

I. MHDC Relocation Payments Policy

In accordance with Missouri Revised Statutes, Chapter 523.205

(For Projects funded with MHDC, non-federal dollars)

Any project being funded with non-federal Missouri Housing Development Commission (hereafter referred to as: MHDC) funds that will result in either the Temporary Relocation or Permanent Displacement of current tenants *must* comply with the MHDC Relocation Payments Policy for projects funded with Non-Federal Dollars as outlined herein and with all of the requirements of the Missouri Revised Statutes, Chapter 523.205. For the purposes of this policy, “Non-Federal Dollars” means financing structures that include Low-Income Housing Tax Credits, MHDC Fund Balance and the Risk Share programs.

MHDC requires that all reasonable steps be taken to minimize the displacement of persons as a result of a development assisted with non-federal state housing funds. To the extent feasible, residential tenants must be provided a reasonable opportunity to lease and occupy a suitable, decent, safe, sanitary and affordable dwelling unit within the building/complex upon completion of the rehabilitation of the development. Planning rehabilitation projects to include “staging” is encouraged to minimize displacement. It must be noted that MHDC discourages proposals that will result in “permanent displacement” activity.

If permanent displacement is necessary, residents must be given a reasonable opportunity to lease and occupy a decent, safe and sanitary dwelling defined below:

The dwelling shall:

- (a) Be structurally sound, weather tight and in good repair;
- (b) Contain a safe electrical wiring system;
- (c) Contain an adequate heating system;
- (d) Be adequate in size with respect to the number of rooms needed to accommodate the displaced person; and**
- (e) For a handicapped person, be free of any barriers which would preclude reasonable ingress, egress or use of the dwelling.

If you acquire an existing property to be rehabbed with non-federal MHDC funds you must submit to MHDC (at time of initial application) a copy of the FIN 305-MHDC form. You will also need to submit all copies of FIN 310-MHDC forms at FIRM Commitment time if you have tenants who have moved in since the time application was made for MHDC funding.

A. Tenant Notice, MHDC form FIN 310-MHDC (aka: Move-In Notice, Prospective Tenant Notice)

(A copy of the FIN-310-MHDC is attached as “Exhibit S” to this document a copy is also available on the www.mhdc.com website)

This notice is **only** to be **given to tenants who wish to move into the project after** the application for funding of an acquisition and/or rehabilitation project has been submitted to MHDC. There is an obligation to provide any potential tenant with the **MHDC Form FIN-310-MHDC, “Notice to Prospective Tenant”**.

This notice informs the potential tenant of the possible rehabilitation of the project with MHDC funds and lets them know that if the application is approved the potential tenant could be displaced.

Finally, the notice informs the potential tenant that he/she **will not qualify** as a “displaced person”. The receipt of this notice makes the tenant aware of the possibility of relocation due to the rehabilitation. The tenant will not be eligible to receive a relocation payment.

If MHDC funds your project, please submit copies of the applicable FIN 310-MHDC notices when submitting your FIRM Commitment documentation. You will still need to issue the FIN 310-MHDC notices and provide copies to us periodically **after** FIRM submission, if new tenants are allowed to move in to the development in the interim.

B. Pre-Qualifying Existing Tenants

Prequalification of your existing tenants will allow you to determine who will be income eligible to occupy the housing units after the rehabilitation process is completed.

Prequalification will also help you determine if you have occupants who will become “displaced households” that will be able to claim a permanent relocation payment.

You must determine through this pre-qualification process, that the rehabilitation with MHDC funds and the regulations associated with the use

of the MHDC funds will not cause **excessive permanent displacement** of the existing tenants. Again, it is MHDC's goal to take the necessary and reasonable steps required to minimize the permanent displacement of tenants in residence. Pre-qualifying tenants for eligibility after rehab will also aid in determining total relocation expenses and therefore allow for better relocation budget management.

C. Guidance for “Your Relocation Plan”

A detailed relocation plan and relocation budget must be submitted to MHDC with the initial application package. MHDC also wants to receive a revised version of the relocation plan and budget at the FIRM submission stage of your project. This plan must describe in detail, the manner in which the temporary and/or permanent displacement of the tenants will be handled. Initially, we will need to be informed as to whether the relocation will be temporary relocation only or if there is the possibility for some “permanent displacement”. If a project is awarded MHDC funding, you will need to provide MHDC with a more detailed relocation plan that includes a more specific relocation budget, at that time.

The following is a guide as to what your relocation plan should include:

- ✓ A description of the project and information on who will be “temporarily relocated” and who will be “permanently displaced” (if applicable).
- ✓ A program for identifying the special needs of displaced persons with specific consideration given to income, age, size of family, nature of business, availability of suitable replacement facilities and vacancy rates of affordable facilities.
- ✓ Characteristics of the households to be displaced, including the race/ethnicity of those to be displaced and income ranges.
- ✓ Type and nature of any businesses located on the premises that will be displaced by the project.
- ✓ A budget identifying the relocation expense as well as sources and uses of funds.
- ✓ A list of all addresses of the occupied buildings in the proposed property.

- ✓ A project schedule for beginning and ending the displacement-causing activities.
- ✓ Description of available resources, including the supply of affordable replacement housing in the area.
- ✓ Description of what measures would be taken, if necessary, to help displaced persons who may be hard to house because of family size or social problems.
- ✓ Sample notices to be sent to displaced and or temporarily relocated persons.
- ✓ Describe the temporary relocation to be provided – what services, the estimated amount of assistance, the timing, and the housing units to be used.
- ✓ The organization that will be providing the relocation services must be described, including information about their level of experience in relocation administration.
- ✓ Description of the records to be maintained.

