

# Resources and Appendices



## Who to Contact for Housing Help

**Business and Professional People for the Public Interest** Works to increase affordable housing and improve public housing.  
www.bpichicago.org | 312-641-5570

**Center for Neighborhood Technology** Provides technical and financial resources to building owners for energy-efficient investments.  
www.cnt.org | 773-278-4800

**Chicago Metropolitan Agency for Planning** Helps communities plan for growth while maximizing transit opportunities and conserving natural resources.  
www.cmap.illinois.gov | 312-454-0400

**Community Investment Corporation** Provides multifamily rehab loans and property management training for owners and managers throughout the Chicago metropolitan area.  
www.cicchicago.com | 312-258-0070

**Illinois Housing Council** Promotes and facilitates the development of affordable housing in Illinois.  
www.ilhousing.org | 312-491-4444

**Illinois Housing Development Authority** Provides financial and technical assistance to affordable housing developments throughout the state.  
www.ihda.org | 312-836-5200

**Local Initiatives Support Corporation** Assists community organizations to revitalize distressed neighborhoods.  
www.lisc.org/chicago | 312-360-0800

**Metro Chicago Information Center** Provides demographic and other data at little or no cost.  
www.mctic.org | 312-580-2878

**Metropolitan Mayors Caucus** Along with its nine member Councils of Governments (COGs), points communities looking for economic development assistance in the right direction.

www.mayorscaucus.org | 312-201-4505

**DuPage Mayors and Managers Conference**

www.dmmc-cog.org | 630-571-0480

**Lake County Municipal League**

www.lakecountyleague.org | 847-270-3126

**McHenry County Council of Governments**

www.mchenrycountycog.org | 815-477-2090

**Metro West Council of Governments**

www.metrowestcog.org | 630-859-1331

**Northwest Municipal Conference**

www.nwmc-cog.org | 847-296-9200

**South Suburban Mayors & Managers Association**

www.ssmma.org | 708-206-1155

**Southwest Conference of Mayors**

www.swmayors.com | 708-403-6132

**West Central Municipal Conference**

www.westcook.org | 708-453-9100

**Will County Governmental League**

www.wcgl.org | 815-729-3535

**Metropolitan Planning Council** Provides technical assistance and public policy guidance, including coordination of employer-assisted housing.  
www.metroplanning.org | 312-922-5616

**Preservation Compact** Provides access to resources and programs available through six keystone initiatives and other preservation-related resources.  
http://chicago.uli.org | 773-549-4972

**U.S. Dept. of Housing and Urban Development – Chicago** Offers subsidies, information and assistance in all housing matters.  
www.hud.gov | 312-353-5680

## Data Sources

### Public Data Sources

The U.S. Census Web site provides 2000 data on population, households, income, housing stock, building permits, rental and home values, employment by occupation, and other demographic measures for municipalities, Census tracts, and Census block groups. The American Community Survey provides more recent data for selected municipalities. The Census Bureau's new Longitudinal-Employer Household Dynamics (LEHD) service is an effective tool for determining where a community's residents go to work, and who comes to a community for employment.

**HUD** [www.hud.gov](http://www.hud.gov); [www.huduser.org](http://www.huduser.org)

**U.S. Census** [www.census.gov](http://www.census.gov)

**LEHD** [www.lehd.did.census.gov](http://www.lehd.did.census.gov)

**American Fact Finder** [www.factfinder.census.gov](http://www.factfinder.census.gov)

**American Community Survey** [www.census.gov/acs/www/](http://www.census.gov/acs/www/)

**County Business Patterns** [censtats.census.gov/cbpnaic/cbpnaic.shtml](http://censtats.census.gov/cbpnaic/cbpnaic.shtml)

**Census construction statistics** [www.census.gov/const/www/index.html](http://www.census.gov/const/www/index.html)

**Chicago Metropolitan Agency for Planning** [www.chicagoareaplanning.org](http://www.chicagoareaplanning.org)

**State of Illinois** [www.illinois.gov](http://www.illinois.gov)

**Illinois Dept. of Employment Security** [www.ides.state.il.us](http://www.ides.state.il.us)

### Demographic Data Vendors

Demographic data, both current estimates and projections, are available for various levels of geography, including customized radii or polygons based on the definition of the market area. Vendor fees are based on individual reports, and may offer an annual subscription for unlimited use.

**Claritas** [www.claritas.com](http://www.claritas.com)

**DemographicsNow** [www.demographicsnow.com](http://www.demographicsnow.com)

**Scan/US** [www.scanus.com](http://www.scanus.com)

**ESRI** [www.esri.com](http://www.esri.com)

### Competitive Property Information

#### Public, commercial and government sources on local housing market

- IHDA and HUD Web sites (for affordable properties)
- Area agencies on aging (for senior projects)
- Municipal planners (to identify projects recently completed, under construction, approved but not yet built, and proposed but not yet approved)
- Property transaction and foreclosure data vendors such as Record Information Services, which typically charge for reports.

