

Minimizing Displacement & Residents' Relocation Burden

**Georgia Department of Community Affairs/Georgia Housing and
Finance Authority**

Rental Housing: Preservation and Rehabilitation

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ACHIEVING STRATEGIC OBJECTIVES

Georgia DCA's mission is to "help build strong, vibrant communities." In housing, our strategic goal is to "prioritize housing as a platform for place-based opportunity." Loss of control of where to live is a barrier to resilience, access to support, community, and growth opportunities.ⁱ As such, housing preservation must not occur in a way that creates or enhances these barriers for residents, particularly for low-income residents with limited housing options.

We implement this mission by minimizing housing instability and its effects for every individual our financing touches. **Our work mitigates the effect of construction on current occupants and limits displacement by clarifying requirements and enforcing compliance with regulations.**

STATE NEED

The Rental Assistance Demonstration (RAD) program is now a major part of many states' LIHTC programs. Although RAD has existed for several years, most allocating agencies are still learning its nuances. One of RAD's key precepts is *residents' right to return*. Upon delving into this subject, DCA uncovered several significant relocation issues that apply to RAD, the Uniform Relocation Act, and to other practices that burden or even unnecessarily displace many residents, are unclear to developers, and should be addressed through policy and protocol. For example:

- What is a legitimate cause of displacement?
- Should we reject applications that fail to minimize displacement in underwriting?
- Should we require tenant engagement sessions for all funding sources, even when it is not required?

As DCA set out to understand relocation requirements, our goal became to create a decision tree based on funding source, identify replicable processes that make sense, and establish policies that consider the end user, our residents.

MEASURABLE BENEFITS

DCA's rehabilitation requirements ensure a complete in-unit renovation, with a minimum hard cost of \$25,000 per unit. This level of expenditure prohibits in-place rehabilitation, given how it negatively affects residents' belongings and ability to use their homes. While off-site relocation or temporary on-site relocation are the only appropriate options in these circumstances, relocation and displacement significantly interfere with residents' participation in work and other necessary daily activities and can negatively impact residents' health. The unknowns and misunderstandings around forced moves, particularly if ill-planned and poorly communicated, are instigators of destabilizing emotions.

In Boston Medical Center's study of 22,324 low-income families, housing instability—including 2 or more moves in the last twelve months--carries the following likelihoods and risks:ⁱⁱ



Such effects perpetuate systemic poverty, furthering dependency on services and affordable housing.ⁱⁱⁱ However, DCA is in the position to reduce these effects by minimizing displacement, enforcing relocation assistance, and providing – and requiring – clear communication. Our new relocation checklist (Appendix A.) calculates and identifies potential displacements that the developer may have not yet

identified and analyzes critical actions that alleviate the relocation burden. It helps determine if these displacements are necessary and meet requirements and how to apply the disparate regulations.

INNOVATIVE

PRESERVATION: We looked to other states' policies for guidance and found that many, if not most, states have minimal relocation requirements, and many do not federally fund occupied properties. While such an approach is understandable, **preserving housing is necessary in Georgia**. DCA navigated the complicated requirements and fragmented knowledge spanning the division to successfully integrate findings into a common, accessible process.

DESILOIZATION: This cross-division project stemmed from a small generalist team with the bandwidth, motivation, and skill to research and develop materials outside of the normal workflow. They facilitated incisive input from those in traditional roles like underwriting and compliance. **This effort resulted in teams learning together about relocation and the interconnectedness of their work.** We plan to mimic this method in other strategic areas.

CENTERING THE USER: Relocation discussions center development's impact on residents, requiring both an acknowledgement of HFAs' weighty responsibility to strive for social equity, and a culture shift toward humanizing the individuals affected. While developments serve as more than just units of housing; they are also homes, and the foundation for resident growth, security, and connection.^{iv} A culture shift in this direction emphasizes three important principles: (1) transparent communication, (2) residents as assets, and (3) resident capacity and community-building.

1. **Transparent Communication:** Open communication between residents and developers enhances mutual understanding of desires, needs, resources, and accountability. To support this, it is critical to proactively solicit feedback from residents. The 2019 QAP required soliciting resident feedback on their current and ideal development. This builds on meeting and feedback requirements associated with federal programs. DCA required two different methods to reach residents with different communication preferences. For 2020, this process is DCA-facilitated.

