

Appendix C Summary of Relocation Benefits

Relocation Assistance Advisory Services

The California Department of Transportation (Caltrans) will provide relocation advisory assistance to any person, business, farm, or nonprofit organization displaced as a result of Caltrans' acquisition of real property for public use. Caltrans will assist residential displacees in obtaining comparable decent, safe, and sanitary replacement housing by providing current and continuing information on sales price and rental rates of available housing. Nonresidential displacees will receive information on comparable properties for lease or purchase.

Residential replacement dwellings will be in equal or better neighborhoods, at prices within the financial means of the individuals and families displaced, and reasonably accessible to their places of employment. Before any displacement occurs, displacees will be offered comparable replacement dwellings that are open to all persons regardless of race, color, religion, sex or national origin, and are consistent with the requirements of Title VIII of the Civil Rights Act of 1968. This assistance will also include supplying information concerning federal and state assisted housing programs, and any other known services being offered by public and private agencies in the area.

Residential Relocation Payments Program / Business and Farm Relocation Assistance Program

Brochures describing displacee rights and the Caltrans relocation assistance programs are included at the end of this appendix.

Additional Information

No relocation payment received will be considered as income for the purpose of the Internal Revenue Code of 1954 or for the purposes of determining eligibility or the extent of eligibility of any person for assistance under the Social Security Act or any other federal law (except for any federal law providing low-income housing assistance).

Persons who are eligible for relocation payments and who are legally occupying the property required for the project will not be asked to move without being given at least 90 days advance notice, in writing. Occupants of any type of dwelling eligible for relocation payments will not be required to move unless at least one comparable

“decent, safe and sanitary” replacement residence, open to all persons regardless of race, color, religion, sex or national origin, is available or has been made available to them by the state.

Any person, business, farm or nonprofit organization, which has been refused a relocation payment by Caltrans, or believes that the payments are inadequate, may appeal for a hearing before a hearing officer or the Caltrans Relocation Assistance Appeals Board. No legal assistance is required; however, the displacee may choose to obtain legal council at his/her expense. Information about the appeal procedure is available from Caltrans’ Relocation Advisors.

The information above is not intended to be a complete statement of all of Caltrans’ laws and regulations. At the time of the first written offer to purchase, owner-occupants are given a more detailed explanation of the state’s relocation services. Tenant occupants of properties to be acquired are contacted immediately after the first written offer to purchase, and also given a more detailed explanation of the Caltrans relocation programs.

Important Notice

To avoid loss of possible benefits, no individual, family, business, farm or nonprofit organization should commit to purchase or rent a replacement property without first contacting a Caltrans relocation advisor at:

State of California
Department of Transportation, District #3
703 B Street, Marysville, CA 95901

Introduction

In building a modern transportation system, the displacement of a small percentage of the population is often necessary. However, it is the policy of Caltrans that displaced persons shall not suffer unnecessarily as a result of programs designed to benefit the public as a whole.

Displaced individuals and families may be eligible for relocation advisory services and payments.

This brochure provides information about available relocation services and payments. If you are required to move as the result of a Caltrans transportation project, a Relocation Agent will contact you. The Relocation Agent will be able to answer your specific questions and provide additional information.

1

Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 As Amended "The Uniform Act"

The purpose of this Act is to provide for uniform and equitable treatment of persons displaced from their homes, businesses, or farms by federal and federally assisted programs and to establish uniform and equitable land acquisition policies for federal and federally assisted programs.

49 Code of Federal Regulations Part 24 implements the "Uniform Act" in accordance with the following relocation assistance objective:

To ensure that persons displaced as a direct result of federal or federally-assisted projects are treated fairly, consistently and equitably so that such persons will not suffer disproportionate injuries as a result of projects designed for the benefit of the public as a whole.

2

While every effort has been made to assure the accuracy of this booklet, it should be understood that it does not have the force and effect of law, rule, or regulation governing the payment of benefits. Should any difference or error occur, the law will take precedence.

Some Important Definitions...

Your relocation benefits can be better understood if you become familiar with the following terms:

Comparable Replacement: means a dwelling which is:

- (1) Decent, safe, and sanitary. (See definition below)
- (2) Functionally equivalent to the displaced dwelling.
- (3) Adequate in size to accommodate the family being relocated.
- (4) In an area not subject to unreasonable adverse environmental conditions.

- (5) In a location generally not less desirable than the location of your displacement dwelling with respect to public utilities and commercial and public facilities, and reasonably accessible to the place of employment.
- (6) On a site that is typical in size for residential development with normal site improvements.

Decent, Safe and Sanitary (DS&S): Replacement housing must be decent, safe, and sanitary - which means it meets all of the minimum requirements established by federal regulations and conforms to applicable housing and occupancy codes. The dwelling shall:

- (1) Be structurally sound, weather tight, and in good repair.
- (2) Contain a safe electrical wiring system adequate for lighting and other devices.
- (3) Contain a heating system capable of sustaining a healthful temperature (at least 70 degrees) for a displaced person, except in those areas where local climatic conditions do not require such a system.

(4) Be adequate in size with respect to the number of rooms and area of living space needed to accommodate the displaced person. The Caltrans policy is that there will be no more than two persons per room unless the room is of adequate size to accommodate the normal bedroom furnishings for the occupants.

(5) Have a separate, well-lighted and ventilated bathroom that provides privacy to the user and contains a sink, bathtub or shower stall, and a toilet, all in good working order and properly connected to appropriate sources of water and to a sewage drainage system.

