

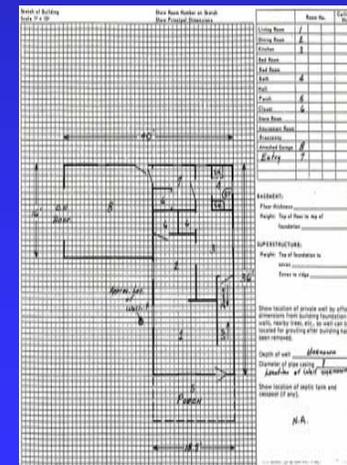
RELOCATION

Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970
 Implementing Federal Regulations 49 CFR Part 24



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Mn/DOT
 Relocation
 Supervisor

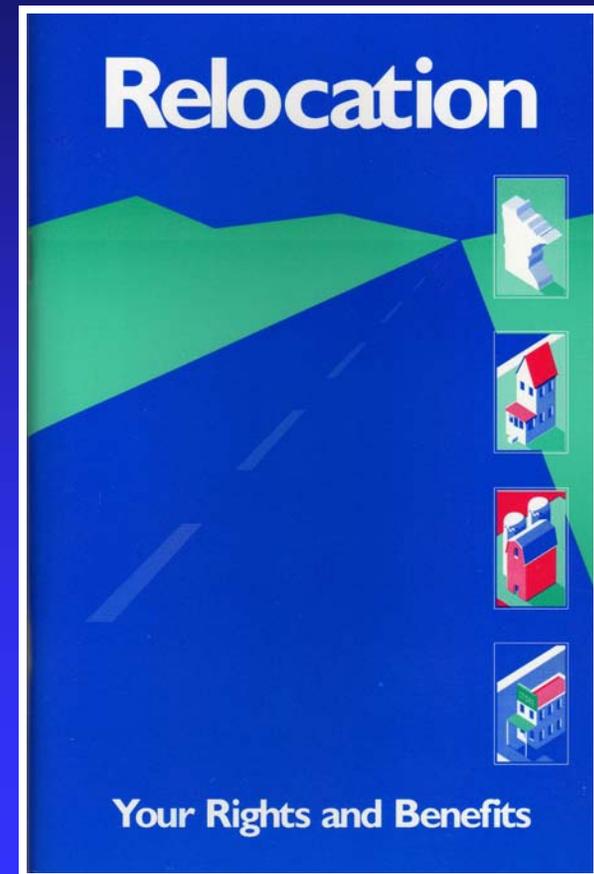


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➤ TODAY'S TOPIC

- *The NEW RULE*
 - ▶ *49 CFR Pt. 24*



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➤ 49 CFR Part 24

- *Final Rule - Effective February 3rd 2005*
- *Primary Relocation Changes/Impacts*
 - ❖ *Tweaks / Additions to Definitions*
 - ❖ *Planning and Advisory Services expanded*
 - ❖ *added “No Waiver of Benefits” sub-section*
 - ❖ *Reorganized Moving Costs section*
 - ❖ *Reorganized Reestablishment Section*
 - ❖ *Several “Replacement Housing” changes*

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❖ ***Tweaks / Additions to Definitions***

- *removed “style of living” from Comparable Replacement Dwelling definition*
- *Decent, Safe & Sanitary standards are now based on “local” housing & occupancy codes or, if applicable, Agency policy*
- *added - “Dwelling Site” (typical for market)*

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- ❖ ***Planning and Advisory Services expanded***
 - *Planning, which involves a Detailed Study:*
 - ▶ *shall now include a section addressing the availability, and estimate of replacement business sites, ...and an analysis of specific businesses moving problems.*

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- ❖ ***Planning and Advisory Services expanded***
 - ***Assistance Advisory Services***
 - ▶ ***Additional emphasis placed on direct assistance to non-residential displacee's (businesses, farms & non-profits)***
 - ▶ ***Requires a personal interview with each, and shall address 6 specific issues:***

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❖ ***Planning and Advisory Services expanded***

■ ***Assistance Advisory Services***

- 1. Replacement Site requirements, lease terms, contractual obligations, and financial capacity to accomplish the move***
- 2. Determine need for outside specialist's***
- 3. Resolve Personalty/Realty issues prior to or at the time of the appraisal***

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❖ *Planning and Advisory Services expanded*

■ *Assistance Advisory Services*

- 4. Estimate time needed to vacate the site*
- 5. Estimate anticipated difficulty in locating replacement property*
- 6. Identify advance payments required to accommodate the move, and the Agency's legal capacity to provide them*

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❖ **Added “No Waiver of Benefits” sub-section**

- *24.207 General Requirements*
 - *claims for payments*

... *(f) No Waiver of Relocation Assistance*

“A displacing Agency shall not propose or request that a displaced person waive his or her rights or entitlements to relocation assistance and benefits provided by the Uniform Act and this regulation.”

