

# RELOCATION LAW—THE BASICS

M DAVID KROOT

GOLDFARB & LIPMAN LP

[MKROOT@GOLDFARBLIPMAN.COM](mailto:MKROOT@GOLDFARBLIPMAN.COM)

OAKLAND (510) 836-6336

LOS ANGELES (213) 627-6336

SAN DIEGO (619) 239-6336

# WHEN DO I NEED TO WORRY ABOUT RELOCATION LAW?

- Whenever government funds are used
  - ▣ Federal, State or Local
- Directly by the public agency or by you with an agreement with the public agency
- At the very beginning of the project

# WHAT IS COVERED?

- Acquisition or development of real property  
And
- Whenever personal property must be moved  
And/or
- Will result in the displacement of a business or residence

# FEDERAL RELOCATION LAW

## □ Statute

- Public Law 91-646, “Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA)”

## □ Regulations

- 49 Code of Federal Regulations Part 24 (Department of Transportation - Lead Federal Agency)
  - Specific Agency Policy & Procedures
  - HUD Handbook 1378

# CALIFORNIA RELOCATION LAW

## □ Statute

- ▣ California Government Code, Section 7260 et seq.

## □ Regulations

- ▣ California Code of Regulations, Title 25, Division 1, Chapter 6, Section 6000 et seq. (HCD) – Lead State Agency
  - Specific Agency Policy & Procedures

# FUNDING SOURCE

- Federal
  - HUD (CDBG, HOME, Project-Based Rental Assistance)
  - HUD-FHA (does not trigger relocation assistance)
  - U.S.D.A.
  
- State
  - HCD Programs
  - City or County General or Special Funds
  - Bonds
  - Tax Credits
  - What if mixed funding?

Most restrictive rules?

Most beneficial to displaced person?

# RELOCATION PLANNING

- Relocation Plan [CCR § 6038]
  - Even 1 residential displacement
  - 1-15 displacements – can use a Model Plan
  - Insignificant business displacement - not required

**Relocation Plan required under the Guidelines before causing displacement (90-day notice)**

**30-day public review/comment period and Agency approval**

# PLAN PROVISIONS

- Aggregate relocation needs of people or businesses who may be relocated as a result of the Project;
- Availability of comparable replacement housing resources and commercial properties; and
- A description of the Relocation Assistance Program—procedures that will be followed, special policies, projected dates of displacement, and budget.



# WHAT ACTION TRIGGERS REQUIREMENTS?

- “Initiation of Negotiations”
  - First Written Offer?
  - Funding application?
  - Funding Approval?
  - Close of Escrow?

# ELIGIBILITY

- Rental Agreement?
- Lease?
- Month to month?
- Legal use?
- Sublet?
- Overcrowded?

# WHO IS A DISPLACED PERSON?

- **Displaced Person** [CCR 6008 (f)]: Any person who moves from real property, or who moves his or her personal property from real property, either:
  - As a result of acquisition of property by a public entity or a private party with an agreement with a public entity
  - As a result of the rehabilitation, demolition or other displacing activity undertaken with regard to real property by a public entity or by a private party with an agreement with a public entity on which the person is in lawful occupancy, and the displacement lasts longer than 90 days (except as provided in Government Code Section 7262.5—(One Year for affordable housing preservation with temporary relocation benefits.)

# WHO IS NOT A DISPLACED PERSON?

- Any person occupying private property (not otherwise entitled to relocation benefits as a result of an acquisition, rehabilitation or demolition program) who is required to move as a result of the displacing agency's routine enforcement of building, housing or health codes unless the code enforcement is undertaken for the purpose of causing displacement in coordination with an identified rehabilitation, construction, or demolition program or project.
- A person who is not required to move permanently or temporarily as a result of the project as long as they are notified they are not required to move and the project does not impose an unreasonable change in the character or use of the property.
- An owner-occupant who moves as a result of an acquisition meeting the requirements of the Government Code.

# WHO IS NOT A DISPLACED PERSON?

- Any person who has been determined to be in unlawful occupancy of the displacement property?
- Any person who occupied the property for the purpose of obtaining relocation benefits and assistance?



# Relocation Roundtable

Best Practices & Lessons Learned for Tenant Relocation

October 3<sup>rd</sup>, 2014

Presented by: Tim Dunn, Mercy Housing California



# Communication With Residents

- General resident meetings
- Pre-screening interviews with residents
- Consistent, single point of communication regarding relocation is critical





# Need for Dedicated Staff

- Dedicated staff for day-to-day relocation issues is essential
  - Managing construction is already difficult for developers
  - It is not realistic to rely on property management staff to handle relocation
- Customer service orientation is critical
  - The little things really do matter







# Incentives for Residents

- Assist residents in cleaning up their units by providing dumpsters and other useful items
- Organize resident-appropriate outings away from the property when difficult construction work is underway





# Flexibility & Creativity

---

- Some residents may be uncooperative when it comes to preparing to move out
  - In those cases, it is better to have a plan in place to do that for them
  - Otherwise, one runs the risk of incurring delays in construction
- Other residents may be unable to handle the tasks required in order to move out
  - Developers should be able to move them if that is the case
- Renting Units



# Relocation Budgets

---

- Relocation is not cheap!
  - Full-time relocation staff for duration of construction
  - Replacement Housing in Apartments that are Comparable or Better than Existing Housing.
  - Mover Services, Offhaul Services, Cleaners
  - Moving Materials
  - Utility transfer costs
  - Legal Consultants
  - Translation Services
  - Petty Cash for events, resident reimbursements, etc.