D. Provide MHDC with a Final List of Occupying Tenants

Upon project completion, the Applicant must provide MHDC with a final list of all tenants occupying the property (**due within 30 days after project completion**). If this list differs from the list that was originally submitted with the Initial Application, the Applicant must explain why the tenant is no longer an occupant. Please be prepared to submit documentation as evidence that the tenant(s) moved of their own accord and not for reasons related to the new program rules (i.e. income limitations) brought on by the rehabilitation. If a tenant was “evicted for cause”, please provide copies of the documentation proving that the eviction was performed according to the applicable State and local laws.

E. Appeals

- ✓ All persons have the right to appeal a determination for relocation payment regarding:
 - whether the person qualifies as a displaced person,
 - the amount of relocation assistance for which the person may be eligible,
 - The adequacy of referrals to decent, safe and sanitary units, as defined on page 1 of this document,
 - The timeliness of an inspection of the replacement unit, or
 - The timeliness of written notification letters.
- ✓ The claimant may file a **written appeal** with the Missouri Housing Development Commission.
- ✓ MHDC will promptly consider all appeals

F. Time Constraints

- ✓ Time limit to file a claim for a relocation payment
 - The displaced person has six (6) months from the date of displacement to file their relocation payment claim.

G. Recordkeeping

- Records must be kept, at a minimum, for three years from the date the project was completed.

II. “Temporary Relocation” of Tenants for Projects Using the MHDC Funding Sources

Please remember that the conditions for any “Temporary Relocation” of a tenant must be “Reasonable” and in accordance with MHDC’s relocation policy.

This section of our Relocation Policy applies when a resident will remain in the project after rehabilitation but may be required to relocate temporarily during the rehabilitation period. This section also applies to tenants who will be permanently moved to another decent, safe and sanitary unit **within** the same project. These residents are not considered “DISPLACED” persons. They are however, entitled to certain notifications, and reimbursements for expenses that they may incur due to the temporary relocation. MHDC’s policy for handling non-displaced and temporarily relocated persons is outlined in the policy below. The units that the residents are moved into temporarily must be suitable, decent, safe and sanitary units, as defined on page 1 of this document.

All conditions of the temporary move must be considered “Reasonable”.

The following policies cover residential tenants who will not be required to move permanently but who must relocate from the project temporarily. Moving expenses must also be paid for tenants who are permanently relocated to another decent, safe and sanitary unit within the project. Such residential tenants must be provided:

A. Reimbursement for all reasonable out-of-pocket expenses

Expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporary housing and any increased monthly expenses due to the temporary displacement.

A payment for actual reasonable moving and related expenses should include the following:

- ✓ Packing, moving and unpacking of household goods
- ✓ Disconnecting and reconnecting household appliances and other personal property (e.g., telephone and cable TV)
- ✓ Storage of household goods, as may be necessary
- ✓ Any increase in monthly rent/utility costs during the temporary

displacement

- ✓ The cost of reasonable and necessary security deposit required to lease the temporary replacement dwelling unit
- ✓ The cost of an increased security deposit upon moving back into the rehabbed unit in the following instance:

Project-Based Section 8 Properties—Please be advised that if the property being rehabbed is a Project-Based Section 8 property, there may be an additional relocation expense. This expense could be an increased security deposit to match the **TTP*** at the time of move-in, which may be triggered in the relocation process if the owner treats the temporary relocation of a resident as a "move-out" from the current unit and a "move-in" to the next unit after rehab.

If the tenant's income has increased since the initial move-in, the TTP calculated at the relocation event will be higher than the initial TTP, requiring an increase to the security deposit. **The difference between the original security deposit and the recalculated deposit is the responsibility of the developer/owner (not the tenant)** as a part of the relocation cost.

***Total Tenant Payment**

The total tenant payment is the greater of:

30% of the family's monthly income (before taxes) after HUD regulated deductions. (Monthly-adjusted income)

or

· 10% of monthly gross income (before taxes with no deductions).

or

· Any minimum rent under Federal Law.

In most cases, Total Tenant Payment (TTP) is 30% of the family's monthly-adjusted income. Adjusted income means your gross income minus the HUD allowable deductions.

MHDC Temporary Relocation Guidelines:

The relocation budget, at a minimum should allow for \$500 per move, per tenant to an on-site temporary unit, and \$750 per move, per tenant to an off-site temporary unit location.

B. Tenants MUST be given Proper Notices in a Timely Manner

To avoid any confusion it is important that **ALL** tenants in your property are kept informed about the progress of the rehabilitation project. Virtually everyone in the project needs a notice of some kind. **ALL** occupants to be permanently or temporarily displaced are entitled to timely notices explaining the timing and nature of their move.

ALL Notices must be understandable to the recipient and personally served and signed for or sent by certified or registered first-class mail---return receipt requested, as proof of delivery. Copies of a sample notice and copies of ALL “proof of delivery” documentation MUST be provided to MHDC as documented on the Relocation checklist. The original documents must be kept in your file for MHDC compliance review.

The following “Relocation Notices” need to be sent to the “Stayers”. “Stayer” refers to anyone who will not be permanently displaced. This will include anyone who will only be temporarily relocated on or off the actual site and also to any tenant who will remain in the project but will be permanently placed in a unit other than their original unit or who will not be required to perform any sort of move. The General Information Notice should be sent to **ALL** the tenants residing in the property.