Another example of transparent communication is tracking language needs and notice templates. The former compiles household language preferences and any reading accommodations needed. The latter are updated for residents' reading ease and frontload the most important information to the reader, along with these principles:

- Translate legalese and program-specific knowledge to laymen terms;
 - Choose simple synonyms that are literal, contemporary and conversational; and
 - Shorten sentences and remove extraneous, formal language (example in Appendix B).
2. **Residents as Assets:** Seeking resident feedback also recognizes residents' unique knowledge regarding how the property could function better. Although valuable, the Physical Needs Assessment does not include occupants' sentiments regarding amenities, services, and local resources. With resident input, the developer can make decisions informed by their target market.
 3. **Resident Capacity & Community-Building:** When done intentionally and systematically throughout a property's operation, transparent communication and seeing residents as assets can result in user-determined, and user-led, volunteer programs.^v Feedback methods—ranging from traditional town halls to taco parties and poster sessions—double as opportunities for developing a sense of belonging and social networks: This latter-- a component of Maslow's Hierarchy of Needs (Appendix C.)— can increase resident confidence and capacity even beyond participants. Such culture shifts positively impact residents' mental health and properties' financial health, with lower turnover and maintenance costs.^{vi}

EFFECTIVELY EMPLOY PARTNERSHIPS

Such a major overhaul of our Relocation Manual would be incomplete without input from our partners. Preceding the public comment period, we discussed provisions with other HFAs, compliance managers of national property management firms, HUD relocation specialists, and Legal Aid.

This project also addresses an internal disconnect: Staff with specific responsibilities do not always recognize the interconnection between their responsibilities and those of other teams. We are finding that the more cognizant staff are of these alignments, the more effective we are at reviewing applications and discussing challenges. This results in a smoother process and better outcomes for developers and, most importantly, the residents.

REPLICABLE STEPS

To achieve these objectives, we are following these steps (Appendix D.):

1. **KNOWLEDGE:** Identified and sought to understand applicable regulations.
2. **PROCESS:**
 - a. Updated our review checklist to reflect the content and intent of policy and regulations.
 - b. Identified relocation overlaps with specific internal roles, skillsets, and knowledge bases.
3. **POLICY:**
 - a. Updating manuals and forms to clarify expectations about all regulations.
 - b. Organizing references and internal controls documents to ensure reviews maintain consistent quality and reviewers stay current on training and regulation updates.
4. **HUMAN CAPITAL:** Hiring mission-driven relocation specialists.

PROVEN TRACK RECORD

We have actively used our checklist since we began updating it in October. The checklist is updated iteratively, so that we integrate new findings as they arise. As a result, we have corrected misinformation in resident notices, corrected budgets based on outdated regulations and misunderstandings, minimized the effects of construction on residents and their belongings, and ensured that residents were not unnecessarily displaced. Example outcomes from resident feedback include a shuttle, keeping pets upon return, a mural by a professional resident artist, and feeling heard.

We created additional reviews at Construction Commencement and Final Allocation Application (Appendix E.). So far, we reviewed 22 developments with more than 2,400 households. 10 applications with 1,200 households and 23 construction submissions with 2,000 households are under review, and 9% applications are imminent.

BENEFITS OUTWEIGH COSTS & EFFECTIVELY USE RESOURCES

Although the initial overhaul of this effort was completed by an existing staff and two interns, the long-term cost includes the addition of two Relocation Specialists. For context, this is for a team of 20 that reviews roughly 180 applications annually. For relocation, since first using a new checklist nine months ago we reviewed or are reviewing the relocation of roughly 6,000 households. **The upfront and annual cost is DCA's responsibility for residents of developments we finance and fulfill state policy and federal law. These costs are worth the benefit of ensuring residents can make informed decisions, minimizing the destabilizing effect inherent to moves (particularly mandatory moves) and facilitating smoother implementation because of clear expectations of developers.**

