for submitting applicable source documentation to support costs incurred and receive reimbursement. In addition, the household must provide proof of occupancy, or intent to occupy, a decent, safe, and sanitary dwelling adequately sized to accommodate all occupants. Relocation expenses beyond the parameters outlined in this manual must be pre-approved by PRDOH prior to the household incurring the cost. Relocated households may be responsible for bearing any cost not approved by PRDOH in advance.

### 8.1.1 Increased Housing Costs (49 C.F.R. §24.402, Subpart E)

URA assistance pays the difference between the actual rent plus utility costs incurred at the temporary unit and the rent plus average annual utility costs incurred at the displacement dwelling. Actual rent costs are capped by PRDOH based on the costs of comparable replacement dwellings available at the time of relocation and appropriate to the length of relocation anticipated. Where a household receives a monthly housing subsidy, the amount of the subsidy is subtracted from the contract rent amount when determining the increased housing cost. Housing costs should be capped at **thirty percent (30%)** of household income for low to moderate income households when calculating URA housing assistance. PRDOH and its Subrecipients will use adjusted low to moderate income requirements as defined by the adjusted income limits for Puerto Rico and clarified by HUD's Affordable Housing Guide.<sup>15</sup> These limits are amended annually.

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<sup>15</sup> [www.hud.gov/sites/dfiles/State/documents/2018-Affordable-Housing-Guide.pdf](http://www.hud.gov/sites/dfiles/State/documents/2018-Affordable-Housing-Guide.pdf)

For relocations of less than **one (1) month**, the increased housing cost is pro-rated by the number of days relocated. In the event a household relocates to a hotel or other similar accommodation, hotel costs must be necessary and reasonable for the area in which they are located.

PRDOH pays increased housing costs from the effective date of the occupancy agreement for the temporary unit through the date the occupancy agreement is effectively terminated to return to the displacement dwelling. In the event the household does not return to the displacement dwelling or returns after the permanent relocation date provided in a **ninety (90) day** notice, increased housing costs are paid through the earliest of:

- The date the household waives their right to temporary relocation payments;
- The return home date PRDOH provided to the household;
- The date the household occupies a permanent replacement dwelling; and
- The permanent relocation date provided in a **ninety (90) day** notice.

In the event household members relocate separately, the total payment to all household members combined will not exceed the difference between the maximum replacement housing costs established **through a comparable search** plus combined utility costs incurred at each temporary unit and the rent plus average annual utility costs incurred at the displacement dwelling. No single household member will receive payment greater than the difference between the individual's actual costs incurred at the temporary unit and their share of the rent plus average annual utility costs incurred at the displacement dwelling. PRDOH establishes the maximum replacement housing cost based on the assumption that the entire household will relocate together regardless of when PRDOH is informed of the household's actual relocation plans.

#### 8.1.2 Moving Expenses **(49 C.F.R. § 24.301(b), Subpart D)**

The actual moving costs incurred by the household to move to the temporary unit and return to the displacement dwelling **are eligible under a temporary relocation**. Moving costs must be necessary and reasonable to be reimbursed by PRDOH. Households are encouraged to use an insured, licensed mover to limit the liability of property lost, stolen, or damaged in the process of moving. The Program additionally pays reasonable, actual costs incurred for moving supplies to support self-moves or commercial moves.

PRDOH **and its Subrecipients** may request three (3) quotes from professional moving companies to establish a maximum eligible cost for a commercial move. Temporarily relocated households are required to submit moving cost estimates for approval prior to the move. Failure to submit an estimate ahead of time may result in the resident not being fully reimbursed. Tenants will be reimbursed the approved cost incurred of commercial, licensed, and bonded movers.

Tenants who opt to perform a self-move may receive reimbursement of actual costs incurred to complete the move. Self-moving expenses may include packing supplies, equipment rental fees, and reasonable transportation costs. Transportation costs for a distance beyond 50 miles are not eligible for reimbursement unless determined as necessary by PRDOH.

In the event a household is required to move from one temporary unit to another (due to changes in the duration of relocation, DSS conditions, etc.), additional moving costs may be paid for the move to the new temporary unit. Moves made during the temporary relocation period that the household makes voluntarily will not be reimbursed.