1) General Information Notice—Residential Tenant that will not be Displaced (GIN)

(A sample copy of the GIN from HUD’s 1378 Handbook is attached as “**Exhibit T**” to this document)

As soon as feasible after application for MHDC funding, the Applicant needs to provide each occupant within the property a “**General Information Notice even if they will not have to move at all.** This notice is informative and helps to avoid misunderstandings and possible unwarranted moves that could lead to additional relocation payments. For the “Non Displaced Tenant”, this is an advisory notice that does the following:

- i. Explains that the project has been proposed and **cautions the occupant not to move**
- ii. Explains that the person **will not** be displaced

iii. Explains what is to occur **if** the tenant is to be temporarily relocated, if applicable (i.e.: approximately how long they should expect to be displaced from their current unit, how will the Applicant accommodate them with replacement housing while they are displaced, how will the Applicant assist them with any moving costs they incur from their temporary move)

and

iv. If applicable, explains that they will be able to move back into their unit or another unit within the rehabilitated development.

2). **Notice to Vacate**

The Revised State statutes mandate a 90 day advance notice to the occupants advising them of the date that they must vacate the unit when permanent relocation is the order. **Remember, the key element of “Temporary” Relocation is “Reasonableness”.**

Therefore for temporary relocation, we would recommend a 90-Day Notice or at least a 30 day notice as “being considered to be reasonable”.

The notice should state:

- ✓ The specific date by which the property must be vacated or at least the earliest date you will require the tenant to vacate
- ✓ Whenever possible we would suggest that if the ninety day notice is sent, that you follow up with a thirty-day notice as a common courtesy to help the tenant be better prepared for the upcoming move.

Shorter notice periods may be appropriate based on urgent need due to danger, health or safety issues, if this situation occurs; you should contact MHDC for guidance.

However, the needs of the owner’s schedule do not represent sufficient reason to issue a notice to vacate before providing the family with at least a 30-day notice to move.

C. Suitable Housing (for Temporary Relocation)

- ✓ The “temporary relocation” unit must be suitable for the tenant’s needs. The unit must be decent, safe and sanitary.
- ✓ Be sure that the “temporary unit” is inspected and approved before the tenant moves into it (even if the tenant finds his own unit). The Section 8 HQS checklist may be used to document the inspection. We definitely do not want to put anyone in an unsafe or unsanitary environment. Inspection records need to be maintained for compliance reviews.
- ✓ Temporary relocation units can be in hotel rooms with no cooking facilities, if necessary, as long as meal stipends are provided for the household and the conditions and terms of the temporary relocation remain “reasonable”. MHDC will use the Federal government’s per-diem rate as a guideline for meal reimbursement, using one-half of the daily rate for children in the household who are under 10 years of age.
- ✓ If a tenant claims to be paying rent to a friend or a family member, you will need to document that the rent has actually been paid and that the housing is suitable.
- ✓ Upon return to the rehabilitated development, the family must be offered a unit that is safe and sanitary and appropriate for the household’s size, as defined on page 1 of this document. It will also need to be affordable for the family.

Keep in mind, that if at some point during the tenant’s temporary relocation, for whatever reason, it becomes evident that the resident will become permanently displaced...at that point the tenant will become a “Displaced Person” and at that time be eligible for the proper notices and a relocation payment described in the next section on Permanent Displacement.

III. “Permanent Displacement” of Tenants

Relocation payments ONLY apply to persons who have been in residence for 90 days or longer (prior to the date the FIRM Commitment is signed)

Displaced Person--- For purposes of this section, the term displaced person means a person (family, individual, business, nonprofit organization, or farm, including any corporation, partnership or association) that moves from real property or moves personal property from real property, permanently, as a direct result of acquisition, rehabilitation, or demolition for a project assisted with MHDC funds.

A “**displaced person**” must be provided relocation assistance at the levels described in this document and in accordance with the requirements of the Missouri Revised Statutes, Chapter 523, Section 523.205.

A “**displaced person**” must be advised of his or her rights under the Fair Housing Act and, if the displaced person is part of a minority group living in an area that is an area of high minority concentration, that person also must be given, if possible, referrals to suitable, decent, safe, and sanitary replacement dwellings not located in minority concentrated areas.

A person does not qualify as a displaced person if:

- ✓ That person has been “evicted for cause” based upon a serious or repeated violation of the terms and conditions of the lease or occupancy agreement, violation of applicable Federal, State or local law, or other good cause, and MHDC determines that the eviction was not undertaken for the purpose of evading the obligation to provide a relocation payment. The effective date of any tenant termination or refusal to renew a lease **must be preceded by at least a 30 days advance written notice** to the tenant specifying the grounds for the action. Eviction proceedings must be conducted according to applicable state laws.

- ✓ The person moved into the property after the submission of the application but, before signing a lease and commencing occupancy, was provided written notice (**FIN-310-MHDC, Tenant Notice, as listed on first page of this document**) of the project, its possible impact on the person (e.g., the person may be displaced, temporarily relocated, incur a rent increase), and the fact that the person would not qualify as a “displaced person” as a result of the project.

- ✓MHDC determines that the person was not displaced as a direct result of acquisition, rehabilitation, or demolition for the project.