APPENDIX

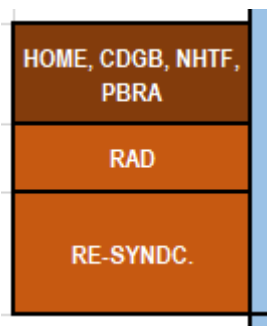
A. IMPROVED CHECKLIST

Our updated checklist adds a Key Information section at the top of the checklist. This is used to determine which regulations apply and key dates for determining displacement status and notice requirements, and where in DCA's files to find such information:

<p>Is this a resyndication? If yes, write original GHFA/DCA Project Number Core Application > Part I Project Information > XII. Preservation > A. Subsequent Allocation</p>		<p>Activity Summary (demolition/reconstruction, new construction, rehabilitation)</p>
<p>Does the project have HUD funding? (HOME, NHTF, CDBG, RAD, PBRA, see URA Programs tab.) If YES, which program? Is DCA the sources of funds?</p>		<p>LIHTC Application Date <i>for bonds, see tracker</i></p>
<p>If yes to the above, fill out additional URA requirements in Checklist. URA applies.</p>		<p>Federal Funds Application Date: <i>DCA Loan: 65LoanUW PBRA, RAD, other: 01Feasibility</i></p>
<p>Will housing be demolished or converted to something other than low-income housing or a reduction in low income units? 104(d) <i>Calculations tab, relocation survey, Core App: revenues and expenses + project information, XIII. Additional Project Info</i></p>		<p>Date of Site Control <i>hq-fil-01>AppBinder>08SiteControl</i></p>
<p>If yes to the above and HOME, CDBG, or section 108 funding, fill out 104(d) tab</p>		<p>Initiation of Negotiation (ION) date (LIHTC-only is Limited Partnership Agreement, URA exhibit A: <i>https://www.hud.gov/sites/dfiles/OCHCO/documents/1378c1CPDH.pdf) Feasibility folder, check Development Team for Limited Partner</i></p>
<p>Is it RAD? If so, RAD and URA requirements apply. (project info & development team tab of core application)</p>		<p>Application stage <i>if there is already a workbook from a previous stage, create a copy and re-label</i></p>
<p>If yes to the above, fill out Checklist, 104(d), and additional RAD requirements.</p>		

The following columns were added to the original columns Questions, Explanation and Pass/Fail:

- PROGRAM:** This provides a quick guide for applying non-LIHTC program-specific questions.



- LIHTC OR QAP REFERENCE:** This directs the reviewer to the page of the QAP, Manual, Section 42, or 8823 Guide.
- OTHER PROGRAM REFERENCE:** This directs the reviewer to the specific regulation or HUD's Tenant Assistance, Relocation, and Real Property Acquisition Handbook (1378.0).

Over-income: 2019 Manual, pg. 7; 2018 pg.8; https://www.dca.ga.gov/sites/default/files/income_averaging_policy_version_2019.pdf	HTF 24 CFR § 93.352 (c)(2)(C)(1) HOME 24 CFR § 92.353 (c)(2)(C)(1) CDBG 24 CFR 570.606(b)(2)(i)(D)
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4. HOUSEHOLD COUNT: These cells correlate with the new calculations tab and outputs the total potential displacements based on different criteria, such as in the following scenarios:

- There are fewer units, or the unit mix changes in the proposed development
- There are fewer occupied units than proposed
- Households may not meet potential occupancy standards
- Households will not meet tenancy requirements
- Households are over-income (based on resyndication and AMI mix)
- Households would be economically displaced under HOME, NHTF, or CDBG
- Student households that do not meet exceptions
- Accessibility needs to not match proposed development

**NOTE: Our new workbook to be submitted at Application and updated at Construction Commencement will auto-calculate the above so that Applicants will see determinations and adjustments in advance of submission. It will also track reading accommodations and language preferences and which notices were provided at the household level.*

B. EXAMPLE NOTICE: GENERAL INFORMATION NOTICE (LIHTC-ONLY)

Must be sent on Owner/Developer's Letterhead

Date: _____

Tenant Name: _____

Apartment Name: _____ Apt. # _____

Street Address: _____

City, State, Zip Code: _____

Dear _____:

On _____ [Date], _____ [Applicant] will apply for funding to renovate the building that you live in. This notice is to inform you that if the application is successful, the building will be renovated. Please **DO NOT MOVE** now. If you do, you might not get moving or housing assistance.

