

ORDINANCE NO. 20230914-055

**AN ORDINANCE REPEALING CHAPTER 14-3 OF THE CITY CODE
RELATING TO RELOCATION BENEFITS FOR OWNERS AND TENANTS OF
PROPERTIES ACQUIRED BY THE CITY.**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. Chapter 14-3 of the City Code is repealed in its entirety and replaced with the following:

§14-3-1 DEFINITIONS.

In this chapter:

- (1) **BUSINESS REESTABLISHMENT PAYMENT** means a payment intended to cover reasonable and necessary costs actually incurred by a small business, farm, or non-profit organization in reestablishing at a replacement location.
- (2) **COMPARABLE REPLACEMENT DWELLING** means a dwelling that is (i) decent, safe, and sanitary; (ii) adequate in size to accommodate the occupants; (iii) within the financial means of the displaced person; (iv) functionally equivalent to the displaced person's current dwelling; (v) in an area not subject to unreasonable adverse environmental conditions; (vi) in a location not within the 100-year floodplain; and (vii) in a location generally not less desirable with respect to public utilities, facilities, services, and the location of the displaced person's place of employment.
- (3) **DECENT, SAFE, AND SANITARY DWELLING** means a dwelling which meets local housing and occupancy codes and related requirements.
- (4) **DISPLACED PERSON** means:
 - (a) an individual, family, business concern, farm or ranch operation, or non-profit organization that is required to move as a result of the use of eminent domain or the threat of eminent domain; or
 - (b) a person who moves from a dwelling, moves personal property, or moves or discontinues the person's business as a direct result of a flood risk reduction or erosion control buyout, rehabilitation, or a demolition program.

- (5) **DISPLACEMENT DWELLING or DISPLACEMENT PROPERTY** means the dwelling or property from which a person is displaced as a result of the City's acquisition in connection with eminent domain, a flood risk reduction or erosion control buyout, rehabilitation, or a demolition program.
- (6) **INITIATION OF NEGOTIATIONS** means the earlier of:
 - (a) delivery of the initial written offer of compensation to the landowner or the landowner's representative to purchase the displacement dwelling or property; or
 - (b) delivery of written notice to the landowner or the landowner's representative of intent to purchase the displacement dwelling or property.
- (7) **LATE OCCUPANT** means a displaced person who begins occupying the displacement dwelling or property after initiation of negotiations for the displacement dwelling or property.
- (8) **RELOCATION ADVISORY SERVICE** means the act of informing displaced persons of relocation benefits, determining the needs and preferences of these persons, providing information concerning the price and availability of comparable replacement locations, and administering the relocation assistance program.
- (9) **RELOCATION ASSISTANCE PROGRAM** means a defined process for providing relocation benefits to eligible displaced persons.
- (10) **RELOCATION BENEFITS** means payment for expenses incurred due to relocation including those related to moving, renting, replacing housing, and transferring real property.
- (11) **RENTAL ASSISTANCE PAYMENT** means a payment intended to cover the increased rent of a comparable replacement dwelling for a specified period of time available to persons displaced from residential dwellings.
- (12) **REPLACEMENT DWELLING** means a decent, safe, and sanitary dwelling to which a displaced person moves.

§14-3-2 GENERAL PROVISIONS.

- (A) This chapter authorizes the payment of relocation benefits to a person who is displaced because of the City's acquisition of real property.

- (B) This chapter applies when a person, family, business concern, farming or ranching operation, or non-profit organization is required to relocate in connection with the City's acquisition of real property:
 - (1) under eminent domain or the threat of eminent domain; or
 - (2) involving a grant, loan, or contribution by the state or federal government requiring payment of relocation benefits; or
 - (3) in connection with a flood risk reduction or erosion control buyout, rehabilitation, or demolition program.
- (C) The City shall follow the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and related federal regulations for the acquisition of real property or displacement of a property owner involving:
 - (1) a grant, loan, or contribution by the state or federal government requiring compliance with the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and related federal regulations; or
 - (2) the City's use of eminent domain or the threat of eminent domain.

§14-3-3 RELOCATION ADVISORY SERVICE.

