

---

CHAPTER 7. SECTION 104(d) RELOCATION REQUIREMENTS

Section 1. Scope

- 7-1. BACKGROUND. Section 104(d) of the Housing and Community Development Act of 1974, as amended (HCD Act), and HUD program regulations at 24 CFR 570.457, 570.496a(c), 570.606(c) and 570.702(f) provide that, as a condition for receiving assistance under one of the programs described in Paragraph 7-3, the grantee (defined in Paragraph 1-12 to include a State recipient) must certify that it is following a residential antidisplacement and relocation assistance plan which contains two major components:
- a. A requirement to replace all occupied and vacant occupiable low/moderate-income dwelling units (defined in Paragraphs 7-9 and 7-11) that are demolished or converted to a use other than low/moderate-income housing in connection with an activity assisted under the HCD Act (see 24 CFR 570.496a(c)(1) and 24 CFR 570.606(c)(1)); and
  - b. A requirement to provide certain relocation assistance to any lower income person (defined in Paragraph 1-16) displaced as a direct result of (1) the demolition of any dwelling unit or (2) the conversion of a low/moderate-income dwelling unit to a use other than a low/moderate-income dwelling in connection with an assisted activity.
- 7-2. PURPOSE OF CHAPTER. The purpose of this Chapter 7 is to describe the section 104(d) relocation assistance requirements covering a displaced person who moves from his or her dwelling on or after October 1, 1990. (An eligible displaced person who moved before that date is entitled to relocation assistance under the interim rule, 24 CFR 570.496a(b)(2) or 570.606(b)(2), effective October 1, 1988 (53 F.R. 31234). However, the provision of assistance in accordance with this Chapter will satisfy the requirements of the interim rule.)
- 7-3. PROGRAMS COVERED BY SECTION 104(d) RELOCATION REQUIREMENTS. The relocation requirements of this Chapter (section 104(d) requirements) cover the following programs:
- a. Community Development Block Grant (CDBG) Entitlement Program (see 570.606(c)).
  - b. State CDBG (Small Cities) Program (see 570.496a(c)).

- c. HUD-administered CDBG Small Cities Program (see 570.606(c)).
- d. Section 108 Loan Guarantee Program (see 570.702(f)). (Coverage for this program is mandated by regulation.)
- e. CDBG Special Purpose Grants Program under 24 CFR 570 Subpart E (see 570.606(c)). (Coverage for this program is mandated by regulation.)
- f. Urban Development Action Grant (UDAG) Program (see 570.457).

Section 2. Definitions Covering Section 104(d) Requirements.

- 7-4. URA DEFINITIONS IN CHAPTER 1. Terms not defined in this section have the meaning prescribed for implementation of the URA. (See Chapter 1, Section 2.)
- 7-5. AGREEMENT. For private-owner projects, the term "Agreement" means the agreement between the grantee (includes State recipient) and the property owner (or person controlling the property). For publicly owned projects (i.e., the Agency is a State agency, as defined in Paragraph 1-23), the Agreement is the contract between the Agency and the rehabilitation or demolition contractor.
- 7-6. COMPARABLE REPLACEMENT DWELLING UNIT. The term "comparable replacement dwelling unit" means a dwelling unit that:
  - a. Meets the criteria in Paragraphs 1-6a through e; and
  - b. Is available to the displaced person at a monthly cost (rent plus estimated average monthly utility costs) that does not exceed the "Total Tenant Payment," as described in Paragraph 7-20, after taking into account any rental assistance the household would receive.
- 7-7. DISPLACED PERSON.
  - a. Basic Definition. The term "displaced person" means any lower income family or individual that moves from real property, or moves his or her personal property from real property, permanently and involuntarily, as a direct result of the conversion of an occupied or vacant occupiable low/moderate-income dwelling unit (see Paragraphs 7-9 and 7-11), or the demolition of any dwelling unit, in connection with an assisted activity.

---

b. Persons Who Qualify as Displaced Persons.

- (1) A person who moves permanently from the real property after

the person receives a notice from the Agency (defined in Paragraph 1-4) to move permanently, is considered a displaced person if the move occurs after the Agency initially submits a request for financial assistance that is later provided for the requested activity.