The following policies cover residential tenants who will be required to move

permanently from the project. Such tenants must be provided:

A. Relocation Payments

a. Displaced Residential Persons

Payment of actual reasonable expenses incurred in connection with the permanent displacement, to include, but not limited to the following:

✓ **A payment for actual reasonable moving and related expenses should include the following:**

- Packing, moving and unpacking of household goods
- Disconnecting and reconnecting household appliances and other personal property (e.g., telephone and cable TV)
- Storage of household goods, as may be necessary for up to one month
- Utility deposits, key deposits, utility transfer and connection fees
- The cost of reasonable and necessary security deposits required to lease the replacement dwelling unit and other initial re-housing deposits including first and last month's rent

***OR* (if the displaced person so chooses)**

✓ **A one-thousand dollar (\$1,000) fixed moving expense payment**

b. Displaced Businesses

✓ **All displaced businesses eligible for payments shall be provided with relocation payments based upon the following:**

- Actual cost of moving including packing, crating, disconnection, dismantling, reassembling and installing all personal equipment
- Costs for re-lettering similar signs and similar replacement stationery
- Up to an additional ten thousand dollars (\$10,000) for reestablishment

expenses. Reestablishment expenses are limited to actual costs incurred for physical improvements to the replacement property to accommodate the particular business at issue.

OR (at the option of the business)

- ✓ **A three-thousand dollar (\$3,000) fixed moving expense payment and up to an additional ten thousand dollars (\$10,000) for reestablishment expenses. Reestablishment expenses are limited to actual costs incurred for physical improvements to the replacement property to accommodate the particular business at issue.**

Any displaced person, who is also the owner of the premises, may waive relocation payments as part of the negotiations for acquisition of the interest held by such person. Such waiver shall be in writing, shall disclose the person's knowledge of the provisions of the Missouri Revised Statutes, Chapter 523 and their entitlement to payment. However, any such waiver shall not include a waiver of any notice provisions of the Missouri revised statutes and/or this relocation payments policy. Such a wavier shall not affect the relocation assistance due to any other displaced tenant legally residing on the premises.

B. Tenants MUST be given Proper Notices in a Timely Manner

ALL Notices must be understandable to the recipient and be personally served and signed for or sent by certified or registered first-class mail---return receipt requested, as proof of delivery. Copies of a sample notice and copies of ALL "proof of delivery" documentation MUST be provided to MHDC as documented on the Relocation checklist. The original documents must be kept in your file for MHDC compliance review.

- 1) **General Information Notice—Tenants that may be Displaced (GIN)** (A sample copy of the GIN from HUD's 1378 Handbook is attached to this document as "Exhibit U" for displaced individuals and "Exhibit X" for displaced businesses.)

As soon as feasible after application for MHDC funding, the Applicant needs

to provide **each occupant within the property** a “**General Information Notice—Residential Tenant to be Displaced**” or the “**Non-Residential Tenant to be Displaced**” (also referred to as the **GIN**). This is an advisory notice that:

- i. Explains that the project has been proposed and cautions the tenant not to move prematurely.
- ii. Explains what they could receive if they are determined to be eligible for a relocation payment. (see sample Exhibit U)

2) Notice of Eligibility of Relocation Payments

(A sample copy of the *Notice of Eligibility for Relocation Assistance* taken from HUD’s 1378 Handbook is attached hereto as “**Exhibit W**” for displaced individuals and “**Exhibit Y**” for displaced businesses).

- ✓ This notice is issued to person(s) and or businesses who will be displaced indicating their eligibility for a relocation payment.
- ✓ The notice must contain:
 - i. Information that the tenant will not be required to move without a referral to a minimum of three decent, safe and sanitary units and that they will have at least 90-days advance written notice from the date of that referral.
 - ii. Referral to a suitable relocation site for a displaced business if the project causes the displacement of that business
 - iii. An explanation of the relocation payment
 - iv. The procedures for obtaining the payment

Note: *It is acceptable to combine the Notice of Eligibility with the 90 Day Notice, if you so choose.*

3) 90 Day Notice

- ✓ Each lawful occupant to be permanently displaced must receive at least 90 days written advance notice before being required to move
- ✓ The notice must certify the date by which the property must be vacated **OR** if the date is unknown, indicate the earliest date that the occupant may be required to move, which must be at least ninety (90) days.
- ✓ If an exact date is not specified in the 90-day notice, the occupants should be informed that they will receive at least 30 days advance written notice of the specific date of the move.
- ✓ Included with the 90-Day notice should be referrals to a minimum of three (3) decent, safe and sanitary replacement dwellings.
- ✓ Information to ALL displaced persons, especially the elderly and handicapped, offering to arrange transportation (if needed) to inspect replacement housing to which they are referred.
- ✓ Occupants may be required to move on less than 90 days written notice if MHDC determines that the occupied unit is a health or safety hazard.

However, the needs of the owner's schedule do not represent sufficient reason to issue a notice to vacate before providing the family with 90 day prior notice to move.

- ✓ If occupants are still in the unit after the date specified in the notice, the property owner has the right to evict them using due process established by state law. **Please inform MHDC prior to taking this type of action.**

All tenants in the development need to be kept informed. If a tenant moves permanently from the property and had not been given timely notices, it is usually MHDC's position that the person will qualify as a "displaced person" and be entitled to claim a relocation payment. Tenants must be given timely information essential in making an informed judgment about a move.

Proper and Timely notices are crucial
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C. Replacement Housing

- ✓ Replacement units for the “permanently displaced” tenant must be decent, safe and sanitary, as defined on Page 1 of this document.
- ✓ The displaced person must be offered a minimum of three (3) decent, safe and sanitary replacement dwellings.
- ✓ Assistance is provided in the form of either actual reasonable relocation/moving costs or a \$1,000 fixed moving expense.
- ✓ If the displaced person selects a unit that fails an inspection for compliance with applicable codes and standards, and necessary corrections cannot be made, a relocation moving expense payment cannot be paid. The replacement unit must pass inspection.
- ✓ Information to ALL displaced persons, especially the elderly and handicapped, offering to arrange transportation (if needed) to inspect replacement housing to which they are referred.