#### Online Apartment Guides

[www.apartments.com](http://www.apartments.com)  
[www.apartmentguide.com](http://www.apartmentguide.com)  
[www.apartmentsusa.com](http://www.apartmentsusa.com)  
[www.move.com](http://www.move.com)  
[www.realtor.com](http://www.realtor.com)  
[www.craigslist.com](http://www.craigslist.com)

#### Online Newspaper Apartment Guides

[www.chicagotribune.com](http://www.chicagotribune.com)  
[www.suntimes.com](http://www.suntimes.com)  
[www.dailyherald.com](http://www.dailyherald.com)  
[www.dailysouthtown.com](http://www.dailysouthtown.com)  
[www.journal-topics.com](http://www.journal-topics.com)  
[www.suburbanchicagonews.com](http://www.suburbanchicagonews.com)  
[www.pioneerlocal.com](http://www.pioneerlocal.com)  
[www.swnewsherald.com](http://www.swnewsherald.com)  
[www.starnewspapers.com](http://www.starnewspapers.com)

## Glossary of Terms

**Absorption Period** The period of time necessary for a newly constructed or renovated property to achieve the stabilized level of occupancy. The absorption period begins when the first certificate of occupancy is issued and ends when the last unit to reach the stabilized level of occupancy has a signed lease. The month that leasing is assumed to begin should accompany all absorption estimates.

**Absorption Rate** The average number of units rented each month during the absorption period.

**Area Median Income (AMI)** 100% of the gross median household income for a specific Metropolitan Statistical Area, county or non-metropolitan area established annually by HUD.

**Assisted Housing** Housing where the monthly costs to the tenants are subsidized by federal, state, or other programs.

**Capture Rate** The percentage of qualified households in the market area the property must be affordable to to achieve a stabilized level of occupancy for rental housing or sales for owner-occupied housing. The capture rate is calculated by dividing the total number of units at the property by the total number of qualified households in the market area. (See Penetration Rate for formula for entire market area.)

**Community Development Block Grants (CDBG)** Federal funding to help entitled metropolitan cities and urban counties meet their housing and community development needs. The program provides annual grants on a formula basis to carry out a wide range of community development activities directed toward neighborhood revitalization, economic development, and improved community facilities and services for low and moderate income people.

**Community Development Corporation (CDC)** Entrepreneurial institution combining public and private resources to aid in the development of socio-economically disadvantaged areas.

**Comparable Property** A property that is representative of the housing choices of the subject property's market area, and is similar in construction, size, amenities, or age. Comparable and competitive properties are generally used to derive market rent or sales price.

**Competitive Property** A property that is comparable to the subject and competes at nearly the same rent levels, sales prices, and resident profile, particularly age, household size, or income.

**Contract Rent** The monthly rent agreed to between a tenant and landlord.

**Demand** The total number of households in a defined market area that would potentially move into proposed new or renovated housing units. These households must be of the appropriate age, income, tenure, and size for a specific proposed development. Components of demand vary and can include household growth, turnover, those living in substandard conditions, rent over-burdened households, and demolished housing units. Demand is project specific.

**Effective rents** Contract rent less concessions such as rent discounts, move-in specials, and free upgrades in finishes or appliances.

**Elderly or Senior Housing** Housing where (1) all of the units in the property are restricted for occupancy by persons 62 years of age or older, or (2) at least 80% of the units in each building are restricted for occupancy by households where at least one household member is 55 years of age or older and the housing is designed with amenities and facilities designed to meet the needs of senior citizens.

**Extremely Low Income** Person or household with income below 30% of Area Median Income adjusted for household size.

**Fair Market Rent (FMR)** Estimates established by HUD of the gross rents (contract rent plus tenant-paid utilities) needed to obtain modest rental units in acceptable condition in a specific county or Metropolitan Statistical Area. HUD generally sets FMR so that 40% of the rental units have rents below it. In rental markets with a shortage of lower priced rental units, HUD may approve the use of FMRs that are as high as the 50th percentile of rents.

**Gross Rent** The monthly housing cost to a tenant, which equals the contract rent stated in the lease plus the estimated cost of all tenant-paid utilities.

**HOME Program** Federal grants to states and units of local government to implement local housing strategies designed to increase homeownership and affordable housing opportunities for low and very low-income people.

**Hope VI** Federal program aimed at revitalizing severely distressed public housing by providing competitive grants to public housing authorities. HopeVI has been used extensively in the transformation of public housing to create mixed-income affordable housing.

**Housing Choice Voucher (Section 8 Program)** Federal rent-subsidy program under Section 8 of the U.S. Housing Act, which issues rent vouchers to eligible households to use for the housing of their choice. The voucher payment subsidizes the difference between the gross rent and tenant's contribution of 30% of adjusted income, (or 10% of gross income, whichever is greater). In cases where 30% of the tenant's income is less than the utility allowance, the tenant will receive an assistance payment. In other cases, the tenant is responsible for paying his share of the rent each month.

**HUD Section 8** Federal program that provides project-based rental assistance. HUD contracts directly with the owner for the payment of the difference between the contract rent and a specified percentage of the tenant's adjusted income.

