
Section 7.6
LAST RESORT HOUSING

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Section 7.6

LAST RESORT HOUSING

PURPOSE

The purpose of this section is to establish the process the Guam Department of Public Works, or any other Government of Guam Agency or Department (Department) initiating Last Resort Housing must follow to administer the provisions governing last resort housing.

AUTHORITY

49 CFR, Part 24
21 GCA § 17103 Moving and Related Expenses
21 GCA § 17104 Replacement Housing for Homeowners
21 GCA § 17105 replacement Housing for Tenants and Certain Others
21 GCA §17108 Authority for Agencies
21 GCA § 17109 Administration
21 GCA §17118 Relocation Assistance Conformity with Federal Requirements

SCOPE

The principal users of this document are Department of Public Works Office of Right of Way employees and those persons contracted by the Department to perform parcel acquisition functions and the Office of the Attorney General staff.

REFERENCES

Right of Way Manual, Section 7.2, Right of Way General Relocation Requirements
Right of Way Manual, Section 7.4, Replacement Housing Payments
12 GCA, Chapter 5, Guam Housing and Urban Renewal Authority
Public Law 91-646, (Uniform Act), as amended by:
42 USC Chapter 61 - Uniform Relocation Assistance and Real Property Acquisition Policies for Federal and Federally Assisted Programs

FORMS

None specific to this section.

7.6.1 Determining Need

Replacement Housing of Last Resort will be used to assure that comparable decent, safe, and sanitary housing will be made available to a displaced person when such housing can not otherwise be provided within the person's financial means. The determination may be made on a case-by-case or project-wide basis.

7.6.1.1 The Department is authorized to provide replacement housing of Last Resort to displacees when it is determined that:

- (A) The maximum replacement housing payment under the ***Right of Way Manual, Section 7.4, Replacement Housing Payments*** will not be sufficient to provide a comparable replacement dwelling on a timely basis; or

- (B) The housing market does not contain comparable replacement housing that is available to the displacee on a timely basis.

7.6.1.2 The determination of the need for Last Resort Housing shall be in writing and approved by the Department. Each determination shall include consideration of:

- (A) The availability of comparable replacement housing in the project area.
- (B) The resources available to provide comparable replacement housing.
- (C) The individual circumstances and needs of displaced persons such as, family size, handicaps, or age.

7.6.1.3 Once a comparable replacement dwelling has been offered under this procedure, or assistance has been given by the Department necessary to provide such a dwelling, obligation to provide at least one comparable dwelling is made available to a displacee will have been met.

7.6.2 Basic Rights of Displacees

7.6.2.1 All rights of a displaced person under the provisions of **Public Law 91-646, (Uniform Act)** as amended by **42 USC Chapter 61**, are preserved under the provisions of this procedure.

7.6.2.2 The Department or Department cannot require any displacee to accept a dwelling provided by Department under **Section 7.6** unless Department, the department and the displacee have entered into a contract to do so in lieu of any acquisition or relocation payment for which the person is eligible.

7.6.3 Planning for Last Resort Housing

7.6.3.1 The Department of Public Works Right of Way Supervisor (DPWRS) with Department concurrence has authority to determine methods to provide sufficient comparable replacement housing:

- (A) When additional Last Resort Housing situations other than those addressed in the Needs Assessment Survey occur during the project; or
- (B) If unforeseen circumstances alter a payment computation.

7.6.3.2 When techniques other than super supplement payments as defined in **Section 7.6.5** are to be used in either of the above referenced situations, the Department Relocation Administrator must approve them.

7.6.4 Methods of Providing Replacement Housing

The use of cost effective means of providing comparable replacement housing is implied throughout this procedure. **Section 7.6** permits variations from the usual methods of obtaining comparable replacement dwellings, however, these variations should not result in an involuntary lowering of housing standards or quality of living style for the displacee.

7.6.4.1 When comparable replacement housing, as described in the **Right of Way Manual, Section 7.2, General Relocation Requirements**, is not available to a displacee, such housing may be provided, either directly or through third parties, by:

- (A) Rehabilitation of and/or additions to an existing replacement dwelling;
- (B) Construction of a new replacement dwelling. If Department is to construct replacement dwellings, the

Department must coordinate with the Department Administrator. Construction of replacement dwellings on projects with Federal aid in any phase must be coordinated with Federal Highway Administration (FHWA).

- (C) A replacement housing payment which exceeds the maximum payment amounts set forth in the *Right of Way Manual, Section 7.4, Replacement Housing Payments*.
- (1) Payments exceeding the maximum limits are known as "super supplement payments".
 - (2) When using super supplement payments, the Department's official parcel file must be documented with all information showing a search for replacement sites considered suitable for relocation was performed.
 - (a) Consideration must be given to the displacee's commuting distance currently traveled and proximity to place of employment, schools, medical facilities, and churches.
 - (b) Other potential neighborhoods considered must be listed, including any adversities or benefits these might cause the displacee.
- (D) The relocation and, if necessary, rehabilitation of a dwelling;
- (E) The purchase of land and/or replacement dwelling by Department which then sells it to, leases it to, or exchanges it with a displaced person;
- (F) The removal of barriers to the displacee with a disability.
- (G) The provision of a direct loan which requires regular amortization or deferred repayment. The loan may be unsecured or secured by real property. The loan may bear interest or be interest free.