IV. Additional Relocation Information

Any property subject to this Relocation Policy shall be required to make a report to Missouri Housing Development Commission which shall include, but not be limited to, **1).** the addresses of all occupied residential buildings and structures affected by this development activity, **2).** the names and addresses of persons displaced by the activity and **3).** specific relocation benefits provided to each person.

- A.** Please keep on file, all pertinent relocation records which includes but may not be limited to: copies of notices sent to all tenants; all copies of the return receipts (or sign off documentation) verifying that each tenant household did receive the proper notification letters; beginning and ending rent rolls; copies of any form used for reimbursement and/or relocation payment claims and decent, safe and sanitary units, inspection reports, etc.

MHDC or our agents retain the right to request and/or review copies of such documentation in your relocation files at any time.

- B.** **Exhibit “V”** has been provided with the relocation package for your convenience. This is a HUD created document that may be used at your discretion as a tool for maintaining the records on the tenants living in your development. You may find this form to be beneficial to assist you with your

relocation record keeping requirements.

- C. We do not want this rehabilitation to impose a “rent burden” on any of the tenants, if at all possible. We advise that the rents not be raised above what the tenant is paying currently or 30% of the tenant’s average monthly gross household income.

- D. There may be an additional eligible relocation cost with regards to the security deposit required upon moving back into the rehabbed unit in the following instance:

Project-Based Section 8 Properties—Please be advised that if the property being rehabbed is a Project-Based Section 8 property, there may be an additional relocation expense. This expense could be an increased security deposit to match the **TTP*** at the time of move-in, which may be triggered in the relocation process if the owner treats the temporary relocation of a resident as a "move-out" from the current unit and a "move-in" to the next unit after rehab.

If the tenant's income has increased since the initial move-in, the TTP calculated at the relocation event will be higher than the initial TTP, requiring an increase to the security deposit. **The difference between the original security deposit and the recalculated deposit is the responsibility of the developer/owner (not the tenant)** as a part of the relocation cost.

***Total Tenant Payment**

The total tenant payment is the greater of:

30% of the family's monthly income (before taxes) after HUD regulated deductions. (Monthly-adjusted income)

or

· 10% of monthly gross income (before taxes with no deductions).

or

· Any minimum rent under Federal Law.

In most cases, Total Tenant Payment (TTP) is 30% of the family’s monthly-adjusted income. Adjusted income means your gross income minus the HUD allowable deductions.

- E.** The tenant must be notified if rent will increase in the rehabbed unit
- F.** The tenant must be notified if they will be offered a different unit in the property other than the unit they originally occupied before the rehab.
- G.** Continue to provide to our office copies of Tenant Notices (MHDC form FIN-310-MHDC) that have been signed by new tenants moving into the project after the application for funding.
- H.** We also need you to continue to inform us if a tenant becomes “evicted for cause” with copies of the proper documentation proving that the eviction was performed according to the applicable State and local laws.
- I.** Please keep us informed if there are tenants who do not want to cooperate.

Notify us of any potential problems or hot spots concerning the relocation

Other documentation available from MHDC for your use:

- ✓ Checklist of Documentation required for Relocation Activities
- ✓ “Acceptance of MHDC Relocation Payments Policy” sign-off sheet
- ✓ Relocation Payments Policy Guide
- ✓ Exhibits **S** thru **Y**

(The above listed documents can be found on the computer disk that was mailed with the Conditional Reservation letter or on our website at www.mhdc.com)

<http://www.moga.state.mo.us/statutes/chapters/chap523.htm> is the link to the Missouri Statutes site referred to in the above policy.

If you have questions or need additional information please feel free to contact Missouri Housing Development Commission.

Angela R. Campbell
HOME Program Coordinator
Missouri Housing Development Commission
3435 Broadway
Kansas City, MO 64111

Phone: (816) 759-6660
Fax: (816) 759-6828
Email: campbell@mhdc.com

Checklist of Documentation required for Relocation Activities

(Non - HOME Projects--whether Temporary or Permanent Displacement)

Stage 1

Submit the following with your Initial Application Package

You will need to provide our office with the following items, whether the project involves only "Temporary" Relocation or "Permanent" Displacement of the tenants.

- 1) **Signed copy of "Acceptance of MHDC Relocation Policy"**
(see the MHDC's Relocation Packet)
- 2) **Copy of your Relocation Plan with a Relocation Budget attached.** This plan should include at a minimum the following elements as referenced in Section I (C) of MHDC's Relocation Policy:
 - a. **A detailed description** of how you expect the relocation process to evolve--a **timeline** should be included.
 - b. **A list of all the tenants** currently occupying the development.
This list needs to include the following household characteristics:
 - Family name
 - Unit address
 - Number in household
 - Rental assistance (if any)
 - Current rent amount
 - Gross annual income
 - Race/ethnicity information
 - c. **A list of each building address in the proposed project.**
 - d. **Description of available resources to be used.**
 - e. **Copies of the Sample Notices** that will be sent to the building occupants.
 - f. **Description of Services to be provided** to the residents in conjunction with the relocation process, to include a list of the social or supporting agencies that occupants will be referred to.
 - g. **Identify the organization and contact person** who will be overseeing the relocation process for the project. Please also include references as to their experience level with tenant relocation and the URA regulations.
 - h. **Description of Records maintenance.**
3. **Seller Certification Notice** (MHDC Form FIN-305, in Relocation packet).