**HUD Section 202** Federal program that provides direct capital assistance (i.e., grant) and operating or rental assistance to finance housing designed for occupancy by elderly households who have incomes not exceeding 50% of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization. Units receive HUD project-based rental assistance that enables tenants to occupy units at rents based on 30% of tenant income.

**Income Limits** Maximum household income by county of Metropolitan Statistical Area, adjusted for household size and expressed as a percentage of the Area Median Income for the purpose of establishing an upper limit for eligibility for a specific housing program. Income limits for federal, state and local rental housing programs typically are established at 30%, 50%, 60% or 80% of AMI. HUD publishes income limits annually for households with one through eight people.

**Low Income** Person or household with gross household income below 60% or 80% of the Area Median Income adjusted for household size. Some programs use 60% AMI, while others use 80% AMI in their definition of income-eligible households.

**Low Income Housing Tax Credit** A program to generate equity for investment in affordable rental housing authorized pursuant to Section 42 of the Internal Revenue Code, as amended. The program requires a certain percentage of units built be restricted for occupancy to households earning 60% or less of Area Median Income; the rents on these units be restricted accordingly.

## Glossary of Terms

**Market Area** A geographic area from which a property is expected to draw the majority of its residents.

**Market Rent** The rent an apartment, without restrictions or subsidies, would command in the open market considering its location, features and amenities. Market rent should be adjusted for concessions and owner-paid utilities included in the rent.

**Moderate Income** Person or household with gross household income between 80% and 120% of Area Median Income adjusted for household size.

**Net Rent (also referred to as Contract or Lease Rent)** Gross rent less tenant-paid utilities.

**Project-Based Rent Assistance** Financing from a federal, state, or local program allocated to a property or specific number of units in the property. It is available to each income-eligible tenant of the property or an assisted unit.

**Qualified Census Tract (QCT)** Any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50% of households have an income less than 60% of Area Median Income or where the poverty rate is at least 25%. A project located in a QCT and receiving Low Income Housing Tax Credits may qualify for up to 130% of eligible basis for the purpose of calculating the tax credit allocation.

**Saturation** The point at which there is no longer demand to support additional housing units.

**Subsidy** Monthly income received by a tenant or by an owner on behalf of a tenant to pay the difference between the apartment's contract rent and amount paid by the tenant toward rent.

**Tax Increment Finance District (TIF)** A geographically designated district that meets specific legal criteria for being blighted. TIF districts are approved by municipalities for the purpose of redeveloping distressed areas and spurring private sector investment. The increase in the total real estate taxes paid in the TIF district after the base year it was created accrues to the TIF district, and is used to pay for eligible activities within the district. By law, TIF districts are allowed to run for 23 years, after which point they must be extended or disbanded. Municipalities often use issue tax-exempt bonds backed by the real estate tax increment accruing to the district to pay for capital improvements, land acquisition, and on-going services in the TIF district.

**Very Low Income** Person or household whose gross household income does not exceed 50% of Area Median Income adjusted for household size.

## Additional Reading

- A Community Guide to Creating Affordable Housing.* Business and Professional People for the Public Interest, 2005.  
www.bpichicago.org/documents/CommunityGuidetoCreatingAffordableHousing.pdf
- A Heavy Load: The Combined Housing and Transportation Burdens of Working Families.* Center for Housing Policy, 2006.  
www.nhc.org/pdf/pub\_heavy\_load\_10\_06.pdf
- Affirmative Fair Housing Marketing Plan.* Illinois Housing Development Authority, 2006.  
www.ihda.org/admin//Upload/Files//a8dff534-2db1-415f-8635-e8d2f318cc60.doc
- Affordable Housing: Proactive and Reactive Planning Strategies.* American Planning Association, 1992.  
www.planning.org/APAStore/Search/Default.aspx?p=2370
- Against All Odds: The Business of Managing Affordable Housing.* Judy Turnock for Bay Area LISC, 2007.  
www.lisc.org/content/publications/detail/4580
- Community Land Trusts.* PolicyLink, 2008.  
www.policylink.org/EDTK/CLT/
- Cook County Class 9 Tax Relief Program.* Cook County Assessor, 2001.  
www.propertytax.com/pdf/CL9\_Bulletin\_10-2001.pdf
- From NIMBY to YIMBY: Strategies and Techniques to Garner Support for Affordable Housing.* California Dept. of Housing and Community Development, 2006.  
www.hcd.ca.gov/hpd/nimby\_yimby0507.pdf
- Guidelines for a Model Affordable Housing Plan.* Metropolitan Mayors Caucus, 2004.  
www.mayorscaucus.org/pages/Home/Issues/Housing
- Highland Park's Housing Trust Fund.* CitiesFirst, 2008.  
http://whirlidesign.com/www.Cities1st.com/highland/trust.htm
- Home Grown: Local Housing Strategies in Action.* Chicago Metropolitan 2020, Metropolitan Mayors Caucus, Metropolitan Planning Council, 2006 and updated annually.  
www.metroplanning.org/homegrown
- Homes for a Changing Region I.* Chicago Metropolitan 2020, Metropolitan Mayors Caucus, 2005.  
http://www.chicagometropolis2020.org/10\_20.htm
- Homes for a Changing Region II.* Chicago Metropolitan 2020, Metropolitan Mayors Caucus, 2007.  
www.chicagometropolis2020.org/10\_20.htm
- Housing and Transportation Cost Trade-offs and Burdens of Working Households in 28 Metros.* Center for Neighborhood Technology, 2006.  
www.cnt.org/repository/H-T-Tradeoffs-for-Working-Families-n-28-Metros-FULL.pdf
- Housing Trust Funds.* PolicyLink, 2008.  
www.policylink.org/EDTK/HTF/
- The Impact of Inclusionary Zoning on Development.* Business and Professional People for the Public Interest, 2003.  
www.bpichicago.org/documents/impact\_iz\_development.pdf
- Joint Ventures with For-Profit Developers: A Guide for Community Development Corporations.* Local Initiatives Support Corporation, 2007.  
www.lisc.org/content/publications/detail/4957