Note: In the case of a housekeeping dwelling, there shall be a kitchen area that contains a fully usable sink, properly connected to potable hot and cold water and to a sewage drainage system, and adequate space and utility service connections for a stove and refrigerator.

(6) Contains unobstructed egress to safe, open space at ground level, unless local fire and building codes require additional methods of ingress/egress, such as access

to a common corridor.

(7) For a displaced person who is handicapped, be free of any barriers which would preclude reasonable ingress, egress, or use of the dwelling by such displaced person.



Displaced Person or Displacee: Any individual or family who moves from real property or moves personal property from real property as a result of the acquisition of the real property, in whole or in part, or as the result of a written notice from the

agency to vacate the real property needed for a transportation project. In the case of a partial acquisition, Caltrans shall determine if a person is displaced as a direct result of the acquisition.

Residents **not lawfully present** in the United States are not eligible to receive relocation payments and assistance.

Relocation benefits will vary, depending upon the type and length of occupancy. As a residential displacee, you will be classified as either:

- An owner occupant of a residential property (includes mobile homes)
- A tenant occupant of a residential property (includes mobile homes and sleeping rooms)

Dwelling: The place of permanent or customary and usual residence of a person, according to local custom or law, including a single family house; a single family unit in a two-family, multi-family, or multi-purpose property; a unit of a condominium or cooperative housing project; a non-housekeeping unit; a mobile home; or any other residential unit.

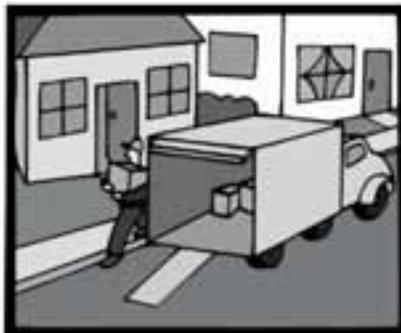
Owner: A person is considered to have met the requirement to own a dwelling if the person purchases or holds any of the following interests in real property:

- (1) Fee title, a life estate, a land contract, a 99-year lease, oral lease including any options for extension with at least 50 years remaining from the date of acquisition; or
- (2) An interest in a cooperative housing project which includes the right to occupy a dwelling; or
- (3) A contract to purchase any interests or estates; or
- (4) Any other interests, including a partial interest, which in the judgment of the agency warrants consideration as ownership.

Tenant: A person who has the temporary use and occupancy of real property owned by another.

Moving Expenses

If you qualify as a displaced person, you are entitled to reimbursement of your moving costs and certain related expenses incurred in moving. The methods of moving and the various types of moving cost payments are explained below.



Displaced individuals and families may choose to be paid on the basis of actual, reasonable moving costs and related expenses, or according to a fixed moving cost schedule. However, to ensure your eligibility and prompt payment of moving expenses, you should contact your Relocation Agent before you move.

You Can Choose Either:

Actual Reasonable Moving Costs - You may be paid for your actual reasonable moving costs and related expenses when a commercial mover performs the move. Reimbursement will be limited to a move of 50 miles or less. Related expenses may include:

- Transportation
- Packing and unpacking personal property.
- Disconnecting and reconnecting household appliances.
- Temporary storage of personal property.
- Insurance while property is in storage or transit.

OR

Fixed Moving Cost Schedule - You may be paid on the basis of a fixed moving cost schedule. Under this option, you will not be eligible for reimbursement of related expenses listed above. The fixed schedule is designed to cover such expenses.

Examples (Year 2005 Rate):

4 Rooms - \$1,175
 7 Rooms - \$1,900

The Fixed Move Schedule for a furnished unit (e.g. you are a tenant of an apartment that is furnished by your landlord) is based on Schedule B.

Example (Year 2005 Rate):
 1 Room - \$400

Under the Fixed Move Schedule, you will not receive any additional payments for temporary storage, lodging, transportation or utility hook-ups.

Replacement Housing Payments

The type of Replacement Housing Payment



(RHP) depends on whether you are an owner or a tenant and the length of your occupancy in the property being acquired.

If you are a qualified **owner occupant** of more than 180 days prior to the initiation of negotiations for the acquisition of your property, you may be entitled to an RHP that consists of:

- Price Differential, and**
- Mortgage Differential, and**
- Incidental Expenses;**
- OR**
- Rent Differential**

If you are a qualified **owner occupant** of more than 90 days but less than 180 days, **OR** you are a qualified **tenant occupant** of at least 90 days, you may be entitled to a RHP as follows:

- Rent Differential**
- OR**
- Down Payment Option**

Length of occupancy simply means counting the number of days that you actually occupied a dwelling before the date of initiation of negotiations by Caltrans for the purchase of the property. The term "initiation of negotiations" means the date Caltrans makes the first personal contact with the owner of real property, or his/ her representative, to give him/her a written offer for the property to be acquired.

Note: If you have been in occupancy less than 90 days before the initiation of negotiations and the property is subsequently acquired, or if you move onto the property after the initiation of negotiations and you are still in occupancy on the date of acquisition, you may be eligible for a Replacement Housing Payment, based on the established affordability guidelines. Check with your Relocation Agent before you make any decision to vacate your property.