Stage 2

At least by, but no later than the FIRM Commitment Submission date

You will need to provide our office with the following items, whether the project involves “Temporary” Relocation or “Permanent” Displacement of the tenants, **unless otherwise noted.**

- 1) **Copy of the General Information Notice (GIN).**
Some form of this document **must be sent to every resident in the property** to be rehabbed whether the resident will be required to make any type of move or even if the resident does not move at all (*sample copies of GINs (Exhibits T, U, and X are available on a CD-Rom enclosed in the Conditional Reservation package, as well as at the MHDC.com website).*)
- 2) **Copies of the either the signed return-receipts** from the certified or registered first-class letters that were sent to the tenants **or a copy of the sign off sheet** with each tenant’s signature on it proving that each tenant did, in fact, receive **and accept** delivery of the GIN.
- 3) **Updated Relocation Plan with a revised Relocation Budget**
(*with detail as described in Stage 1 of this document*)
- 4) **Tenant Notices**, if applicable (MHDC Form FIN-310-MHDC, also in Relocation packet)
- 5) **A list of tenants** that the owner/developer has **“evicted for cause”**, with an explanation as to why they were evicted. (The regulations say that the owner/developer can evict tenants **“for cause”**, but the regulations also say that the owner/developer cannot evict tenants to avoid paying relocation expenses--so please **use caution**).
- 6) **Any omissions** that should have been provided during the previous stage.
- 7) **List of tenants** who will become **“Over-income”** after the rehabilitation of the property is completed with MHDC financing. This could result in **“Permanent Displacement”** of those tenants. *

**** Due to the tenant’s income being higher than what is allowed by the Program under which the rehab is funded, the tenant will not be able to move back into the project. This will cause that tenant to become permanently displaced. This displacement then becomes a permanent relocation which will require the need for additional notification and will also make that tenant eligible for the relocation payment according to the MHDC Relocation policy for permanently displaced tenants. This payment is as defined in the Relocation Payments Policy.***

The following Stage 2 documents are needed for Permanent Displacements ONLY:

If at any time during the relocation process, it becomes apparent that a tenant will become **“Permanently Displaced”**, you will need to provide our office with the following **additional** documentation:

- 8) A copy of the **“Notice of Eligibility of Relocation Assistance”(NOE)** sent to each displaced household. (*Exhibit “W”*)
- 9) If applicable a copy of the **“Notice of Eligibility of Relocation Assistance-Nonresidential”** (sent to any displaced **businesses** that will be permanently relocated). (*Exhibit “Y”*)
- 10) **Also provide documentation showing the calculation of the relocation assistance payments** for all eligible tenants, whether individuals or businesses.
- 11) Copies of any **90 Day and/or 30 Day Notices** sent to the tenants.
- 12) **Copies of the either the “signed” return-receipts** from the certified or registered first-class letters that were sent to the tenants **or a copy of the sign off sheet** with each tenant’s signature on it proving that each tenant did, in fact, receive **and accept** delivery of the **Notice of Eligibility**, and for the **90-Day/30-Day Notices**.

Stage 3 Ongoing Reporting during actual Relocation Phase

- 1) Any **additions and/or corrections or revisions** to any of the above required documentation that was previously provided to MHDC.
- 2) **Provide documentation to our office when a tenant (who would have not been “permanently displaced”) chooses to move voluntarily**. Please explain what the circumstances were concerning the tenant’s decision to move. Be able to demonstrate how the tenant was provided with necessary information and possible alternatives to moving. Be able to provide proof that the tenant understood that he/she was not required to move and that if they chose to move voluntarily that they would not then be eligible for relocation benefits.
- 3) Report immediately, **any circumstances that might be problematic** to the relocation process.

Stage 4 At Project Completion: please provide our office with the following information:

(due within 30 days after project completion).

- 1) A final list of all the permanently displaced persons, with their pre-rehab and post-rehab addresses identified. This must include a list of what permanent relocation benefits they were provided*
- 2) A final list of all the current tenants occupying the funded project development including addresses

The lists in “Stage 4” are required in order to account for all the occupants that were living in the project prior to the rehabilitation of the property.

* **If the occupant forfeited their rights to relocation benefits, please be prepared to provide written documentation that proves the occupant voluntarily gave up their rights to those benefits.**

Acceptance of MHDC Relocation Payments Policy

**General Relocation Payments Policy and Guide
for the
Missouri Housing Development Commission.**

The _____ has read the enclosed Relocation Payments Policy
(Company performing relocation function)

that explains Missouri Housing Development Commission's relocation policy. We as the
entity responsible for the proposed relocation of _____ .
(Name of development being rehabbed)

do agree to accept and abide by the procedures and policies set forth in the MHDC
Relocation Payments Policy Guide.

(Date signed)

(Signature of responsible person)

(Company Name)

Please sign and return this form with the other information requested on the "Checklist of Documentation required for Relocation Activities" (also enclosed in this package) You must return the requested documentation with your initial application for MHDC funding.

“Exhibit S”

MHDC Rental Housing Production Program

TENANT NOTICE

The undersigned party hereby acknowledges that as a prospective tenant of rental property located at _____, that:

1. I am aware that this property may be rehabilitated with funding from the Missouri Housing Development Commission Rental Housing Production Program;
2. This rehabilitation might require me to be either temporarily or permanently relocated. I am aware of the possibility of relocation upon move-in, and therefore, I am also aware that I will not be eligible for any relocation assistance, if required to vacate the property.