*Landlord and Tenant Rights and Laws.* Illinois Attorney General, 2008.  
[www.ag.state.il.us/consumers/landlord.html](http://www.ag.state.il.us/consumers/landlord.html)

*Planning 1-2-3.* Campaign for Sensible Growth, Metropolitan Mayors Caucus, Metropolitan Planning Council, 2005.  
<http://metroplanning.org/cmadoocs/archive/plan/planning123.pdf>

*Preserve, Renew, Rebuild: A Rental Housing Action Plan for Cook County.* The Preservation Compact, 2007.  
[http://chicago.uli.org/AM/Template.cfm?Section=The\\_Preservation\\_Compact](http://chicago.uli.org/AM/Template.cfm?Section=The_Preservation_Compact)

*Rent and Income Limits.* Illinois Housing Development Authority, 2008.  
[www.ihda.org/ViewPage.aspx?PageID=134](http://www.ihda.org/ViewPage.aspx?PageID=134)

*Report on the Affordable Housing Planning and Appeals Act.* Illinois Housing Development Authority, 2004.  
[www.ihda.org/admin//Upload/Files//d26576d7-a23b-4aeb-a23c-5bf579cb143d.pdf](http://www.ihda.org/admin//Upload/Files//d26576d7-a23b-4aeb-a23c-5bf579cb143d.pdf)

*Residential Property Management Procedures Manual.* Community Investment Corporation, 1999.  
[www.cicchicago.com/htdocs/resources/downloadables.html](http://www.cicchicago.com/htdocs/resources/downloadables.html)

*Retail 1-2-3.* Campaign for Sensible Growth, International Council of Shopping Centers, Metropolitan Mayors Caucus, Metropolitan Planning Council, 2006.  
<http://growinginsensibly.org/cmadoocs/retail123.asp>

*Sensible Tools for Healthy Communities.* Campaign for Sensible Growth, Metropolitan Mayors Caucus, Metropolitan Planning Council, 2004.  
[www.metroplanning.org/cmadoocs/sensibletools.pdf](http://www.metroplanning.org/cmadoocs/sensibletools.pdf)

*Stemming the Tide: A Handbook on Preserving Subsidized Multifamily Housing.* Local Initiatives Support Corporation, 2002.  
[www.lisc.org/content/publications/detail/893/](http://www.lisc.org/content/publications/detail/893/)

*Tenant Selection Plan.* Illinois Housing Development Authority, 2008.  
<http://ihda.org/admin/Upload/Files//28dd2a5e-d353-41f7-96e4-29053845b5e0.doc>

*Valuing Housing: Public Perceptions of Affordable Housing in the Chicago Region.* Housing Illinois, 2003.  
[www.housingillinois.org/pdf/HI%20-%20Message%20Guide.pdf](http://www.housingillinois.org/pdf/HI%20-%20Message%20Guide.pdf)

*Visualizing Density.* Lincoln Institute of Land Policy, 2007.  
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## Appendix A: Understanding Market Studies

Market studies can be citywide, on a neighborhood-scale, or site specific. Citywide and neighborhood studies are usually commissioned and paid for by the municipality, and can be done by municipal staff or outside consultants. A citywide assessment as part of the housing plan will focus primarily on the need for and feasibility of different housing types and the overall demand for these different products. A neighborhood study will focus on housing demand, prices and types in one part of the city.

Depending on the use, a market study may be a summary or highly detailed. Whatever the final form, at minimum, it should consider the following items:

**Demographics, housing and employment analysis** Population, household size, income, housing, and employment trends in the community provide a basis for analyzing the demand for different housing types and prices. The answers to these questions form the basis of the demand side of the equation:

- What is our general understanding of the area's demographics and its nuances?
- How many people and households are in the targeted groups now and projected to be in the future?
- What are the population and household trends, including age distribution and household size?
- Is the area growing, stable, or declining in population and households overall and within sub-groups?
- What are the overarching economic trends? **1** income distribution, **2** median household income, **3** income by age, **4** employment by occupation for market-area households (resident employment), **5** unemployment rate, **6** major employers in the area, the area's employment base, and any forecast changes.
- What are the race and ethnicity trends in the market area?