- (a) Whenever the Agency is a private property owner, e.g., a private developer or nonprofit organization, the request for financial assistance is the initial application by the property owner (or person in control of the site) that is submitted to the grantee (includes State recipient).
- (b) Whenever the Agency is the grantee (includes State recipient), the request for financial assistance is:
  - (i) For the CDBG Entitlement Program, the submission to HUD of the final statement under 24 CFR 570.302(a)(2);
  - (ii) For the State CDBG Program, the initial submission of an application to the State by the State recipient requesting assistance under 24 CFR Subpart G;
  - (iii) For the HUD-administered Small Cities CDBG Program, the initial submission to HUD of an application for assistance under 24 CFR 570.426, 570.430, or 570.435(d);
  - (iv) For the Special Purpose Grants Program, the submission to HUD of an application for assistance under 24 CFR 570, Subpart E;
  - (v) For the Section 108 Loan Guarantee Program, the submission to HUD of an application for loan guarantee assistance under 24 CFR 570.701;
  - (vi) For the UDAG Program, the submission to HUD of an application for assistance under 570.458.

- 
- (2) A person who moves permanently from the real property before the date described in Paragraph 7-7b(1) is considered a displaced person if HUD or the grantee (includes State recipient) determines that the displacement resulted directly from the conversion of an occupied or vacant occupiable low/moderate-income dwelling unit to another use or the demolition of any unit in connection with the assisted activity.

- (3) Each tenant-occupant of a dwelling unit who will not be displaced must be provided timely notice and reimbursed for any out-of-pocket expenses as described in Paragraph 2-3. Any such tenant who moves permanently from the real property will qualify as a displaced person if any one of the following three situations ((a), (b), or (c)) has occurred:
- (a) The tenant moves permanently after the execution of the Agreement (defined in Paragraph 7-5) without prior written notice offering the tenant the opportunity to occupy a suitable decent, safe, and sanitary dwelling unit in the same building/complex following the completion of the project under reasonable terms and conditions. Reasonable terms and conditions include:
    - (i) No unreasonable change in the character or use of the property;
    - (ii) A monthly cost for rent and utilities that does not exceed the greater of:
      - (A) The tenant's monthly rent and estimated average monthly utility costs before the execution of such agreement; or
      - (B) The "Total Tenant Payment" for the person as described in Paragraph 7-20.
  - (b) The tenant was required to relocate temporarily for the project but (i) the tenant was not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including moving expenses to and from the temporary unit and any increased housing costs, or (ii) other conditions of the temporary relocation were not reasonable. (If

---

9/90

7-4

---

1378 CHG-1

---

the tenant returns to the building/complex, he or she is not a displaced person, but this does not relieve the Agency of its obligation to reimburse the person for such out-of-pocket expenses); or

- (c) The tenant is required to move to another unit in the same building/complex, but is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move.

c. Persons Not Considered a "Displaced Person." Notwithstanding

paragraph 7-7b, a person does not qualify as a "displaced person" under the circumstances described in Paragraph 1-8c.

- d. When In Doubt. The Agency may, at any time, ask the grantee or the HUD field office administering these relocation assistance requirements to determine whether a specific displacement is or would be covered by these rules.

7-8. ELDERLY FAMILY. The term "elderly family" means a family or individual whose head, spouse, or sole member is at least 62 years old or is handicapped or disabled as described in 24 CFR 813.102.

7-9. LOW/MODERATE-INCOME DWELLING UNITS. The term "low/moderate-income dwelling unit" means a dwelling unit with a market rent (including average utility costs) that does not exceed the applicable Fair Market Rent (FMR) for Section 8 existing housing established under 24 CFR Part 888. However, the term does not include any unit that is owned and occupied by the same person before and after the assisted rehabilitation.

7-10. PROJECT.

- a. Basic Definition. The term "project" means an activity or series of activities that are integrally related, each essential to the others, whether or not all of the component activities receive Federal financial assistance.
- b. Why Define Project? The requirement to provide relocation assistance to a lower-income person (defined in Paragraph 1-16) is triggered by the demolition of any housing or the conversion of a low/moderate-income dwelling to another use in connection with an assisted activity. A displacement is considered to have occurred "in connection with" a CDBG-assisted activity if such action and the CDBG-assisted activity are part of a single undertaking (i.e., a single project).

- c. Guidelines. In determining whether real property acquisition, rehabilitation, demolition, and/or construction activities (including activity on two or more parcels of real property) are part of a single undertaking, consideration shall be given to the extent to which the demolition/conversion activity and the CDBG-assisted activity share the same:

- (1) Location. Are the activities located on the same site (any tract or contiguous tracts of real property in the same or related ownership after acquisition is completed)?
- (2) Developer/owner. Are the activities carried out by, or on behalf of, a single entity or closely related entities?

