

2012 KING COUNTY FLOOD HAZARD MANAGEMENT PLAN UPDATE
June 2012

TOPIC:

Relocation of Residential and Commercial Tenants

STATEMENT OF ISSUE:

- When land is acquired for flood risk reduction purposes and tenants are displaced, what types of relocation assistance should be provided?
 - Should any other steps be taken minimize disruptions to economic activity and mitigate possible impacts on economic development and local tax revenue?
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BACKGROUND:

Property buyouts are one of the most effective tools at permanently reducing flood and channel migration risks, and are also often necessary to provide the space needed to set back levees or simply rebuild them to a wider and more stable geometry. In some situations the property owner rents or leases the home. In those situations the tenants are provided with relocation assistance as described below.

History: Congress passed the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and amended it in 1987. The law is referred to as the Uniform Act and is followed by all Federal, State, and local government agencies.

Purpose: To provide uniform procedures in relocation assistance that will assure legal entitlements and provide fair, equitable, and consistent treatment to persons displaced by a government project.

The Law: Contained in Chapter 8.26 of the Revised Code of Washington (RCW) and the Washington Administrative Code (WAC) 468-100.

Process: The following outlines the general process:

- Coordinate tenant-contact information with onsite Property Manager and Owner;
- Send General Notice of Relocation Rights letter to tenants;
- Hold an Open House (presentation, questions and answer session, etc.);
- Contract with appraiser to complete individual appraisals for owner-occupied units;
- Meet with individual owners for interview and appraiser site inspection;
- Calculate benefits based on appraisal, comparables and present offer to residents;
- Send Notice of Relocation Eligibility, Entitlements, and 90-Day Assurance letter giving at least 90 days notice by which they will be required to vacate;

- Provide Relocation Advisory Services (i.e. transportation, referrals, minimize hardships, provide listings of replacement availabilities, inspect replacement housing for decent, safe, and sanitary acceptability and other special needs etc.)
- All residents have the right to appeal and the right to file for “Hardship” to be granted a stronger priority in the event they need to move earlier than scheduled.

Entitlements: Owner-Occupants, renting space, may be eligible to receive:

1. Fair Market Value for their home, as determined by an appraiser;
2. Replacement housing payment (Purchase Price Differential), as determined by the Relocation Advisor;
3. A Rent Supplement or Differential (if costs to rent other space including utilities exceed what they are paying currently) based on a comparable, for 42 months and paid in a lump sum, as determined by the Relocation Advisor;
4. Moving expense payment for self-move (based on room count) or a commercial move (based on 50-mile radius and a federal schedule) direct payment to mover) as determined by the Relocation Advisor. and
5. Relocation Advisory Services (see above definition).

Timeline: Based on prior experience with residential tenants, once appraisals have been completed (45-60 days), the residents can be re-located within an approximate 2-4 month period each. This timeframe would likely be greater for commercial space, as the process to find comparable locations is more complex.

POLICY CONSIDERATIONS:

While relocation assistance is required under federal, state, and local laws, this should be clarified in the Flood Plan.

Two significant differences between residential and commercial relocations are (1) the possibility of higher costs to relocate and re-establish businesses compared to homes, and (2) the possibility of a larger impact on local government revenue (assuming the commercial structure was occupied by a commercial tenant and generating sales tax and B&O tax. Efforts to mitigate these impacts would remove or reduce one of the tensions between short-term financial impacts and long-term reductions in flood risk as well as long-term investor confidence in commercial/industrial areas. In addition, business re-establishment costs are higher than relocation of residential tenants due to the need to move business equipment and in some situations make improvements to the new location.

1. Establish a policy that relocation efforts will focus within the same jurisdiction wherever possible.

PROS: Preserves local government revenue associated with business activity.

CONS: No guarantee that the business will indeed be relocated within the same political

boundary. First responsibility under federal law is to find comparable locations to the displaced tenant, which may mean relocating elsewhere in the region.

2. Work with the appropriate local government(s) to communicate with the affected business community on plans and projects. Like with any major public works project, there are short-term and long-term impacts, and economic disruption can be minimized by clearly conveying the long-term objectives for flood risk reduction and the near-term priority actions to achieve these objectives.

ADDITIONAL RESOURCES:

Uniform Relocation Assistance and Real Property Acquisition Policies Act
<http://uscode.house.gov/download/pls/42C61.txt>