In addition to moving costs, PRDOH and its Subrecipients pay the following actual costs incurred in each eligible move:

- Supplies and/or services to clean the unit being vacated according to occupancy terms;
- Fees for disconnection and reconnection of necessary utilities like power, water, and sewer; and
- Costs to transfer telephone, cable, or internet, provided the household maintained the services at the displacement dwelling.

Refundable security or utility deposits are not considered an expense that is required to be reimbursed to a temporarily relocated person by the CDBG-DR Program. However, to ease the burden such expenses might cause at the time of a temporary move, PRDOH and its Subrecipients may elect to advance funds for such deposits under a repayment agreement or may pay such deposits on behalf of the temporarily relocated person (provided any refund will be made to PRDOH or its Subrecipient and not the person).

### 8.1.3 Security Deposits (24 C.F.R. § 42.350(c))

In cases where a household will be temporarily displaced, PRDOH advises these households to retain applicable security deposits throughout the relocation. To assist households with the cost of securing a temporary unit without receipt of their security deposit from the displacement unit, PRDOH and its Subrecipients may elect to pay refundable security deposits for the temporary unit. The amount of any security deposit payment shall not exceed two (2) months rent at the temporary unit unless additional security is required to obtain market-rate housing for low to moderate income households.

To ensure such funds are ultimately returned, a lease rider should be executed in addition to the temporary lease. The rider states that the security deposit, less the amount of any damages caused by the tenant, will be returned directly to PRDOH or its Subrecipient at the conclusion of the household's occupancy of the temporary unit.

#### 8.1.4 Other Expenses (49 C.F.R. § 24.301, Subpart D)

PRDOH and its Subrecipients pay the actual costs incurred by displaced persons, except as otherwise noted, for the following related relocation expenses. All claims must be supported by appropriate expense documentation and submitted to PRDOH or its Subrecipients within **eighteen (18) months** of the relocation date provided in the **thirty (30) day** notice or the date the replacement dwelling was occupied, whichever is earlier.

- **Move Out Cleaning.** The documented cost of supplies and/or services to clean the dwelling being vacated according to occupancy terms.
- **Packing/Unpacking.** The documented costs for packing, crating, unpacking, and uncrating supplies and services required for the move to the permanent replacement dwelling. Actual costs may not be reimbursed to displaced persons receiving fixed payment for moving expenses.
- **Storage.** The total cost incurred to store personal property for a period not to exceed **twelve (12) months** from the relocation date provided in the **thirty (30) day** notice or the date the replacement dwelling is occupied, whichever is earlier. Insurance required by the storage contract is also reimbursable.
- **Residential Re-establishment Charges.** Any additional fees charged for **disconnecting and reconnecting** household appliances and other specialized personal property. Non-refundable utility termination and establishment charges are also reimbursable.
- **Broker Fees.** Fees, up to **one (1) month's rent** at the unit being moved into, paid to licensed real estate brokers to support the negotiation of occupancy terms and agreements.
- **Application Fee.** Any application fees required to secure the selected replacement dwelling, plus a reasonable number of alternative potential replacement dwellings.

## 8.2 Ineligible Expenses

Program Applicants are not eligible to receive **any** payments under URA for the assisted property. This includes compensation for lost rental income during the relocation period. Relocated households are not entitled to payment for any of the following expenses:

- The cost of moving any structure or other real property improvement to the displacement dwelling in which the household reserved ownership;
- Interest on a loan to cover moving expenses;
- Personal injury;
- Any legal fee or other cost for preparing a claim for a relocation payment or for representing the claimant before PRDOH;

- Expenses for searching for a replacement dwelling other than fees charged by a licensed real estate broker; and
- Costs for storage of personal property on real property already owned or leased by the household.

### 8.3 Relocation Duration and Return Home

Temporarily relocated tenants are provided a **thirty (30) day** notice to relocate from the displacement dwelling. Applicants and Project Owners may not undertake activities that impede the household's access to the dwelling, the habitability of the dwelling, or the general safety of the property. Activities may resume after the household has fully relocated to a temporary unit or the household has been deemed missing or non-cooperative. Project owners may not collect rent for the displacement dwelling from temporarily relocated households during the course of funded activities causing the relocation.