- (3) Timeframe. Do the individual activities take place within a reasonable time frame of each other?
  - (4) Objective. Is the activity essential to the undertaking? Are the activities interdependent? If one is unfinished, will the objective be incomplete?
- d. Examples. The following three examples illustrate the meaning of the term "project" in differing circumstances.

Example 1. To assemble a site for construction of a new shopping mall, the grantee acquires 14 contiguous parcels, CDBG funds are used to pay part of the cost of one parcel. Non-Federal funds are used to purchase the other 13 parcels. Determination: The acquisition of the 14 parcels, demolition of the housing and construction of a shopping mall cannot be separated. They are "connected" to each other in a single "project." Low/moderate-income dwellings on any of the 14 parcels must be replaced and lower-income persons displaced from any of the 14 parcels are eligible for section 104(d) relocation assistance.

Example 2. The grantee purchases and clears a site for a neighborhood center. There are six low/moderate-income dwelling units on the site. Four are occupied by lower income families. Local funds are used to acquire the site and demolish the improvements. CDBG funds are used to partially finance the construction of a neighborhood center. Determination: The acquisition of the site, demolition of the improvements, and construction of the neighborhood center comprise a single project. All six dwelling units must be replaced and the four

low-income families are covered by the section 104(d) relocation requirements.

Example 3. A contract for the rehabilitation of a 12-unit multifamily building is executed. CDBG funds are used to pay part of the cost of rehabilitating five vacant dwelling units in the building. All 12 units are "low/moderate income dwellings." Private financing is used to pay for the rehabilitation of the seven remaining units which are occupied by lower-income families. The new market rents charged at the 12 units exceed the Section 8 FMR (i.e., they are "converted") and also exceed 30% of the income of the seven tenant-occupants. Determination: The rehabilitation of the building (all 12 units) is a single project, and all 12 units must be replaced. Also, any

lower-income family that moves permanently is eligible for section 104(d) relocation assistance because he/she is a "displaced person," (i.e., economic displacement).

7-11. STANDARD CONDITION AND SUBSTANDARD CONDITION SUITABLE FOR REHABILITATION.

- a. If the grantee has a HUD-approved Housing Assistance Plan (HAP), the definitions of "standard condition" and "substandard condition suitable for rehabilitation" established in the HAP will apply.
- b. Under the State CDBG Program the State may define the terms "standard condition" and "substandard condition suitable for rehabilitation" or may allow the State recipient to establish and make public its definition of these terms.

If a State permits the State recipient to establish its definition of these terms, the State must determine if the State recipient's definition is acceptable.

- c. For projects not covered by Paragraph 7-10a or b (i.e., the grantee is not required to submit a HAP to HUD, and the grant is not made under the State CDBG Program), the grantee shall establish and make public its definition of these terms consistent with the requirements of 24 CFR 570.306(e)(1).

7-12. VACANT OCCUPIABLE DWELLING UNIT. The term "vacant occupiable dwelling unit" means:

- a. A vacant dwelling unit that is in a standard condition;

---

7-7

7/92

---

1378 CHG-1

---

- b. A vacant dwelling unit that is in a substandard condition, but is suitable for rehabilitation; or
- c. A dwelling unit in any condition that has been occupied (by a person with the legal right to occupy the property) at any time within the period beginning one year before the date of the execution of the Agreement (defined in Paragraph 7-5).

7-13. RESERVED.

7-14. RESERVED.

7-15. RESERVED.