For Owner Occupants of 180 Days or More

If you qualify as a 180-day owner occupant, you may be eligible - in addition to the fair market

value of your property - for a Replacement Housing Payment that consists of a Price Differential, Mortgage Differential and/or Incidental Expenses.

The **Price Differential** payment is the amount by which the cost of a replacement dwelling exceeds the acquisition cost of the displacement dwelling. This payment will assist you in purchasing a comparable decent, safe, and sanitary (DS&S) replacement dwelling.

Caltrans will compute the maximum payment you may be eligible to receive. (See page 15 & 16 for examples).

In order to receive the full amount of the calculated price Differential, you must spend at least the amount calculated by Caltrans on a replacement property

The **Mortgage Differential** payment will reimburse you for any increased mortgage interest costs you might incur because the interest rate on your new mortgage exceeds the interest rate on the property acquired by Caltrans. The payment computation is complex as it is

based on prevailing rates, your existing loan and your new loan. Also, some of the payment may be prorated such as reimbursement for a portion of your loan origination fees and mortgage points.

To be eligible to receive this payment, the acquired property must have been encumbered by a bona fide mortgage which was a valid lien for at least 180 days prior to the initiation of negotiations.

You may also be reimbursed for any actual and necessary **Incidental Expenses** that you incur in relation to the purchase of your replacement property. These expenses may be those costs for title search, recording fees, credit report, appraisal report, and certain other closing costs. You will not be reimbursed for any recurring costs such as prepaid real estate taxes and property insurance.

If the total amount of your **Replacement Housing Payment** (Price Differential, Mortgage Differential and Incidental Expenses) exceeds \$22,500, the payment must be deposited directly into an escrow account or paid directly to the mortgage company.

Example of Price Differential Payment Computation:

Assume that Caltrans purchases your property for \$98,000. After a thorough study of available, decent, safe and sanitary dwellings on the open market, Caltrans determines that a comparable replacement property will cost you \$100,000. If your purchase price is \$100,000, you will receive \$2,000 (see *Example A.*)

If your actual purchase price is more than \$100,000, you pay the difference (see *Example B.*) If your purchase price is less than \$100,000, the differential payment will be based on actual costs (see *Example C.*)

How much of a differential payment you receive depends on how much you actually spend on a replacement dwelling as shown in these examples:

Caltrans' Computation

Comparable Replacement Property	\$100,000
Acquisition Price of Your Property	- 98,000
Maximum Price Differential	\$ 2,000

Example A

Purchase Price of Replacement	\$100,000
Comparable Replacement Property	\$100,000
Acquisition Price of Your Property	- 98,000
Maximum Price Differential	\$ 2,000

Example B

Purchase Price of Replacement	\$105,000
Comparable Replacement Property	\$100,000
Acquisition Price of Your Property	- 98,000
Maximum Price Differential	\$ 2,000
You Must Pay the Additional	\$ 5,000

Example C

Comparable Replacement Property	\$100,000
Purchase Price of Replacement	\$ 99,000
Acquisition Price of Your Property	- 98,000
Price Differential	\$ 1,000

In Example C you will only receive \$1,000 - not the full amount of the Caltrans "Comparable Replacement Property" because of the "Spend to Get" requirements.

In order for a "180 day owner occupant" to receive the full amount of their Replacement Housing Payment (Price Differential, Mortgage Differential and Incidental Expenses), you must:

A) Purchase and occupy a DS&S replacement dwelling within one year after the later of:

(1) The date you first receive a notification of an available replacement house, **OR**

(2) The date that Caltrans has paid the acquisition cost of your current dwelling (usually the closing of escrow on State's acquisition),

AND

B) Spend at least the amount of the Caltrans "Comparable Replacement Property" for a replacement property,

AND

C) File a claim for relocation payments within 18 months of the later:

(1) The date you vacate the property acquired by Caltrans, **OR**

(2) The date that Caltrans has paid the acquisition cost of your current dwelling (usually the close of escrow on State's

acquisition)

You will **not** be eligible to receive any relocation payments until the State has actually made the first written offer to purchase the property. You will also receive at least 90 days' written notice before you must move.

For Owner Occupants and Tenants of 90 Days or More

If you qualify as a 90-day occupant (either as an owner or tenant), you may be eligible for a Replacement Housing Payment in the form of a Rent Differential.

The **Rent Differential** payment is designed to assist you in renting a comparable decent, safe and sanitary replacement dwelling. The payment is based on the difference between the base monthly rent for the property acquired by Caltrans (including average monthly cost for utilities) and the lesser of:

- a) The monthly rent and estimated average monthly cost of utilities for a comparable replacement dwelling as determined by Caltrans, **OR**

- b) The monthly rent and estimated average monthly cost of utilities for the decent, safe and sanitary dwelling that you actually rent as a replacement dwelling.

Utility costs are those expenses you incur for heat, lights, water, and sewer - regardless of the source (e.g. electricity, propane, and septic system.) It does not include garbage, cable, telephone, or security. The utilities at your property are the average costs over the last 12 months. The utilities at the comparable replacement property are the estimated costs for the last 12 months for the type of dwelling and area used in the calculation.

This difference is multiplied by 42 months and may be paid to you in a lump sum payment or in periodic installments in accordance with policy and regulations. (See pages 21 – 23 for examples).

In order to receive the full amount of the calculated Rent Differential, you must spend at least the amount calculated by Caltrans on a replacement property.