PRDOH and its Subrecipients estimate the relocation duration based on the funded scope of work at the time of relocation. Estimated durations may be used for planning purposes, including evaluating the suitability of replacement housing options. Regardless of the estimated duration, temporary relocation assistance will continue until Agency activities are complete and the displacement dwelling is returned to decent, safe, and sanitary condition followed by a Return Home Notice to the tenant, or the temporary relocation exceeds **one (1) year** and the household is offered and accepts permanent relocation assistance, whichever occurs first.

A Final Inspection to establish that Program funded activities are complete should be conducted to confirm that the property meets decent, safe, and sanitary standards. Once a passing Final Inspection is performed, and the home receives a Use Permit (*Permiso de Uso*), if applicable, the relocated households must be notified in writing to return to the displacement dwelling. The Return Home Notice provides **thirty (30) days** for the temporarily relocated household to return to the displacement dwelling and is personally served or sent by certified first-class mail, return receipt requested, and documented in the Program's system of record.

Applicants and Project Owners are required to grant relocated households new occupancy agreements upon return for a period not less than **twelve (12) months**. The occupancy terms, including cost and all pre-relocation amenities, must be unchanged from the pre-relocation terms throughout the **twelve (12) month** return period. Households must be allowed the opportunity to replace non-returning household members in order to maintain the pre-relocation household size; however, the Applicant and/or authorized property representative retains the right to evaluate and assess any proposed new occupants according to applicable State and local laws. Return occupancy

agreements must be submitted to PRDOH or its Subrecipients for review and recordkeeping.

If the temporarily relocated household elects not to return to the displacement dwelling or fails to negotiate return occupancy terms by the communicated return home date through no fault of the Applicant or Project Owner, the dwelling may be advertised for occupancy at market rates without Agency restrictions.

#### 8.4 Short-Term Housing Interruption

If the Agency activities result, for a period of time not exceeding **eight (8) hours**, in the housing unit not being DSS for habitation, having restricted access to entry, and/or interruption in the provision of utilities, the options for the tenants of such a housing unit include the following:

- The tenant can select to stay for the time being with friends and family, at their office, or some other location which they feel is safe, meets their temporary needs, and allows for them to remain outside the housing unit and/or property for the duration of the temporary vacancy.
- If the tenant has nowhere to stay while the repairs causing the temporary non-DSS condition are occurring, then the tenant may book a hotel or short-term rental for up to **two (2) nights**.
  - Should this option be exercised, the tenant shall be notified in writing of the hours during which they will need to vacate the property temporarily. This time period can be no more than eight (8) hours.
  - This notification will clarify that, while they are free to stay at the hotel or short-term rental throughout the duration allowed by the operator of the hotel or short-term rental, they are only required to temporarily vacate for a specified period of no more than eight (8) hours.
  - To the extent possible, the tenant is responsible for booking a hotel or short-term rental, which most closely matches the size and amenities of the housing unit being repaired and is within a reasonable distance. Tenants will be reimbursed up to the maximum lodging allotted per locality and season as determined by the Department of Defense.<sup>16</sup>

### 9 Permanent Relocation

Households and businesses which qualify as displaced persons as defined in 49 C.F.R. § 24.2(a)(9) or 24 C.F.R. § 570.606(b)(2), and who are expected to be relocated from the displacement dwelling for more than **twelve (12) months** are considered to be

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<sup>16</sup> <https://www.defensetravel.dod.mil/site/perdiemCalc.cfm>

permanently displaced persons. Agency policies strive to minimize involuntary permanent displacement. Program Applicants and Project Owners who purposely circumvent these policies in order to displace occupants may be ineligible for Agency assistance and additionally responsible for the costs incurred by the acquiring agency to search for and provide relocation services to households and businesses adversely impacted by non-compliant actions.

## 9.1 Displacing Activities

Within the parameters of the PRDOH CDBG-DR Programs, as outlined in the current Action Plan and further defined by each Agency's guidelines, grant agreements, and other governing documents, there are limited allowable activities that may result in households or businesses qualifying as "displaced persons." Each case may be subject to Agency review before authorizing the permanent displacement. Generally, the following are considered to be activities that may result in permanent displacement.