- Judging from historical building permits, what types of homes have been built in the area?
- What are the characteristics of the current housing stock? **1** age, **2** type, **3** tenure (owner vs. renter) and occupancy, **4** unit sizes and number of persons per unit, **5** median rent or housing value, as well as distribution of rents and values, **6** affordability of the housing, **7** Need to renovate or replace aging/deteriorated units.

**Strengths and weaknesses of the location** Not all sites are equal. Understand why some locations are better suited for certain housing types by considering:

- Attractiveness and safety of the neighborhood.
- Proximity to amenities and services such as schools, shopping, transit, highways, parks, recreation, health care, etc.
- Site accessibility and visibility. (Is it easy to get to and see?)

**Delineation of the market area** It is important to evaluate the demand for different products in the municipality or at a specific site. Keep in mind housing market areas, just like retail market areas, are not necessarily the same as a municipality's boundaries. There are many questions to ask, including:

- Where will the majority of residents originate?
- What and where is the competition for this development?
- What are the physical and perceptual barriers such as highways, railroad tracks, large non-residential areas (industrial parks, airports, forest preserves, etc.)?
- What are the municipal and state boundaries?

- What are the community's socio-economic characteristics?
- Are there any likely changes in the area that will expand, contract, or change the nature of the market area (e.g., new highway or nearby interchange, new transit station or line, large employer moving in or out)? What is the timeframe for these changes?
- What was learned from interviews with area planners, developers, property managers, and realtors?
- Based on knowledge of the area and its nuances, what is the overall perspective about the market?

**Existing and planned competition** It is important to understand the characteristics of competing developments that are similar to or could potentially compete with new development. Looking at new or planned developments provides a picture of the quantity and quality of future competition. The answers to these questions form the basis of the supply side of the equation:

- What is the nature of the competition?
- How many competitive properties and units are there, and of what type? **1** for sale – single-family detached, single-family attached, condominiums, age-restricted, etc., **2** rental – low-rise, mid-rise, high-rise, market rate, affordable, age restricted, **3** rents or prices by unit size and type, concessions offered, and rent or price per square foot, **4** lot sizes, if applicable, **5** in-unit and common-area amenities, monthly assessments, and social services, if applicable, **6** occupancy and waiting lists, **7** use of government programs for affordable developments.
- Based on the quantitative and qualitative assessment of competitive properties, how does the planned development compare?

### **Compatibility with the surrounding area and municipal plans**

Once a municipality has completed the housing element of its comprehensive plan and an accompanying housing plan, it is important to demonstrate how proposed developments are compatible with their neighborhoods. For each development, assess:

- Building design, height and density.
- Availability of public services.
- Consistency with municipal and regional plans.
- Opportunity to participate in programs such as the Regional Housing Initiative or employer-assisted housing.

If the community has adopted the Metropolitan Mayors Caucus' Housing Endorsement Criteria, the study should confirm the proposed development is consistent with its guidelines.

**Absorption of competitive properties** Lessons can be learned from the sales or lease-up pace of other nearby properties – in other words, how the community “absorbed” those properties. Understanding what worked well and what went wrong can result in more successful developments. If no directly competitive properties exist in the market area, look for comparable developments in other locations. Explore the following:

- Rate of units sold or rented per month since marketing started or the property opened.
- Number of units currently for sale in owner-occupied developments.

**Development niche, quantification of demand, and capture rate**

A developer should identify the development's targeted market and build a product for it. Since it is unlikely a new development has no direct competition, the study needs to quantify the demand for the product type and whether there is adequate support to sell out or lease-up within a reasonable period of time. Examine the following:

- What and who is the target market?
- How will this development fill this niche?
- What is the demand in relation to building design, height and density?
- Are there lessons learned from mistakes at other developments that can enhance this development's marketability?
- Is the market already saturated with this type of development, based on occupancy and sales at the competition?
- What is the existing and projected number of target households for this development?
- What share of the potential market does this development need to capture? Is this reasonable?
- What is the affordability of the rents or prices for the targeted niche, based on such typical criteria as no more than 30 to 35 percent of income for housing?

**Conclusions and recommendations** This is a synthesis of the analysis, incorporating the supply and demand for the proposed housing, and recommendations for specific unit sizes, prices, rents, amenities, etc. A thorough conclusion will include the following:

- Summary of the project and location.
- Summary of existing market conditions as they relate to the project.
- Summary of supply and demand in the market area.
- Recommendations on price or rents, unit sizes, unit mix, amenities, and absorption.
- Recommendations on any changes that should be made to the project to enhance marketability.

## Appendix B: Overview of the Uniform Relocation Act (URA)

The Uniform Relocation Act, passed by Congress in 1970, is a federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms. The Uniform Relocation Act's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for federal or federally funded projects.

- 49 CFR Part 24 is the government-wide regulation that implements the URA.
- HUD Handbook 1378 provides HUD policy and guidance on implementing the URA and 49 CFR Part 24 for HUD-funded programs and projects.