- (A) The City shall provide relocation advisory services that are reasonably comparable to those outlined in the Federal Relocation Assistance Act and Real Property Acquisition Policies Act of 1970. The City may provide these services directly or through an agent of the City.
- (B) Displaced persons who are lawfully occupying property on the date the City initiates negotiations to acquire the property are eligible for relocation advisory services. These services also may be provided to persons occupying property immediately adjacent to the property being acquired if the City determines that such persons will suffer substantial economic injury as a result of the property acquisition.
- (C) Relocation advisory services will include such measures, facilities, or services as may be necessary or appropriate in order to:

- (1) Determine and make timely recommendations concerning the needs and preferences, if any, of displaced persons for relocation assistance;
- (2) Provide current and continuing information concerning the availability, sales prices, and rental charges of comparable replacement dwellings for displaced homeowners and tenants; and suitable locations for businesses, farm and ranch operations, and nonprofit organizations;
- (3) Inform displaced persons they will not be required to move from a dwelling unless they have been provided a 90-day notice to vacate and notice of relocation eligibility, except when emergency situations impacting health or safety dictate otherwise;
- (4) Assist owners of a displaced business, non-profit, or farm or ranch operation locate and become established in a suitable replacement by providing current and continuing information on available replacements, purchase prices, and rental costs;
- (5) Provide information about other assistance programs and technical assistance in applying for assistance programs; and
- (6) Make available, at the City's discretion, other services to minimize hardships related to adjusting to a different location by providing counseling, information on other sources of assistance that may be available, and other help as appropriate.

§14-3-4 NOTICE.

- (A) The City will notify displaced persons of the benefits and services described above in writing at the time set out in this regulation.
- (B) The City will provide notice of displacement within a reasonable time after negotiations have begun. If a displaced person owns the property, the City will make a reasonable effort to notify the person when the City initiates negotiations. If a person is a tenant, the City should provide this notice as soon as feasible after the City initiates the negotiations.
- (C) The City will provide notice to late occupants as follows:
 - (1) at the time that the City has actual knowledge of the late occupant that is occupying the property;

- (2) with notice of the date the City began the negotiations;
 - (3) with information about the relocation assistance program; and
 - (4) with information that informs the late occupant that the late occupant must continue occupancy until the City takes possession of the property in order to qualify for relocation assistance under this chapter.
- (D) The City's notice of a replacement payment may be incorporated in the initial notice to vacate. The notice will inform each displaced person of:
 - (1) the cost and location of specific comparable replacement dwellings;
 - (2) the maximum amount of any relocation assistance payment; and
 - (3) the basis for the maximum payment calculation.
- (E) The City will provide an initial notice to vacate after negotiations have begun but no later than 90 days before the date the City wants the property vacated and will inform the displaced person that:
 - (1) negotiations to acquire the property are ongoing;
 - (2) the displaced person will not be required to move from the dwelling before the end of the 90 days from the date of the notice;
 - (3) the displaced person will be provided a final notice, in writing, specifying the date by which the property must be vacated; and
 - (4) if continued occupancy of the property would constitute a substantial danger to health and safety, the city manager may waive the requirements of this section.
- (F) The City will provide a final notice to vacate informing displaced persons of the specific date by which the property must be vacated no later than 30 days before the vacation date.
- (G) Each notice required under this section shall:
 - (1) be written in plain, understandable language;

- (2) be personally served or sent by certified mail, return receipt requested;
- (3) contain the name and phone number of a person who can provide relocation advisory services; and
- (4) include information for translation assistance.

§14-3-5 RELOCATION ASSISTANCE.

- (A) The City may provide financial assistance to a person, family, business, farming or ranching operation, or a non-profit organization displaced in connection with an acquisition of real property. This assistance may include moving expenses, replacement dwelling supplements, homeowner supplements, and incidental expenses. The nature and amount of assistance a displaced person may receive shall depend on whether the person owns or leases the property, how long the person lawfully occupied that property prior to the commencement of negotiations, and whether the person is an individual or a business entity.
- (B) Before any services are provided under this regulation, the city manager or a designee shall verify that federal financial assistance is not received or made available for the project related to the acquired property.
- (C) A displaced person who has maintained lawful physical occupancy in a dwelling and who meets the criteria for the specific benefit as set forth in this regulation is eligible for relocation benefits. Relocation benefits will not be provided if the City determines the person:
 - (1) is ineligible to receive public benefits from the City for any reason;
 - (2) received an eviction notice prior to the initiation of negotiations and is later evicted pursuant to the notice;
 - (3) is evicted after the initiation of negotiations for serious or repeated violation of material terms of the lease or occupancy agreement; or
 - (4) occupied the dwelling for the purpose of obtaining assistance under this regulation. A person is presumed to occupy a dwelling for the purpose of obtaining assistance under this regulation if the person

begins occupancy after notice of displacement has been provided to any occupant of the displacement dwelling.