- Properties subject to demolition which will not be rebuilt, but rather maintained as green space, as part of relocation award and under other applicable programs;
- Properties subject to reconstruction that cannot obtain building permits and/or zoning approval to return the same number of living units to the property prior to the qualifying event. This can also include cases where a unit associated with an assisted property must be demolished to allow for eligible Program activities, however, the unit itself is not eligible to be incorporated into the assisted project;
- Projects that exceed **twelve (12) months** and require relocation. No-fault delays can be caused by resource shortages, approved scope changes, or other demonstrated hardships. Displaced households continue to have the right to return as an alternative to permanent displacement up through the completion of Agency activities;
- Permanent displacement as the result of infrastructure or economic development activities funded with CDBG-DR funds; and
- Permanent relocation from an assisted property due to incomplete and/or inaccurate notifications about relocation assistance or benefits they are afforded under the URA, provided the Applicant or Project Owner fully cooperates with all Agency efforts to contact the impacted households.

## 9.2 Permanent Relocation Process Overview

The following overview summarizes the steps and responsibilities for the CDBG-DR funded Project Owner or Subrecipient to follow when a project site is occupied. One or more occupants will be required to relocate permanently in order for the project to proceed. This overview is not all-inclusive, and the Project Owner or the Subrecipient should follow the detailed requirements established under URA regulations and this Guide when engaging in permanent relocation activities related to a CDBG-DR funded project.

1. Project Design Phase:
  - a. Identify project site and scope, and establish intent to use federal funds through a funding agreement or submittal of project proposal to the CDBG-DR Program;
  - b. Identify all residential and commercial occupants of the project site and issue a General Information Notice along with applicable HUD Relocation Brochure as soon as feasible; and
  - c. Issue Move-In Notice to new tenants if applicable
2. Project/Application Review Phase:
  - a. Determine the persons to be displaced or not displaced;
  - b. Conduct a survey of project site occupants to determine needs and preferences of persons likely to be displaced;
  - c. Identify availability of comparable replacement dwellings or other resources;
  - d. Estimate relocation costs and assistance; and
  - e. Create a Relocation Plan that details the relocation process and responsibilities for the project.
3. Intake and Eligibility
  - a. Collect information about each household and/or business as described in the General Relocation Requirements section of this Guide;
  - b. Determine eligibility for URA assistance in accordance with URA requirements; and
  - c. Prepare information on comparable units and available URA assistance to be included with a Notice of Eligibility.
4. Notification and Relocation Advisory Services:
  - a. Issue Notice of Eligibility within **ten (10)** days of the initiation of negotiations, which can be defined as follows:
    - i. By applicable CDBG regulations at 24 C.F.R. § 570.606(b) for **rehabilitation or reconstruction** projects;
    - ii. When a written offer of just compensation is issued to the property owner when the property is being **involuntarily acquired**;
    - iii. When a sales agreement has been executed between the acquiring entity and the property owner of the property that is being **voluntarily acquired**; or
    - iv. When an **actual acquisition** covered by URA has taken place.
  - b. Provide URA Relocation Advisory Services;
  - c. Explain available payments and services;
  - d. Issue Ninety (90) day Notice;
  - e. Inspect replacement housing for decent, safe, and sanitary conditions;

- f. Person moves;
- g. Assist with preparing claims;
- h. Process claims and make payment; and
- i. Maintain records to demonstrate compliance with regulations.

### 9.3 Eligible Expenses

PRDOH and its Subrecipients provide displaced persons with replacement housing payments and reasonable moving and other eligible related out-of-pocket expenses in accordance with 49 C.F.R. Subparts D and E.

#### 9.3.1 Rental Assistance

Displaced persons who occupy a replacement rental dwelling within **twelve (12) months** of the permanent relocation date that meets decent, safe, and sanitary (DSS) standards may receive rental assistance calculated as **forty-two (42) times** the difference between the monthly rent and cost of utilities at a comparable replacement dwelling identified by PRDOH and the base monthly rental at the displacement dwelling. In the event the monthly rent and cost of utilities at the actual replacement dwelling are less than the costs estimated for PRDOH's identified comparable replacement dwelling, the displaced person may only receive **forty-two (42) times** the difference between the actual monthly costs and the base monthly rental. Rental assistance payments cannot be made until an inspection has been performed to confirm that the replacement dwelling meets DSS standards.