If the application is approved and the property is renovated, you may be eligible to return to your apartment (or another suitable apartment in the same complex) after renovations are complete. You will be asked about your income and student status to determine if you can return, and about your needs to best meet them.

A Relocation Specialist will be available to answer questions and help with the process. The Specialist will work with you to find you suitable housing and will pay for moving and any increased housing costs. You must continue to pay your rent and follow all other lease terms. You will also soon receive meeting invitations to discuss plans for the property. Please be sure to attend these meetings to hear about the improvements and to ask any questions and provide feedback.

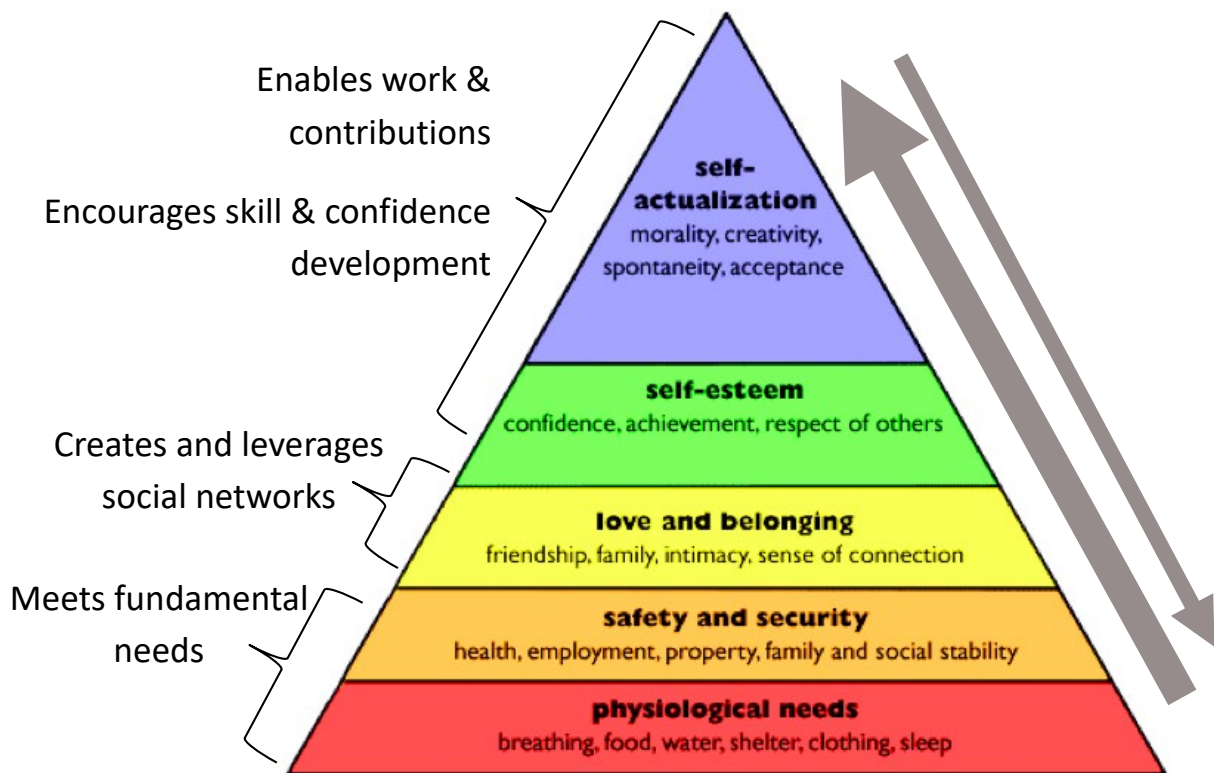
If you have any questions please contact the Relocation Specialist, _____ [name] (see below). If you feel that your assistance or ability to return was not properly considered, you have the right file complaints and request another review by the Relocation Specialist or by Georgia Department of Community Affairs, using one of these contact methods:

Important Contact Info	
Relocation Specialist: [NAME] (for questions about relocation, assistance, and to file complaints)	Mailing Address: _____ Phone: _____ Email: _____
Georgia DCA Housing Development (to file grievances and appeals)	Online Form: form.jotform.com/82054715249155 Phone: (800) 359-4663 Email: relocationreview@dca.ga.gov

This is not a notice to vacate the premises. Again, please **DO NOT MOVE** at this time. This letter is important and should be kept for your personal records.

