



URA the HUD Way

Module 2: Section 104(d)

Summary: Section 104(d) General Overview

- Section 104(d) is a reference to a section of a federal law entitled the Housing and Community Development Act of 1974, as amended.
- Section 104(d) only applies to HUD. It also **only** applies to HUD's Community Development Block Grant (**CDBG**) and **HOME** Investment Partnerships (HOME) programs.
- 24 CFR part 42, Subpart C - Section 104(d)'s implementing federal regulations
- Section 104(d) generally applies when lower-income dwelling units are **demolished** or **converted** in connection with a CDBG or HOME assisted activity.

Summary: Section 104(d) Objectives

- Minimize displacement by requiring grantees and participating jurisdictions (PJs) to create and follow a Residential Antidisplacement and Relocation Assistance Plan (RARAP).
- Provide relocation assistance to displaced lower-income persons as an alternative to URA payments.
- Replace lower-income dwelling units demolished or converted to a use other than lower-income housing in connection with a CDBG or HOME assisted activity.

Summary: Definitions

- **Lower-Income Dwelling Unit** (see 24 CFR 42.305 for definition):
A dwelling unit with a market rent (including utility costs) that doesn't exceed the applicable Fair Market Rent (FMR) for existing housing established by 24 CFR part 888.
- **Conversion** (see 24 CFR 42.305 for definition):
Altering a lower-income dwelling unit so that it is: used for non-housing purposes; used for housing purposes, but no longer meets the definition of lower-income dwelling unit; or used as an emergency shelter.
- **Demolition** (see HUD Handbook 1378, Chapter 7):
Tearing down or razing residential structures in whole or in part.
- **Lower-income person** (see 24 CFR 42.305 for definition):
 - For CDBG activities - a "low- and moderate-income person" as that term is defined in 24 CFR 570.3.
 - For HOME activities - a "low-income family" as that term is defined in 24 CFR 92.2.

Summary: Key Requirements

- Residential Antidisplacement and Relocation Assistance Plan (RARAP) – 24 CFR 42.325
- Relocation Assistance for Displaced Lower-income Persons – 24 CFR 42.350
- One-for-One Replacement of Lower-income Dwelling Units - 24 CFR 42.375



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Summary: Residential Antidisplacement and Relocation Assistance Plan (RARAP)

As a condition of receiving CDBG or HOME funds from HUD, grant recipients must certify that they have in effect and are following a RARAP.

Units of general local government receiving funds from a state must certify to the state that they have in effect and are following a RARAP.

The certification must be part of the local consolidated plan.

All RARAP's must:

- Indicate steps to be taken to minimize displacement of persons from their homes and neighborhoods as a result of any assisted activity;
- Provide for relocation assistance at Section 104(d) levels; and
- Provide one-for-one replacement of demolished and converted lower-income dwelling units.

See [HUD Handbook 1378, Appendix 34](#) for a RARAP guideform.

Summary: Section 104(d) Relocation Assistance

- Highlights include advisory services, replacement housing assistance, moving expense payments, security deposits and credit checks, interim living costs, and appeals.
- Only displaced lower-income residential tenants are eligible for Section 104(d) relocation assistance. Displaced owner occupants and nonresidential entities are not eligible.
- Relocation eligibility for lower-income residential tenants displaced by demolition of **any** dwelling unit or conversion of lower-income dwelling units in connection with a CDBG or HOME assisted activity.
- Displaced persons may choose either Section 104(d) relocation assistance or relocation assistance at URA levels.
- Replacement Housing Assistance options include rental assistance or purchase assistance.
- Purchase assistance limited to cooperatives and mutual housing.

Summary: Section 104(d) One-for-One Replacement

- Occupied and vacant occupiable lower-income dwelling units demolished or converted in connection with a CDBG or HOME assisted activity must be replaced on a one-for-one basis with comparable lower-income units.
- Vacant Occupiable means: a vacant unit in standard condition*, a substandard unit that is suitable for rehabilitation*, or a unit in any condition that has been occupied (except by a squatter) at any time within the period beginning 3 months before execution of the rehabilitation or demolition agreement.
- Replacement units are subject to location, size, condition, availability, and affordability requirements.
- Replacement units must be located within the recipient's jurisdiction and, if possible, in the same neighborhood as the demolished/converted units.
- Before committing funds for a demolition or conversion activity, a one-for-one replacement plan must be made public and submitted to HUD in writing. (See 24 CFR 42.375(c))

*Standard Condition and Substandard but Suitable for Rehabilitation must be defined in the HUD approved consolidated plan pursuant to 24 CFR Part 91.