---

### Section 3. Relocation Assistance

- 7-16. RELOCATION ASSISTANCE UNDER SECTION 104(d). Under section 104(d), each "displaced person" (defined in Paragraph 7-7) is entitled to choose either assistance at URA levels (as described in Chapters 2 and 3), or the following relocation assistance:
- a. Advisory services, as described in Paragraphs 2-3 through 2-5. Appendices 25 and 26 contain Guideform Notices of Eligibility for section 104(d) relocation assistance. Appendix 25 covers relocations where a Section 8 certificate or housing voucher is provided. Appendix 26 covers relocations where Section 8 assistance is not available.
  - b. Payment for moving and related expenses. The displaced person may choose either:
    - (1) A payment for actual reasonable moving and related expenses, as described in Paragraph 3-2a; or
    - (2) A moving expense and dislocation allowance as described in Paragraph 3-2b. The allowance is based on a schedule that is available from the HUD Field Office.
  - c. The reasonable and necessary cost of any security deposit required to rent the replacement dwelling unit, and any credit checks required to rent or purchase the replacement dwelling unit. (The displaced person is entitled to keep any later refund of a security deposit.)
  - d. Interim living costs. The person shall be reimbursed for actual reasonable out-of-pocket costs incurred in connection with temporary relocation, including moving expenses and increased housing costs, if:
    - (1) The person must relocate temporarily because continued occupancy of the dwelling unit constitutes a substantial danger to the health or safety of the person or the public (see Paragraph 2-5h); or
    - (2) The person is displaced from a "low/moderate-income dwelling unit," none of the comparable replacement dwelling units to which the person has been referred qualifies as a low/moderate-income dwelling unit (defined in Paragraph 7-9), and a suitable low/moderate-income dwelling unit is scheduled to become available in accordance with 24 CFR



570.496(c)(1) or 570.606(c)(1). NOTE: A comparable replacement dwelling unit may have a market rent that exceeds the FMR under the Section 8 Existing Housing Program (i.e., it is made affordable to the person through rental assistance payments). If so, the unit does not meet the definition of a "low/moderate-income dwelling unit."

- e. Replacement housing assistance. Under section 104(d), the displaced person is eligible to receive one of the following:

(1) Rental Assistance.

- (a) Each person must be offered rental assistance equal to 60 times the amount obtained by subtracting the Total Tenant Payment (described in Paragraph 7-20) from the lesser of:
  - (i) The monthly rent and estimated average monthly cost of utilities for a comparable replacement dwelling; or
  - (ii) The monthly rent and estimated average monthly cost of utilities for the decent, safe and sanitary replacement dwelling to which the person relocates.
- (b) All or a portion of this rental assistance may be offered (if it is available in accordance with the PHA's HUD-approved tenant selection preferences) through a certificate or housing voucher for rental assistance provided through the Public Housing Agency (PHA) under Section 8 of the United States Housing Act of 1937, as amended. Generally, a Section 8 housing voucher or certificate may be issued only to a very low-income person.
- (c) Whenever a Section 8 certificate or voucher is offered, the Agency must provide referrals to comparable replacement dwelling units (defined in Paragraph 7-6) where the owner is willing to participate in the Section 8 Existing Housing Program. If a person is offered a Section 8 certificate or voucher and appropriate housing referrals, but refuses such assistance or rents and moves to a unit where he or she is unable to receive the Section 8 assistance, the Agency shall have satisfied the section 104(d) replacement housing requirements. In such case, the displaced person may seek URA replacement housing assistance as described in Paragraph 3-4 or 3-5.

- (d) If the tenant is provided a housing voucher and the rent/utility cost for a replacement dwelling (actual or comparable replacement dwelling, whichever is less costly) exceeds the payment standard, the tenant will qualify for cash rental assistance in addition to the Section 8 assistance to cover the gap.
  - (e) Cash rental assistance may, at the discretion of the Agency, be provided in either a lump sum or in installments.
- (2) Purchase Assistance.
- (a) If the displaced person purchases an interest in a housing cooperative or mutual housing association and occupies a decent, safe, and sanitary dwelling in the cooperative or association, the person may elect to receive a lump sum payment. This lump sum payment shall be equal to the capitalized value of 60 monthly installments of the amount that is obtained by subtracting the "Total Tenant Payment," as described in Paragraph 7-20, from the monthly rent and estimated average monthly cost of utilities for a comparable replacement dwelling unit.
  - (b) To compute the capitalized value, the installments shall be discounted at the rate of interest paid on passbook savings deposits by a federally insured bank or savings and loan institution conducting business in the jurisdiction.
  - (c) To the extent necessary to minimize hardship to the person, the Agency shall, subject to appropriate safeguards, issue a payment in advance of the purchase of the interest in the housing cooperative or mutual housing association.

Optional Claim Form. For assistance under paragraphs c, d, and e above, form [HUD-40072](#), "Claim for Rental or Purchase Assistance under Section 104(d) of the Housing and Community Development Act of 1974, as amended," may be used. A copy of the form is contained in Appendix 27. The form is optional; however, if the form is not used, equivalent documentation must be included in the grantee's files.