This payment may - with certain limitations - be

converted to a **Down Payment Option** to assist you in purchasing a replacement property. (See page 17 for a full explanation)

Example of Rent Differential Payment Computation:

After a thorough study of comparable, decent, safe and sanitary dwellings that are available for rent, Caltrans determines that a comparable replacement property will rent for \$325.00 per month.

Caltrans Computation

Rental Rate for Comparable Replacement Property:	\$ 325 per month
PLUS: average estimated utility costs:	+ <u>100</u> per month
TOTAL Cost to rent Comparable Replacement Property	\$ 425 per month

Rental Rate for Your Current Property:	\$ 300 per month
PLUS: average utility costs	+ <u>90</u> per month
TOTAL Cost you pay to rent your current property:	\$ 390 per month

Comparable Replacement Property including utilities:	\$ 425 per month
Cost you pay to rent your	

property including utilities:	- <u>390</u> per month
Difference	\$ <u>35</u> per month

Multiplied by 42 months = \$1,470 Rent Differential

Example A:

Rental Rate for a Replacement Property, including estimated average utilities costs	\$ 525 per month
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Comparable Replacement Property including utilities	\$ 425 per month
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Cost you pay to rent your property including utilities:	\$ 390 per month
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Since \$425 is less than \$525, the Rent Differential is based on the difference between \$390 and \$425.

Rent Differential (\$35 x 42 months = \$1,470)

In this case you spent "at least" the amount of the Comparable Replacement Property on the replacement property and will receive the full amount.

Example B:

Rental Rate for Replacement Property, including estimated average utilities costs:	\$ 400 per month
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Comparable Replacement

Property including utilities: \$ 425 per month

Cost you pay to rent your property including utilities: \$ 390 per month

Since \$400 is less than \$525, the Rent Differential is based on the difference between \$400 and \$390.

Rent Differential (\$10 x 42 months = \$420)

In this case you spent "less than" the amount of the Comparable Replacement Property on the replacement property and will not receive the full amount.

In order for a "90 day owner occupant" to receive the full amount of their Replacement Housing Payment (Rent Differential), you must:

A) Rent and occupy a DS&S replacement dwelling within one year after the later of:

- (1) The date you first receive a notification of an available replacement house, **OR**
- (2) The day you vacate the property acquired by Caltrans.

AND

B) Spend at least the amount of the Caltrans "Comparable Replacement Property" to rent a replacement property,

AND

C) File a claim for relocation payments within 18 months of the later of:

- (1) The date you vacate the property acquired by Caltrans, **OR**
- (2) The date that Caltrans has paid the acquisition cost of your current dwelling (usually the close of escrow on State's acquisition)

You will **not** be eligible to receive any relocation payments until the Department has actually made the first written offer to purchase the property. And you will also receive at least 90 days' written notice before you must move.

Note 1: The time periods to receive benefits for a 90-day owner occupant are different than a 180-day owner occupant.

Note 2: If the Rent Differential is converted to a Down Payment Option, there is no "spend-to-get"

requirement.

Down Payment Option

The Rent Differential payment may - with certain limitations - be converted to a **Down Payment Option** to assist you in purchasing a replacement property. The Down Payment option is a direct conversion of the Rent Differential payment.

If the Caltrans calculated Rent Differential is between \$0 and \$5,250, your Down Payment option will be \$5,250 which can be used towards the purchase of a replacement decent, safe and sanitary dwelling.

If the Rent Differential is over \$5,250, you may be able to convert the entire amount of the Rent Differential to a Down Payment option.

The Down Payment must be used for acquisition of the replacement dwelling, plus any eligible incidental expenses (see page 15 "180-day Owner Occupants Incidental Expenses") related to the purchase of the property. You must work closely with your Relocation Agent to ensure you can utilize the full amount of your Down Payment option towards the purchase.

25

If any portion of the Rent Differential was used prior to the decision to convert to a Down Payment option, those advance payments will be deducted from the entire benefit.

Last Resort Housing

On most projects, an adequate supply of housing will be available for sale and for rent, and the benefits provided will be sufficient to enable you to relocate to comparable housing. However, there may be projects in certain locations where the supply of available housing is insufficient to provide the necessary housing for those persons being displaced. In such cases, Caltrans will utilize a method called Last Resort Housing. Last Resort Housing allows Caltrans to construct, rehabilitate or modify housing in order to meet the needs of the people displaced from a project. Caltrans can also pay above the statutory limits of \$5,250 and \$22,500 in order to make available housing affordable.

26



Relocation Advisory Assistance

Any individual, family, business or farm displaced by Caltrans shall be offered relocation advisory assistance for the purpose of locating a replacement property. Relocation services are provided by qualified personnel employed by Caltrans. It is their goal and desire to be of service to you and assist in any way possible to help you successfully relocate.

A Relocation Agent from Caltrans will contact you personally. Relocation services and payments will be explained to you in accordance with your eligibility. During the initial interview with you, your housing needs and desires will be

determined as well as your need for assistance. You cannot be required to move unless at least one comparable replacement dwelling is made available to you.

You can expect to receive the following services, advice and assistance from your Relocation Agent who will:

- Explain the relocation benefits and eligibility requirements.
- Provide the amount of the replacement housing payment in writing.
- Assure the availability of a comparable property before you move.
- Inspect possible replacement residential units for DS&S compliance.
- Provide information on counseling you can obtain to help minimize hardships in adjusting to your new location.
- Assist you in completing loan documents, rental applications or Relocation Claims Forms.