Sincerely,

C. MASLOW'S HIERARCHY OF NEEDS



D. STEPS

1. Identify and understand regulations

The growing number of occupied preservation deals uncovered gaps in processes, knowledge, and general oversight. Growing awareness of these gaps resulted in generalist staff identifying, researching, and compiling resources on the disparate regulations of funding sources. One complication is that DCA pairs LIHTC with other federal funding. As a result, applications typically have two or more applicable regulations: HOME, HTF, RAD, CDBG, Section 18, 104(d) and PBRA program regulations from HUD; the

Uniform Relocation Act from the Department of Transportation; IRC §42 from the IRS; Fair Housing and Section 504 from the Department of Justice; and DCA's QAP, to name a few.

2a. Update & use internal checklist to reflect intent of DCA policy and actual external regulations

Since much of the work is enforcing requirements already outlined in our QAP and program regulations, we were able to immediately begin to improve and use our checklist without waiting for a new QAP. We are learning and using updated checklists simultaneously and in iteration. Through this, we learn program nuances, how regulations apply in variable situations, and how we could better support applicants' understanding of regulations.

Our checklist now highlights key questions by funding source and identifies the specific state and federal regulations for ease of review and sending clarifications to developers. It identifies what would trigger a determination from other teams. It highlights key dates to better see whether tenants were appropriately notified in a timely manner and when a household who moved permanently might be considered displaced. For documentation that falls under other teams' purview, such as for site control and feasibility, it also directs the reviewer to the relevant folder.

Step 2b. Identify who internally has applicable knowledge

The overlap between relocation and traditional roles like underwriting and compliance necessitates input from across the agency. Due to the federal compliance timeframe, relocation was a responsibility of the Federal Compliance Officer who also reviews for MBE/WBE and Davis Bacon. The role is housed with our construction team and previously functioned without external ties. Greater understanding of best practices included a recognition of the different skillsets and knowledge bases needed to review submissions. For example, voluntary acquisition and comparable replacement housing calculations review requires a basic understanding of appraisals and market studies. Tenant eligibility to return requires understanding compliance. Parsing regulations and relocation plans necessitate the ability to read analytically and think critically. A generalist can combine these threads but only with cross-team effort. DCA is now moving and expanding the role to support a greater, more consistent focus on this type of interdisciplinary collaboration.

Step 3a. Update manuals and forms to clarify expectations about all regulations (in progress)

To ensure that developers and DCA staff have a common understanding of expectations and timeline, DCA is updating the Relocation Manual and forms. Despite the regulations and HUD guidance, there are plenty of grey areas that must be addressed in state policy. We are working across our division to determine what those policies should be and are integrating those into our Manual. In Georgia, since we review for the impact of relocation with LIHTC-only properties, we also have our own baseline standards to further develop.

We are being intentional about word choice particularly on nuanced concepts. For example, if relocation is for over 12 months, tenants must be *offered* permanent displacement assistance but will be considered temporarily displaced unless they accept the offer; however, the budget must account for accepting that offer and notices must reflect the options. Similarly, we adjusted resident notice templates for reading ease and centering the audience, the tenant.

Over the last year of learning and attention to review, we became more comfortable with the scenarios that warrant permanent displacement and policy will reflect this. Similarly, we are clarifying what actions a developer would take, or propose to take, that warrant repercussions and what those repercussions are. Our manual also provides a clear a timeline with minimum documentation and details actions in advance of review submissions.