- 7-17. APPEALS. If a person disagrees with the determination of the grantee (includes State recipient) concerning the relocation payment(s) or other relocation assistance for which the person is eligible, the person may file a written appeal with the

grantee (includes State recipient) in accordance with the procedures described in Paragraph 1-33. A person who is dissatisfied with the determination on the appeal, may ask the HUD Field Office, or State, as the case may be, to review that determination as described in Paragraph 1-33i.

- 7-18. RESPONSIBILITY OF GRANTEE FOR COMPLIANCE. The grantee (includes State recipient) is responsible for ensuring compliance with the requirements of this Chapter, notwithstanding any third party's contractual obligation to the grantee (includes State recipient) to comply with such requirements. (Neither HUD nor a State may approve a grant, loan guarantee or contract unless the appropriate certification of compliance is provided as described in Paragraph 7-1.)
- 7-19. RECORDKEEPING. The grantee (includes State recipient) shall maintain records in sufficient detail to demonstrate compliance with these requirements, as described in Chapter 6.

---

7/92

7-12

---

1378 CHG-1

---

#### Section 4. Total Tenant Payment

- 7-20. DETERMINING TOTAL TENANT PAYMENT.
- a. Background. As described in Paragraph 7-16e, a displaced person is eligible for financial assistance sufficient to reduce the monthly rent and estimated average monthly utility costs for a replacement dwelling to the Total Tenant Payment (TTP) as described in Paragraph 7-20b.
  - b. Total Tenant Payment. The Total Tenant Payment is the highest of:
    - (1) 30 percent of the person's monthly adjusted income as described in Paragraph 7-22;
    - (2) 10 percent of the person's monthly gross income as described in Paragraph 7-21; or
    - (3) The designated allowance for rent/utility costs, if the person is receiving welfare assistance from a public agency and a part of such assistance, adjusted in accordance with the person's actual housing costs, is specifically designated by the public agency to meet the person's rent and utility costs.

7-21. DETERMINING ANNUAL GROSS INCOME.

- a. Income That Must Be Included. As described in 24 CFR 813.106, for purposes of determining the Total Tenant Payment, annual income is the total income of the person from all sources, including net income derived from assets, anticipated to be received in the 12-month period following the effective date of the income certification, exclusive of the types of income identified in Paragraph 7-21b below. Annual income includes:
- (1) Wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services (before payroll deductions);
  - (2) Net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be excluded when determining net income. An allowance for depreciation of assets used in a business or profession may be deducted,

---

7-13

7/92

---

1378 CHG-1

---

based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession must be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the person;

- (3) Interest, dividends, and other net income of any kind from real or personal property. Where the person has net assets in excess of \$5,000, annual income shall include the greater of the actual income derived from net assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD. Expenditures for amortization of capital indebtedness shall not be deducted when determining net income. An allowance for depreciation is permitted only as authorized in Paragraph 7-21a(2). Any withdrawal of cash or assets from an investment must be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the person;
- (4) Periodic payments from social security, annuities, insurance policies retirement funds, pensions, disability or death benefits and similar periodic receipts, including a lump-sum payment for the delayed start of a periodic payment;
- (5) Payments in lieu of earnings, such as unemployment,

worker's compensation and severance pay (but see Paragraph 7-21b(3) below);

- (6) Welfare Assistance. (But see Paragraph 7-20b(3). For instructions on how to treat welfare assistance when there is a designated adjustable allowance for shelter and utilities, see 24 CFR 813.106(b)(6).);
- (7) Periodic allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling;
- (8) All regular pay, special pay and allowances of a member of the Armed Forces (but see Paragraph 7-21b(7)); and
- (9) Any earned income tax credit to the extent it exceeds income tax liability.