### What are the URA's objectives?

- To provide uniform, fair and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects.
- To ensure relocation assistance is provided to displaced persons to lessen the emotional and financial impact of displacement.
- To ensure no individual or family is displaced unless decent, safe and sanitary (DSS) housing is available within the displaced person's financial means.
- To help improve the housing conditions of displaced persons living in substandard housing.
- To encourage and expedite acquisition by agreement and without coercion.

### How do URA requirements impact your project?

Agencies conducting a program or project under the URA must carry out their legal responsibilities to affected property owners and displaced persons. Agencies should plan accordingly to ensure adequate time, funding and staffing are available to carry out their responsibilities.

Some of the responsibilities for Real Property Acquisition include:

- Appraise property before negotiations.
- Invite the property owner to accompany the appraiser during the property inspection.
- Provide the owner with a written offer of just compensation and summary of what is being acquired.
- Pay for property before possession.
- Reimburse expenses resulting from the transfer of title such as recording fees, prepaid real estate taxes, or other expenses.

Please note, agency responsibilities for voluntary acquisitions differ. (Please see Voluntary Acquisition vs. Involuntary Acquisition in this training module for additional information.)

Some of the responsibilities for Residential Displacements include:

- Provide relocation advisory services to displaced tenants and owner occupants.
- Provide a minimum 90 days written notice to vacate prior to requiring possession.
- Reimburse for moving expenses.
- Provide payments for the added cost of renting or purchasing comparable replacement housing.

For Nonresidential displacements (businesses, farms, and nonprofit organizations), requirements include:

- Provide relocation advisory services.
- Provide a minimum 90 days written notice to vacate prior to requiring possession.
- Reimburse for moving and reestablishment expenses.

### **Which HUD community development programs are covered by URA Requirements?**

URA requirements apply to HUD-provided grants, loans, or contributions, including HOME, CDBG, or Section 108 loan guarantees. There are, however, a few exceptions to this general rule.

For example, the American Dream Downpayment Initiative (ADDI), which was signed into law in 2003, under the American Dream Downpayment Act (Public Law 108-186). By law, ADDI is not subject to the URA requirements. (See the URA Exemption for additional information on ADDI.)

A sample listing of HUD programs covered by the URA is provided below. This list is representative and may change as new programs are enacted. Refer to HUD's program rules to determine whether the URA covers a particular program. When in doubt, grantees should contact their HUD Regional Relocation Specialist for assistance.

- Community Development Block Grants (CDBG) Entitlement Program
- Section 108 Loan Guarantees
- CDBG HUD Administered Small Cities Program

- State CDBG Program
- Urban Development Action Grants
- HOME Investment in Affordable Housing
- Rental Rehabilitation Loans
- Housing Opportunities for Persons with AIDS
- Supportive Housing Program
- Emergency Shelter Grants
- Transitional Housing Program
- Permanent Housing Program for Handicapped Homeless Persons
- Supplemental Assistance for Facilities to Assist the Homeless
- Shelter Plus Care
- Section 312 Rehabilitation Loans
- Special Purpose Grants
- Supportive Housing for the Elderly
- Supportive Housing for Persons with Disabilities

More information on the URA is available online at [www.hud.gov/offices/cpd/affordablehousing/training/web/relocation/overview.cfm](http://www.hud.gov/offices/cpd/affordablehousing/training/web/relocation/overview.cfm)

## Appendix C: Assessing Units Needed to Reach 10 Percent Threshold

As of the Affordable Housing Planning and Appeals of 2005, if less than 10% of the housing stock in an Illinois county or municipality is deemed affordable, developers may appeal to IHDA when affordable housing proposals are rejected by local governments.

The Illinois Housing Development Authority (IHDA) maintains the list of exempt and non-exempt communities. If a community wishes to determine on its own what percent of its housing is considered affordable, the local government must:

1. Total the number of for-sale housing units that are affordable to households with a gross household income less than 80% of the median household income within the county or Primary Metropolitan Statistical Area:<sup>1</sup> 80% of \$51,680<sup>2</sup> is \$41,344, so owner-occupied units would have to be affordable to a household earning \$41,344 per year and spending no more than 30% of its income on housing expenses (including mortgage, taxes, etc .)
2. Total the number of rental units in each local government that are affordable to households with a gross household income that is less than 60% of the median household income within the county or primary Metropolitan Statistical Area: 60% of \$51,680 is \$31,008, so rental units must be affordable to a household earning \$31,008 per year and spending no more than 30% of its income on housing expenses (rent, utilities).

**For example:** With an annual income of \$31,008, a household earns \$2,584 per month; 30% of \$2,584 is \$775.20. Therefore, units must rent for \$775.20 or less per month to be considered affordable.

3. Add the number of for-sale and rental units for the locality from items (1) and (2).
4. Divide the sum of (3) by the total number of year-round housing units in the locality as contained in the latest decennial census. Multiply the result by 100 to determine the percentage of affordable housing units within the jurisdiction of the local government.

If this number is less than 10 percent the municipality should:

5. Calculate the total number of year-round housing units in the community, based on the decennial census, and multiply that number by 10%.
6. Take the results of item (5) and subtract the sum of the total number of for-sale and rental units that meet the affordability criteria (3 above) to determine the total number of affordable housing units that are necessary to achieve a minimum of 10% affordability.

