

HOUSING AUTHORITY OF THE COUNTY OF CONTRA COSTA

TO: BOARD OF COMMISSIONERS

FROM: Joseph Villarreal, Executive Director

DATE: September 12, 2017

**SUBJECT: PAYMENT OF RELOCATION MOVING COSTS FOR RESIDENTS OF LAS DELTAS
AS PART OF THE RENTAL ASSISTANCE DEMONSTRATION PROGRAM**

SPECIFIC REQUEST (S) OR RECOMMENDATION (S) & BACKGROUND AND JUSTIFICATION

I. RECOMMENDED ACTION:

ACCEPT report on the expenditure of Public Housing Capital Funds for required relocation moving costs that will be provided to the residents of the Las Deltas public housing development in North Richmond as part of the process to vacate the property and prepare it for disposition under HUD's Rental Assistance Demonstration (RAD) program.

II. FINANCIAL IMPACT:

Funding of approximately \$1.4 million is provided in the Housing Authority's (HACCC) current PHA Annual Plan Capital Fund Program (CFP) budget for the cost of the relocation consultants and all direct relocation costs that will be provided to families. Of this amount, \$1 million is targeted for direct relocation costs for the families of Las Deltas.

III. REASONS FOR RECOMMENDATION/BACKGROUND

As part of the RAD conversion of the Las Deltas public housing units, HACCC is required to assist the families living at Las Deltas to find new, affordable places to live. All of the residents living at Las Deltas at the time of conversion, must be assisted under the laws and regulations set forth in the Uniform Relocation Act, California Relocation Assistance Law and the California Relocation Assistance and Real Property Acquisition Guidelines. It is expected that most, if not all, of the tenants at Las Deltas will move to another public housing property or will relocate using a housing choice voucher. At least one family has expressed interest in buying their unit.

HUD regulations require that prior to the commencement of any relocation actions by a housing authority, the Board of Commissioners and HUD must approve the relocation plan. On July 19, 2016 the Board approved the procurement of relocation services from Overland, Pacific & Cutler (OPC) to provide relocation services to the residents of Las Deltas for a fee not to exceed \$301,753 and on June 13, 2017 the Board approved the Relocation Plan for Las Deltas which included a total estimated relocation budget of approximately \$1.3 million. The Board also approved a total relocation budget of approximately \$1.4 million in HACCC's current PHA Annual Plan CFP budget on December 6, 2016. This amount was slightly higher than estimated in the Relocation Plan as some families had left the property during the period between approval of the two plans.

Under relocation law, HACCC must provide residents who must move as a result of the conversion of Las Deltas from the public housing program with the following:

- **Advisory Services.** This includes referrals to comparable and suitable replacement homes, the inspection of replacement housing to ensure that it meets established standards, help in preparing claim forms for relocation payments and other assistance to minimize the impact of the move.

- **Payment for Moving Expenses.** Las Deltas residents may choose either a:
 - Payment for their Actual Reasonable Moving and Related Expenses, or
 - Fixed Moving Expense and Dislocation Allowance, or
 - A combination of both, based on circumstances.
- **Replacement Housing Assistance.** If they do not wish to continue in public housing or transfer to the voucher program, Las Deltas residents can receive this assistance in order to rent, or if they prefer and are able, to buy a comparable or suitable replacement home. To do this they may choose either:
 - Rental Assistance, or
 - Purchase Assistance.

OPC will provide the majority of the advisory services by providing personal search assistance to the families who are moving and will also help ensure that HACCC meets its legal obligations surrounding relocation. Most, if not all, of the replacement housing assistance will be provided through the public housing and housing choice voucher programs. This Board Order is designed to clarify how payment for moving expenses will be provided to all eligible Las Deltas families. Among other expenses, moving costs can include security deposits, utility transfer fees and the costs to hire movers.

In order to ensure that OPC can assist Las Deltas residents in a timely manner, HACCC and OPC have established a Trust Account administered by OPC and funded by HACCC using the approved CFP budget of approximately \$1 million for direct relocation costs for Las Deltas families. It is imperative that we expedite payments of moving costs in the tight rental market faced by our families, especially security deposits and other moneys due to new landlords. The trust will be funded in increments. The initial increment was \$150,000. OPC will provide HACCC with monthly invoices to reconcile the expenditures from the trust. Additionally, OPC conducted a competitive bid process to identify a moving company that will serve the families of Las Deltas. OPC entered into a subcontract agreement with Chipman Movers to pack, move and, if needed, store the families' belongings.

V. CONSEQUENCES OF NEGATIVE ACTION:

None. Information item only.