---

7/92

7-14

---

1378 CHG-1

---

b. Income Exclusions. Annual income does not include:

- (1) Income from employment of children under the age of 18;
- (2) Payments for the care of foster children;
- (3) Lump-sum additions to assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (but see Paragraph 7-21a(5) above);
- (4) Reimbursement of Medical Expenses for any member of the household;
- (5) Income of a live-in aide;
- (6) Educational scholarships paid directly to the student or to the educational institution, and amounts paid by Government to a veteran, for use in meeting the costs of tuition, fees, books, equipment, materials, supplies, transportation, and miscellaneous personal expenses of the student. Any scholarship aid or payments to a veteran not used for the above purposes that is available for subsistence are to be included in income;
- (7) Special hostile fire pay to a household member serving in the Armed Forces;
- (8) (a) Amounts received under training programs funded by HUD;

- (b) Amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income (SSI) eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS); or
  - (c) Amounts received by a participant in other publicly assisted programs which cover out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
- (9) Temporary, nonrecurring or sporadic income (including gifts); or

---

7-15

7/92

1378 CHG-3

- (10) Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining Section 8 assistance. As of July 1, 1992, the following were excluded:
- (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017(b));
  - (b) Payment to volunteers under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5044(g), 5058 );
  - (c) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(a));
  - (d) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 259e);
  - (e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624 (f));
  - (f) Payments received under programs funded in whole or in part under the Job Training Partnership Act (49 U.S.C. 1552(b));
  - (g) Income derived from the disposition of funds of the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-2504);
  - (h) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian

Claims Commission or the Court of Claims (25 U.S.C. 1407-1408) or from funds held in trust for an Indian tribe by the Secretary of Interior (25 U.S.C. 117b, 1407);

- (i) Scholarships funded under Title IV of the Higher Education Act of 1965 including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs, that are made available to cover the costs of tuition, fees, books, equipment, materials, supplies, transportation, and miscellaneous personal expenses of a student at an educational institution (20 U.S.C. 1087uu);
- (j) Payments received from programs funded under Title V of the Older Americans Act of 1965 (U.S.C. 3056(f));

3/94

7-16

1378 CHG-3

- (k) Payments received after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the In Re Agent Orange product liability litigation, M.D.L. No. 381 (E.D.N.Y.);
  - (l) Payments received under Maine Indian Claims Settlement Act of 1980 (Pub.L. 96-420, 94 Stat. 1785);
  - (m) The value of any child care provided or arranged or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 q); and
  - (n) Earned Income Tax Credit (EITC) refund, effective January 1, 1991. (This is a payment from IRS to lower-income workers with children. It may be received in installments paid in advance, or in a lump sum paid after filing.)
- c. Verification of Income. To receive assistance, a person must execute a release authorizing any depository or source of income to furnish the Agency any information the Agency determines is necessary to verify income. In order of acceptability, the three methods of verifying a person's income are:
- (1) Third party written or oral verification. Written verification should not be hand-carried by the

person.

(2) Review of documents, when third party verification is unavailable.

(3) Notarized self-certification, unless the Agency determines notarization is unnecessary,

7-22. DETERMINING MONTHLY ADJUSTED INCOME. A person's monthly adjusted income is equal to one-twelfth (1/12) of the person's annual adjusted income. As described in 24 CFR 813.102, annual adjusted income is determined by deducting from the annual gross income (defined in Paragraph 7-21) the following allowances:

a. \$480 Per Dependent. Dependents include household members that are under 18, handicapped, disabled, or full-time students, but not the family head, spouse or foster children.

7-17

3/94

1378 CHG-3

b. \$400 Per Elderly Family. As indicated in Paragraph 7-8, this allowance is provided to any family whose head, spouse, or sole member is at least 62 years old or is handicapped or disabled.

c. Reasonable Child Care Expenses for children 12 and under that enable a household member to work or further education. Deductible expenses for child care to enable a person to work shall not exceed the amount of income received from such work. Only non-reimbursed expenses are covered. (For households assisted by Indian Housing Authorities, see 24 CFR 813.102.)

d. Handicapped Assistance Expenses of Non-Elderly Family. The allowance covers reasonable expenses for attendant care (provided by non-household member) and auxiliary apparatus for any handicapped or disabled household member that enables that individual or other household member to work. Only non-reimbursed expenses in excess of three percent of annual gross income (see Paragraph 7-2 1) are covered. Allowance may not exceed income of household members (over 18) from such work.

e. Handicapped Assistance Expenses and Medical Expenses of Elderly Family. The allowance equals the amount by which the sum of (a) handicapped assistance expenses, if any, as described in Paragraph 7-22d, plus (b) medical expenses, exceeds three percent of annual gross income.