7.6.4.2 The above methods are not limitations; other modified methods may be approved by the DPWRS and Department Administrator.

7.6.5 Super Supplement Payments for 180 Day Owner Occupants

7.6.5.1 If the purchase additive exceeds the \$22,500 maximum, it is considered a super supplement payment.

7.6.5.2 If the replacement housing payment exceeds the applicable \$22,500 maximum because of the reimbursement of incidental expenses or a mortgage interest differential, it is considered a super supplement payment.

7.6.5.3 The purchase additive super supplement payment will be made in a lump sum payment to the displacee. Department may determine on a case-by-case basis that, for good cause, the payment will be made directly toward the purchase of the replacement dwelling, or made in quarterly or periodic installments to the displacee.

7.6.5.4 For an owner who rents rather than purchases replacement housing the computed rent supplement payment shall not exceed the calculated purchase additive payment. The rent supplement payment will be considered last resort if it exceeds the \$22,500 maximum applicable to a purchase additive for the **180-day** owner.

7.6.5.5 When an owner must rent rather than purchase due to an inability to obtain financing, health, handicap, or other physical or financial hardship, the rent supplement can exceed \$5,250, even if the calculated purchase additive, incidental expenses and increased interest do not exceed \$22,500. However, a bona fide hardship beyond the control of the displacee must exist and the only manner in which comparable replacement housing can be obtained by the displacee is by renting.

The file must be so documented. The computed rent supplement may not exceed the calculated purchase additive payment.

7.6.6 Super Supplement Payments for 90 Day Occupants

If the rental assistance payment exceeds the \$5,250 maximum, it is considered a super supplement payment.

7.6.6.1 The rental assistance super supplement payment will be made in a lump sum payment to the displacee. Department may determine on a case-by-case basis that, for good cause, the payment will be made in quarterly or periodic installments to the displacee.

7.6.6.2 The down payment supplement may exceed the \$5,250 maximum if the rental assistance payment calculated according to the *Right of Way Manual, Section 7.4, Replacement Housing Payments* exceeds the \$5,250 maximum. The following conditions apply:

- (A) The rent supplement may be used as a down payment supplement, including incidental expenses.
- (B) The full amount of the down payment supplement must be applied to the purchase of the replacement dwelling.
- (C) Incidental expenses are reimbursable, but the amount used as a down payment plus incidental expenses cannot exceed the calculated rent supplement.

7.6.6.3 All files will be documented with the method of payment and reason for other than a lump sum payment, if applicable.

7.6.7 Less Than 90 Day Occupants Eligibility Criteria

Payments provided as Last Resort Housing payments will be made to the following, if eligible:

- (A) Displacees who have occupied the property to be acquired for less than **90 days** prior to the initiation of negotiations;
- (B) Displacees who have occupied the property to be acquired subsequent to the date of the initiation of negotiations.

7.6.7.1 All displaced persons who are less than **90-day** occupants are eligible to receive advisory assistance and move cost reimbursement.

7.6.7.2 All displaced persons who are less than 90 day occupants may be eligible for a replacement housing payment provided they meet all of the following criteria:

- (A) They are in occupancy at the time the Department obtains legal possession of the property or they meet the occupancy requirement determined as necessary by Department and the Department;
- (B) They cannot rent and occupy a replacement dwelling without the monthly rent and utilities of the replacement dwelling exceeding the base monthly rent and utilities of the displaced dwelling, when calculated in accordance with the *Right of Way Manual, 7.4.26.4(B), Replacement Housing Payments*.
- (C) They rent or purchase and occupy a decent, safe and sanitary replacement dwelling within the **one year** time period specified in the *Right of Way Manual, Section 7.4, Replacement Housing Payments*.

7.6.7.3 Department shall inform a less than **90 day** occupant that it is his/her obligation to provide verification of income. No such displacee shall be determined to be eligible for a replacement housing payment unless he/she documents income

through a verifiable source, such as pay stubs, signed copies of income tax returns, an employer's statement or a bank statement.

7.6.8 Replacement Housing Payment Computation for Less Than 90 Day Occupants

Payment shall be 42 times the amount obtained by subtracting the base monthly rent (**7.4.26.4 Rental Assistance Payment**) amount from the lesser of:

- (A) The monthly rent and estimated average monthly utilities for a comparable replacement dwelling, or
- (B) The monthly rent and estimated average monthly utilities for the decent, safe, and sanitary replacement dwelling actually occupied by the displacee.

7.6.8.1 The displaced person may choose to apply this payment as a down payment supplement. See *Right of Way Manual, Section 7.4, Replacement Housing Payments*.

HISTORY

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