In the event that a household qualifying as "displaced persons" as defined in 49 C.F.R. § 24.2(a)(9) is residing separately at the time they become displaced persons, the household may elect to resume cohabitation or continue to live separately with no adverse impact to their eligibility for URA assistance. Should PRDOH be informed of a desire to continue residing separately, or in the event select household members waive their rights to URA assistance, PRDOH identifies comparable replacement dwellings adequately sized to accommodate each separate component of the former household. The rental assistance is also calculated individually for each component of the former household according to the comparable replacement housing and base monthly rental costs incurred by those specific members of the former household.

#### 9.3.2 Down Payment Assistance

Displaced persons may elect to purchase a replacement home. In such instances and when the purchase occurs within **twelve (12) months** of the permanent relocation date, PRDOH and its Subrecipients provide down payment assistance following the limits and requirements at 49 C.F.R. § 24.402(c).

The full payment must be applied to the purchase price of the replacement dwelling and related incidental expenses. Therefore, such payments should be issued in conjunction

with the displaced person closing to purchase the replacement dwelling. Where such coordination is not feasible, PRDOH and its Subrecipients must ensure payment is used to reimburse the displaced person for out-of-pocket costs incurred for the down payment on the replacement property or related and eligible incidental expenses.

### 9.3.3 Moving Expenses

Displaced persons are entitled to receive payment for moving expenses determined in one of the following ways:

- Reimbursement of direct payment of commercial, licensed, and bonded movers;
- Reimbursement of actual costs incurred to complete a self-move. Self-moving expenses may include packing supplies, equipment rental fees, and reasonable transportation costs; and
- Fixed payment for moving expenses based upon the most recent edition of the Fixed Residential Moving Cost Schedule approved by the Federal Highway Administration. Documentation supporting occupancy of the replacement dwelling is required to receive a fixed payment for moving expenses.<sup>17</sup>

### 9.3.4 Other Expenses

PRDOH pays the actual costs incurred by displaced persons, except as otherwise noted, for the following related relocation expenses. All claims must be supported by appropriate expense documentation and submitted to PRDOH within **eighteen (18)** months of the permanent relocation date provided in the **ninety (90) day** notice or the date the replacement dwelling was occupied, whichever is earlier.

- **Move Out Cleaning.** The documented cost of supplies and/or services to clean the dwelling being vacated according to occupancy terms;
- **Packing/Unpacking.** The documented costs for packing, crating, unpacking, and uncrating supplies and services required for the move to the permanent replacement dwelling. Actual costs may not be reimbursed to displaced persons receiving fixed payment for moving expenses;
- **Storage.** The total cost incurred to store personal property for a period not to exceed **twelve (12) months from the permanent relocation date provided in the ninety (90) day notice** or the date the replacement dwelling is occupied, whichever is earlier. Insurance required by the storage contract is also reimbursable;
- **Residential Re-establishment Charges.** Any additional fees charged for disconnecting and reconnecting household appliances and other specialized

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<sup>17</sup> The FHWA Fixed Residential Moving Cost Schedule 2015 can be found here: [https://www.fhwa.dot.gov/real\\_estate/uniform\\_act/relocation/moving\\_cost\\_schedule.cfm](https://www.fhwa.dot.gov/real_estate/uniform_act/relocation/moving_cost_schedule.cfm)

personal property. Non-refundable utility termination and establishment charges are also reimbursable;

- **Broker Fees.** Fees, up to **one (1) month's rent** at the unit being moved into, paid to licensed real estate brokers to support the negotiation of occupancy terms and agreements; and
- **Application Fee.** Any application fees required to secure the selected replacement dwelling, plus a reasonable number of alternative potential replacement dwellings.

## 9.4 Ineligible Expenses

Owner-occupants, including applicants to CDBG-DR Programs, who move as a result of a voluntary acquisition are not eligible for URA relocation assistance. Displaced persons are not entitled to payment for any of the following expenses.