3/94

7-18



---

SUMMARY OF MAJOR DIFFERENCES BETWEEN 104(d) AND  
URA RELOCATION ASSISTANCE

PART I. ELIGIBILITY FOR ASSISTANCE

---

Subject	Section 104(d)
Income Requirements	Only Lower Income Persons are assisted
Person displaced by rehabilitation activities (including economic displacement)	Displaced persons are eligible only if the market rent (including utilities) of the unit before rehab did not exceed the Section 8 Existing Housing Fair Market Rent (FMR) and the market rent after rehab was above the FMR.
Economic Displacement Criteria	Displaced person is eligible if not offered a suitable unit at or below the greater of: <ul style="list-style-type: none"> <li>o Total Tenant Payment; or</li> <li>o Old rent/utility costs</li> </ul>
Person displaced by conversion of unit to a nonresidential use	Displaced person is eligible only if the market rent (including utilities) of the displacement unit did not exceed the FMR before conversion.
Person displaced by demolition	Displaced person is eligible regardless of the pre-demolition market rent.
Person displaced by acquisition only (no conversion)	Displaced person is not eligible.

---

SUMMARY OF MAJOR DIFFERENCES BETWEEN 104(d) AND  
URA RELOCATION ASSISTANCE

PART I. ELIGIBILITY FOR ASSISTANCE

---

Subject	URA/HUD Program Regulations
Income Requirements	Displaced persons of all incomes are eligible
Person displaced by rehabilitation activities (including economic displacement)	Displaced persons are eligible for assistance regardless of pre- and post-rehabilitation rents. (URA does not cover economic displacement, but HUD program regulations require assistance equivalent to URA.)
Economic Displacement Criteria	<p>Displaced person is eligible if not offered an appropriate unit at or below the greater of:</p> <ul style="list-style-type: none"><li>o 30% of gross income; or</li><li>o old rent/utility costs.</li></ul> <p>Note: 30% of gross income is the general policy; rules vary by program.</p>
Person displaced by conversion of unit to a nonresidential use	Displaced person is eligible for assistance by any conversion to a nonresidential use.
Person displaced by demolition	Displaced person is eligible regardless of the pre-demolition market rent.
Person displaced by acquisition only (no conversion)	Displaced person is eligible.

---

---

Exhibit No. 7-1  
Page 2 of 2

---

SUMMARY OF MAJOR DIFFERENCES BETWEEN 104(d)  
AND URA RELOCATION ASSISTANCE

PART II. AMOUNT OF ASSISTANCE PROVIDED

---

Subject	Section 104(d)
Rental Assistance Term	60 Months
Monthly Rental Assistance Payment	Amount needed to reduce new rent/utility costs to Total Tenant Payment, which is usually greater of: <ul style="list-style-type: none"><li>o 30% of adjusted monthly income</li><li>o 10% of gross monthly income</li></ul>
Use of Section 8 Rental Assistance	If Section 8 assistance and suitable referrals are offered, displaced person cannot insist on cash replacement housing payment. (But tenant may request cash replacement housing payment under URA.)
Other Housing Assistance	Assistance includes security deposit at replacement dwelling.
Homeownership Assistance	Limited to purchase of cooperative or mutual housing and based on present (discounted) value of 60 monthly pay rental payments.
Moving and Related Expenses	Same as URA.

---

Advisory  
Services

Same as URA.

---

7/92

---

Exhibit No. 7-1  
Page 2 of 2 (Continued)

---

SUMMARY OF MAJOR DIFFERENCES BETWEEN 104(d)  
AND URA RELOCATION ASSISTANCE

PART II. AMOUNT OF ASSISTANCE PROVIDED

---

Subject	URA/HUD Program Regulations
Rental Assistance Term	42 Months
Monthly Rental Assistance Payment	Amount needed to reduce new rent/utility costs to the lower of: <ul style="list-style-type: none"><li>o old rent/utility costs</li><li>o 30% of gross monthly income (varies by program)</li></ul>
Use of Section 8 Rental Assistance	Displaced person has the right to a cash replacement housing payment but may accept Section 8 assistance if it is offered.
Other Housing Assistance	Assistance does not include security deposit.
Homeownership Assistance	Not limited to cooperative or mutual housing. Payment equals 42 x monthly rental payment (i.e., not discounted).
Moving and Related Expenses	Person may choose either: <ul style="list-style-type: none"><li>o Payment for actual moving</li></ul>

---

- and related expenses; or
- o Alternative Allowance based on DOT schedule.

---

Advisory Services	Comprehensive services provided.
----------------------	-------------------------------------

---

7/92

Exhibit 7-1