AND provide information on:

- Security deposits
- Interest rates and terms
- Typical down payments

- Veterans Administration and Federal Housing Administration loan requirements
- Real property taxes
- Consumer education literature on housing

If you desire, your Relocation Agent will give you current listings of other available replacement housing. Transportation will be provided to inspect available housing, especially if you are elderly or handicapped. Though you may use the services of a real estate broker, Caltrans cannot provide a referral.

Your Relocation Agent is familiar with the services provided by others in your community and will provide information on other federal, state, and local housing programs offering assistance to displaced persons. If you have special problems, your Relocation Agent will make every effort to secure the services of those agencies with trained personnel who have the expertise to help you.

If the highway project will require a considerable number of people to be relocated, Caltrans will establish a temporary Relocation Field Office on or near the project. Project relocation offices will be open during convenient hours and evening hours if necessary.

In addition to these services, Caltrans is required to coordinate its relocation activities with other agencies causing displacements to ensure that all persons displaced receive fair and consistent relocation benefits.

Remember - YOUR RELOCATION AGENT is there to offer advice and assistance. Do not hesitate to ask questions. And be sure you fully understand all of your rights and available benefits.



Your Rights As A Displacee

All eligible displacees have a freedom of choice in the selection of replacement housing, and Caltrans will not require any displaced person to accept a replacement dwelling provided by Caltrans. If you decide not to accept the replacement housing offered by Caltrans, you may secure a replacement dwelling of your choice, providing it meets DS&S housing standards. Caltrans will not pay more than your calculated benefits on any replacement property.

The most important thing to remember is that the replacement dwelling you select must meet the basic "decent, safe, and sanitary" standards. Do not execute a purchase agreement or a rental

agreement until a representative from Caltrans has inspected and certified in writing that the dwelling you propose to occupy meets the basic standards. **DO NOT jeopardize** your right to receive a replacement housing payment by moving into a substandard dwelling.

It is important to remember that your relocation benefits will not have an adverse affect on your:

- Social Security Eligibility
- Welfare Eligibility
- Income Taxes

In addition, the Title VIII of the Civil Rights Act of 1968 and later acts and amendments make discriminatory practices in the purchase and rental of most residential units illegal if based on race, color, religion, sex, or national origin.

Whenever possible, minority persons shall be given reasonable opportunities to relocate to decent, safe, and sanitary replacement dwellings, not located in an area of minority concentration, and that is within their financial means. This policy, however, does not require Caltrans to provide a person a larger payment than is necessary to enable a person to relocate to a comparable replacement dwelling.

Caltrans' Non-Discrimination Policy ensures that all services and/or benefits will be administered to the general public without regard to race, color, national origin, or sex in compliance with Title VI of the 1964 Civil Rights Act (42 USC 2000d. et seq..)

And you always have the Right to Appeal any decision by Caltrans regarding your relocation benefits and eligibility.

Your Right of Appeal is guaranteed in the "Uniform Act" which states that any person may file an appeal with the head of the responsible agency if that person believes that the agency has failed to properly determine the person's eligibility or the amount of a payment authorized by the Act.

If you indicate your dissatisfaction, either verbally or in writing, Caltrans will assist you in filing an appeal and explain the procedures to be followed. You will be given a prompt and full opportunity to be heard. You have the right to be represented by legal counsel or other representative in connection with the appeal (but solely at your own expense.)

Caltrans will consider all pertinent justifications and materials submitted by you and other available information needed to ensure a fair review. Caltrans will provide you with a written determination resulting from the appeal with an explanation of the basis for the decision. If you are still dissatisfied with the relief granted, Caltrans will advise you that you may seek judicial review.

NOTES	NOTES

Introduction

In building a modern transportation system, the displacement of a small percentage of the population is often necessary. However, it is the policy of Caltrans that displaced persons shall not suffer unnecessarily as a result of programs designed to benefit the public as a whole.

Displaced businesses, farms, and nonprofit organizations may be eligible for relocation advisory services and payments.

This brochure provides information about available relocation services and payments. If you are required to move as the result of a Caltrans transportation project, a Relocation Agent will contact you. The Relocation Agent will be able to answer your specific questions and provide additional information.



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Relocation Services

The California Department of Transportation has two programs to aid businesses, farms and nonprofit organizations which must relocate.

These are:

1. The Relocation Advisory Assistance Program, which is to aid you in locating a suitable replacement property, and
2. The Relocation Payments Program, which is to reimburse you for certain costs involved in relocating. These payments are classified as:
 - Moving and Related Expenses (costs to move personal property not acquired).
 - Reestablishment Expenses (expenses related to the replacement property).
 - In-Lieu Payment (a fixed payment in lieu of moving and related expenses, and reestablishment expenses).

Note: Payment for loss of goodwill is considered an acquisition cost. California law and the federal regulations mandate that relocation payments cannot duplicate other payments such as goodwill.