- The cost of moving any structure or other real property improvement to the displacement dwelling in which the household reserved ownership;
- Interest on a loan to cover moving expenses;
- Personal injury;
- Any legal fee or other costs for preparing a claim for a relocation payment or for representing the claimant before PRDOH;
- Expenses for searching for a replacement dwelling other than fees charged by a licensed real estate broker;
- Costs for storage of personal property on real property already owned or leased by the household; and
- Refundable security and utility deposits

## 10 Payments

### 10.1.1 Temporary Relocation

Households are required to document their relocation from the displacement dwelling and occupancy of decent, safe, and sanitary accommodations prior to receiving URA payments. If the household is unable to finance the relocation activity until reimbursement without undue hardship, PRDOH and its Subrecipients may advance payments using cost estimates upon receipt of documentation supporting the intent to relocate. Any funds advanced in this manner must subsequently be reconciled to actual costs incurred and supported by documentation of occupancy.

PRDOH encourages households to submit expenses documentation on an ongoing basis throughout the relocation period. PRDOH and its Subrecipients will issue URA payments promptly to households who have submitted appropriate documentation of eligible expenses. PRDOH and its Subrecipients will maintain records of the total amount of URA payments made to each relocated household throughout the duration of temporary

relocation. At the conclusion of the relocation, the household is asked to acknowledge through written correspondence the total amount of payments received as their complete and accurate assistance claim. Upon receipt of this acknowledgment, the URA case may be closed, and the household may not submit any additional expenses for reimbursement payment.

All payments are issued to the relocated household unless the household authorizes PRDOH or its Subrecipient in writing to make payments to a third party on their behalf. PRDOH and its Subrecipients will provide written confirmation to households throughout relocation of all payments made on their behalf to third parties. PRDOH prefers to make relocation housing payments and security deposit payments directly to the landlord or leasing entity when all parties consent. There is no restriction on the payments PRDOH or its Subrecipients may make on behalf of the household upon receiving proper written authorization.

#### 10.1.2 Permanent Relocation

Relocation assistance payments for residential tenants who are displaced for HUD projects are subject to 42 U.S.C. § 3537c and must be disbursed in installments, except that lump-sum payments may be made to cover (1) moving expenses, (2) down payment on the purchase of replacement housing, or (3) incidental expenses related to moving expenses or a down payment on the purchase of replacement housing. The payment schedule is determined by the type of assistance being provided.

Payments will be made in no less than **three (3)** installment payments, with final payment reserved until PRDOH or Subrecipient can document continued occupancy at the selected replacement dwelling for a period **not less than three (3) months**, except when the rental assistance payment is **five hundred dollars (\$500.00)** or less. Where the rental assistance payment is **five hundred dollars (\$500.00)** or less, the payment may be made in **two (2)** installments with **no less than a four (4) month interval between payments**. To the extent feasible, payment for moving and other related out-of-pocket expenses is combined with a replacement housing payment following receipt of adequate documentation of costs incurred.

If the household is unable to finance relocation until reimbursement without undue hardship, PRDOH and its Subrecipients may advance payments using cost estimates upon receipt of documentation supporting the intent to relocate. Any funds advanced in this manner must subsequently be reconciled to actual costs incurred. No payments are issued prior to the displaced person receiving a **ninety (90) day** notice with a relocation date.

All payments are issued to displaced persons unless the person authorizes PRDOH in writing to make payments to a third party on their behalf. PRDOH or Subrecipient will provide written confirmation to displaced persons of all payments made on their behalf

to third parties. To close their claim, displaced persons are asked to acknowledge through written correspondence the total amount of payments received. Upon receipt of this acknowledgement, the displaced person may not submit any additional expenses for payment.

### 10.1.3 Non-Residential Relocation

Payments for non-residential relocations can be made for a number of activities beyond those provided for residential relocations, including moving and related expenses, utility connections, professional site studies for replacement sites, certain one-time impact fees, and certain business reestablishment expenses.

The requirements related to non-residential payments for moving and related expenses under the URA are complex. Project Owners should consult 49 C.F.R. Subpart D when the relocation of one or more non-residential occupants is anticipated in conjunction with a CDBG-DR funded project so that adequate resources and funding can be budgeted for these relocation activities.

## 11 PRDOH URA Appeals

Applicants to PRDOH CDBG-DR programs, as well as households associated with assisted properties, have the right to appeal Agency determinations with respect to URA eligibility, services, and/or payments. Aggrieved persons may file a written appeal in any case where the person believes that PRDOH has failed to properly consider the person's application for assistance under URA. Also, any displaced person who disagrees with a PRDOH determination of eligibility for benefits or the amount of relocation assistance for which the person is eligible under URA may file a written appeal to PRDOH.