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❖ **Reorganized Moving Costs section**

- *NEW - "Personal Property Only" moves*
- *NEW - "Low Value/High Bulk" moves*
- *Identifies Mobile Home moving expenses*
- *ANY license, permit or fee as a moving cost*
- *Clarifies "In-Place" value
(Substitute P.P.)*
- *Searching Costs
Increased to \$2,500*



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❖ **Reorganized Moving Costs section**

■ **Added “Related Non-Residential Expenses”**

▶ **Formerly Reestablishment Items:**

- **Utility connections at replacement site**
- **Soil tests, feasibility studies and marketing studies related to the replacement site**
- **Impact fees or one-time assessments at the replacement site**



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- ❖ ***Reorganized Reestablishment section***
 - *Several items were reclassified as eligible moving costs, thus reducing the number of eligible reestablishment payment types from 12 down to 7.*
 - *Federal threshold remains @ \$10,000*
 - *Minnesota threshold remains @ \$50,000*

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- ❖ ***Changes to Replacement Housing section***
 - *Modified Replacement Housing payments for 180-day Owner-Occupants who rent*
 - *Modified Downpayments Benefit*
 - *Removed requirement of adjusting the asking price of Comparable Replacement Dwellings when computing an RHP*
 - *Only “Low-Income” displacee’s shall qualify for the 30% rule in calculating a Rental Assistance benefit.*

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❖ **Changes to Replacement Housing section**

- *Modified Replacement Housing payments for 180-day Owner-Occupants who rent*

▶ **Currently**

- eligible for Rental Assistance Payment, but capped @ \$5,250

▶ **New Rule**

- eligible for Rental Assistance Payment, but capped at Price Differential amount

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- ❖ ***Changes to Replacement Housing section***
 - ***Modified Downpayments Benefit***
 - ▶ **Currently**
 - a Downpayment is limited to the amount ordinarily required to obtain conventional loan financing (ie: 20% down)
 - ▶ **New Rule**
 - the “ordinary financing” cap is eliminated
 - allows the full amount of the Rental Assistance benefit to be used as a Downpayment toward the purchase of a replacement dwelling

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- ❖ **Changes to Replacement Housing section**
 - *Removed requirement of adjusting the asking price of Comparable Replacement Dwellings when computing an RHP*
(Replacement Housing Payment)



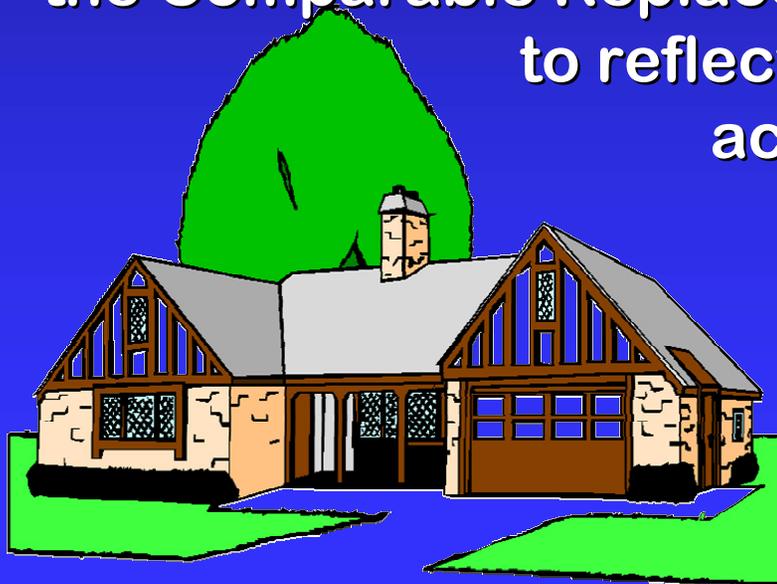
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❖ *Changes to Replacement Housing section*

Currently ...

Apply an adjustment to the List Price of the
the Comparable Replacement Dwelling,
to reflect what Homes are
actually selling for in
the Market.