<p>You will not be eligible to receive any relocation payments until the State has actually made the first written offer to purchase the property. You will also receive at least 90 days' written notice before you must move.</p> <p>Some Important Definitions...</p> <p>Your relocation benefits can be better understood if you become familiar with the following terms:</p> <p><u>Business:</u> Any lawful activity, with the exception of a farm operation, conducted primarily for the purchase, sale, lease and rental of personal or real property, or for the manufacture, processing, and/or marketing of products, commodities, or any other personal property, or for the sale of services to the public, or solely for the purpose of this Act, and outdoor advertising display or displays, when the display(s) must be moved as a result of the project.</p> <p><u>Small Business:</u> A business having not more than 500 employees working at the site being acquired or displaced by a program or project.</p> <p style="text-align: center;">5</p>	<p><u>Contributes Materially:</u> A business or farm operation must have had average annual gross receipts of at least \$5,000 or average annual net earnings of at least \$1,000, in order to qualify as a bona-fide operation.</p> <p><u>Farm Operation:</u> Any activity conducted solely or primarily for the production of one or more agricultural products or commodities, including timber, for sale and home use, and customarily producing such products or commodities in sufficient quantity to be capable of contributing materially to the operator's support.</p> <p><u>Nonprofit Organization:</u> A public or private entity that has established its nonprofit status under applicable law.</p> <p style="text-align: center;">6</p>
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MOVING EXPENSES



If you qualify as a displaced business, farm or nonprofit organization, you are entitled to reimbursement of your moving costs and certain related expenses incurred in moving. To qualify you must legally occupy the property as the owner or lessee/tenant when Caltrans initiates negotiations for the acquisition of the property **OR** at the time Caltrans acquires title or takes possession of the property. However, to assure your eligibility and prompt payment of moving expenses, you should contact your Relocation Agent before you move.

You Can Choose Either:

Actual Reasonable Moving Costs - You may be paid for your actual reasonable moving costs and related expenses when a commercial mover performs the move. Reimbursement will be limited to a move of 50 miles or less. Related expenses, with limitations, may include:

- Transportation.
- Packing and unpacking personal property.
- Disconnecting and reconnecting personal property related to the operation.
- Temporary storage of personal property.
- Insurance while property is in storage or transit, or the loss and damage of personal property if insurance is not reasonably available.
- Expenses in finding a replacement location.
- Professional services to plan and monitor the move of the personal property to the new location.
- Licenses, permits and fees required at the replacement location.

OR

Self-Move Agreement - You may be paid to move your own personal property based on the

<p>lower of two acceptable bids obtained by Caltrans.</p> <p>Under this option, you will still be eligible for reimbursement of related expenses listed above that were not included in the bids.</p> <p>OR</p> <p>In-Lieu Payment – A small business may be eligible to accept a fixed payment between \$1,000 and \$20,000, based on your annual earnings IN LIEU OF the moving cost and related expenses. Consult your Relocation Agent for more information about this option.</p> <p>Actual Reasonable Moving Costs</p> <p>You may be paid the actual reasonable and necessary costs of your move when a professional mover performs the move. All of your moving costs must be supported by paid receipts or other evidence of expenses incurred. In addition to the transportation costs of your personal property, certain other expenses may also be reimbursable, such as packing, crating, unpacking and uncrating, and the disconnecting, dismantling, removing, reassembling, and reinstalling relocated machinery, equipment, and</p> <p style="text-align: center;">9</p>	<p>other personal property.</p> <p>Other expenses such as professional services necessary for planning and carrying out the move, temporary storage costs, and the cost of licenses, permits and certifications may also be reimbursable. This is not intended to be an all-inclusive list of moving related expenses. Your Relocation Agent can provide you with a complete explanation of reimbursable expenses.</p> <p>Self-Move Agreement</p> <p>If you agree to take full responsibility for all or part of the move of your business, farm, or nonprofit organization, the Department may approve a payment not to exceed the lower of two acceptable bids obtained by the Department from qualified moving firms or a qualified Department staff employee. A low-cost or uncomplicated move may be based on a single bid or estimate at the Department's discretion. The advantage of this moving option is the fact that it relieves the displaced business, farm, or nonprofit organization operator from documenting all moving expenses. The Department may make the payment without additional documentation as long as the payment is limited to the amount of the lowest acceptable bid or estimate. Other</p> <p style="text-align: center;">10</p>
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expenses, such as professional services for planning, storage costs, and the cost of licenses, permits, and certifications may also be reimbursable if determined to be necessary. These latter expenses must be pre approved by the Relocation Agent.

Requirements:

Before you move, you must provide Caltrans with the:

- Certified inventory of all personal property to be moved.
- Date you intend to vacate the property.
- Address of the replacement property.
- Opportunity to monitor and inspect the move from the acquired property to the replacement property.

Related Expenses

1. Searching Expenses for Replacement

Property: Displaced businesses, farms, and nonprofit organizations are entitled to reimbursement for actual reasonable expenses incurred in searching for a replacement property, not to exceed \$2,500. Expenses may include transportation, meals, and lodging when away from home; the reasonable value of the time spent during the search; fees paid to the real estate agents, brokers or consultants; and other expenses determined to be reasonable and



necessary by the Department.

2. Direct Loss of Tangible Personal Property:

Displaced businesses, farms, and nonprofit organizations may be eligible for a payment for the actual direct loss of tangible personal property which is incurred as a result of the move or discontinuance of the operation. This payment will be based upon the lesser of:

- a) The fair market value of the item for continued use at the displacement site minus the proceeds from its sale.

OR

- b) The estimated cost of moving and reinstalling the replaced item, based on the lowest acceptable bid or estimate obtained by the Department for eligible moving and related expenses, including dismantling and reassembly, but with no allowance for storage, cost of code requirement betterments or upgrades at the replacement site.

