

## Determine Eligibility for Displacement Benefits

HUD describes eligibility for displaced person benefits in federal rules that distinguish persons “displaced” from those “not displaced,” based on actions incidental to a federally-funded project. The following tables outline this distinction with a focus on rental rehabilitation projects (mostly multi-family properties).

### *Who qualifies as a “displaced person” in rental rehabilitation projects?*

(Department of Transportation -- 49 CFR §24.2(a)(9); §24.101(b);  
HUD -- 24 CFR §42.305; §92.353(c)(2)(C); §570.606(b)(2)(D); §970)

<b><i>Personal Situation of Tenant:</i></b>	<b><i>Qualifying Justification:</i></b>
Moved after owner applied for HUD funds, but before receiving the General Information Notice, and before TDHCA approved project.	URA protects tenants who move without notification of their rights.
Termination or non-renewal of lease forced the move, without due process.	Evictions must comply with state law and may not be undertaken to avoid relocation.
Project owner cannot offer a decent, safe, sanitary, suitable unit in the project after rehabilitation.	Rehabilitated units not suited to household size or other household needs. Project will serve only “special needs” population and current tenant household does not meet such “client” criteria. Household exceeds income limit for HOME or other project units and no available market rate unit exists in the project.
Project owner fails to provide reasonable temporary relocation assistance.	Owner gave tenant no reasonable notice to move (no emergency involved) and did not provide accurate, timely information about moving back to the project. Out-of-pocket costs not paid. Temporary move extends beyond one year.
Moved because the tenant cannot afford increased rent after rehabilitation (i.e. “economic displacement”)	Increased rent exceeds tenant’s ability to pay. <u>Regulations specify requirements.</u> (24 CFR 92.353(c)(2)(C); 24 CFR 570.606(b)(2)(D))

### *Who does not qualify as a “displaced person” in rental rehabilitation projects?*

<b><i>Personal Situation of Tenant:</i></b>	<b><i>Disqualifying Justification:</i></b>
Moved after owner applied for HUD funds, received General Information Notice, but before Initiation of Negotiations or date relocation assistance eligibility was conferred	Tenants who choose to move without cause or eligibility after receiving general information notice lose eligibility for assistance.
Eviction or lease termination, with due process, forces move.	Valid evictions comply with state law and do not seek to avoid relocation obligations.
Owner offers decent, safe, sanitary, suitable, affordable unit in the project after	Displacement has not occurred if owner offers a decent, safe, sanitary, suitable, affordable unit

*Displacement Eligibility*

<b><i>Personal Situation of Tenant:</i></b>	<b><i>Disqualifying Justification:</i></b>
rehabilitation.	and tenant chooses to move elsewhere.
Lacks legal right to occupy the unit	Occupied dwelling without the consent or knowledge of the owner (State law addresses who has a "legal right to occupy" the unit)
Moves into the unit with the intention of receiving relocation assistance	Persons who occupy the property for the sole purpose of obtaining relocation assistance do not qualify for assistance.
Moved into dwelling after funding application date, and signed lease after receiving written "move-in notice" of possible displacement -- precludes eligibility for relocation assistance	Tenant received proper notice prior to occupancy and made an informed decision. (see HUD Handbook 1378, Appendix 29)
Emergency repairs required temporary move.	No rent increase; no effect on the unit; tenant received reasonable treatment during short-term move; owner paid out-of-pocket expenses
Owner issued Notice of Relocation Eligibility, but cancelled it before move, informed tenant in writing, and avoided tenant displacement.	Owner did not harm tenant; but must reimburse financial commitments tenant made for alternate housing.
Move caused by code enforcement involved no subsequent federally-funded rehabilitation or demolition of the dwelling.	Code enforcement alone does not require relocation assistance if tenant moves, even if HUD funds pay salaries of code officials. Subsequent demolition or rehabilitation of the project with federal funds may require relocation assistance.
Not a legal resident in the United States	The URA generally prohibits relocation payments to persons unlawfully present in the United States. (refer to: Illegal Aliens & the URA FAQs <a href="http://www.fhwa.dot.gov/realestate/illegaga.htm">http://www.fhwa.dot.gov/realestate/illegaga.htm</a> )