<sup>1</sup> This is the language of the law. IHDA's policy regarding this issue states that communities within a PMSA must use the PMSA figure for comparison, while communities only within a county and not belonging to a PMSA should use the county figure for comparison.

<sup>2</sup> As of 2008, the AMI for a four-person household in Chicago's MSA was \$75,375.

## Appendix D: How to Find Consultants

If a municipality decides to hire a consultant, it must develop a list of candidates from which to choose. This list can be developed by searching a number of sources: personal referrals; professional directories; award winners identified through professional organizations; news items in newsletters, newspapers and magazines; consultant calling cards; consulting firm brochures; and, as a last resort, the telephone directory.

Some municipalities use a more formal procedure for establishing the list of available consultants. They maintain and periodically update a list of consultants developed from procedures involving responses to requests for qualifications (RFQs). Consultants who want to be placed on the list may apply for consideration. Maintaining a formal pool is particularly useful for a large community or municipality that may use consultants relatively frequently. In order to make this preselected list of consultants most useful, it can be divided into specialty groups. Many consulting firms have expertise in a number of fields. Consequently, if you list consultants under functional categories, you should cross-tabulate them in all the categories in which they have expertise, a process easily accomplished with a database program.

The following information should be solicited and filed for each firm:

- Name, address, and telephone number.
- Types of services for which the firm is qualified.
- Year the firm was established, as well as former firm names.
- Names of principals and key personnel, and their experience and qualifications.
- Size of staff.
- Illustrative list of recent projects completed for purposes of referral.

### Organize for selection: Define the task

Perhaps the most important step an agency must take before initiating the consultant selection process is defining the problem, task, or project. There are, of course, circumstances when defining the assignment is difficult. In this case, consider retaining a consultant for that purpose. In defining the assignment, factors to be considered include:

- Precise goals of the project; technical, political and administrative parameters; division of labor between staff and consultant; desired product; timetable for completion; total project budget; and expected problems and constraints.

Developing a good definition of the task is important. If the task definition is too specific, it may limit the creativity of the consultant. If the definition is too general, it may result in the consultant producing something that constitutes satisfactory professional work, but does not resolve the problem. If the hiring agency is uncertain how to define the task, it can provide a background description of the problem or issue as context for the RFQ or Request for Proposal (RFP) process.

### Organize for selection: Define the roles

Defining the respective roles of consultants and staff also is important. In many cases, the community already has much of the data that will be necessary to complete a project. In other cases, little or no reliable data exists. Gathering data is expensive. Thus, a clear definition of what data the planning agency can provide from its own files or other local departments and entities is very important in helping the consultant define the tasks. It also is important to define the level of support and review local staff will provide for the project.

*This material is a revised and edited excerpt from Selecting and Retaining a Planning Consultant: RFPs, RFQs, Contracts, and Project Management by Eric Damian Kelly, AICP. It is Planning Advisory Service Report No. 443, published by the American Planning Association, February 1993. It is used by permission.*

## Appendix E: What to Include in a request for Proposal (RFP)

A Request for Proposal (RFP) may be accompanied by appendices, maps, drawings, and other backup material. However, the RFP itself should be a relatively brief document. Even on a rather large or complex project, the various elements can generally be covered in 10 to 25 single-spaced pages.

### Cover sheet

An RFP should have a cover sheet giving the RFP title, project or program title, name of the issuing entity, and date the proposal is due.

### Introduction

The introduction should identify and describe, in no more than one paragraph, the project or program for which the consultant is required and its current status. It should then state briefly the nature of the consulting assistance being sought. This should be carefully worded. If the job requires an interdisciplinary team, it is best to talk about the end product or type of activity (e.g., an environmental impact assessment or a development plan), rather than a specific type of firm. Your preferences about the type of firm can be better explained later, in the qualifications section. The introduction should state the amount budgeted for the proposed work. Finally, the due date for the proposal should be included in the introduction, with a reference to the directions for submission that will be described later in the RFP.

Describe the issuing agency and its relationship to other entities, if that is not obvious. This suggestion is not necessary for a planning department that is clearly a line agency within a municipal government. However, it can be very important for intergovernmental agencies and other entities. Names of public authorities and special districts, such as sewer districts, can be particularly misleading. Such an entity is often named after a city, town, or county with which the agency may or may not be coterminous. The difference should be pointed out, though it need not be explained in detail in the introduction.

### Description of the project or program

This section should establish the context for the work to be performed to help the consultant judge the level of effort required for various tasks. If the project or program is very complex, the details can be relegated to an appendix or other attachments. The important points to cover here are:

- The purpose of the project or program (what it is supposed to accomplish and for whom).
- Its basic components – management, structure, processes, and personnel.
- Any innovative or unusual aspects.
- The site(s) or geographic area(s) involved.
- A proposed schedule and present status of the project or program.

### Description of services required

This is the heart of the RFP. Take great care with it because this is the section the consultants will read again and again, weighing its every nuance. If carelessly written, this section can defeat the purpose of the RFP by misstating the agency's needs or conveying inaccurate signals about how the proposals will be evaluated.