Acknowledged By: _____

Print Name

Acknowledgement Date: _____

GUIDEFORM GENERAL INFORMATION NOTICE
RESIDENTIAL TENANT - **NOT DISPLACED**

(date)

Dear _____:

____ (City, County, State, Public Housing Authority (PHA), other) _____, is interested in rehabilitating the property you currently occupy at _____ (address) _____ for a proposed project which may receive funding assistance from the Missouri Housing Development Commission Rental Housing Production Program.

The purpose of this notice is to inform you that you will not be displaced in connection with the proposed project.

If the project application is approved and state financial assistance provided, you may be required to move temporarily so that the rehabilitation can be completed. If you must move temporarily, suitable housing will be made available to you and you will be reimbursed for all reasonable out of pocket expenses, including moving costs and any increase in housing costs. You will need to continue to pay your rent and comply with all other lease terms and conditions.

Upon completion of the rehabilitation, you will be able to lease and occupy your present apartment or another suitable, decent, safe and sanitary apartment in the same building/complex under reasonable terms and conditions.

If state financial assistance is provided for the proposed project, you will be protected by the provisions in the Missouri Revised Statutes Chapter 523.205. You will also have the right to appeal the relocation assistance determination, if you feel that your application for assistance was not properly considered.

Any person seeking a relocation payment will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.

We urge you not to move at this time. If you choose to move, you will not be provided with a relocation payment.

Please remember:

- **This is not a notice to vacate the premises.**
- **This is not a notice of relocation payment eligibility.**

You will be contacted soon so that we can provide you with more information about the proposed project. If the project is approved, we will make every effort to accommodate your needs. In the meantime, if you have any questions about our plans, please contact:

(name) _____, (title) _____,
(address) _____, (phone) _____.

Sincerely,

(name and title) _____

Enclosure

=====
NOTES.

1. The case file must indicate the manner in which this notice was delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery.

This is a guideform. It should be revised to reflect the circumstances.

GUIDEFORM GENERAL INFORMATION NOTICE
RESIDENTIAL TENANT - **TO BE DISPLACED**

(date)

Dear _____:

_____ (City, County, State, Public Housing Authority (PHA), other) _____, is interested in _____ (acquiring, rehabilitating, demolishing) _____ the property you currently occupy at _____ (address) _____ for a proposed project which may receive funding assistance from the Missouri Housing Development Commission’s Rental Production Program.

The purpose of this notice is to inform you that you may be displaced as a result of the proposed project.

This notice also serves to inform you of your potential rights as a displaced person under the Missouri Revised Statutes, Chapter 523. You may be eligible for a relocation payment under this statute, if the proposed project receives MHDC funding and if you are displaced as a result of acquisition, rehabilitation or demolition for the project.

- **This is not a notice to vacate the premises.**
- **This is not a notice of relocation payment eligibility.**

If you are determined to be eligible for the relocation payment in the future, you may be eligible for:

(1) payment of your actual reasonable moving and related expenses,

or

(2) a fixed moving payment in the amount of \$1,000.00 set by the Missouri Revised Statutes, Chapter 523.205.

Any person seeking relocation payment will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.

Please be advised that you should continue to pay your rent and meet any other obligations as specified in your lease agreement. Failure to do so may be cause for eviction. If you choose to move or if you are evicted prior to receiving a formal notice of relocation eligibility you will not be eligible to receive a relocation payment. It is important for you to contact us before making any moving plans.

Again, this is not a notice to vacate the premises and does not establish your eligibility for relocation payments or assistance at this time. If you are determined to

be displaced and are required to vacate the premises in the future, you will be informed in writing. In the event the proposed project does not proceed or if you are determined not to be displaced, you will also be notified in writing.

If you have any questions about this notice or the proposed project, please contact
(name)_____, (title)_____,
(address)_____, (phone)_____.

Sincerely,

(name and title)_____

Enclosure

=====

NOTES

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EXHIBIT "X"

**GUIDEFORM GENERAL INFORMATION NOTICE
NONRESIDENTIAL TENANT TO BE DISPLACED**

Grantee or Agency Letterhead

(date)

Dear _____:

_____ (City, County, State, Public Housing Authority (PHA), other) _____, is interested in _____ (acquiring, rehabilitating, demolishing) _____ the property you currently occupy at _____ (address) _____ for a proposed project which may receive funding assistance from the Missouri Housing Development Commission's Rental Production Program.

The purpose of this notice is to inform you that your (*business, nonprofit organization or farm*) may be displaced as a result of the proposed project. This notice also serves to inform you of your potential rights as a displaced person under the Missouri Revised Statutes, Chapter 523. You may be eligible for relocation assistance and payments under the Missouri Revised Statutes if you are displaced as a result of acquisition, rehabilitation or demolition for the proposed project.

- **This is not a notice to vacate the premises.**
- **This is not a notice of relocation eligibility.**

If you are determined to be eligible for relocation assistance in the future, you may be eligible for: 1) A written notice of relocation eligibility to be given concurrently with a referral to a suitable replacement site; 2) At least 90 days advance written notice of the date you will be required to vacate the premises; 3) Payment for your moving and reestablishment expenses. You also have the right to appeal the agency's determination, if you feel that your application for assistance was not properly considered.

(NOTE: Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.)