- (D) The City may reimburse a displaced person for reasonable and necessary moving expenses for a single move of 50 or fewer miles from the displacement property. The City may waive one or more of these limitations if the city manager declares it in the public interest to do so. At the discretion of the city manager, reimbursement may be determined by the following methods:
- (1) actual, reasonable costs verified by receipts and preapproved by City staff; or
 - (2) fixed moving schedule provided by Federal Highway Administration; or
 - (3) any combination of methods (1) and (2) above.
- (E) The City may provide a financial supplement to a person displaced from a dwelling when the comparable replacement dwelling is more expensive than the displacement dwelling. This supplement shall not exceed \$7,200. Only one payment can be made for each dwelling unit acquired. A person eligible for a homeowner supplement under Section 14-3-5(F) is not eligible for this payment.
- (1) In addition to the eligibility requirements in Sections 14-3-5(C) and 14-3-5(E)(2), to qualify for a replacement dwelling supplement, the displaced person must:
 - (a) occupy the displacement dwelling for not less than 90 days prior to the initiation of negotiations; and
 - (b) purchase or lease a decent, safe and sanitary dwelling no later than one year from the date of displacement.
 - (2) A late occupant must continue occupancy until the City takes possession of the displacement dwelling or property to qualify for relocation assistance under this section.
 - (3) The payment made under this section shall not exceed 42 times the difference between the current rent, including utilities, and the comparable replacement rent paid by the displaced person.

- (a) The city manager will determine the number of months used to calculate the payment based on the circumstances of each acquisition or displaced person.
- (b) The City will use the fair market rent of the displacement dwelling in lieu of the current rent when:
 - (i) the displaced person is an owner-occupant;
 - (ii) the displaced person pays less than 50 percent of fair market rent; or
 - (iii) the displaced person is a dependent. Individuals living in the displaced dwelling who are enrolled full time in an institution of higher education at the time of initiation of negotiations are presumed to be dependents.
- (c) If the tenant occupants of a displacement dwelling or property are a household whose total income over the past 12 months is at or below 80 percent MFI as defined in Section 25-1-701(4) of the City Code, the City will use 30 percent of the gross income of all tenant occupants in lieu of current rent when the average monthly income is less than the current monthly rent.
- (4) A person meeting the eligibility requirements of this section may elect to rent or purchase a comparable dwelling.
- (5) A person eligible for a payment under this section may not receive a payment that exceeds:
 - (a) the purchase price of the replacement dwelling, including incidental expenses; or
 - (b) the payment the owner-occupant would have received had the owner-occupant been eligible for a homeowner supplement under Section 14-3-5(F).
- (6) When more than one eligible individual or family is displaced from a single displacement dwelling, the replacement dwelling supplement shall be divided among the occupants as determined by the City.

- (7) The city manager may waive the limitations set forth in this section when waiver is necessary to provide comparable housing to a tenant or owner-occupant of a dwelling.
 - (8) Last resort housing shall be used only when suitable decent, safe, and sanitary housing is not available to displaced tenants and owners. As determined by the City, whenever a project cannot proceed on a timely basis because comparable replacement dwellings are not available within the monetary limits for owners or tenants, the City may provide additional or alternative assistance, which may exceed the limits under Section 14-3-5(E).
- (F) The City may provide financial assistance to acquire replacement housing to a person displaced from a dwelling owned and occupied by the person when the comparable replacement dwelling is more expensive than the acquisition cost of the displacement dwelling. This payment shall not exceed \$31,000, calculated as set forth in this Section 14-3-5(F).
- (1) In addition to the eligibility requirements in Section 14-3-5(C), to qualify for a homeowner supplement the displaced person must:
 - (a) have owned and occupied the displacement dwelling for not less than 90 days prior to the initiation of negotiations; and
 - (b) purchase and occupy a decent, safe, and sanitary replacement dwelling within one year from the date of displacement.
 - (2) The payment made under this section shall not exceed an amount equal to the sum of:
 - (a) the amount the probable cost of a replacement dwelling exceeds the acquisition cost of the displacement dwelling, as determined by the City;
 - (b) any increased interest and other debt service costs incurred in connection with the mortgage(s) on the replacement dwelling as determined by the City; and
 - (c) reasonable expenses incidental to the purchase of the replacement dwelling.