Households have the right to appeal the following Agency determinations:

- Eligibility for URA assistance, including the requirement to relocate;
- Amount of relocation or other related expense payments; and
- Timeframe to exercise rights and entitlements of URA, including relocation timeframes

In addition, households may file an appeal to allege deficiencies in the Agency's relocation assistance advisory services as defined in 49 C.F.R. § 24.205(c) and the Agency's governing documents. Acceptance of Agency services and/or payments does not limit a household's right to appeal.

Persons are encouraged to include any statement of fact or other material which they feel has a bearing on the appeal. Acquiring agency or PRDOH representatives may assist households in their appeal submission.

Appeals must be submitted within **sixty (60) days** of the date the person receives the notification of the acquiring agency's decision regarding their claim. Appeals must be directed to PRDOH in writing through any of the following means:

- **Via email at:** [LegalCDBG@vivienda.pr.gov](mailto:LegalCDBG@vivienda.pr.gov)
- **Postal Mail:** Puerto Rico CDBG-DR Program  
ATTN: URA Appeals-Legal Division  
P.O. Box 21365  
San Juan, PR 00928-1365

While the Agency is reviewing a household's appeal, any pending relocation is suspended unless continued occupancy constitutes a substantial danger to the health or safety of the occupants or the public. Following the Agency's review of the appeal, a notification with the determination is sent to the household. If applicable, the notification will address revisions resulting from the appeal to the relocation timeframe.

A person has a right to be represented by legal counsel or other representative in connection with their appeal, but solely at the person's own expense. PRDOH shall permit a person to inspect and copy all materials pertinent to their appeal, except materials which are classified as confidential by PRDOH. However, PRDOH may impose reasonable conditions on the person's right to inspect, consistent with applicable laws.

In deciding an appeal, PRDOH shall consider all pertinent justification and other materials submitted by the person, and all other available information that is needed to ensure a fair and full review of the appeal.

After receipt of all information submitted by a person in support of an appeal, PRDOH shall make a written determination on the appeal within **thirty (30) calendar days**, including an explanation on the basis of which the decision was made, and furnish the person a copy.

If the determination is in the household's favor, the notification will outline how the household can expect to receive revised determinations, services, and/or payments. If PRDOH does not grant the full relief requested, or denies the appeal, the notification will inform the household of their right to seek judicial review of the Agency's determination.

## **12 PRDOH Residential Anti-Displacement and Relocation Assistance Plan (PRARAP)**

### **12.1 Introduction**

In addition to the URA requirements outlined in this guide, the Government of Puerto Rico makes every effort to coordinate with municipalities and other authorities to minimize the

direct and indirect displacement of families and individuals from their homes and neighborhoods because of federally assisted activities.

The PRDOH Residential Anti-Displacement and Relocation Assistance Plan (**PRARAP** or Plan) has been prepared by the PRDOH in accordance with section 104(d) the Housing and Community Development Act of 1974 (**HCDA**), as amended, 42 U.S.C. § 5304(d), and the Housing and Urban Development (**HUD**) regulations at 24 C.F.R. § 42.325, as amended by applicable waivers.

This PRDOH policy aims to minimize the displacement of residents of Puerto Rico as a result of projects funded through CDBG-DR allocated by HUD under 83 FR 5844, 83 FR 40314, and 85 FR 4681. A person is “displaced” if they are required to move as a direct result of the government’s intent to acquire the property or the government’s rehabilitation or demolition of the property provided the person did not voluntarily enter into negotiations with the government to sell the property or assist with the rehabilitation or demolition (per 49 C.F.R. § 24.2(a)(9)). A person can be temporarily displaced if the conditions of their move meet this definition, but they have the ability to return within **twelve (12) months**.

## 12.2 Purpose

This Plan outlines the broad steps that PRDOH will take, in conjunction with Municipalities and the private sector, to minimize displacement. Additional details on the implementation of this Plan within the specific context of individual PRDOH project activities can be found in this Guide, as well as in the individual program guidelines. As per 24 C.F.R. § 42.325 (a)(2), as amended by applicable waivers, all Municipalities, as units of general local government,<sup>18</sup> receiving funds from PRDOH are required to follow the PRARAP. Subrecipients that are not municipalities are also required to comply with the PRARAP.