EXAMPLE:

You determine that the "document shredder" cannot be moved to the new location because of its condition, and you will not replace it at the new location.

Fair Market Value of the Document Shredder based on its use at the current location	\$ 1,500
Proceeds: Price received from selling the Document Shredder	-
Net Value	<u>\$ 500</u> \$ 1,000

OR

Estimated cost to move	\$ 1,050
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Based on the "lesser of", the amount of the "Loss of Tangible Personal Property" = **\$ 1,000**

Note: You are also entitled to all reasonable costs incurred in attempting to sell the document shredder (e.g. advertisement).

3. Purchase of Substitute Personal Property:

If an item of personal property, which is used as part of the business, farm, or nonprofit organization, is not moved but is promptly replaced with a substitute item that performs a

comparable function at the replacement site, the displacee is entitled to payment of the lesser of:

- a) The cost of the substitute item, including installation costs at the replacement site, minus any proceeds from the sale or trade-in of the replaced item;

OR

- b) The estimated cost of moving and reinstalling the replaced item, based on the lowest acceptable bid or estimate obtained by the Department for eligible moving and related expenses, including dismantling and reassembly, but with no allowance for storage, cost of code requirement betterments or upgrades at the replacement site.

EXAMPLE A:

You determine that the copying machine cannot be moved to the new location because it is now obsolete and you will replace it.

Cost of a substitute <i>Copying Machine</i> including installation costs at the replacement site.	\$ 3,000
Trade-in Allowance	- <u>\$ 2,500</u>
Net Value	\$ 500

OR

Estimated cost to move	\$ 550
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Based on the "lessor of", the amount of the "Substitute Personal Property" = **\$ 500**

EXAMPLE B:

You determine that the chairs will not be used at the new location because they no longer match the décor and you will replace them.

Cost of substitute chairs	\$ 1,000
Proceeds: From selling the Chairs	- <u>\$ 100</u>
Net Value	\$ 900

<p>OR</p> <p>Estimated cost to move \$ 200</p> <p>Based on the "lessor of", the amount of the "Substitute Personal Property" = \$ 200</p> <p><u>Note:</u> You are also entitled to all reasonable costs incurred in attempting to sell the document shredder (e.g. advertisement).</p> <p>4. Disconnecting and Reinstallation: You will be reimbursed for your actual and reasonable costs to disconnect, dismantle, remove, reassemble and reinstall any machinery, equipment or other personal property in relation to its move to the new location. This includes connection to utilities available nearby and any modifications to the personalty that is necessary to adapt it to utilities at the replacement site.</p> <p>5. Physical changes at the new location: You may be reimbursed for certain physical changes to the replacement property if the changes are necessary to permit the reinstallation of machinery or equipment necessary for the continued operation of the business. Note: <i>The changes cannot increase the value of the building</i></p> <p>17</p>	<p><i>for general purposes, nor can they increase the mechanical capability of the buildings beyond its normal requirements.</i></p> <p>6. The cost of installing utilities from the right of way line to the structure(s) or improvements on the replacement site.</p> <p>7. Marketing studies, feasibility surveys and soil testing.</p> <p>8. Professional real estate services needed for the purchase or lease of a replacement site.</p> <p>9. One-time assessments or impact fees for anticipated heavy utility usage.</p> <p style="text-align: center;">Reestablishment Expenses</p> <p>A small business, farm or nonprofit organization may be eligible for a payment, not to exceed \$10,000, for expenses actually incurred in relocating and reestablishing the enterprise at a replacement site.</p> <p>Reestablishment expenses may include, but are not limited to, the following:</p> <p>18</p>
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<ol style="list-style-type: none"> 1. Repairs or improvements to the replacement real property required by Federal, State or local laws, codes or ordinances. 2. Modifications to the replacement of real property to make the structure(s) suitable for the business operation. 3. Construction and installation of exterior signing to advertise the business. 4. Redecoration or replacement such as painting, wallpapering, paneling or carpeting when required by the condition of the replacement site or for aesthetic purposes. 5. Advertising the new business location. 6. The estimated increased costs of operation at the replacement site during the first two years, for items such as: <ol style="list-style-type: none"> a) Lease or rental charges b) Personal or real property taxes c) Insurance premiums, and d) Utility charges (excluding impact fees). <p style="text-align: center;">19</p>	<ol style="list-style-type: none"> 7. Other items that the Department considers essential for the reestablishment of the business or farm. <p><i>Note: A nonprofit organization must substantiate that it cannot be relocated without a substantial loss of existing patronage (membership or clientele). The payment is based on the average of two years annual gross revenues less administrative expenses.</i></p> <p>In-Lieu Payment (Fixed) Displaced businesses, farms, and nonprofit organizations may be eligible for a fixed payment in lieu of (in place of) actual moving expenses, personal property losses, searching expense, and reestablishment expenses. The fixed payment may not be less than \$1,000 or more than \$20,000. For a business to be eligible for a fixed payment, the Department must determine the following:</p> <ol style="list-style-type: none"> 1. The business owns or rents personal property that must be moved due to the displacement. 2. The business cannot be relocated without a substantial loss of existing patronage. 3. The business is not part of a commercial <p style="text-align: center;">20</p>
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enterprise having more than three other businesses engaged in the same or similar activity, which are under the same ownership and are not being displaced by the department.

4. The business contributed materially to the income of the displaced business operator during the two taxable years prior to displacement.