Step 3b. Organize references, materials, and internal controls documents. Stay current on training and regulation updates (in progress)

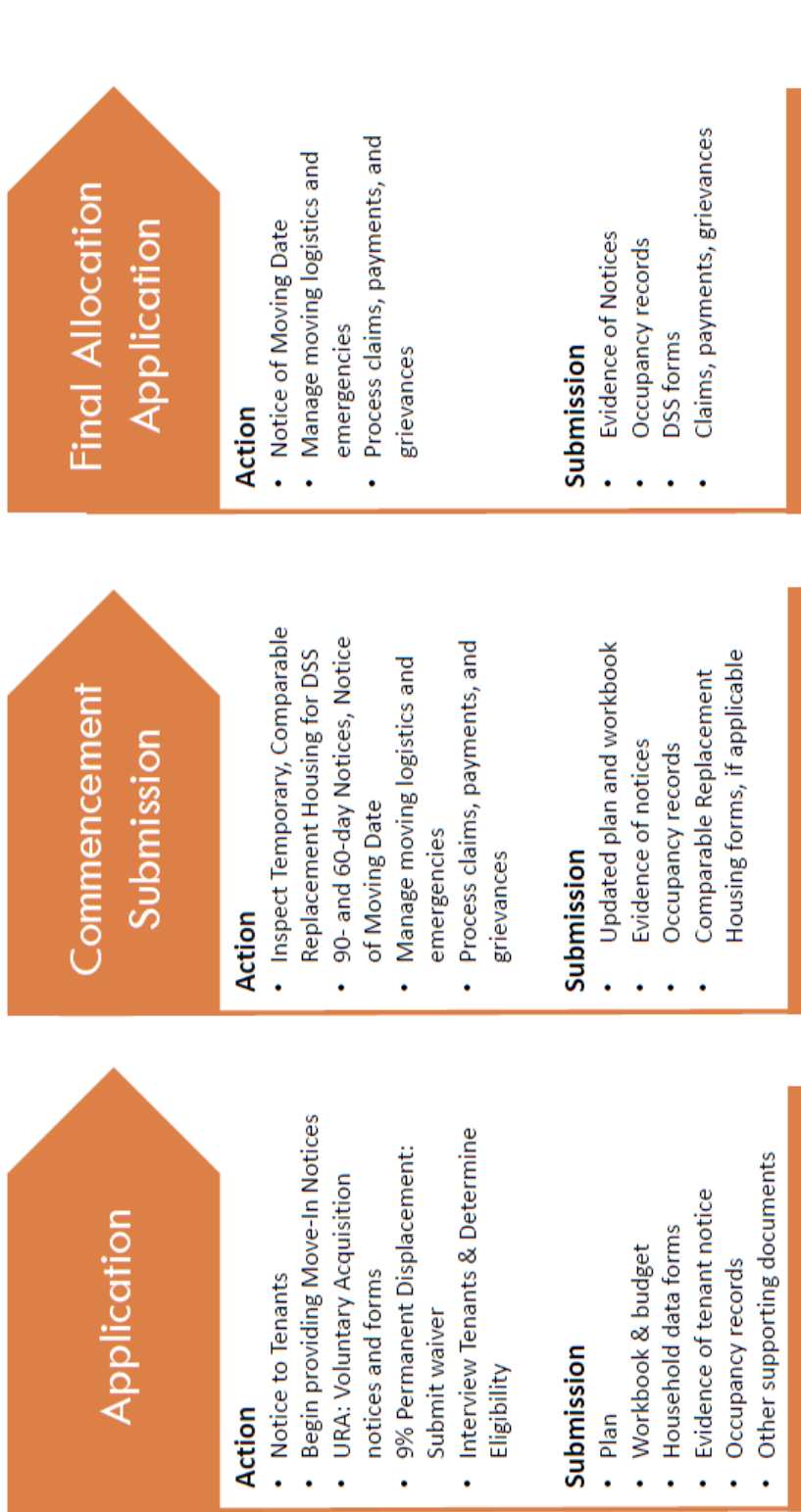
One challenge with turnover is knowledge transfer, which is why it is imperative to maintain organized reference documents—which include external training resources—and clear internal controls documents.

Step 3c. Hire motivated, mission-driven relocation specialists (in progress)

We now understand the depth and breadth of review required, with more intentional and specific reviews over the development timeline. Rather than a small portion of one staff member's time, we now seek two relocation specialists who can work across teams and are motivated to critically analyze submissions with an eye to resident impact.

E. NEW REVIEW TIMELINE: ADDITIONAL REVIEWS

DCA Relocation Manual
Relocation Timeline



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