



# New York City Build It Back Optional Relocation Plan

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# NYC Build it Back Optional Relocation Plan

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## 1 Summary and Rationale

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The New York City Build It Back Program (“the Program”) provides construction assistance to eligible applicants whose homes were damaged by Hurricane Sandy. The Build It Back Program has determined that certain types of projects will result in the voluntary displacement of owner-occupant households. Examples include:

- the abatement of hazardous materials such as lead or asbestos,
- projects that require the interruption of gas, water or electric service,
- the detection of hazardous conditions in a home that pose a risk to occupants,
- the elevation of a home, or
- the reconstruction of a home.

The Program deems it in the best interest of applicants to provide relocation assistance to owner-occupants (hereinafter “applicants”) who voluntarily move from their homes for limited periods of time prior to or during Program-provided repair, repair and elevation or reconstruction activities.

## 2 Regulatory Background

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Federal funds may be used to provide temporary relocation assistance payments to persons who voluntarily relocate to another location pursuant to 24 CFR Part 570.606(d). These persons are not subject to the Displaced Person requirements found at 24 CFR Part 570.606.

## 3 Relocation Assistance

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### 3.1 Household Eligibility

This Plan establishes a voluntary program that is made available to all TRA-eligible applicants that agree to its conditions. In order to be eligible for TRA, the household receiving the assistance must meet the following criteria.

#### 3.1.1 Ownership

The household receiving relocation assistance must have an ownership interest in the property and satisfy the Build it Back Program’s ownership requirements. Households may still qualify for TRA if the property is owned by a trust, corporation or other entity, as long as one member of the household is a beneficiary or owner of the entity.

#### 3.1.2 Primary Residency

The household receiving relocation assistance must satisfy the Program’s primary residency requirements.

#### 3.1.3 Construction Assistance

The household receiving relocation assistance must be receiving construction assistance from the Program. Households receiving non-construction assistance such as acquisition, buyout, relocation or reimbursement only are not eligible for relocation assistance under this policy.

### 3.1.4 Multiple Owner-Occupied Units

In certain cases, a property or a home may contain more than one owner-occupant household, such as when two households occupy different units but share ownership of the property. In these cases, each owner-occupant household is eligible to receive relocation assistance. Additional households seeking assistance must meet the Program's ownership and primary residency requirements. The total amount of assistance provided to all households may not exceed the Housing Benefit Cap.

## 3.2 Grant Agreements

The Program may not provide relocation assistance until the applicant has signed the appropriate construction grant agreement. The Program may also allow applicants to execute a separate agreement for relocation assistance prior to signing a construction grant agreement that is contingent upon the applicant completing construction through the Program.

### 3.2.1 Withdrawal or Violation of the Grant Agreement

The Program shall cease providing assistance to any household that withdraws from the Program prior to the completion of the construction project or if the applicant violates the terms of their Grant Agreement or is otherwise determined to be ineligible for assistance. Funds expended prior to such an event may be subject to recapture from the applicant.

## 3.3 Temporary Relocation Assistance (TRA)

The Program may provide relocation assistance to eligible applicants in order to assist applicants with securing apartments or other housing while the Program is performing construction. Such assistance may be provided directly to applicants on a reimbursement basis or in the form of placement in housing paid for by the Program. Reimbursement payments will be issued based upon actual costs incurred as demonstrated by documentation.

### 3.3.1 Determination of Relocation Assistance Need

The Program may not provide relocation assistance to a household unless it first makes a determination of need. The Program has determined that households that must relocate from their homes for a period of greater than 30 days have a relocation need. Overall construction duration of greater than 30 days shall not be an indicator of whether a household is eligible for relocation because many projects do not require relocation while construction is underway. Accordingly, in order to be eligible for relocation assistance, the Program must determine that it is likely that the household will be required to vacate their home for more than 30 days.

### 3.3.2 Relocation Start Date and End Date

The Program establishes the start date and end date for relocation based upon estimated construction durations. Accordingly, the relocation start date may precede the actual start of construction to ensure that the Program can begin construction when permits are approved and contractors become available. In certain cases, the relocation end date may extend past the completion of construction to ensure that all work is inspected and approved prior to occupancy. Relocation assistance may be provided to applicants that voluntarily relocate from their homes because of the presence of dangerous conditions or in order to facilitate a construction project that will occur in the future.

### 3.3.3 Limits on Relocation Duration

Relocation duration may not exceed fourteen (14) months unless the Program grants an extension based upon good cause. Good cause may include, but is not limited to, construction delays that were not caused by applicant actions.