- (3) Last resort housing shall be used only when suitable decent, safe, and sanitary housing is not available to displaced tenants and owners. As determined by the City, whenever a project cannot proceed on a timely basis because comparable replacement dwellings are not available within the monetary limits for owners or tenants, the City may provide additional or alternative assistance, which may exceed the limits under Section 14-3-5(F).
- (G) The City may pay to businesses, farm or ranch operations, or non-profit organizations a payment not to exceed \$25,000 for expenses actually incurred in relocating and reestablishing operations at a suitable replacement location. Only expenses that are reasonable and necessary as determined by the City are eligible for reimbursement.
 - (1) The City may also pay to eligible displaced businesses, farm or ranch operations, or non-profit organizations searching expenses related to finding a suitable replacement site for their business.
 - (2) The City may also pay to eligible displaced businesses, farm or ranch operations, or non-profit organizations moving expenses related to moving all personal property to storage or replacement site.

§14-3-6 PROCEDURES.

- (A) The City may develop claims procedures as set forth in this chapter and all necessary form(s) for use by displaced persons in submitting claims, provide the necessary forms and guidelines to all displaced persons, and provide reasonable assistance necessary to complete and file claims authorized under this chapter.
- (B) A claim for a business reestablishment payment or relocation benefits must be supported by documentation of expenses incurred, such as bills, receipts, certified prices, and appraisals.
- (C) A claim must be submitted to the City in a timely manner.
 - (1) Tenants must file all claims for business reestablishment payments or relocation benefits no later than the last day of the 18th month after the date of displacement.
 - (2) Owners must file all claims for business reestablishment payments or relocation benefits no later than the last day of the 18th month after (i)

the date of displacement; or (ii) the date final payment is made for the acquired property, whichever is later.

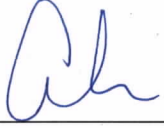
- (3) The city manager may waive these deadlines when waiver is in the public interest.
- (D) If all or part of a claim is denied for any reason, including due to late filing, the City will notify the displaced person of the reason(s) for the denial and the procedures for requesting review of the decision. The notice will be made in writing and as soon as practicable.
- (E) A displaced person whose claim for assistance under this regulation is denied in full or in part may seek review of the decision.
 - (1) The displaced person must make the request for review within 60 days of the date of the notice informing the person of the decision to deny the claim.
 - (2) The request must:
 - (a) be made in writing;
 - (b) state the reason(s) the displaced person believes an error was made in determining the person's eligibility for assistance;
 - (c) state the amount(s) the person believes the person should receive under this regulation; and
 - (d) include all documentation, calculations, or other information supporting the amount(s) the person believes the person should receive.
 - (3) The city manager will review all claims submitted in accordance with this regulation and notify the displaced person of the decision within 60 days after receipt of the request for review. The decision by the city manager is final.

PART 2. This ordinance takes effect on September 25, 2023.

PASSED AND APPROVED

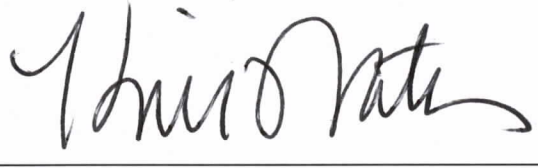
September 14, 2023

APPROVED:



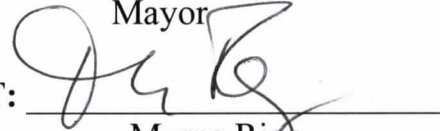
Anne L. Morgan
City Attorney

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Kirk Watson
Mayor

ATTEST:



Myrna Rios
City Clerk