## 12.3 Policy to Minimize Displacement

PRDOH will seek to minimize displacement consistent with the goals and objectives for the activities assisted under the HCDA. In addition, PRDOH will coordinate with municipalities and other local level authorities to minimize the direct and indirect displacement of persons from their homes and neighborhoods because of assisted activities.

PRDOH will take steps to the extent feasible, such as those stated below, to minimize displacement:

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<sup>18</sup> According to HUD, a “Unit of General Local Government” refers to a city, county, town, parish, village, or other general-purpose political subdivision of a State.

- Assist its development partners and/or subrecipients by locating facilities to house persons who must be relocated temporarily during rehabilitation by offering vacant units in other PRDOH regulated properties in the immediate area, if any;
- Plan construction activities to allow tenants to remain in their units as long as possible, by rehabilitating empty units or building first;
- Stage rehabilitation of apartment units to allow tenants to remain in the building/complex during and after the rehabilitation, working with empty units first;
- Support local efforts to enact tax assessment policies which reduce the impact of potentially increasing property tax assessments on lower income owner-occupants or tenants in revitalizing areas;
- Institute liquidated damages requirements for rehabilitation projects in order to incentivize project completion and, to the maximum extent possible, ensure relocation timeframes of less than **twelve (12) months** (temporary);
- Give priority to rehabilitation, repair or reconstruction, of housing, where feasible and in accordance with applicable program guidelines, as opposed to demolition, to avoid displacement;
- When applicable in accordance with activity type, i.e. purchasing of easements, etc., target only those properties deemed essential to the need or success of the project;
- Coordinate code enforcement with rehabilitation and housing assistance programs;
- Evaluate housing codes and rehabilitation standards in reinvestment areas to prevent undue financial burden on established owners and tenants;
- Establish or utilize approved local counseling centers to provide homeowners with assistance to understand their options and implement their choices in the face of displacement. Projects which include intensive public investment in neighborhoods will be required to publicize the availability of local counseling centers. PRDOH will require documentation of relocation notices for proposed activities in funding applications which could trigger relocation of existing persons in accordance with its adopted URA practices;
- If a project funded by CDBG-DR which benefits an owner-applicant results in a tenant's temporary relocation, the tenant must be allowed to return to the same unit at the same rental rate for at least a one-year term after the program-funded activities have been completed; and
- Ensure that PRDOH and its subrecipients have sufficient resources, expertise, processes and procedures to comply with acquisition and relocation requirements under URA, as well as evaluate options to minimize displacement for projects that will potentially involve displacement and consider any actions necessary to ensure compliance with this PRARAP.

## 12.4 Policy on Relocation Assistance

PRDOH and its subrecipients are required to conduct CDBG-DR funded activities in compliance with the URA and PRDOH policies and procedures, as applicable. All displaced persons and non-displaced tenants who are required to relocate temporarily as a result of CDBG-DR Program-funded activities will receive written notifications, relocation advisory services, reasonable and eligible moving expenses, and replacement housing assistance. As established in 83 FR 5844, the URA and its implementing regulations are the sole standards for relocation assistance. The related requirements established by section 104(d) of the HCD Act and at 24 C.F.R. § 42.350 are waived to the extent that they differ from those of the URA.

Additionally, 24 C.F.R. § 570.606(d) allows for grantees such as PRDOH to provide Optional Relocation Assistance (**ORA**) to persons displaced by activities that do not meet the URA definition of a "displaced person" and would therefore not be eligible for URA assistance. As outlined in a waiver established in 83 FR 5844, grantees receiving CDBG-DR funds may also permit their Subrecipients to establish separate optional relocation policies. This waiver is intended to provide States with maximum flexibility in developing optional relocation policies with CDBG-DR funds.

PRDOH may establish ORA policies and procedures for programs with activities that may require such assistance on a limited basis to CDBG-DR Program participants whose voluntary participation may require relocation. Such assistance will be provided in accordance with this Relocation Assistance Plan.

For more information about optional relocation refer to the PRDOH Optional Relocation Assistance (ORA) Policy, available in English and Spanish at <https://cdbg-dr.pr.gov/en/resources/policies/general-policies/> and <https://cdbg-dr.pr.gov/recursos/politicas/politicas-generales/>.

**END OF GUIDE.**