### 3.3.4 Safe-Harbor Provision

The Program anticipates that lease durations and relocation durations will not always be identical and that relocation costs may be incurred both before and after the Program-established relocation start and end dates. In these cases, the Program has established a safe-harbor period of thirty (30) days to allow for lease periods that do not coincide with relocation start and end dates. Accordingly, the Program may incur relocation expenses and/or reimburse applicants for relocation expenses for a period of up to thirty (30) days before the relocation start date and for a period of up to thirty (30) days after the relocation end date. The Program may, upon a showing of good cause, extend this period if the cost is both reasonable and justified by the circumstances. The Program will not provide funding for other costs incurred outside of the safe-harbor period including termination penalties, deposits, additional rent or other expenses.

### 3.3.5 Housing Benefit Cap for Relocation

The relocation benefit amount is calculated based upon 125% of the HUD established Fiscal Year 2015 Fair Market Rent (FMR) for the New York, New York HUD Metro FMR Area.<sup>1</sup> The Program may opt to adjust this amount each year as HUD issues new FMRs, but the Program is not obligated to adjust the amount. The relocation benefit amount is capped at a fixed daily rate based upon the size of the household seeking assistance. The following table contains the daily cap based upon household size:

**Table 1: Temporary Relocation Housing Assistance Benefit Cap<sup>2</sup>**

<b>Household Size</b>	<b>1-person household</b>	<b>2-person household</b>	<b>3-person household</b>	<b>4-person household</b>	<b>5+ person household</b>
125% of 2015 Fair Market Rent (FMR)	\$1,495	\$1,561.25	\$1,851.25	\$2,380	\$2,667.50
Daily Cap	\$50.00	\$52.00	\$62.00	\$79.00	\$89.00

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<sup>1</sup> The Program determined that 125% of the FMR is justified due to the limited availability of short-term rental units in the impacted areas and the additional cost associated with leasing units on a month-to-month or short term basis that is less than the normal one-year lease period in NYC.

<sup>2</sup> Based on FY 2015 Fair Market Rents (FMRs) for the New York, New York HUD Metro FMR Area. The daily rate is calculated at 125% of the FMR divided by a standard 30-day month. The daily rate shall apply regardless of the number of days in any given month for which reimbursement is provided.

### **3.4 Emergency Overnight Hotels (EOH)**

The Program may provide short-term hotel stays to eligible applicants who must immediately relocate from their homes due to unsafe conditions. Such assistance will be provided directly to applicants through the Program in the form of placement in a hotel paid for by the Program. Assistance will not be provided directly to applicants on a reimbursement basis.

#### **3.4.1 Determination of Emergency Relocation Need**

The Program may not provide emergency relocation assistance to a household unless it first makes a determination of need. The Program documents that an emergency relocation need exists through its inspection process. If, during a home inspection, the Program or another City agency determines that an applicant's home is unsafe or unsanitary, the Program may provide emergency relocation assistance.

#### **3.4.2 Limits on Emergency Relocation Duration**

Emergency relocation duration may not exceed ten (10) days unless the Program grants an extension based upon good cause. Good cause may include, but is not limited to, delays in securing longer term housing that were not caused by applicant actions. The emergency relocation duration may not exceed twenty-eight (28) days at any given facility.

#### **3.4.3 Housing Benefit Cap for Emergency Relocation**

The emergency relocation benefit amount is capped at \$279.00 per night. This cap is calculated based upon the average of the General Services Administration's (GSA) lodging rates for the first six (6) months of 2016 with an allowance for taxes.<sup>3</sup> The Program may opt to adjust this amount each year as GSA issues new lodging rates, but the Program is not obligated to adjust the amount. The emergency relocation cap is not based upon household size.

### **3.5 Other Relocation Assistance**

#### **3.5.1 Housing Assistance Above the Program's Cap**

The Program may provide additional relocation assistance above the Program's daily cap upon documenting that any costs incurred above the cap are both necessary and reasonable.

#### **3.5.2 Additional Assistance**

The Program may opt to provide additional housing-related relocation assistance upon documenting that such assistance is eligible under federal requirements and that any costs incurred are both necessary and reasonable. Such assistance will be provided directly by the Program to a provider on behalf of applicants.

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<sup>3</sup> January through June 2016 GSA rates excluding taxes average \$240 per night. Total taxes for a hotel room in New York City are 14.75% plus \$3.50 per night.

### **3.6 Other Benefits Received**

Funds received by the household from other sources for temporary housing or relocation assistance are considered potentially duplicative benefits and must be considered when calculating the applicant's unmet relocation need. Such funds include FEMA temporary housing assistance, insurance additional living expenses (ALE) and other funds such as rental assistance provided by a charitable organization received by the applicant household on an ongoing basis while relocation assistance is being provided. The receipt of such funds may decrease the amount of relocation assistance that can be provided to an eligible applicant.