Write clearly. Avoid jargon. Use commonly understood terms, rather than acronyms or abbreviations. Do not use general terms like "facilities" if you mean "roads."

Emphasize what the agency needs from the consultant. Although the RFP certainly should identify any critical or mandatory steps in the process, such as public meetings, the proposal process often works best if it leaves the work program open to suggestions from proposing consultants. Unless the purpose of hiring the consultant is simply to



augment staff on a project, the same expertise the consultant brings to the substantive aspects of the project should enable the consultant to develop a responsive work program. There are two reasons for encouraging consultants to do so. First, if the consultant has significant experience with the type of work involved, the firm's personnel should know more about what should be in such a work program than agency staff. Second, evaluating independently developed work programs is an excellent way to evaluate a consultant's understanding of the project and approach to it, as well as the quality of the consultant's work.

This section also should provide a schedule for the completion of the project that identifies major project milestones. If there is a particular number of public meetings involved in the project, or if the goal is to have a report or plan ready for a meeting that already has been scheduled, that information should be included in this section of the RFP.

### **Budget**

Most agencies do not include budget information in an RFP. The theory is consultants who know what the budget is will automatically submit proposals that "spend the budget." This may be a legitimate concern. On the other hand, a consultant with no idea of the budget for a proposed project may have great difficulty in submitting a responsive proposal. When an agency fails to specify a budget, cost proposals may range up to a high of four or five times the lowest-cost proposal. In those circumstances, there may be only one or two proposals that are within the project budget of the local government and thus only one or two proposals from which to choose. A proposal that falls far below the anticipated budget probably will include far less in the way of services than the agency wants or needs. It is very difficult to compare proposals with extreme variations in budget because there are too many variables. If two qualified firms offer exactly the same range of services at significantly different prices, the agency has something to compare. If two qualified firms offer vastly different scopes of services at the same price, the agency can select the scope of services that best suits its needs.

However, when there is little in common among proposals from qualified firms, comparison is extremely difficult.

There are few disadvantages to sharing budget information. The agency that publishes the budget can still rank proposals competitively based on which qualified consultant will provide the best value – the most appropriate package of services within the agency's budget. If an agency's expectations of services far exceed its proposed budget, it is easier on all parties if consultants are aware of that discrepancy upfront, and can inform the agency without putting the consultants or the agency through the demanding process of preparing and reviewing proposals. If an agency's budget exceeds its expectations (a very rare circumstance), one or more reputable firms will bid less than the budget or offer a range of additional and perhaps unneeded services. The agency can then select one of the lower-priced proposals or negotiate a reduced contract for less than the full scope of services proposed by the selected firm.

An agency can maintain some price competition in the process and still provide guidance to consultants by publishing a budget range. However, the real issue in selecting a consultant is not price but value. If every consultant competing for a proposed project submits a budget for the same amount, the agency can easily compare the proposals to determine which offers the best value. That is a far more practical exercise than attempting to compare diverse proposals with vastly different budgets, hoping to renegotiate one of the proposals to the appropriate level of services for the budget.

### **Type of contract**

Indicate what type of contractual arrangement the agency will use. Professional services contracts generally fall into one of two categories: fixed-price (also called lump sum), in which the agency receives a defined scope of services for a fixed price; and time-and-expense (also called cost-plus), in which the agency reimburses a consultant on a fixed formula for professional time and expenses.

## Qualifications

An agency that uses the two-part, Request for Qualifications (RFQ)/RFP process will have most of the information about qualifications that it needs from the RFQ. At the RFP stage, it should ask for an update to the RFQ if there has been a significant lapse of time since it was provided. The agency also will want one additional set of information specifying what personnel will work on the project, including short resumes on those specific individuals.

The RFP need not be very specific when requesting information on consultant qualifications. A firm that submits a standard brochure unrelated to the proposed project without other information probably will not give the project the attention that it needs and does not deserve serious consideration.

## Evaluation criteria

Explain how the proposals will be evaluated and, in general terms, by whom. It is helpful to both parties if the consultants know how much weight will be given to specific aspects of their proposals, such as cost, technical approach, relevant experience, qualifications of the project team, familiarity with the geographic area, and logistical capabilities. It also is useful to let the consultants know what type of group will review the proposals. A consultant may prepare a proposal in one way if the planning commission is to make the selection and in a very different way if technical experts from the staff will make the selection. Some consultants probably will learn who is on the selection team. Disclosing that information in the RFP keeps the process fair to all. If state law or local rule prohibits the consultants from contacting selection team members directly, the RFP should say so. Selection team members should be instructed to turn away (and probably report) any attempted contacts from consultants. Planning consultants typically do not attempt to lobby selection committee members, but some do. If there are rules on the subject, they should be stated clearly.

## Directions for submission

The RFP should include a simple statement of the time (date and hour) and place for submission of the proposal and the number of copies required. Because proposals often are delivered by messenger or overnight delivery service, give a street address (with office number), as well as the agency's mailing address. If there are sealed-bid requirements or cost proposals should be submitted separately, those directions should be contained in this section.

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