Please be advised that you should continue to pay your rent and meet any other obligations as specified in your lease agreement. Failure to do so may be cause for eviction. If you choose to move or if you are evicted prior to receiving a formal notice of relocation eligibility you will not be eligible to receive relocation assistance. It is important for you to contact us before making any moving plans.

Again, this is not a notice to vacate the premises and does not establish your eligibility for relocation payments or assistance at this time. If you are determined to be displaced and are required to vacate the premises in the future, you will be informed in writing. In the event the proposed project does not proceed or if you are determined not to be displaced, you will also be notified in writing.

If you have any questions about this notice or the proposed project, please contact
(name) _____, (title) _____,
(address) _____, (phone) _____.

Sincerely,

(name and title) _____

Enclosure

=====

NOTES

1. The case file must indicate the manner in which this notice was delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery.
2. This is a guideform. It should be revised to reflect the circumstances.

GUIDEFORM NOTICE OF ELIGIBILITY FOR
RELOCATION PAYMENT

(date)

Dear _____:

On ____ (date) ____, the ____ (City, County, State, Public Housing Authority (PHA), other) ____, notified you of proposed plans to ____ (acquire, rehabilitate, or demolish) ____ the property you currently occupy at ____ (address) ____ for a project which could receive funding assistance from the Missouri Housing Development Commission (MHDC) under MHDC’s Rental Housing Production program. On ____ (date) ____, the project was approved and will receive the MHDC funding.

It has been determined that you will be displaced by the project. Since you are being displaced in connection with this state funded project, you will be eligible for a relocation payment under the Missouri Revised Statutes, Chapter 523.205.

- **This is your Notice of Eligibility for relocation payment**
- **The effective date of your eligibility is _____.** *(Insert date of FIRM Commitment)*

All persons seeking relocation payments will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.

To carry out the project, it will be necessary for you to move. However, **you do not need to move now.** You will be provided written notice of the date by which you will be required to move. This date will be no less than 90 days from the date suitable replacement housing has been made available to you.

The relocation payment to which you are entitled includes:

Payment for Reasonable Moving Expenses. You may choose:

(1) a payment for your actual reasonable moving and related expenses,

or

(2) a fixed moving payment in the amount of \$1,000.00 set by the Missouri Revised Statutes, Chapter 523.205.

Replacement Housing

Listed below are three comparable replacement dwellings that you may wish to consider for your replacement home. If you would like, we can arrange transportation for you to inspect these and other replacement dwellings.

	Address	Rent & Utility Costs	Contact Info
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____

We believe that the dwelling located at (address) is the most representative of your present home. The monthly rent and the estimated average monthly cost of utilities for this dwelling is \$. Please contact us immediately if you believe this dwelling is not suitable. We can explain our basis for selecting this dwelling as most representative of your current home and discuss your concerns.

Please note that all replacement housing must be inspected in order to ensure it is decent, safe and sanitary before the relocation payment is made. To be eligible for the relocation payment, the replacement unit must pass inspection.

If you have any questions about this letter and your eligibility for a relocation payment, please contact (name) , (title) at (phone) , (address) before you make any moving plans. He/she will assist you with your move to a new home and help ensure that you preserve your eligibility for your relocation payment to which you may be entitled.

Remember, do not move before we have a chance to further discuss your eligibility for relocation payment. This letter is important to you and should be retained.

Sincerely,

 (name & title)

Enclosure/s

NOTES.

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2. This is merely a guideform. It should be revised to reflect the circumstances.

Exhibit “Y”

GUIDEFORM NOTICE OF ELIGIBILITY FOR
RELOCATION ASSISTANCE - NONRESIDENTIAL
(Businesses, Nonprofit Organizations, or Farms)

Grantee or Agency Letterhead

(date)

Dear _____:

On (date) , we notified you of our proposed project and that your *(business, nonprofit organization or farm)* located at (address) may be displaced as a result of that project. On (date) , the project was approved and will be receiving funding assistance from the Missouri Housing Development Commission (MHDC) under MHDC’s Rental Housing Production program. It has been determined that your *(business, nonprofit organization or farm)* will be displaced by the project. Since your *(business, nonprofit organization or farm)* is being displaced in connection with this MHDC funded project, you will be eligible for relocation assistance and payments under the Missouri Revised Statutes, Chapter 523.205.

- **This is your Notice of Eligibility for relocation assistance**

(NOTE: Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.)

To carry out the project, **it will be necessary** for you to move. However, **you do not need to move now**. You will be provided written notice of the date by which you will be required to move. This date will be no less than 90 days from the date of such notice.

Some of the relocation assistance you are entitled to under the Missouri Revised Statutes include:

Payment for Moving and Reestablishment Expenses. You may be eligible for: (1) A payment for your actual reasonable moving and related expenses; with an additional payment for reestablishment expenses of up to \$10,000,

or (2) a \$3,000 fixed moving payment with an additional payment for reestablishment expenses of up to \$10,000.

Referral to a suitable replacement site location (*Referrals should be sent concurrently with this Eligibility Notice—so you may provide a referral address in this paragraph or refer to a referral list attached to this letter*)

If you have any questions about this letter and your eligibility for relocation assistance and payments, please contact _____ (*name*), _____ (*title*) at (*phone*) _____, _____ (*address*) _____.

Remember, do not move or commit to the purchase or lease of a replacement location before we have a chance to further discuss your eligibility and conditions of your relocation assistance payment. This letter is important to you and should be retained.

Sincerely,

_____ (*name and title*) _____

Enclosure/s

NOTES.

1. The case file must indicate the manner in which this notice was delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery.
2. This is a guideform. It should be revised to reflect the circumstances.