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DECISION



**THE COMPTROLLER GENERAL
OF THE UNITED STATES**
WASHINGTON, D. C. 20540

FILE: B-148044

DATE: August 1, 1978

MATTER OF: Maximum replacement housing entitlement of persons displaced from mobile homes

DIGEST: Person who owns or rents mobile home and who, respectively, rents or owns land on which the mobile home rests and is displaced due to a Federal or federally assisted program so as to be entitled to benefits pursuant to Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, may not receive benefits under both sections 203 and 204 of that Act. Benefits under section 204 are limited to those displaced persons who are not eligible to receive payment under section 203.

The Associate General Counsel for Urban Development, Office of General Counsel, Department of Housing and Urban Development (HUD), has requested a decision on whether persons displaced from mobile homes acquired or deemed to be acquired in connection with programs, projects, and activities financially assisted by HUD, may be entitled under certain circumstances to relocation benefits under both sections 203 and 204 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Relocation Act), Pub. L. No. 91-646, approved January 2, 1971, 42 U.S.C. §§ 4601-4655 (1970).

In his letter, the Associate General Counsel notes that section 203 of the Relocation Act, 42 U.S.C. § 4623, provides a maximum replacement housing payment of \$15,000 to any homeowner who is displaced from a dwelling which he has occupied at least 180 days prior to the initiation of negotiations for the acquisition of the property. He also notes that those who are not eligible for such a payment may be entitled under section 204 of the Relocation Act, 42 U.S.C. § 4624, to either a rental assistance payment or to down payment assistance, not to exceed \$4,000, if they have occupied the property in question for at least 90 days prior to the initiation of negotiations for its acquisition.

In connection with proposed changes in HUD's regulations in the area of relocation assistance, HUD's Office of General Counsel reconsidered the Department's position on the entitlements available under the Relocation Act to those who live in mobile homes. Upon review,

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the Office of General Counsel determined that a person who owns a mobile home and leases the real property on which it rests (or vice versa) has two separate property interests, which entitle that person to benefits under both section 203 and section 204 of the Relocation Act, with a potential maximum eligibility of \$19,000.

Prior to this interpretation, HUD's position had been that the owner of a mobile home which is "acquired" within the meaning of the Relocation Act is entitled to a replacement housing payment up to the \$15,000 maximum provided by section 203 and a person who rents a mobile home is entitled to an assistance payment up to the \$4,000 maximum provided by section 204 but not both kinds of assistance. See HUD Relocation Handbook 1371.1 REV., ch. 5, sec. 6. HUD requests that we review the propriety and legality of the proposed policy changes.

The purpose of Title II of the Relocation Act, concerning uniform relocation assistance, is set out in section 201 of the Act, 42 U.S.C. § 4621, which provides:

"The purpose of this subchapter is to establish a uniform policy for the fair and equitable treatment of persons displaced as a result of Federal and federally assisted programs in order that such persons shall not suffer disproportionate injuries as a result of programs designed for the benefit of the public as a whole."

To carry out this policy, additional sums are paid, beyond the amounts paid for the actual acquisition of the property, which the displaced homeowner or tenant is to use as a means of relocating to comparable replacement housing. Thus, section 203 of the Relocation Act, 42 U.S.C. § 4623, provides in pertinent part:

"(a)(1) In addition to payments otherwise authorized by this subchapter, the head of the Federal agency shall make an additional payment not in excess of \$15,000 to any displaced person who is displaced from a dwelling actually owned and occupied by such displaced person for not less than one hundred and eighty days prior to the initiation of negotiations for the acquisition of the property. * * *"

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Similarly, section 204 of the Relocation Act, 42 U.S.C. § 4024, provides:

"In addition to amounts otherwise authorized by this subchapter, the head of the Federal agency shall make a payment to or for any displaced person displaced from any dwelling not eligible to receive a payment under section 4623 of this title which dwelling was actually and lawfully occupied by such displaced person for not less than ninety days prior to the initiation of negotiations for acquisition of such dwelling. Such payment shall be either--

"(1) the amount necessary to enable such displaced person to lease or rent for a period not to exceed four years, a decent, safe, and sanitary dwelling of standards adequate to accommodate such person in areas not generally less desirable in regard to public utilities and public and commercial facilities, and reasonably accessible to his place of employment, but not to exceed \$4,000, or

"(2) the amount necessary to enable such person to make a downpayment (including incidental expenses described in section 4623(a)(1)(C) of this title) on the purchase of a decent, safe, and sanitary dwelling of standards adequate to accommodate such person in areas not generally less desirable in regard to public utilities and public and commercial facilities, but not to exceed \$4,000, except that if such amount exceeds \$2,000, such person must equally match any such amount in excess of \$2,000, in making the downpayment."

Under certain circumstances, mobile homes are also included in the type of dwelling covered by section 203 and 204, and this is indicated in H.R. Rep. No. 91-1656, 91st Cong., 2d Sess. 10 (1970) where it is stated in part:

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"The dwelling may be a single family building, a one-family unit in a multi-family building, a unit of a condominium or cooperative housing project, or any other residential unit, including a mobile home which either is considered to be real property under state law, cannot be moved without substantial damage or unreasonable cost, or is not a decent, safe and sanitary dwelling * * *." (Emphasis supplied.) See also 24 CFR 42.20(e) (1977).

However, nothing in the Relocation Act or its legislative history indicates that a person who owns or rents a mobile home is entitled to greater benefits than the person who owns or rents some other type of dwelling.

The entitlements available under sections 203 and 204 of the Relocation Act depend upon one's actual occupancy and ownership or rental of a dwelling that is being acquired as part of a Federal or federally assisted program. The payments authorized under these sections supplement the individual's other entitlements and are intended to alleviate the expense of relocating to comparable, decent, safe and sanitary housing. Thus, the key factors in determining entitlements under sections 203 and 204 are the individual's relationship to the specific dwelling and his replacement housing expenses in excess of the amount he is entitled to receive as a result of acquisition of the property in question.

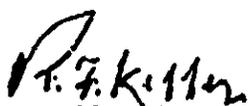
Therefore, since the benefits available under section 204 are explicitly limited to those displaced persons who are "not eligible to receive a payment under section 203," it is not necessary to consider whether the mobile homedweller has a property interest in both the mobile home and the land on which it rests. The sum of \$15,000, increased in committee from a recommended \$5,000, was intended to be the maximum housing benefit available under the Relocation Act to any one displaced person. See H.R. Rep. No. 91-1656, 91st Cong., 2d Sess. 8-9 (1970).

Moreover, there is no rational basis to conclude that the person with a property interest in both a mobile home and the land on which it rests has any greater interest under the Relocation Act than the person who owns a dwelling which is attached to the land.

We conclude, therefore, that those who own or rent a mobile home and own or rent, respectively, land on which the mobile home

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rest and are subsequently displaced are not entitled to benefits under both sections 203 and 204 of the Relocation Act, but are limited to the benefits available under the specific section most appropriate to their individual situation.


Deputy Comptroller General
of the United States