Any business operation that is engaged solely in the rental of space to others is not eligible for a fixed payment. This includes the rental of space for residential or business purposes.

Eligibility requirements for farms and nonprofit organizations are slightly different than business requirements. If you are being displaced from a farm or you represent a nonprofit organization and are interested in a fixed payment, please consult your relocation counselor for additional information.

The Computation of Your In-Lieu Payment:

The fixed payment for a displaced business or farm is based upon the average annual net earnings of the operation for the two taxable years immediately preceding the taxable year in

which it was displaced. Caltrans can use a different two year period if it is determined that the last two taxable years do not accurately reflect the earnings of the operation.

EXAMPLE: Caltrans acquires your property and you move in 2005:

2003 Annual Net Earnings	\$ 10,500
2004 Annual Net Earnings	\$ <u>12,500</u>
TOTAL	\$ 23,000
Average over two years	\$ 11,500

This would be the amount of your in-lieu payment. Remember - this is in-lieu of all other moving benefits. You must provide the Department with proof of net earnings to support your claim.

Proof of net earnings can be documented by income tax returns, certified financial statements, or other reasonable evidence of net earnings acceptable to the Department.

Note: The computation for nonprofit organizations differs in that the payment is computed on the basis of average annual gross revenues less administrative expenses for the two-year period specified above.

Before You Move:

- A. Complete a "Request for Determination of Entitlement" form available from your Relocation Agent, and return it promptly.
- B. Include a written statement of the reasons the business cannot be relocated without a substantial loss in net earnings.
- C. Provide certified copies of tax returns for the two tax years immediately preceding the tax year in which you move. (If you move anytime in the year 2005, regardless of when negotiations began or the State took title to the property, the taxable years would be 2003 and 2004).
- D. You will be notified of the amount you are entitled to after the application is received and approved.
- E. You cannot receive the payment until after you vacate the property, AND submit a claim for the payment within 18 months of the date of your move.

Relocation Advisory Assistance



Any business, farm or non-profit organization, displaced by Caltrans shall be offered relocation advisory assistance for the purpose of locating a replacement property. Relocation services are provided by qualified personnel employed by Caltrans. It is their goal and desire to be of service to you and assist in any way possible to help you successfully relocate.

A Relocation Agent from Caltrans will contact you personally. Relocation services and payments will be explained to you in accordance with your eligibility. During the initial interview with you, your needs and desires will be determined as well as your need for assistance..

You can expect to receive the following services, advice and assistance from your Relocation Agent who will:

- Determine your needs and preferences.
- Explain the relocation benefits and eligibility.
- Provide information on replacement properties for your consideration.
- Provide information on counseling you can obtain to help minimize hardships in adjusting to your new location.
- Assist you in completing loan documents, rental applications or Relocation Claims Forms.

AND provide information on:

- Security deposits.
- Interest rates and terms.
- Typical down payments.
- Permits, fees and local planning ordinances.
- SBA loan requirements.
- Real property taxes.
- Consumer education literature.

If you desire, your Relocation Agent will give you

current listings of other available replacement property. Transportation will be provided to inspect available property, especially if you are elderly or handicapped. Though you may use the services of a real estate broker, Caltrans cannot provide a referral.

Your Relocation Agent is familiar with the services provided by others in your community and will provide information on other federal, state, and local programs offering assistance to displaced persons. If you have special needs, your Relocation Agent will make every effort to secure the services of those agencies with trained personnel who have the expertise to help you.

If the highway project will require a considerable number of people to be relocated, Caltrans will establish a temporary Relocation Field Office on or near the project. Project relocation offices will be open during convenient hours and evening hours if necessary.

In addition to these services, Caltrans is required to coordinate its relocation activities with other agencies causing displacements to ensure that all persons displaced receive fair and consistent relocation benefits.

Remember - YOUR RELOCATION AGENT is

there to offer advice and assistance. Do not hesitate to ask questions. And be sure you fully understand all of your rights and available benefits.

YOUR RIGHTS AS A DISPLACEE

It is important to remember that your relocation benefits will not have an adverse effect on your:

- Social Security Eligibility
- Welfare Eligibility
- Income Taxes

In addition, the Title VIII of the Civil Rights Act of 1968 and later acts and amendments make discriminatory practices in the purchase and rental of most residential units illegal if based on race, color, religion, sex, or national origin.

Caltrans' Non-Discrimination Policy ensures that all services and/or benefits will be administered to the general public without regard to race, color, national origin, or sex in compliance with Title VI of the 1964 Civil Rights Act (42 USC 2000d. et seq.).

And you always have the Right to Appeal any decision by Caltrans regarding your relocation benefits and eligibility.

Your Right of Appeal is guaranteed in the "Uniform Act" which states that any person may file an appeal with the head of the responsible agency if that person believes that the agency has failed to properly determine the person's eligibility or the amount of a payment authorized by the Act.

If you indicate your dissatisfaction, either verbally or in writing, Caltrans will assist you in filing an appeal and explain the procedures to be followed. You will be given a prompt and full opportunity to be heard. You have the right to be represented by legal counsel or other representative in connection with the appeal (but solely at your own expense).

Caltrans will consider all pertinent justifications and materials submitted by you and other available information needed to ensure a fair review. Caltrans will provide you with a written determination resulting from the appeal with an explanation of the basis for the decision. If you are still dissatisfied with the relief granted, Caltrans will advise you that you may seek judicial review.