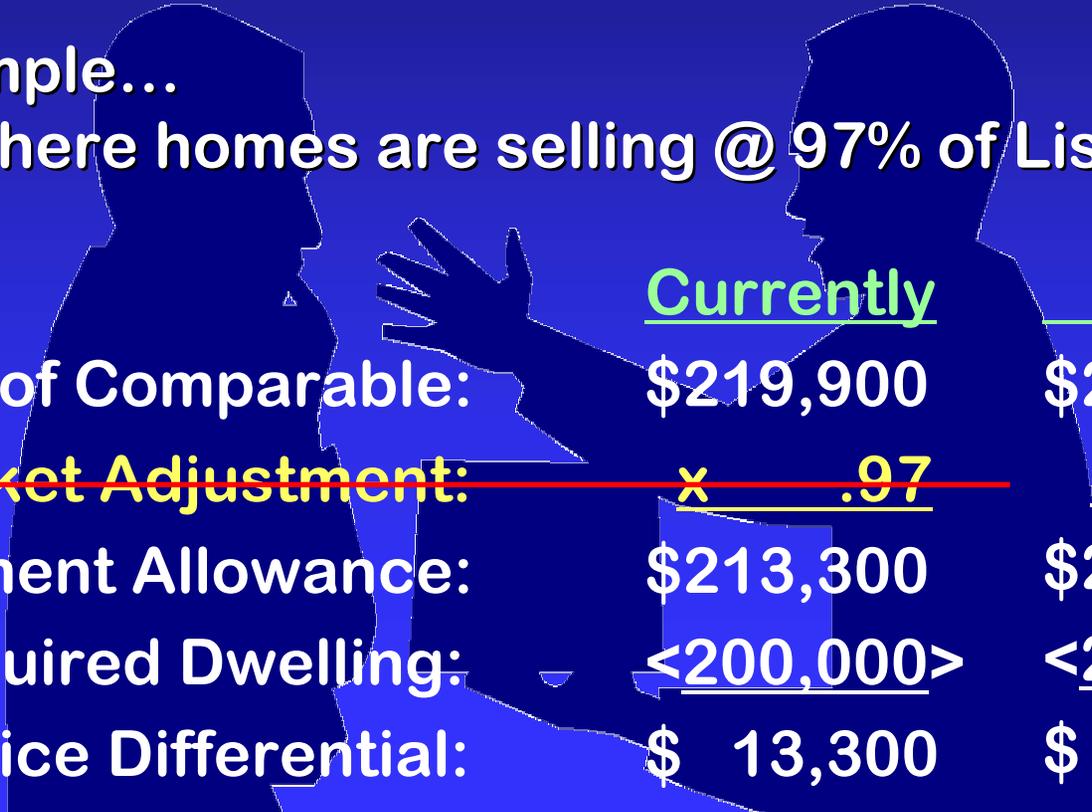
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❖ *Changes to Replacement Housing section*

for example...

where homes are selling @ 97% of List Price



	<u>Currently</u>	<u>New</u>
List Price of Comparable:	\$219,900	\$219,900
Apply Market Adjustment:	x .97	N/A
Replacement Allowance:	\$213,300	\$219,900
less Acquired Dwelling:	< <u>200,000</u> >	< <u>200,000</u> >
equals Price Differential:	\$ 13,300	\$ 19,900

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- ❖ **Changes to Replacement Housing section**
 - Only “*Low-Income*” displacee’s shall qualify for the 30% rule in calculating a Rental Assistance benefit.

The 30% Rule applies to the INCOME of the displacee relative to their ability to afford Housing.

Rent Assistance = 42 months, times:

lesser of: Base Rent for Displacement Dwelling
or 30% of monthly gross income

Minus lesser of: Comparable Rental
or Actual Replacement Rent

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❖ **Changes to Replacement Housing section**

- *Only “Low-Income” displacee’s shall qualify for the 30% rule in calculating a Rental Assistance benefit.*

How does a displacee qualify as “Low Income” ?

- check displacee's income against the U.S. Dept. of Housing and Urban Development’s (HUD) Annual Survey of Income Limits for Public Housing and Section 8 Programs.
- <http://www.fhwa.dot.gov/realestate/ua/ualic.htm>

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For example:

Tom and Mary Smith and their three children are being displaced.

- Tom Smith, is employed and earns **\$40,000/yr.**
- Mary Smith, receives disability of **\$ 6,000/yr.**
- Tom Smith Jr., 21, employed earns **\$15,000/yr.**
- Cindy Smith, 17, student – dependant under 18, **no income**
- Sam Smith, 10, student – dependent under 18, **no income.**

Smith family gross annual household income = \$61,000

$(\$40,000 + \$6,000 + \$15,000 + \$0 + \$0 = \$61,000)$

- **Displaced residence located in State of MN, Sherburne County.**
- **Low income limit for family of 5 in Sherburne County = \$62,100.**
(Based on FY 2004 income limits)
- **Smith family income of \$61,000 is less than \$62,100**

The Smith's qualify as "*Low Income*" for purposes of the Uniform Act

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➤ TRAINING (URA Revisions)

- *URA Seminar sponsored by IRWA*
 - ▶ *March 24th*
 - ▶ *Minneapolis Crowne Plaza Hotel*
 - ▶ *\$199 - \$249 Registration Fee*
 - ▶ *See IRWA and/or FHWA websites*

